

Consolidated Annual Report

Índex

Unofficial and unaudited version (pdf) of the Annual Report of Corticeira Amorim, S.G.P.S., S.A. – fiscal year 2022.

Official and audited version of the report in the format specified in the regulatory technical standard (RTS) on ESEF (Delegated Regulation (EU) 2019/815) is available at HYPERLINK "<https://www.amorim.com/en>".
In case of discrepancies between this version and the official ESEF report, the latter prevails.

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Chairman's Message

Dear Shareholder,

In the early months of 2022, global economic activity was robust, but this was followed by a gradual slowdown, with a contraction in some countries by the end of the year. The sharp rise in energy prices had a negative impact on the global economy, triggering higher prices for consumers and producers, and dominating the economic environment and requiring incisive action to reverse inflationary pressures.

The deterioration of global relations, in particular the outbreak of war between Russia and Ukraine, has worsened the conditions for economic and social development, and highlighted the fragile international balances, both at a political level and in terms of the economy and supply chains.

In 2022, Corticeira Amorim's consolidated sales exceeded €1 billion for the first time in the Company's history. Sales grew by 21.9% growth, rising to €1,021 million. This is the result of sound organic growth and inclusion of the activity of the SACI Group within the consolidated accounts. Notwithstanding the slowdown recorded throughout the year, all Business Units contributed to this performance, due to higher levels of business activity, an improved product mix and price increases.

Rigorous management, forward-looking action and the continuous improvements and production efficiency programmes implemented over recent years have been crucial to strengthening the company's operating profits, even in such a demanding and uncertain context. Although inflationary pressures penalised our results, especially due to higher energy costs and certain raw material prices, Corticeira Amorim finished the year with a margin similar to that of the previous year and with a higher result, also as a result of growth in turnover and the change in the perimeter.

We are proud of our results for the year, in particular the fact that we have surpassed one billion euros in consolidated sales. This result testifies to the professionalism, competence and dedication of our team of 5,000 Women and Men who, across all continents, place their knowledge and enthusiasm at the service of the cork oak forest, cork and the 1001 applications that we are developing for this noble raw material, that profoundly inspires us.

This achievement also implies a reinforced sense of commitment - because we know that our business activity is based on an intricate and comprehensive network of responsibilities, which we consciously assume: ranging from the well-being of our People and our communities, to the resilience and integrity of our supply chains; from propagation of new techniques and methodologies for ensuring the profitability of cork oak forests to promotion of the biodiversity of this unique ecosystem; from research, innovation and partnerships with the academic world to conceiving new opportunities to place cork at the service of fairer, more inclusive and sustainable societies, in harmony with the need to preserve the planet for future generations.

Our ambition is to continue this growth: in terms of knowledge, intervention in the cork oak forest, protection of ecosystems, circularity of processes, integration of operations, efficient resource management, and development of our People, thereby creating value ethically and sustainably for everyone.

The challenges are formidable, but so is our vision, dedication and passion.

We continue to follow armed conflicts around the world with great concern, and hope they will soon be resolved, opening up a path towards peace and prosperity.

Best regards,
António Rios de Amorim
Chairman and CEO

Governing Bodies

Term of Office 2021 - 2023

Board of the General Meeting

Paulo de Tarso da Cruz Domingues
Chairman

Rui Paulo Cardinal Carvalho
Secretary

Board of Directors¹

António Rios Amorim
Chairman

Nuno Filipe Vilela Barroca de Oliveira
Vice-Chairman

Fernando José de Araújo dos Santos Almeida
Member

Cristina Rios de Amorim
Member

Luisa Alexandra Ramos Amorim
Member

Juan Ginesta Viñas
Member

José Pereira Alves
Member

Marta Parreira Coelho Pinto Ribeiro
Member

Maria Cristina Galhardo Vilão
Member

António Lopes Seabra
Member

Audit Committee

José Pereira Alves
Chairman

Marta Parreira Coelho Pinto Ribeiro
Member

Maria Cristina Galhardo Vilão
Member

António Lopes Seabra
Member

Statutory Auditor

ERNST & YOUNG AUDIT & ASSOCIADOS – SROC, S.A.,
represented by **Rui Manuel da Cunha Vieira**
Permanent

Pedro Jorge Pinto Monteiro da Silva e Paiva
Substitute

1. The Board of Directors has an Audit Committee composed exclusively of independent members

Worldwide Presence



63 Distribution Companies

08 Joint-Ventures

20 Industrial Units

10 Raw Materials
Preparation Units

03 Agroforestry Units



Geographical distribution of companies

Country	A	B	C	D	E	Country	A	B	C	D	E	Country	A	B	C	D	E	Country	A	B	C	D	E
Algeria	-	-	-	1	-	China	1	1	-	-	-	Morocco	-	-	-	1	-	Sweden	1	-	1	-	-
Argentina	1	1	-	-	-	Denmark	1	-	-	-	-	Netherlands	1	-	-	-	-	Switzerland	1	-	-	-	-
Australia	2	-	-	-	-	Finland	1	-	-	-	-	Poland	1	-	-	-	-	Tunisia	-	-	-	1	-
Austria	2	-	-	-	-	France	13	1	-	-	-	Portugal	5	3	14	4	3	Un.Kingdom	2	-	-	-	-
Brazil	1	-	-	-	-	Germany	5	-	1	-	-	Rep. czech	-	1	-	-	-	USA	7	-	1	-	-
Bulgaria	1	-	-	-	-	Hungary	1	-	-	-	-	Russia	2	-	-	-	-						
Canada	1	-	-	-	-	Italy	4	-	1	-	-	South Africa	1	-	-	-	-						
Chile	3	1	-	-	-	Moldavia	1	-	-	-	-	Spain	4	-	2	3	-						

- A Distribution Companies
- B Joint-Ventures
- C Industrial Units
- D Raw Materials Preparation Units
- E Agroforestry Units

Organisational Chart

Raw Materials

Amorim Florestal, S.A.

Cork Stoppers

Amorim Cork, S.G.P.S., S.A.

	Production	Distribution	Distribution (cont.)
1 Amorim Florestal, S.A.* Ponte de Sor – Portugal	14 Amorim Cork, S.A.* Santa Maria de Lamas – Portugal	29 Amorim Cork, S.A. - Distribution Unit Sta. Maria de Lamas – Portugal	49 Portocork America, Inc. Napa Valley, CA – USA
2 Amorim Florestal, S.A.* Coruche – Portugal	15 Amorim Cork, S.A. - Ind. Unit Portocork* Santa Maria de Lamas – Portugal	30 All Closures In, S.A.* Paços de Brandão – Portugal	50 Trefinos USA LLC Fairfield, CA – USA
3 Amorim Florestal, S.A.* Abrantes – Portugal	16 Amorim Cork, S.A. - Unid. Ind. Valada* Valada – Portugal	31 Amorim Cork South Africa (PTY) Ltd. Cape Town – South Africa	51 Amorim Cork America, Inc. Napa Valley, CA – USA
4 Amorim Florestal, S.A.* - Ind. Unit Salteiros Ponte de Sor – Portugal	17 Amorim Cork, S.A. - Ind. Unit Coruche* Coruche – Portugal	32 Amorim Cork Deutschland, GmbH Bingen am Rhein – Germany	52 Amorim France, S.A.S. Eysines, Bordeaux – France
5 Cosabe – Companhia Silvo-Agrícola da Beira, S.A.* Lisbon – Portugal	18 Amorim Cork, S.A. - Ind. Unit De Sousa* Paços de Brandão – Portugal	33 Kapselabrik. GmbH Simmern – Germany	53 Amorim France S.A.S. Unid. Champfleury Champfleury – France
6 Herdade do Rio Frio, S.A.* Ponte de Sor – Portugal	19 Amorim Top Series, S.A.* Argoncilhe – Portugal	34 Bozales ICASHITE Argentina Mendoza – Argentina	54 Bouchons Prioux S.A.R.L. Epernay – France
7 Amorim Florestal III, S.A.* Ponte de Sor – Portugal	20 Amorim Champcork, S.A.* Santa Maria de Lamas – Portugal	35 Amorim Australasia PTY Ltd. Adelaide – Australia	55 Amorim Top Series France S.A.S. Merpins – France
8 S.I.B.L. – S.A.R.L. Jijel – Algeria	21 Biocape – Importação e Exportação de Cápsulas, Lda.* Mozelos – Portugal	36 ICASHITE Australasia Adelaide – Australia	56 S.A.S. Ets Christian Bourasse Tosse – France
9 Amorim Florestal España, S.L.* Algeciras – Spain	22 Socori, S.A.* Rio Meão – Portugal	37 Korke Schiesser, GmbH Vienna – Austria	57 Sagrera et Cie Reims – France
10 Amorim Florestal España, S.L.* San Vicente de Alcántara – Spain	23 Francisco Oller, S.A.* Girona – Spain	38 ICAS Brasil Ltda. Garibaldi (RS) - Brazil	58 S.A. Oller et Cie Reims – France
11 Amorim Florestal Mediterrâneo, S.L.* San Vicente de Alcántara – Spain	24 Trefinos, S.L. Girona – Spain	39 Amorim Cork Bulgaria, EOOD Sofia – Bulgaria	59 Portocork France, S.A.S. Bordeaux – France
12 Comatral – Compagnie Marocaine de Transformation du Liège, S.A.* Skhirat – Morocco	25 Elferson & Co. AB* Påryd – Sweden	40 Corchera Gomez Barris, S.A. Santiago – Chile	60 ICAS France S.a.r.l. Reims – France
13 Societé Nouvelle du Liège, S.A.* Tabarka – Tunisia	26 I.C.A.S. S.p.A. Ivrea – Italy	41 Corpack ACI S.A. Santiago – Chile	61 Prats & Bonany S.A. Reims – France
	27 Pfefferkorn & Co. GmbH Simmern – Germany	42 Industria Corchera, S.A. Santiago – Chile	62 Sarl Relvas France Reims – France
	28 Relvas II Rolhas de Champanhe S.A. Montemor-o-Novo – Portugal	43 Amorim Cork Beijing, Ltd. Beijing – China	63 Amorim Cork Hungaayr, Zrt. Veresegyház – Hungary
		44 Agglotap S.A. Girona – Spain	64 Portocork Italia, SRL Milan – Italy
		45 Victor y Amorim, S.L. Navarrete (La Rioja) – Spain	65 Trefinos Italia SRL Treviso – Italy
		46 Amorim Cork España S.L. San Vicente de Alcántara – Spain	66 Amorim Cork Italia, S.p.A. Conegliano – Italy
		47 HITE, S.A. - Hispano Italiana Trenzados Especiales, S.A. Barcelona – Spain	67 Amorim Top Series Scotland, Ltd. Dundee – United Kingdom
		48 ACIC – USA LLC Napa Valley, CA – USA	68 San Bernardo Tappi Spumante S.r.l Ivrea – Italy

R&D, Innovation	Composite Cork Amorim Cork Composites, S.A.	Floor & Wall Coverings Amorim Cork Flooring, S.A.	Insulation Cork Amorim Cork Insulation, S.A.
69 Amorim Cork Research, Lda.* Mozelos – Portugal	73 Amorim Cork Composites, S.A.* Mozelos – Portugal	83 Amorim Cork Flooring, S.A.* S. Paio de Oleiros – Portugal	96 Amorim Cork Insulation, S.A.* Mozelos – Portugal
70 Amorim Cork Services, Lda.* Mozelos – Portugal	74 Amorim Sports, Lda.* Mozelos – Portugal	84 Amorim Deutschland GmbH* Delmenhorst – Germany	97 Amorim Cork Insulation, S.A.* Silves – Portugal
71 Amorim Cork Ventures, Lda.* Mozelos – Portugal	75 Corkeen Europe, Lda.* Mozelos – Portugal	85 Cortex Korkvertriebs GmbH Nürnberg – Germany	98 Amorim Cork Insulation, S.A.* Vendas Novas – Portugal
72 OSI - Sistemas Informáticos e Electrotécnicos, Lda Mozelos – Portugal	76 Amorim Cork Composites GmbH Delmenhorst – Germany	86 Amorim Flooring Austria GmbH Vienna – Austria	
	77 Amorim Cork Composites, Inc.* Trevor, WI – USA	87 Timberman Denmark A/S Hadsund – Denmark	
	78 Corkeen North America, Inc. Trevor, WI – USA	88 Amorim Flooring North America, Inc.* Hanover, MD – USA	
	79 Amorim Sports North America, Inc. Trevor, WI – USA	89 Amorim Benelux B.V.* Tholen – Netherlands	
	80 Corticeira Amorim France, S.A.S. Lavardac – France	90 Dom Korkowy, Sp. Zo.o Kraków – Poland	
	81 Amorim (UK) Limited West Sussex – United Kingdom	91 Amorim Flooring Rus, LLC Moscow – Russia	
	82 Amorim Cork Composite, LLC Moscow – Russia	92 Amorim Flooring Sweden AB Mölnadal – Sweden	
		93 Amorim Flooring (Switzerland) AG* Zug – Switzerland	
		94 Korkkitrio Oy. Tampere – Finland	
		95 Amorim Flooring Canada Toronto – Canada	

*companies belonging to the sustainability perimeter



Main Events

01

The Portuguese artist Pedro Cabrita Reis chose cork to create one of his most recent international projects: "The Three Graces", inspired by classical antiquity, that was exhibited in the Tuileries Garden in Paris.

Corticeira Amorim becomes a member of the UN Global Compact

This voluntary UN initiative brings together organisations whose strategies, activities and operations are aligned with universal human rights, as well as work practices, environmental protection and anti-corruption practices. Corticeira Amorim formally assumes application of the UN Global Compact's Ten Principles, pursuit of the Sustainable Development Goals (SDGs) of the United Nations' 2030 Agenda, and annual submission of a report (COP - Communication on Progress) which itemises all the efforts achieved in each pillar of its sustainability strategy. 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, based in 163 countries.

Corticeira Amorim is a partner of the 'Rolha a Rolha, Semeia a Recolha' ('Stopper by Stopper, We Sow Collection') campaign

This pilot project for door-to-door collection of cork stoppers is organised by Quercus, LIPOR and Maiambiente, and focuses on non-residential clients (cafés, canteens, restaurants, etc.) in the municipality of Maia. It enables selective collection and large-scale recycling of cork stoppers. Cumulatively, the "Stopper by Stopper, We Sow Collection" campaign contributes to the fight against climate change, to the development of a circular economy and reforestation of Portuguese forests.

Amorim Cork Flooring launches Hydrocork Plus

The new version of Hydrocork, the innovative waterproof flooring, incorporates a change to its fitting system, which makes the installation easier and faster and increases the solution's resistance and robustness. Specifically, a 2G system has been introduced on its shorter side, while the PressFit fitting system has been maintained on its longer side. Hydrocork's original and distinctive characteristics have been maintained: a cork core, thin and waterproof.

Corticeira Amorim acquires 50% of the SACI Group

Corticeira Amorim signed an agreement to acquire 50% of the share capital of SACI Srl. ("SACI Group"), based in Ivrea (near Turin), for €48.66 million. The SACI Group was owned in equal parts by the Getto and Perlich families, based in Italy and Germany respectively. The group encompasses 17 companies, which operate in various sectors, whose main activity is the production and marketing of muselets. It has a team of around 340 employees and operates in more than 30 countries.



The Spirit of Innovation - a project by Rolls-Royce, YASA and Electroflight - uses agglomerated cork in the insulating lining of the battery box.

©RollsRoyce, 2022



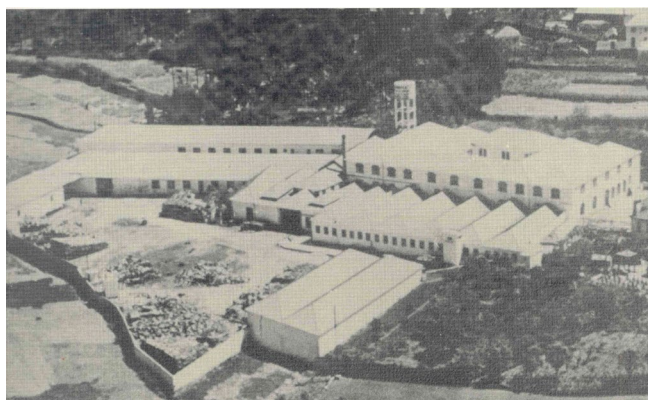
Painted in a delicate ivory-white colour, "The Three Graces" were entirely produced from cork, based on a new formulation developed by Amorim Cork Composites.

©Miguel Nabimho, 2022



The Walk on Amazing campaign, promoted by Amorim Cork Flooring, invited former astronaut, Scott Kelly, to take his first step on the Red Planet.

©Rui Aguiar, 2022



On 11 March 1922, Amorim's first cork factory was inaugurated in Santa Maria de Lamas, and Amorim & Irmãos, Lda. - now Amorim Cork, S.A. - was officially founded.

©Autor desconhecido, 1930

Study proves that cork underlays are environmentally friendly solutions

Go4cork Nature by Amorim, an underlay supplied by Amorim Cork Composites, makes a decisive contribution to the performance of floor solutions, in terms of acoustic insulation, thermal comfort and improved air quality. Produced from cork, a 100% natural, recyclable and renewable raw material, Go4cork Nature by Amorim also offers high performance, impact resistance, durability and well-being when walking, while also protecting the floor.

The world's fastest all-electric plane uses cork supplied by Corticeira Amorim

The Spirit of Innovation, the world's fastest all-electric plane, uses agglomerated cork for the insulating coating of the battery box. The solution, chosen primarily for its effective thermal insulation, thereby mitigating the possible risks of overheating of the battery cells (thermal runaway), was supplied by Amorim Cork Composites. The Spirit of Innovation officially became the world's fastest all-electric vehicle in January 2022, attaining a speed of 387.4 mph, during test flights in November 2021, which were officially verified by the International Aeronautical Federation – breaking three different world speed records. This is the result of a long-term partnership between the British car manufacturer, Rolls-Royce, British electric motor manufacturer, YASA, and Electroflight, a British specialist in energy storage for aviation, that is a client of Amorim Cork Composites in this project.

Pedro Cabrita Reis designs 'The Three Graces' in cork, exhibited in the Tuileries Garden

Cork was the material chosen by Portuguese artist, Pedro Cabrita Reis, to create one of his most recent international projects: *The Three Graces*, inspired by Classical Antiquity, exhibited in the Tuileries Garden in Paris. Part of the France-Portugal 2022 Season, and the result of an invitation made to the multifaceted artist by Laurence des Cars, President of the Louvre Museum, the original work, comprising three monumental, autonomous elements, was entirely made of cork, in a new formulation specially designed by Amorim Cork Composites. Each of the sculptures, painted in a delicate ivory-white colour at the end of the creative process, weighed approximately 500 kilos, was approximately 4.50 metres high and supported by an iron base, weighing 400 kilos (the total perimeter was 9 metres in diameter).

Amorim Cork Flooring invites a former NASA astronaut to step onto the surface of Mars

Amorim Cork Flooring promoted the *Walk on Amazing* campaign. Using satellite images and images taken by the Perseverance Mars Rover, the company used cork to painstakingly replicate an area of the surface of Mars, on a one-to-one scale, measuring approximately 600 m², and invited former astronaut Scott Kelly to walk for the first time on the Red Planet. Present on websites, points of sale and brand activation initiatives, the *Walk on Amazing* campaign demonstrates the benefits associated with cork flooring, a material which is also naturally evolved.

Amorim Cork Insulation is a partner of Green Urban Living – GUL

The ecologically designed green roof of the Fórum da Maia is based on expanded cork agglomerate. The project is part of Green Urban Living – GUL, a three-year research programme funded by the European Union, with the participation of Amorim Cork Insulation. GUL's main objective is to promote biodiversity in cities, through the installation of authentic living laboratories in urban spaces.

Amorim Cork celebrates its 100th anniversary

On March 11, 1922, Amorim cork's first factory was inaugurated, in Santa Maria de Lamas, and Amorim & Irmãos, Lda., now known as Amorim Cork, S.A. was officially born. A century later, the Cork Stoppers Business Unit sells more than 5.5 billion stoppers a year to more than 19,000 active customers, in around 100 countries, distributed across five continents. These are motives for celebration that brought together hundreds of employees in a joint celebration. This was also an opportunity to recognise the contribution of several of these men and women, for their years of dedication to the company. Vision, Nature, technology and dedication continue to be the basis of Amorim's legacy, from Portugal to the world.

Amorim Cork Flooring launches Dream on Amazing

Amorim Cork Flooring promoted the Dream on Amazing initiative, a global competition aimed at raising awareness of sustainability issues among young students. Dream on Amazing brought together teams from 12 countries, who were challenged to design the classrooms of the future, based on sustainable materials, in particular cork. Primarily aimed at students of STEM schools – Science, Technology, Engineering and Mathematics, educational institutions whose curricula focus on science, technology, engineering and mathematics, Dream on Amazing was also designed to complement the Walk on Amazing advertising campaign, which enabled former astronaut Scott Kelly to walk on Mars for the first time. The main winners of the competition were Leberecorkies (Lebermatt Gymnasium in Switzerland), Green Gators (Havergal College in Canada) and Corkease (Vattenfall Gymnasiet in Sweden).

Corkeen promotes European safety standards in playgrounds

Corkeen, a company owned by Corticeira Amorim, promoted a free online session to discuss European safety standards for playgrounds: *Playground design: do safety standards kill creativity or are they useful tools?* It was attended by internationally renowned speakers with over 30 years of experience in the areas of child safety, inclusion and risk assessment, who presented criteria for risk-benefit assessment of play and recreational spaces. The session featured contributions from Helena Menezes, an international risk assessment consultant who focused on the impact of architecture on global health, and Harry Harbottle, a European Commission expert in consumer safety and child safety, and was moderated by Michael Hammar, CEO of Corkeen, a pioneering company in the development of cork-based playground flooring.

Amorim Cork Composites underlays have a negative carbon balance

Plus and *Plus VB Go4cork* by Amorim underlays supplied by Amorim Cork Composites, make a decisive contribution to the performance of a flooring solution in terms of load absorption capacity, acoustic insulation and high durability. Produced based on circular economy principles, combining cork with other by-products, the *Plus* and *Plus VB Go4cork* by Amorim underlays are tested based on the MMFA/EPLF minimum requirements for groups 1 and 2. According to an independent study by the consultancy firm EY, the carbon balance of the *Plus Go4cork* by Amorim underlay is $-9.9 \text{ kg CO}_2 \text{ eq/m}^2$, and the carbon balance of the *Plus VB Go4Cork* by Amorim underlay is $-8.9 \text{ kg CO}_2 \text{ eq/m}^2$.

Corticeira Amorim completes the acquisition of Cold River's Homestead, S.A., owner of the Herdade de Rio Frio estate

Following this €14.6 million acquisition, the Corticeira Amorim Group now owns 100% of Cold River's Homestead, S.A. This company, based in Lisbon, owns a set of assets (movable and immovable) dedicated to agro-forestry operations, which constitute one part (3300 hectares) of the Herdade de Rio Frio estate, a predominantly forested area, with a cork oak forest covering about 80% of its total area.

Amorim Cork Composites launches new product with recycled NIKE materials in the US market

The Go4cork Blend underlay with Nike Grind, produced by Amorim Cork Composites, aims to have a positive impact on the environment by creating a sustainable solution based on circular economy principles. This composite product combines cork with EVA foam, derived from the surplus of the manufacturing process of Nike footwear (*Nike Grind*).



© FL Gaspar, 2021

The innovative Corkeen flooring solution combines safety, accessibility and sustainability credentials, harmoniously defending Community, Nature and the Planet.



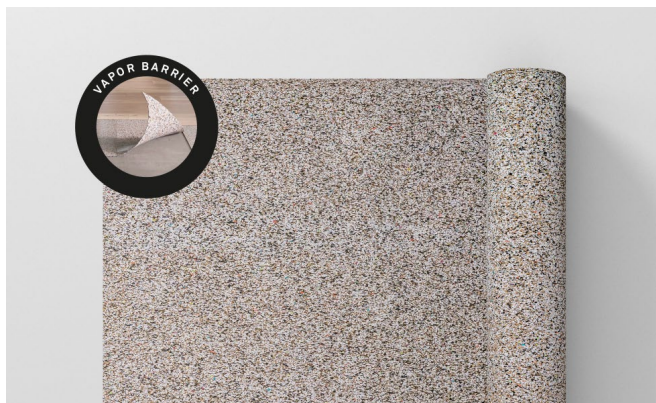
© Amorim Cork Composites

Amorim Cork Composites' underlays contribute to a flooring solution's performance, in terms of load-absorbing capacity, sound insulation and high durability.



© Vitor Gordo, 2022

Corticeira Amorim has acquired the 3300 ha Herdade de Rio Frio estate, where it aims to improve agroforestry productivity through denser planting of trees within cork oak forests.



© Amorim Cork Composites

The underlay, Go4cork Blend with Nike Grind, produced by Amorim Cork Composites, aims to have a positive impact on the environment.

© Amorim Cork, 2019

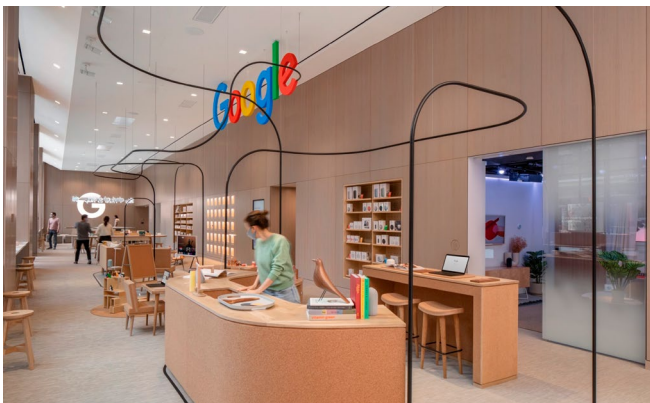


The 2022 edition of the World Finance Sustainability Awards distinguished companies that have demonstrated a firm commitment to reducing emissions across the value chain.

Corticeira Amorim is distinguished at the 'World Finance' Sustainability Awards for the fourth year running

Corticeira Amorim won the "Wine Products Industry" category of the World Finance magazine's Sustainability Awards. Distinguished for the fourth consecutive year, the company was recognised for its promotion of cork oak forests, biodiversity and ecosystem services; for fostering, supporting and investing in Research & Development + Innovation, and for implementing the best circular economy principles, models and practices. These commitments result in a broad portfolio of products, solutions and technologies with superior technical performance, always combined with unparalleled sustainability credentials in the market. Recognising the need to act to promote decarbonisation initiatives, the 2022 edition of the World Finance Sustainability Awards distinguished the companies that have demonstrated a real commitment to reducing emissions throughout the value chain.

© Paul Warchol, 2021



Beauty, character and sustainability were some of the reasons why cork supplied by Amorim Cork Composites was chosen to equip Google's new retail store.

Google store, with cork furniture, is distinguished at the 2022 NYCxDESIGN Awards

Google's first physical store in the world, whose furniture is entirely made of Portuguese cork, won an award in the Environmental Impact category of the NYCxDESIGN 2022 Awards. As part of the project developed by New York architecture office Reddymade, the cork pieces were designed, conceived and produced by US designer, Daniel Michalik. Beauty, character and sustainability were some of the premises that determined the choice of cork from Amorim Cork Composites in order to equip Google's new retail space in New York, thereby combining nature, innovation, history, industry and culture.

© Lara Iacinto, 2022



The Amorim Vantagens+ platform includes more than 200 special offers exclusive for Corticeira Amorim's employees.

Corticeira Amorim provides a benefits platform for employees

Corticeira Amorim has launched a new benefits platform exclusively for its employees. Technology, Sustainability, Shopping, Travel, Motor, Insurance, Health, Family and Children are just some of the 15 categories present in the Amorim Vantagens+ platform (Amorim Benefits +), which includes more than 200 discounts. The intention is to reconcile professional and family life, and help employees reduce costs, increase savings and make conscious choices.

© Korko, 2022



Korko's first collection - entitled *Building Blocks* - is based on the concept developed by the German early childhood education specialist, Friedrich Froebel.

Korko, ecological, safe and natural toys

Amorim Cork Composites and HAPE, the world's leading producer of wooden toys, have joined forces in order to explore the market for cork toys. The result is the formation of Korko, a joint venture, which aims to meet the growing demand for safe, eco-friendly and natural toys. The first collection of these new objects is entitled *Building Blocks*, based on the concept developed by the German children's educator Friedrich Froebel, which allows children to experience how to feel and experiment, act and represent, think and recognise.

Corticeira Amorim funds six scholarships in the field of Forestry Engineering

The new scholarships cover 100% of the tuition fees for BSc degrees in the area of Forestry Engineering, at the University of Trás-os-Montes and Alto Douro (UTAD), at the University of Porto (UP), at the Instituto Superior de Agronomia (ISA) and at the Escola Superior Agrária de Coimbra (ESAC). The company thereby aims to stimulate the interest of potential students in an area of strategic importance for the country, increasing the availability of specialists in the forestry area, in order to respond to the growing demand of the labour market.



© Vitor Gordo, 2022

Corticeira Amorim aims to increase the availability of specialists in the Forestry area, in order to meet growing demand from the labour market.

The architect Mario Cucinella presents cork in the installation, 'Design with Nature' at the Milan Furniture Fair

Cork was one of the materials used in the creative project developed as part of the 60th edition of the Furniture Fair, held in June. The exhibition, which offered insights into the future of design practice, explored themes of circular economy, recycling and reuse, starting from the idea of cities as possible reserves of resources and raw materials. *Design with Nature* demonstrated different ways of creating products in harmony with nature, through the adoption of virtuous ecological practices and behaviour.

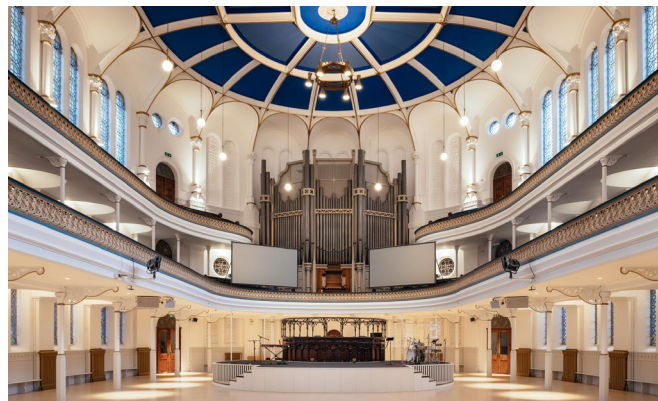


© Giovanni De Sandre, 2022

Design with Nature demonstrated different ways to create products in harmony with Nature, through adoption of virtuous ecological practices and behaviour.

Westminster Chapel installs cork flooring

Westminster Chapel is the most recent iconic project to install Amorim Cork Flooring. The project was designed by the Scott Whitby architecture studio. The total flooring area is over 700 m². The chosen visual was Personality Champagne, from the Amorim Wise Cork Pure range, to create an ethereal and relaxing atmosphere without taking away from the building's architectural distinctive features. Once again, the versatility, durability, thermal and acoustic insulation, improvement of indoor air quality and multiple other properties of cork flooring have been emphasised.



© Jim Stephenson, 2022

The versatility, durability and thermal and acoustic insulation of cork floors, have once again been highlighted worldwide.

Cork components supplied by Amorim help reduce the carbon footprint of flooring

The *NRT®62* by Amorim cork components, with and without a vapour barrier, from Amorim Cork Composites, especially developed for the flooring industry, make a positive contribution to reducing the carbon footprint of the production process of flooring manufacturers. This is because the components of *NRT®62* by Amorim, produced using cork, have a negative carbon balance, and at the same time prevent the transmission of vibrations to the floor slab, consequently reducing impact noise.



© Adobe Stock

The *NRT®62* by Amorim components, produced from cork, have a negative carbon balance.



Architects, businessmen and builders from almost two dozen countries attended the 8th International Cork Conference.

Amorim Cork Insulation organises International Cork Conference

The 8th International Cork Conference brought together architects, entrepreneurs and builders from nearly two dozen countries, including Portugal, Spain, Germany, Italy, England, the Netherlands, South Korea and Japan. The initiative included a visit to the cork oak forest (*montado*) and to Amorim Cork Insulation's premises in Vendas Novas, as well as a seminar held at the Centro Cultural de Belém, in which cork's unique properties of cork were once again highlighted. The goal was to present some real life cases of the application of the company's products in different markets, there by facilitating the exchange of experiences, information and contacts.



Amorim Cork's distinction as a Sustainable Company is a reflection of its commitment to social, economic and environmental sustainability.

Amorim Cork distinguished as a Sustainable Company

Amorim Cork was awarded the Sustainable Company award, the first time this award has been given by the Portuguese Business Association (AEP). With a jury comprised by individuals from various areas, including the economy, science and education, the award reflects Amorim Cork's social, economic and environmental commitment to sustainability in every aspect of its business. The Sustainable Company awards ceremony took place during the Business Portugal Congress - Industry and Sustainability.



Cork Family Day is based on explicit recognition of the irreplaceable role played by People in the history of Amorim Cork Flooring.

Amorim Cork Flooring celebrates Cork Family Day

The first edition of Cork Family Day aimed to introduce employees and their families to the industrial unit in São Paio de Oleiros. The initiative included several educational activities, designed for children, as well as a visit to several work stations, permitting an insight into the daily lives of many of the employees attending. At the end of the various activities, a mural was painted with the symbol of the cork oak tree. Cork Family Day is an explicit recognition of the irreplaceable role played by people in the history of Amorim Cork Flooring.



Cork has returned to the Domaine de Boisbuchet, one of the most renowned international design and architecture research centres.

Cork at the inauguration of French Design Week

Cork returned to the Domaine de Boisbuchet, one of the most renowned international centres for research in design and architecture. This time cork was integrated as a sustainable material in a circular construction project. In an idyllic setting, perfectly integrated into the landscape, the Maison du Jardin (Garden House), designed by the Belgian atelier dmvA with the application of blocks produced by the German company Polycare, incorporates cork supplied by Amorim. The inauguration was included in the opening programme of the 2022 edition of French Design Week. Since 2011, Corticeira Amorim has participated in and supported several workshops at the Domaine de Boisbuchet, workshops led by some of the most renowned professionals in the field, involving an eclectic international community of both established designers and architects and students seeking hands-on experience.

NEYA Porto Hotel with cork flooring

Amorim Cork Flooring supplied the flooring for all the rooms in the NEYA Porto Hotel, the first hotel in Portugal to receive a LEED GOLD (Leadership in Energy and Sustainable Design) certification, awarded by the non-governmental organisation, United States Green Building Council with the aim of promoting sustainable construction practices. This application highlights the role of cork as the material of choice for the “Green Building” concept, a paradigm that points towards the use of sustainable, energy-efficient solutions derived from circular economy principles.



© Fernando Guerra/FG+SG, 2022

The NEYA Porto Hotel highlights the role played by cork as the ideal material for the Green Building concept.

Corticeira Amorim is a corporate partner of 42 Porto

Launched in Paris in 2013, the project 42 involves more than 15,000 students in 25 countries, and is recognised as one of the best programming schools in the world. In 2022, it also established a base in Porto. Based on a method that promotes learning without the traditional format of classrooms, without teachers and without schedules, learning at 42 Porto is practical, developing projects between peers, in a model that resembles a game (gamification). Thus, in addition to technical skills, each student enhances their communication, teamwork and problem-solving skills, as well as creativity, autonomy and resilience. Education is completely free, thanks to support from patrons such as Corticeira Amorim.



© 42 Porto, 2022

42 Porto - one of the world's finest programming schools - fosters learning outside the traditional classroom format, without teachers or timetables.

The Amorim Academy celebrates its 30th anniversary with the conference 'Climate Change and the Challenges for Vines and Wine'

The Amorim Academy - an international organisation created by the Amorim Group in order to encourage research in winemaking, knowledge about wine and innovation in winemaking practices - organised the conference “Climate change and the challenges for vines and wine”. The meeting, which marked the Amorim Academy's 30th anniversary, was attended by renowned wine specialists, including Jocelyne Pérard, one of the great names in research into climatology and wine, professor at the University of Dijon (Burgundy - France) and creator of the UNESCO Chair in “Culture and Traditions of Wine”. The occasion was also used to award the Grand Prix Sciences & Recherche to Charlotte Brault for her thesis *Optimisation of grape variety selection using genomic and phenomic prediction*.



© António Bahia, 2022

The Amorim Academy aims to encourage research in winemaking, wine knowledge and innovation in winegrowing practices.

Amorim, Gucci and Grant Macdonald join forces with Italian-Ethiopian artist RED to design the Golden Vines® 2022 trophy

Amorim Cork joined forces with Italian luxury fashion house Gucci, British goldsmith Grant Macdonald and Italian-Ethiopian artist Red Longo (RED) for the conception, design and production of the Golden Vines® 2022 trophy. This was an unprecedented collaboration, which made it possible to create a harmonious design between The Golden Vines® Award ceremony's ethos of diversity, plurality and inclusion and RED's urban art style. The final configuration of the Golden Vines® 2022 trophy also included the participation of Shantell Martin, Golden Vines® Artistic Director. The Golden Vines® 2022 trophy presentation box was custom-designed by Gucci.



© Liquid Icons, 2022

The final configuration of the Golden Vines® 2022 trophy also involved the participation of by Shantell Martin, Golden Vines® Artistic Director.

© Amorim Cork Italia, 2022



The micro-granulated stopper, produced using Xpür technology, has a carbon emissions footprint estimated at -3542g CO₂e per stopper.

New Xpür stopper helps mitigate climate change

Cork stoppers are an inherently sustainable resource, since they have a positive impact on decarbonisation of the wine industry and therefore contribute to mitigating climate change. The results of a study conducted by the consultancy firm, Price Waterhouse Coopers (PwC) confirm that the micro-granulated stopper produced using Xpür technology (the world's most innovative, efficient and environmentally-friendly anti-TCA technology for this type of stopper, used in fast turnover wines) has an estimated carbon footprint of -3.542g CO₂e per stopper, considering the carbon stored in this stopper, using a cradle-to-gate approach. If we consider transport to the UK, the carbon footprint is -2.086g CO₂e per stopper. The results are even better if we include the carbon sequestration of the cork oak forest, which corresponds to a carbon balance of -393g CO₂e per stopper, taking into account transport to the United Kingdom.

© Jonas Trampedach, 2022



Cork was present in Denmark's largest independent design event, the S.E. (Snedkernes Efterårsudstilling)

Fibonacci Bricks prove cork's high degree of precision

Cork was present at the largest independent design event in Denmark, the S.E. (Snedkernes Efterårsudstilling), materialising a project that applied the principles of the Fibonacci sequence to the construction of furniture. Jonas Trampedach's Fibonacci Bricks were on display at the Fabrikken for Kunst og Design (Copenhagen). Based on the mathematical principles of the golden ratio and the Fibonacci sequence, the measurements of the «Fibonacci Bricks» by Trampedach – originally made on a small scale, with aluminium, and then transformed into oversized pieces of cork – followed a sequence in which each number is the sum of the two previous numbers (0, 1, 1, 2, 3, 5, 8, 13, 21...). This made it possible for the «bricks» to be arranged in multiple arrangements and compositions. Visitors to the S.E. were invited to rearrange, climb and sit on the items – thereby gaining first-hand experience of the unique tactile qualities of cork.

© Amorim Cork Flooring, 2022



Organised by Amorim Cork Flooring Italia, the conference - aimed at architects, designers and planners – was held in the company's premises in Milan.

Amorim organises the conference 'Discovering cork for the architecture of today and tomorrow'

Organised by Amorim Cork Flooring Italia, the conference, aimed at architects, planners and designers, was held at the company's premises in Milan and fostered debate on the role of architecture as a tool for achieving sustainability - in which context cork is able to play a leading role, thanks to its inherent natural characteristics, since it is a renewable, recyclable and reusable raw material.

© NV Studio, 2022



Micro | Macro is the name of the temporary pavilion, designed by Japanese artist, Ryoji Ikeda, for Serralves Park. A place for an emotional, sensorial and mental experience.

Cork elevated to the status of a work of art, in the 'Micro | Macro' installation

Micro | Macro is the name of the temporary pavilion that Japanese artist Ryoji Ikeda designed for Serralves Park. The place offers an emotional, sensory and mental experience, which the Portuguese architect Nuno Brandão Costa achieved in an ephemeral architecture project, was built solely using eco-sustainable materials, including, in particular, cork. The choice of this raw material, supplied by Amorim Cork Insulation, was related to the need to create a feeling of isolation, almost as if it were a parallel world that surrounds visitors, making them feel, and simultaneously question, the relationship between the «infinitesimally small and the infinitely vast domain of Nature».

Corticeira Amorim signs the Porto Climate Pact

Created by Porto City Council in early 2022, the Porto Climate Pact has over one hundred signatories, including companies, associations and educational institutions. The municipal ambition is to reduce carbon emissions by 2030, on the path towards a competitive, resilient and fair city. The decision to join the Porto Climate Pact is yet another demonstration of Corticeira Amorim's commitment to adopting, cultivating and promoting ESG (Environmental, Social and Governance) best practices and aligning its activities towards achieving the Sustainable Development Goals (SDG). In this case, alignment with SDG 17 should be highlighted in particular, i.e.: Partnerships for the goals.



©Gauthier e Costa Oliveira / CM Porto, 2022

The Porto Climate Pact has more than 100 signatories. Porto City Council thereby aims to reduce carbon emissions by 2030.

Cork in Barcelona Design Museum

Portuguese cork was one of the materials of choice for the exhibition *Toquem fusta! Disseny, fusta i sostenibilitat* (Knock on wood! Design, wood and sustainability), which opened at the Barcelona Design Museum in mid-November 2022. The exhibition, in addition to a wide range of cork objects from the collections of Corticeira Amorim's various business units, included a house, that was purpose-built in the museum space, based on sustainable solutions. In this exhibition, Corticeira Amorim's cork solutions assumed particular importance and were used both for the house's flooring and interior and exterior insulation. Supplied by Amorim Cork Flooring, Wise Cork Pure flooring provided the home with greater comfort, well-being and superior indoor air quality. MDFachada, an Amorim Cork Insulation iconic application, was used for the home's interior insulation, since it is widely recognised as one of the essential materials in the green building concept.



©João Ferrand, 2022

The Pritzker Prize winner believes that cork can make a positive impact on a comfortable workplace.

Cork is part of the new Mobilize all-electric vehicles, from the Renault Group

Cork was used in the Mobilize Duo and Mobilize Solo seats and in the rear interior panel of the latter model because it is a natural, sustainable and biodegradable raw material. Supplied by Amorim Cork Composites, cork endows Mobilize Duo and Mobilize Solo with comfort, well-being and lightness.



©NY Studio, 2022

There are 1862 rose bushes of 29 varieties, which are now growing in black granulated cork mulch, supplied by Amorim Cork Insulation.

Portuguese architect Souto Moura applies cork flooring in his atelier

After, having previously taken cork to the Portuguese Pavilion in Hanover, in conjunction with Álvaro Siza Vieira, the Portuguese architect Eduardo Souto Moura decided to work on cork's potential in the construction industry. He subsequently used cork in the *Continuity* exhibition, which he presented at the Centro Cultural de Belém (CCB) as part of the METAMORPHOSIS project, at the invitation of Corticeira Amorim and experimentadesign. More recently, the Pritzker Prize winner chose to incorporate this material in his atelier in Porto, thus recognising the importance of an aesthetically pleasing and comfortable workplace, to which he believes cork can make an impact.



©AERI, 2022

In the first edition of the Iberian Equity Awards, Corticeira Amorim received four of the five awards for which it was nominated.

Corticeira Amorim brings 150 employees to plant 3000 cork oaks

150 volunteers from Corticeira Amorim met at Quinta Grande, in Coruche, to plant 3,000 cork oak trees. The initiative, conducted in close partnership with Quercus and part of Amorim Cork's 100th anniversary celebrations, took place as part of Green Cork, a programme promoted by the Portuguese environmental association, which promotes both the recycling of cork stoppers and the planting of autochthonous trees. The employees of the world's largest cork manufacturing group have been involved in this activity since 2011, and to date have helped plant 24,500 trees in Portugal.

Amorim Top Series distinguished at the Export & Internationalisation Awards

Amorim Top Series was awarded the Large Companies - Tradable Goods award at the 12th edition of the Export & Internationalisation Awards. An initiative of the Jornal de Negócios newspaper and Novo Banco, in partnership with Iberinform, the trophy aims to support, reward and promote the success of Portuguese companies, whether in exporting or internationalising their activity. The awards are based on the economic and financial analysis of more than 400,000 companies, 4,300 of which have been evaluated in detail.

Serralves rose garden protected by cork

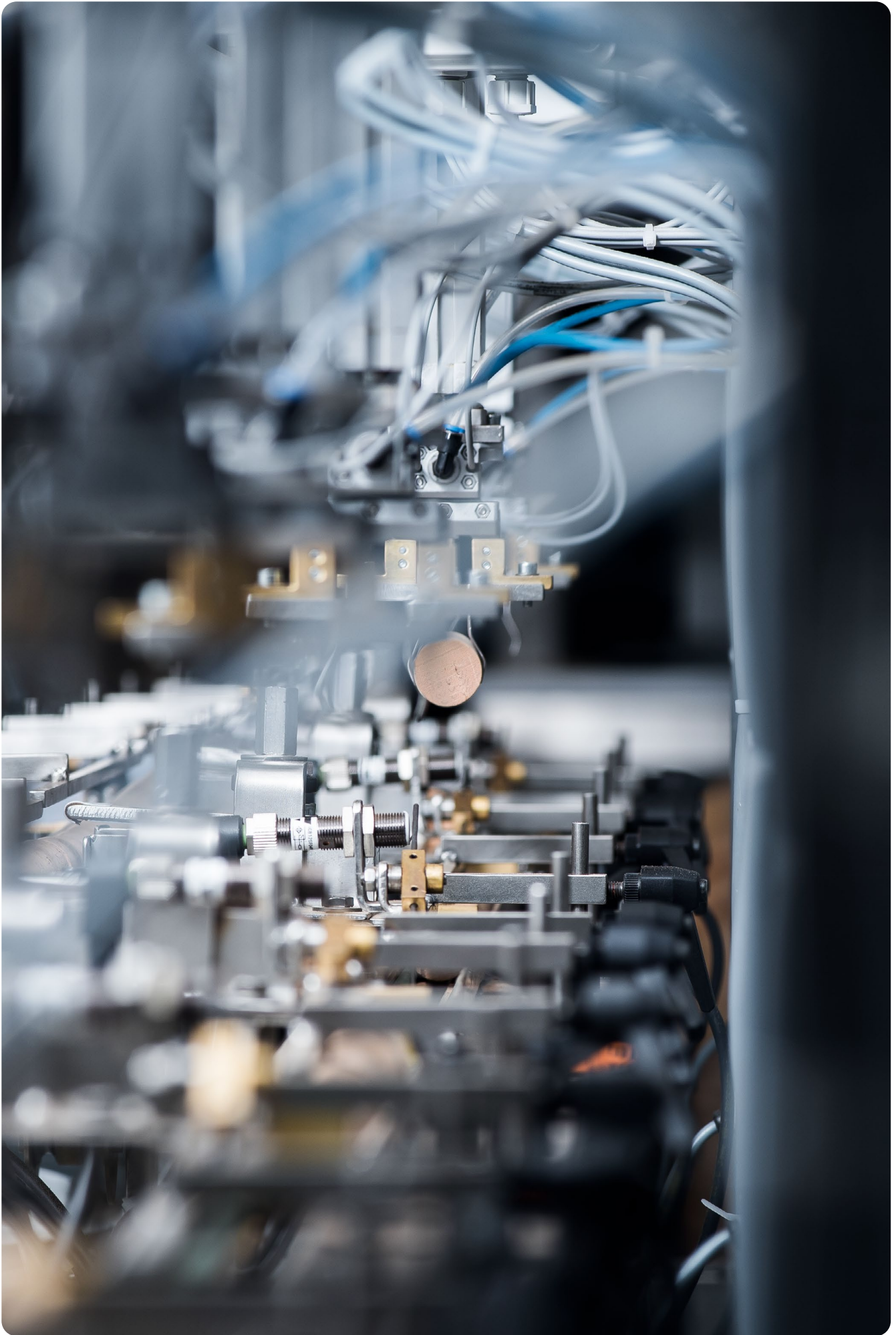
A total of 1,862 roses of 29 varieties are now growing, surrounded by Amorim Cork Insulation's black cork granules. This option was chosen by the English landscape architect, Gerald Luckhurst, who, in partnership with the management team of Serralves Park, coordinated the Serralves Rose Garden renovation project. Almost 100 years after its inauguration, and after four years of meticulous, dedicated and intense work by 11 gardeners, one of the largest rose gardens in Portugal has been reborn. The main idea was to find a mulch that would reduce the impact of fungus on the roses, while also preventing the growth of weeds. Amorim Cork Insulation's black granulate responded to this challenge, adding mechanical functions to its list of benefits, in addition to moisture retention.

Amorim Cork contributes to a revolution on Germany's rural railways

Used in the flooring of MONOCAB, a project that aims to give a second life to unused railway lines in rural parts of Germany, the cork supplied by Amorim Cork Composites provides the vehicle with lightness, comfort and thermal, acoustic and anti-vibration insulation. The solution also helps reduce the environmental footprint of this classic means of transport.

Corticeira Amorim distinguished at the Iberian Equity Awards

Corticeira Amorim was distinguished with four awards in the first edition of the Iberian Equity Awards, an initiative of the Spanish Association for Investor Relations (AERI), which aims to reward companies and professionals in the field of Investor Relations in Portugal and Spain. In the category of small capitalisation Portuguese companies, and based on the information gathered and the analysis carried out by Institutional Investor, Corticeira Amorim won four of the five awards for which it was nominated: Most Improved ESG Programme, Best IR Team, Best IR Professional and Overall Corporate Winner. A highlight was the category of Best IR Professional, which distinguished Ana Negrais de Matos, Corticeira Amorim's Investor Relations Officer.



Amorim Cork 100 years

02

NDtech is an individualised quality control screening technology for natural cork stoppers that delivers the world's first natural cork stopper with a non-detectable *TCA performance

*Releasable TCA content below the 0.5 ng/L quantification limit.

Corticeira Amorim is one of the world's largest cork producers and one of Portugal's most dynamic multinationals. In over 150 years of undisputed leadership of the sector, the Company has globalised cork, and distinguished itself through its quality, innovation, excellence, sustainability and vision.

In its history spanning more than 150 years, 1922 was a significant milestone. On March 11, the family's second generation - José, Manuel, Henrique, Américo, Ana, Rosa, António, Joaquim and Bernardina - set up the company, Amorim & Irmãos, dedicated to the production and sale of cork stoppers. Now called Amorim Cork, S.A., this company has become an important vehicle for fostering growth, and is an innovative production asset, that continues to be a leading player in the sector.

António Alves Amorim died seven months later in 1922, confident that Amorim & Irmãos would provide a solid base for the growth sought by the Amorim family. Many obstacles lay ahead. The 1929 crisis posed unprecedented challenges, creating inevitable adversities for a Company that was already exporting to countries such as the USA, Japan, Germany, France, Brazil, the United Kingdom, Sweden and Holland, and aimed to become one of Portugal's biggest cork producers.

In 1935 the first steps were taken towards vertical integration of the business by acquiring the first industrial unit in the south of Portugal, close to some of the world's most important sources of cork. The proximity to the cork oak forests in this region also provided important learning opportunities about the complexities of the extremely important supply chain for this raw material, which proved to be vital for the future development of the business.

While Portugal was relatively unscathed by the direct effects of World War II, the very serious fire that devastated Amorim & Irmãos in 1944 resembled some of the worst bombing campaigns in Europe. Many people thought that reconstruction would be impossible. However, as on so many other occasions throughout its history, the Company and its shareholders achieved the impossible. Under the leadership of Henrique Amorim, and with the dedication and effort of 350 employees, reconstruction took less than a year. In May 1945, it wasn't just the end of the Second World War that was being celebrated. In Santa Maria de Lamas, the new Amorim & Irmãos factory unit was completed.

The post-war recovery period saw the third generation of the family, the brothers José, António, Américo and Joaquim, take the helm at the Company, unleashing a period of marked growth and high risks, which shaped the entire cork sector for the subsequent decades. The organisation and professionalisation of the work, the evolution of production techniques, the implementation of better cork stopper practices and the expansion of international markets radically transformed the Company and its ambition, laying the foundations for it to become the undisputed world leader in the production of cork stoppers.

Aware of enormous growth opportunities, both in Western and Eastern Europe, Américo Amorim defined an international business expansion plan that had never previously been attempted by a privately owned Portuguese company. Having set up a business venture with a central location in Vienna and benefiting from an already solid vertical integration of the business, the Company was well positioned to leverage the position that it had recently acquired in Portugal as the world's biggest cork producer.

Under the leadership of the third generation, the factories, applications and innovative products perfectly matched an expanding international branch network.

The fourth generation of the family, that has managed the Corticeira Amorim Group since the turn of the 21st century, implemented an unprecedented investment in Research, Development and Innovation (R&D+I). This emphasis on innovation and quality has been of particular importance for Amorim Cork, covering its wine and spirits cork stopper divisions, which account for the majority of sales.

Cork and wine are intrinsically linked. It is therefore no wonder that cork stoppers assume an exclusive and iconic status in the Corticeira Amorim Group, consolidated since Amorim & Irmãos (now Amorim Cork) was set up 100 years ago - the oldest continuously operating cork stopper production company in the world.

Today, Amorim Cork is the world's largest producer and supplier of cork stoppers, trusted by the world's leading wine producers. With companies in all major European wine producing countries and active in new markets in South Africa, Australia and South America, Amorim Cork sells around six billion stoppers annually to almost 20,000 customers, including some of the world's best-known wineries and distilleries.

Major R&D+I investment continues to generate some of the most innovative solutions in the market, such as the Helix system, developed in partnership with Owens-Illinois, Inc. (O-I), considered to be the first major wine packaging innovation of the 21st century.

Cutting-edge technologies such as NDtech - the world's first natural cork stopper to deliver non-detectable TCA performance - helped reinforce Amorim Cork's global leadership.

Such leadership was further reinforced by the launch of Naturity and Xpür in 2021. Applied to the treatment of natural and micro-agglomerated stoppers, respectively, Naturity® and Xpür® offer non-detectable TCA performance in stoppers used in various wine price ranges.

Research into Naturity® technology began in 2016, in partnership with NOVA's School of Science and Technology, based on the principles of thermal desorption through proper and non-sequential use of pressure, temperature, purified water and time. No artificial elements are used in the process. Xpür® technology improves on the conventional supercritical CO₂ application developed several decades ago by reformulating and updating the concept with 21st century technology. Amorim Cork's innovative system uses only 25% of the energy and 10% of the CO₂ required in the previous processes.

In addition to its firm commitment to R&D+I, Amorim Cork also sees sustainability as one of the pillars of its business and its commitment to the planet and future generations. It is a founding member of both the Porto Protocol (portoprotcol.com) and the Sustainable Wine Roundtable (swroundtable.org). It is also the first cork company in the world to publish a product life cycle assessment, reviewed by specialist independent entities, the only cork company to have published 15 studies assessing the carbon footprint of its products, and the first cork company in the world to obtain official certification from the Forest Stewardship Council.

Cork, a natural plant tissue harvested every nine years without cutting or damaging the tree, is one of Nature's most extraordinary developments, and its exceptional capacity to retain CO₂ makes it a champion of sustainability and a powerful ally against climate change.

Although cork stoppers are inherently positive for the environment, the possibility of extending their life cycle, recycling and reusing them in new products, further expands their ecological advantages.

As the world's largest producer of cork stoppers, Amorim Cork has played a leading role in international cork recycling. Cork recycling programmes were quickly adopted by other countries such as the US and Canada (ReCork), France (EcoBouchon), Italy (Etico), UK and South Africa.

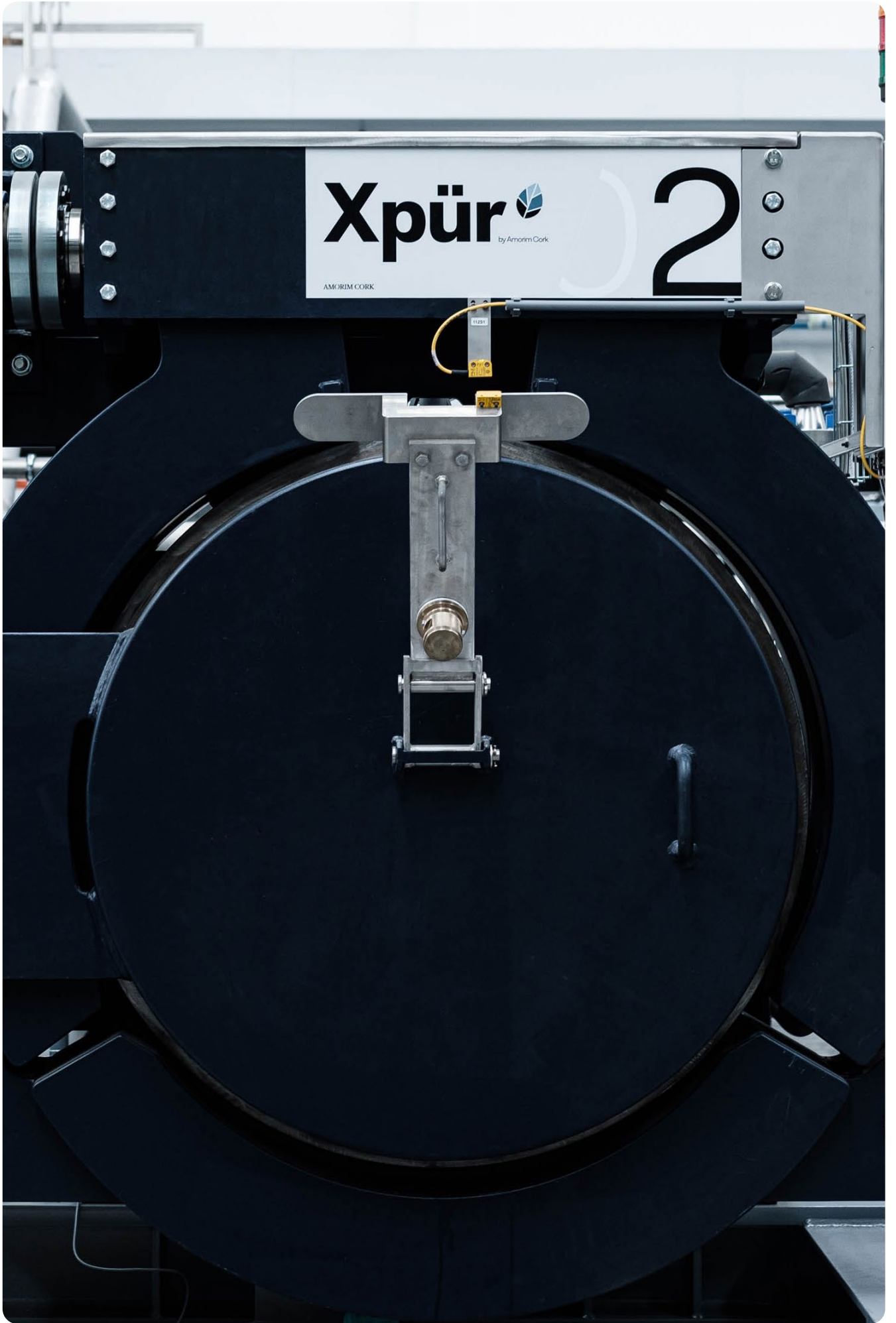
At Amorim Cork, cork is recognised as having a unique chemical structure and as one of the most impressive materials on Earth: at the microscopic level, it is a structure identical to a beehive, accumulating, on average, up to 800 million cells in a single wine stopper; at the macroscopic level, it is a prodigious material, continuously perfected by the action of Nature over a period of more than 40 million years, when the first *Quercus suber* L. tree appeared on the planet.

So, although Amorim Cork (initially Amorim & Irmãos) is celebrating 100 years of activity, the genesis of this adventure dates back more than 40 million years, when the source of this naturally unique raw material first appeared on Earth.

Next Pages:
Naturity and Xpür are the most innovative, efficient and ecological anti-TCA technologies known to date.



© Pedro Sadio, 2020





Consolidated Management Report

03

The permanent search for operational efficiency has led Corticeira Amorim to develop an ultra millimetric precision cork harvesting machine, thereby introducing mechanisation into the cork harvesting process.

1 – Economic Trends In 2022

1.1. THE WORLD ECONOMY

In 2022, the world economy was impacted by both the reverse side of the economic recovery from the Coronavirus pandemic and Russia's invasion of Ukraine, along with its geopolitical consequences. Economic growth was initially robust, but gradually decelerated, causing growth in some regions to contract at the end of the year. The sharp rise in energy prices that characterised 2022, and their transmission to the rest of the economy, generated chain reactions. The upward trend in consumption and production prices was strong, dominating the economic outlook and leading to the fastest monetary adjustment on record, especially by the Federal Reserve and the ECB, as central banks were forced to act incisively to reverse the increase in inflation and prevent inflationary expectations from losing their anchorage. Because this adjustment began under abnormally expansionary monetary conditions, it is projected to have had a significant impact on economic growth in the last quarter, an effect that is expected to continue into 2023. Although inflation is now thought to have peaked, reversing the increase in underlying inflation has proved difficult as it rose to pre-pandemic levels. Inflation was projected at about 8.8% in 2022. The World Economy is expected to have expanded by about 3.4%, a deceleration compared with the strong recovery of the previous year. Fiscal policy remained expansionist, seeking to mitigate pressures on disposable income. The worldwide imbalance in demand and supply passed through further stages in the process of adjusting back towards to greater balance. Economic growth was also impacted by China's pandemic policies, as the authorities maintained harsh restrictions on mobility and continued to apply a zero-case philosophy after many other countries had moved to an endemic approach. International trade is estimated to have grown about 5.4% in volume, a sharp deceleration compared with the explosive increase of 10.4% registered in 2021.

Developed economies are projected to have grown by about 2.7% in 2022. The **Eurozone** is estimated to have expanded by 3.5%, with Germany and the East European economies, which are more dependent on Russian energy supplies and more geographically exposed to the conflict in Ukraine, showing a sharp drop in dynamism, leading to less economic growth compared with EU member states further to the west. Despite the inflationary shock and consequent monetary policies measures, the slowdown in the third quarter was not as sharp as feared and the economic contraction that had been expected in the last quarter did not materialise. However, economic growth models and the energy assumptions on which they are based, were called into question in some economies where they were shown to require drastic change. The **UK** was among the developed economies most exposed to upward price adjustments, reflecting an economic and institutional fragility which, it is feared, cannot be dissociated from the country's exit from the EU. The British economy is nevertheless expected to have grown 4.1%. **Sweden**, an economy heavily exposed to mortgage financing, grew 2.6%. This was practically half the rate of expansion of the previous year as private consumption was restricted by the impact of monetary tightening on disposable income. In the **Czech Republic**, where the energy inputs of its industrial base have become exposed and which is dependent on partners such as Germany, found it difficult to ensure that foreign investment generated sufficient compensation for this factor. Its economy is estimated to have grown by about 1.9%.

The **US** economy is projected to have grown 2.0%, down from 5.6% in 2021, with consumption supported by the spending of savings strengthened during the pandemic helping to boost activity. Surprised by the inflationary trend, the US Federal Reserve began implementing monetary normalisation policies in March. It moved quickly and with determination, seeking to regain control of the economic climate in a process that included four successive interest-rate increases of 0.75% from June. The US labour market, which is still adjusting to the stress caused by the pandemic, proved unexpectedly robust. **Japan**, which has been characterised by deflationary trends for many years, finally saw an upward adjustment in prices, albeit below the level in most other countries. Its economy is projected to have grown by about 1.4%. **Australia** was impacted by its tense relationship with China and its exposure to real estate investment. Its economic growth is projected to have slowed to about 3.8%.

Emerging and developing economies are estimated to have grown about 3.9% in 2022. **China**, in the midst of a demographic contraction and the re-election of President Xi Jinping for a third term, opted for a different form of adjustment from most other countries in regard to the pandemic. The authorities persisted in strong restrictions on mobility, which are expected to have resulted in lower growth and energy consumption together with monetary expansion, leading to greater instability in world trade and logistics flows. Adjusting imbalances in the real estate sector, heightened by widespread exposure to mortgage credit and properties sold before completion, characterised the economic and social climate, which required public intervention in areas that had previously been in the sphere of the private sector. China is projected to have recorded growth of 3.0%, a slower pace of expansion than the global average. **India**, on its way to becoming the most populous country in the world, is estimated to have expanded 6.8%. Latin America, for its part, is likely to have grown by about 3.9%, with **Brazil** and **Mexico** growing 3.1% and **Chile** by about 2.0%, half the pace at which **Argentina**, faced with an inflationary spiral, is expected to have grown. **Hungary**, benefiting from a fiscal policy based on expected funds from the EU, but also exposed to the conflict in Ukraine, is estimated to have grown by about 5.7%. Like other countries in Eastern Europe, Hungary recorded double-digit inflation.

1.2. PORTUGAL

The Portuguese economy is estimated to have grown 6.7% in 2022, above the European average, as it benefitted from a robust post-Covid recovery. The pace of growth nevertheless decelerated in each successive quarter. The recovery brought Portugal back to 2019 levels of economic growth, a significant achievement considering how strongly Europe was impacted by the energy crisis. Private consumption and net exports contributed positively to growth as tourism surpassed pre-pandemic levels. Industrial production and construction were conditioned by the international climate, limiting investment, which, nevertheless, is estimated to have recovered towards the end of the year. Even the most pessimistic forecasts for the upward movement of prices were surpassed by reality, with inflation reaching an estimated 9.2% in December 2022 and an annual average of 7.8%. The increase in food and industrial goods prices is projected to have more than offset the downward trend in energy prices. Even so, the annual peak in inflation occurred in the last three months of the year. Although unemployment began to rise in the second half of 2022 (reaching 6.7% in December), last year's annual average jobless rate is estimated at 6.0%, down from 6.6% in 2021. Portugal's commitment to fiscal prudence, together with a sharp increase in tax revenues due to rising inflation, is projected to have resulted in a primary surplus and a decrease in the budget deficit to about 1.8% of GDP. Public debt, in turn, remained on a downward path, reaching an estimated 115% of GDP, lower than the pre-pandemic debt level. Reflecting structural changes in recent years, Portugal's current account balance registered only a slight worsening compared with the previous year. This was mainly due to the sharp rise in energy import prices and resulted in an estimated deficit of 1.3% of GDP. The external deficit stood at an estimated 0.5% of GDP. This compares with surpluses recorded in 2020 and 2021, the only such surpluses Portugal has recorded since 2011.



© Miguel Proença, 2021

Amorim Florestal is implementing automated raw material selection lines, with sophisticated mapping of cork planks, based on robotisation, laser scanning, artificial intelligence, machine learning and optical vision.

2 – Operating Activities by Business Unit

The companies that make up the Corticeira Amorim universe are structured into Business Units (BUs). This report sets out their most important activities and developments in 2022.

2.1. RAW MATERIALS

The EBITDA of the Raw Materials BU totalled €21.6 million euros in 2022, an increase of 11.3% compared with the previous year. Sales increased €13 million, mainly due to growth in the areas of preparation and gridding and regionally in North Africa.

The gross margin rose from 25% in 2021 to 29% last year. This improvement was principally the result of a higher margin in preparation, an improved production mix, increased sales of champagne discs (supported by a reduction in specific consumption, due to investments made in operational efficiencies), and an improved margin in the BU's Morocco operation. The gridding and virgin cork from pruning areas were negatively affected by raw material price increases, which rose more rapidly from July 2022 onwards, making it impossible to increase sales prices.

External supplies and service (ESS) costs evolved unfavourably in 2022, increasing €4.7 million (a 30% increase compared with a 7% increase in business activity). This was mainly due to:

- Higher electricity costs (+€2.1 million), mainly due to price increases. Significant investments were also made in photovoltaic panels in 2023 that will have a positive impact in 2023;
- Increased transport costs (+€1 million), mainly due to increased prices;
- Increased maintenance and repair costs (+€0.3 million), due to increased maintenance activity resulting from increasingly automated operations, which were aggravated by the impact of inflation on component prices.

The increase of €2.5 million in personnel costs (8.6% of sales in 2022 vs. 7.9% in 2021) was mainly due by an increase in gridding activity, which led in turn to increased activity at the Corksor industrial unit, driven both by an increase in disc production as a result of increased champagne discs sales and by absenteeism costs, the level of which has not yet returned to its pre-pandemic level.

Despite price increases and a reduction in raw material availability, the Raw Materials BU maintained its ability to continuously supply the Group's value chain, ensuring not only cork supplies for natural stoppers, but also for discs, granulates and crushing. Increased capacity in discs and granulates and a consolidation of operating efficiency projects in the preparation and discs areas were fundamental for the achievement of this goal.

Implementing SAP at the BU's companies in Morocco and Tunisia was an important milestone, making it possible to standardise their processes and improve the quality and timeliness of management information. Similarly, the digital transformation initiative, for

which a management structure was created at Corticeira Amorim, strengthened the digitalisation of processes across the BU's different areas of responsibility with a positive modernising impact in several areas.

In terms of product quality, 2022 was another good year for results in the sensory area, with the achievement of a level of close to 100% of non-detectable TCA, a result of consolidating projects carried out in previous years, particularly in the discs area.

The reproduction cork purchasing campaign in the Iberian Peninsula was expected to secure a more stable volume compared with 2021. However, the campaign was strongly affected by weather conditions (drought), as well as by labour shortages, resulting in a drop of 25%-30% in the quantity expected to be purchased. A significant quantity of the cork not harvested in 2022 will be harvested in 2023.

Despite this adverse supply context, the Raw Materials BU managed to secure a level of purchases in the primary market that should guarantee the continuity of operations in 2023. In terms of cork not harvested in 2022, it was possible to ensure the continuity of most contracts in 2023.

In the context of the cork extraction campaign, the BU's strategic commitment to automating processes also deserves highlighting, particularly with regard to the technological development of extraction machinery and the increased range of equipment available in the market. A new model for loading and transporting cork was also successfully tested using a gripper, enabling the bulk transport of some types of cork.

The reduced amount of cork on the primary market had a significant impact on the secondary market, both in terms of the availability of raw materials and prices, which rose substantially from July 2022 onwards. As previously mentioned, this affected the profitability of the gridding and virgin cork from pruning areas in the second half of the year, particularly in the last quarter.

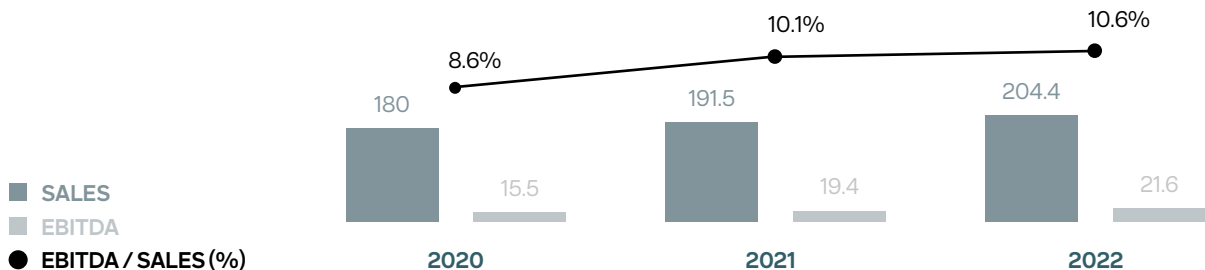
Corticeira Amorim continued to focus strongly on its Forestry Intervention Project in 2022, one of its three major areas of intervention. In terms of forestry management, the acquisition of 100% of Cold River's Homestead, which owns part of Herdade de Rio Frio, should also be highlighted.

Herdade de Rio Frio is a predominantly forested estate, with a cork oak forest covering about 80% of its total area. Advancing with the BU's strategic objective of increasing the area of its own cork production supported by irrigation, a project is planned to maintain the ecological characteristics of the cork oak species while increasing its profitability through the densification of the existing cork oak forest areas on the estate.

Production and profitability growth will be achieved by investing in the success and viability of plantations and by supporting them during critical periods by installing drip irrigation. Introducing this system will also result in earlier economic returns, making it possible to bring forward the first extraction of cork, while still respecting the restrictions stipulated by law for de-barking trees and ensuring they are not damaged. The next extraction cork cycles will respect the limits set out in the current legislation.

As part of the Cork Oak Improvement Programme, significant steps forwards were made in 2022 in improving the plant production process and identifying the genes that define the characteristics of cork oaks plus, making it possible to prepare the plantations to be carried out in 2023 using adapted trees.

Raw Materials BU
Sales & EBITDA



Values in millions euros

2.2. CORK STOPPERS

Despite the heat wave that hit many regions of the world in 2022, the global volume of wine production remained similar to the volume produced in 2021. It was the fourth consecutive year that global production was considered to have been slightly below average. Total world wine production in 2022 was between 257.5 and 262.3 million hectolitres (mhl).

In the European Union (EU), a series of adverse weather conditions - frost, hail, excessive heat and drought - were observed throughout the 2022 grape growing season. In the spring and summer, heatwaves across the continent resulted in early ripening.

At the beginning of the season, there was widespread concern over yields, due to extreme heat and a lack of rain in many areas. However, the absence of major vine diseases and summer rains compensated for the excessive heat, resulting in higher volumes than initially forecast in several regions and countries.

As a result, the grape harvest was slightly earlier than usual in the EU, with a total production of 157 mhl of wine. This volume represents an annual increase of 3.5 mhl (+2%) compared with 2021.

Despite the drought that hit some regions, 2022 proved a favourable year for production in the two largest wine-producing countries in the EU - Italy and France, which together account for 36% and 60% of world and EU wine production respectively. Italy remained the biggest producer in the world, producing 50.3 mhl, in line with the volume it produced in 2021.

In the US, the world's fourth largest wine producer, production totalled 23.1 mhl in 2022, a 4% reduction compared with 2021 and 6% lower than the country's average for the previous five years. This moderate decrease can be partly attributed to frost damage, dry summer conditions and a consequent lack of water supplies in some wine-growing regions.

After a significant decline in wine production in 2020, caused by unfavourable weather conditions, and a record harvest in 2021, wine production in the southern hemisphere is estimated at about 55 mhl in 2022, down 7% on the previous year, but fully in line with the average production level for the previous five years. Overall, wine

production in this region accounts for 21% of the world total.

The main wine producing countries in South America all recorded a drop in production compared with 2021. In Chile, the largest producer in the southern hemisphere, production totalled 12.4 mhl in 2022, down 7% compared with 2021, but 7% above the five-year average. Due to extremely variable weather conditions (including frost and heavy rains), Argentina's wine production fell by about 1 mhl to 11.4 mhl in 2022 (down 9% on 2021).

South Africa produced 10.4 mhl of wine in 2022, a 4% decrease compared with 2021. It should be noted, however, that this figure is fully in line with the country's five-year average.

Australia recorded the largest negative change from 2021 in the southern hemisphere, producing 12.1 mhl of wine in 2022, an 18% decrease in production compared with 2021.

New Zealand was again the exception in the southern hemisphere. In 2021, it was the only large country in the region to produce a below-average harvest, but in 2022 it produced a record volume of wine, reaching, for the first time 3.8 mhl (up 44% compared with 2021). This historic harvest was mainly the result of excellent weather conditions and a high level of demand.

In 2022, the Cork Stoppers BU was required to respond quickly to constant changes, from the cost, or even availability, of raw materials to changes in production costs, requiring constant communication and negotiation with the market in terms of adjusting sales prices.

The year was also marked by several transformations in terms of services and supply chains, the energy market and the challenges of people management in a market characterised by full employment. The pandemic undoubtedly had a considerable collateral impact and, over the long term, led to necessary and irreversible changes.

It was also a year characterised, as previously mentioned, by a strong beginning in terms of business activity, but which faded towards the end of the year, returning to normal levels. Business moved at different paces depending on product segments, with still wines registering a slight slowdown, while spirits and sparkling wines enjoyed strong and consistent growth.

Once pre-pandemic levels of activity have been resumed and surpassed, the most prominent trends characterising the sector and the Group emerged as:

- Digital transformation remains a fundamental and high priority issue for the BU. After a phase of information democratisation, projects involving machine and deep learning were launched, these areas having been identified as having significant potential for the business and representing the next frontier to be reached;
- Focusing on people and the challenges facing new generations, their ambitions and motivations, as a means of preparing the future of the Group;
- Strengthening the image of the cork stopper as part of the sustainability chain and as an oenological product;
- Ending phase 2 of the SAP ERP implementation. The BU will enter a phase of expanding knowledge and improving processes, making greater use of management tools;
- Service is a higher priority than operations and operational efficiency (making it an issue that should consistently be placed on the BU's agenda).

In 2022, the following events should be highlighted:

- Purchase of the SACI Group and the beginning of its integration into the BU;
- **Xpür** and **Naturity** stoppers reached cruising speed with their processing fully stabilised and consolidated;
- Rolling out SAP for the companies included in phase 2, especially its implementation at Socori (including implementation at Biocape and Portocork France in 2022). It was important to complete the implementation process in Portugal to ensure the homogenisation of business processes and information models;
- The evolution of the Xpür and Naturity ranges clarified product segmentation and responded to customer needs;
- Installing photovoltaic panels within the planned timeframe and with a considerable level of coverage, making a strong contribution to the reduction of energy costs and process sustainability;
- Developing sales support tools for day-to-day use by the sales team and as part of the decision-making structure;
- A sharp increase in the price of cork materials, especially for technical products, which raised pressure in the market and required adjustments in final-consumer prices;
- Energy market developments led to production cost instability and had an impact on final market prices;
- After a year of stock reduction and decelerating investment, normal activity levels were restored in 2022, with the amount of investment increasing.

The Cork Stopper BU increased sales by about 27.1%, reflecting the integration of the Saci Group, which was purchased in January 2022

(a sales increase of €117.5 million). Excluding the consolidation perimeter effect, sales increased 7.3% compared with the previous year, a value of €43 million. Sales volume levels were in line with 2021, reflecting a strong emphasis on segmentation and intrinsic product value.

Not taking into account the integration of the SACI Group and compared with the consolidation perimeter of 2021, sales generally evolved positively in all markets, especially in France, which represented 31% of total sales growth in value terms, Italy, representing 15.1%, and the US with 8.4%. The Argentinian and Portuguese markets also merit highlighting, representing 8.2% and 7.8% of total sales growth, respectively. The positive impact on sales of the appreciation of the US dollar was also significant.

Widespread inflation also forced the BU to adjust sales prices due to increases in cork and non-cork raw material costs and well as in other production factors, specifically energy, transport and personnel costs.

Sales by the **still wines segment** increased 5.4%, reflecting consistent growth compared with 2021 and representing 40% of the BU's total increase in sales. Xpür and Naturity corks made an important contribution, consolidating and strengthening the investment made in them in 2021. Sales growth in France, Spain, Argentina, Portugal, Italy and the US also deserves highlighting, as well as the losses registered in Australia (a continuing reflection of the country's political issues with China) and in Chile (due to a drop in exports). Changes in the product mix, focusing on sensory quality and value, also contributed to the increase in sales. Sales growth of 4.8% for Natural Corks reflected the focus made on high-end segments and on meeting the needs of reference customers, with the Naturity and ND Tech processes illustrating their competitive advantages. The intensive rollouts of the Xpür and Naturity processes were decisive for the growth of this segment.

The **spirits segment** remained resilient in 2022, despite a challenging external environment, reaching a sales record driven by continuing consumer interest in premium spirits and an ongoing recovery of tourism, particularly for bars and restaurants. This segment represented 24.2% of the BU's sales growth and continues to expand significantly now that socialising in bars and restaurants as well as holding celebrations return to normal. Product innovation, a growing consumer base and increased product availability are boosting growth all over the world for this segment. Spirits sales increased 21.4% in value and 7.2% in volume. Amid a general increase in demand in this segment, the demand for premium products in a number of reference markets was especially notable. Traditional markets such as France, the US and the UK returned to normal sales levels, representing 56% of overall growth. Sales growth in this segment in South America and Portugal also deserves highlighting.

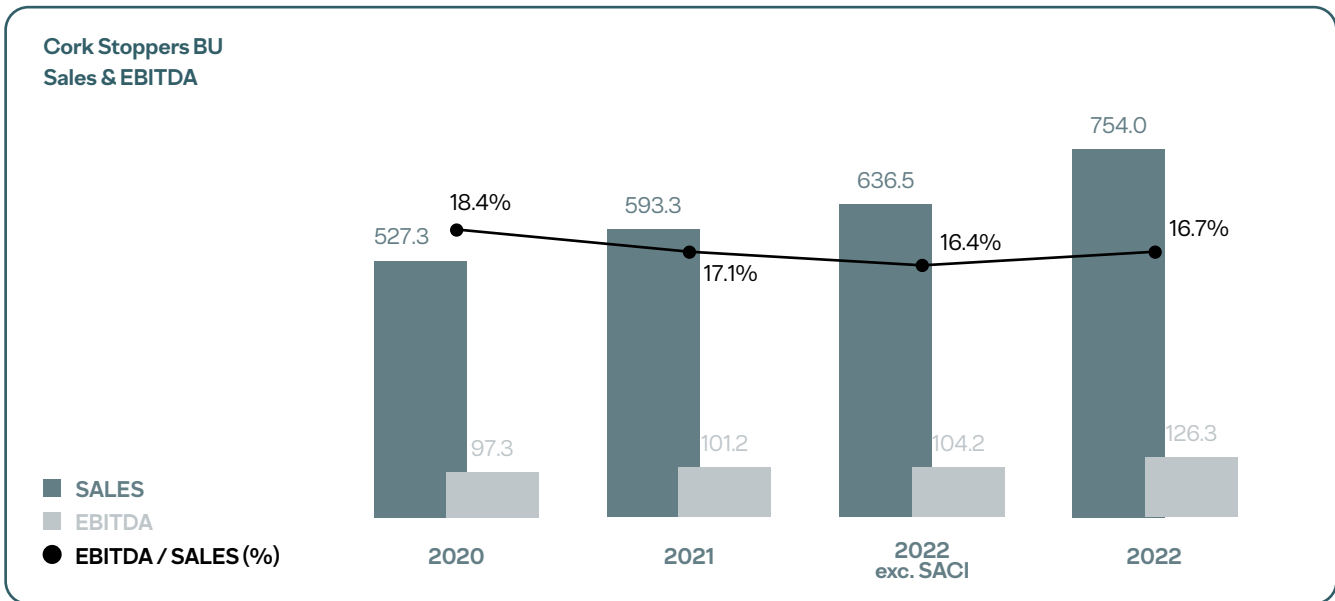
In the **sparkling wine segment**, rapid socio-economic changes and urbanisation are increasing demand for these products. Improving living standards and increased purchasing power are leading more consumers to buy high quality products. At the same time, the days when champagne and sparkling wines were considered purely celebratory drinks are long gone. For a growing group of younger consumers, their relationship with sparkling wines is changing as it becomes more a drink of choice at the end of a long day at work or for accompanying a meal at home.

The BU's sales in this segment grew 9.5% in value and 1.7% in quantity, representing 31.6% of overall growth. France and Italy, key reference

markets, represented 67% of this increase. The sparkling wine segment was heavily penalised (-€3.5 million) by the loss of the Russian and Ukrainian markets.

The BU's gross margin increased 33.3% to €347 million, including the SACI Group. Using the same consolidation perimeter as 2021 (that is, excluding the SACI Group), the gross margin would have been €291 million, €31 million more than in the previous year, representing an increase of 11.9%. Raw material costs increased sharply, negatively impacting the gross margin by 2 percentage points. Price effects and the appreciation of the US dollar, however, contributed positively to the percentage increase in the gross margin compared with 2021.

Mention should also be made of the change made in the product mix as part of the unit's marketing strategy, which led to market benefits and an improvement in the BU's margin. In terms of industrial yields, improvements were achieved for both technical and natural products based on continuous improvement processes.



Values in millions euros

Operating costs rose 37.3%, including the SACI Group. Based on the same consolidation perimeter as 2021, the increase would have been 15.8%, or €29 million, compared with the previous year. External supplies and services accounted for 71.3% of this increase, with transport and energy representing 54% of the increase. Personnel costs increased 12.0% against a 7.3% increase in business activity, positioning the BU below its targeted productivity ratios. EBITDA rose €25.1 million including the SACI Group consolidation, or 2.9% excluding it. Total EBITDA stood at €104.2 million.

2.3. FLOOR AND WALL COVERINGS

In 2022, sales by the Floor and Wall Coverings BU totalled €132 million, an increase of 7.1% compared with 2021, with trade products performing particularly well (+20%). Sales growth was also supported by sales price increases for manufactured products, a response to the intensity and timing of increases in the BU's main cost factors, especially raw materials, electricity and transport.

The lapse of about three months between the repositioning of sales prices and the increase in cost factors penalised the BU's gross margin in 2022. Despite increasing sales prices in response, it resulted in a drop in the BU's EBITDA compared with 2021.

The consolidation of technical improvements made in the Amorim WISE and Hydrocork product ranges helped the BU rebuild sales in several markets. The SPC product category, functioning as an entry product line in the most price-sensitive market segments, attracted considerable additional sales. Scandinavia, particularly Denmark, continued to record historic sales for trade products.

The war between Russia and Ukraine, which started in 2022, created an unprecedented level of uncertainty in Europe, leading to an energy crisis and associated inflationary pressures. Following the pandemic and post-pandemic period, when concerns over supply chains led businesses to increase stocks considerably in response to delays and supply uncertainties, rising inflation added a further aggravating factor - price - in the overvaluation of material costs. In addition to a general negative impact on sales, which affected European markets in general, sanctions against Russia hit both the sales and the costs of the Floor and Wall Coverings BU, the latter arising from the risk of local stocks falling in value.

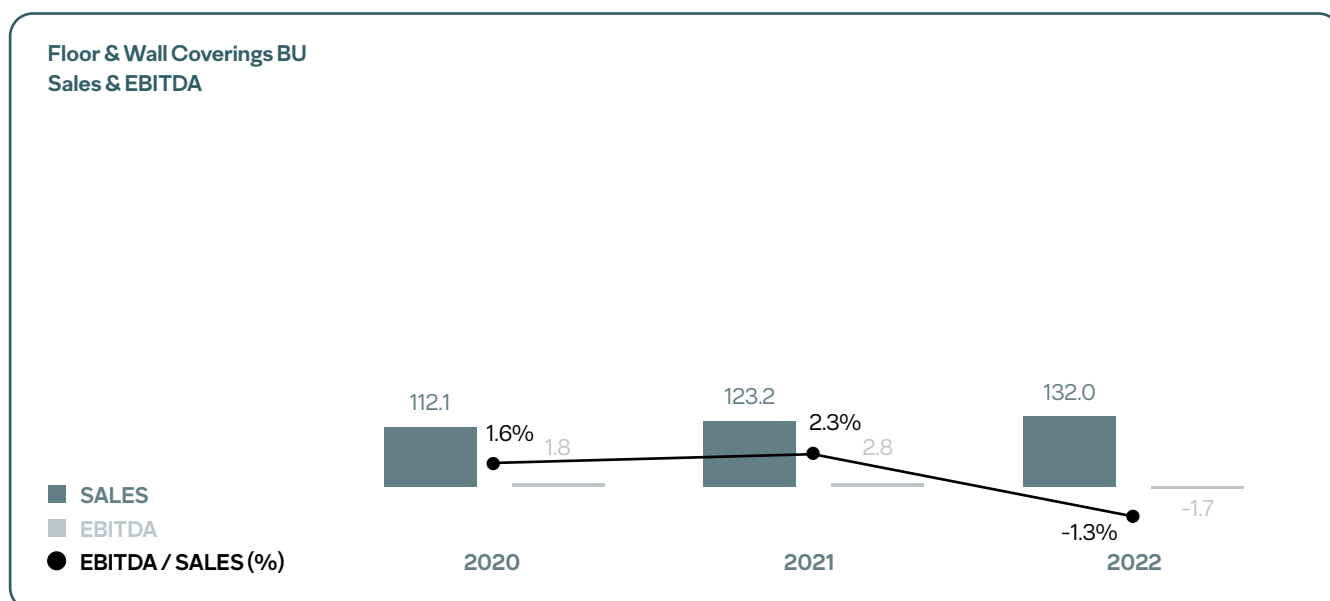
The marketing highlight of 2022 was the "walking on amazing" campaign known as "Mars", aimed at promoting the design, comfort and sensorial aspects of cork. The campaign also launched the communications plan for Go4Green, an innovative way of presenting cork.

Following the consolidation of customer relationship management (CRM) operations, improvements already became evident in 2022 in terms of the global integration of promotional activities, monitoring commercial effectiveness, customer segmentation and point-of-sale communication.

The BU began implementing plans for the 2022-2024 cycle in 2021. It is based on the concept of "Green" products and the use of advanced digital printing techniques, positioning products in this area in premium market segments. A strategic decision was also made to invest in new textured digital printing technologies and state-of-art finishes. Final approval was also given to a detailed plan to change the BU's portfolio.

At an industrial level, improvements continue to be made in terms of rejects and product quality, particularly in regard to the new version of Hydrocork Plus and the upgrading of the Amorim WISE product range. Certifications of quality, environmental and energy systems also deserve highlighting, together with the first phase the significant investment being made in photovoltaic panels, which will have an important impact on reducing energy costs and improving the BU's environmental protection credentials.

In the area of information systems, implementation of the OASIS II program was completed with the rollout of ERP – SAPS/4HANA in six companies operating in the BU's distribution network. The digital transformation program, launched in 2021, covers several digital areas and made it possible to determine a number of priorities and critical projects for the company's future development, including the improvement of customer interaction and supply chain planning.



Values in millions euros

2.4. COMPOSITE CORK

The Composite Cork BU achieved strong positive results in 2022, recording a significant increase in EBITDA to €21.7 million.

This performance was supported by a combination of different factors, including a 6.7% increase in sales compared with 2021, as well as:

- A repositioning of sales prices made inevitable by increases in the cost of raw materials, energy and transport, which had begun to rise in 2021 and increased further in 2022. This repositioning made a decisive contribution to achieving historically high sales income, despite drops in volume sales, which became significant in some more competitive and price-sensitive sectors. Volume sales fell overall, but this was fully offset by higher sales prices;
- The appreciation of the US dollar in 2022, which resulted in a more favourable exchange rate for invoicing in that currency. Excluding this positive effect, sales would have increased 3.4%.

It is the increase in the gross margin percentage, however, that deserves especial attention when analysing the results achieved:

- This increase, in addition to the previously mentioned exchange rate effect and increased prices, was also due to a favourable impact on the sales. Volume losses were mainly concentrated in segments with margins below the portfolio average, while the most profitable segments recorded smaller volume reductions or even volume increases;
- In terms of cork consumption, important efficiency gains were made, including improved crushing yields, but these were nevertheless insufficient to offset higher purchasing costs in 2022. The impact of these higher costs would have been even more negative had not Corticeira Amorim itself provided the majority of supplies, thus limiting exposure to the market, which in 2022 was characterised by rising inflation, due to the constraints of the annual cork harvesting campaign);
- In regard to non-cork raw materials, including chemicals, agglutinates and rubber, average purchase and consumption prices also underwent a significant increase;
- Mention should also be made of increases in sales prices that were not related to higher raw material costs, but to the cost of supplies and external services (especially electricity costs, which increased significantly in 2022). In this case, the gross margin percentage reflects only the impact on income and not on costs, which appears further down in the income statement.

Despite the reduction in production, operating costs rose 8.9% compared with 2021, mainly reflecting the increased cost of electricity as well as a higher level of depreciation due to the large investments made recently in new production and information technologies.

The beginning of a new multi-annual strategic cycle in 2022 resulted in new challenges in terms of growth, value and efficiency. Updating the strategy involved analysing the external and internal environments that impact the business, identifying gaps between

expected and desired performance in different areas and aligning objectives, indicators and targets in all areas.

Carrying out the plan involved implementing a number of initiatives linked to major strategic goals in priority sectors, including commercial activities, product development, marketing and communication, new production technologies and internal skills development. Other programmes affecting the whole BU were also drawn up, including:

- Technological and information system upgrades to improve efficiency operating flexibility in Portugal and the US;
- Protecting profit margins threatened by increased production costs;
- Ensuring the sustainability of products and processes.

Strategic investments produced positive results overall, except in the flooring segment, where it was not possible the business terms of new products, new markets or cross-selling due to specific internal and market restraints.

The BU again sold products to more than 80 countries, but the increase in turnover was not homogeneous in all geographic markets. In the leading markets, the US stood out positively, in clear contrast with Germany and Russia, where significant reductions in sales were recorded.

Sales performances also varied considerably compared with the previous year in terms of the BU's 30 market segments, which were grouped by sectors in 2021.

Flooring remained the BU's largest sector in terms of turnover, but with a lower total weight (28% of sales in 2022 compared with 33% in 2021 and 36% in 2020), reflecting an 11% reduction in sales. The main reason for the decrease was the performance of the Distributors of Flooring & Related Products segment, which recorded an 18% reduction in turnover. This was mainly focused in the US and Russia, but the losses also extended to other segments, except for Construction Specialty Retail.

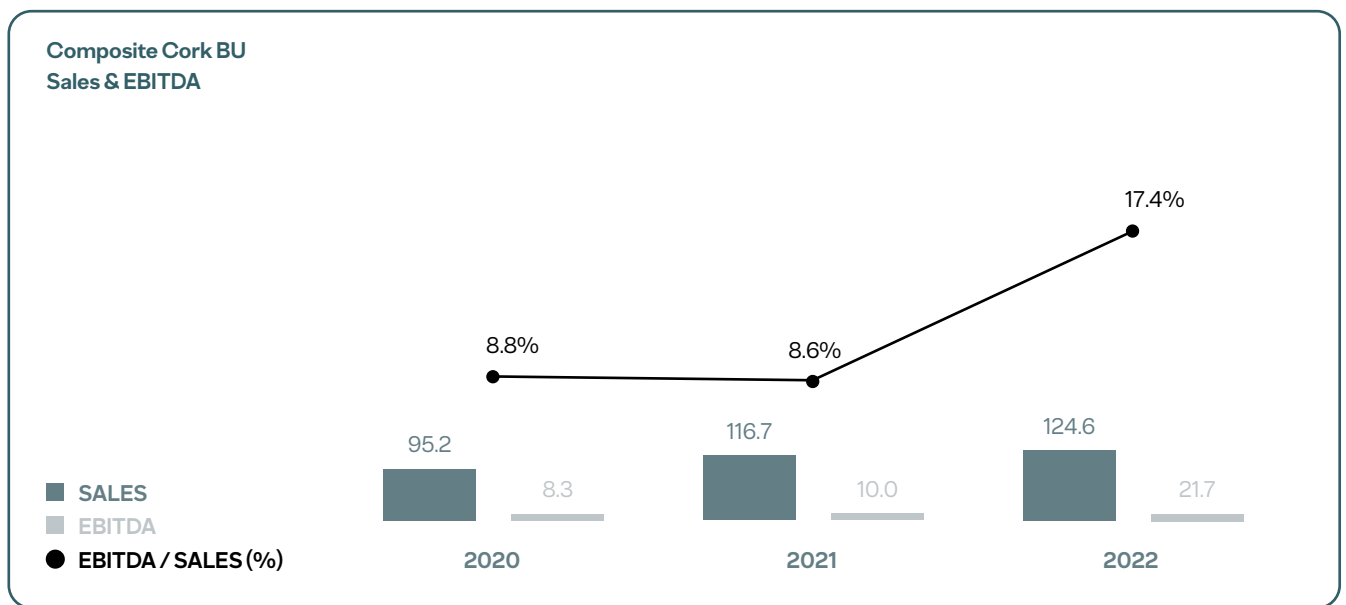
Accounting for 23% of sales (equal to 2021), the **Industry** sector remained in second position in terms of turnover, with growth in line with that of the BU as a whole, i.e., 6%. Footwear, the segment with the highest growth in 2021, recorded a 15% drop in sales in 2022, surpassing the 11% reduction registered by the Cork Specialists segment. The Aerospace segment, however, was decisive for the overall growth of the sector, doubling its sales compared with 2021 due to the decisive contribution of the North American market.

Sealing is the third sector with the highest relative weight in the BU's turnover, which increased to 18% in 2022 with sales growth of 20%. A new segment – Gas Equipment – was created in this sector, it being one of the important strategic focuses of the BU. Sales in most segments grew significantly, with the exception of Automotive, Auto Parts & Other Vehicles, which recorded the same level of turnover as the previous year.

Sales by **Construction** sector evolved positively, increasing 36% compared with 2021, mainly due to growth in the Building Materials & Fixtures segment and, above all, Heavy Construction, lifting to 11% the weight of the construction sector as a percentage of the BU's total sales.

The **Home, Office and Leisure Goods** sector maintained the same level of turnover as the previous year despite important changes in the breakdown by segment. The drop in sales for the Office Products segment registered in 2021 grew larger in 2022, contrary to the growth registered for Furnishing and Home & Design Products. This sector represents about 7% of the BU's total sales.

Average invested capital rose significantly in 2022, particularly in terms of net fixed assets, taking into account the considerable investments made. Capex exceeded amortisations for the period by more than 80%. There was a slight average increase in working capital requirements due to increases in customer and inventory items (greater turnover and higher unit valuation of inventories), which were almost fully offset by an increase in the balances of suppliers and some operating creditors.



Values in millions euros

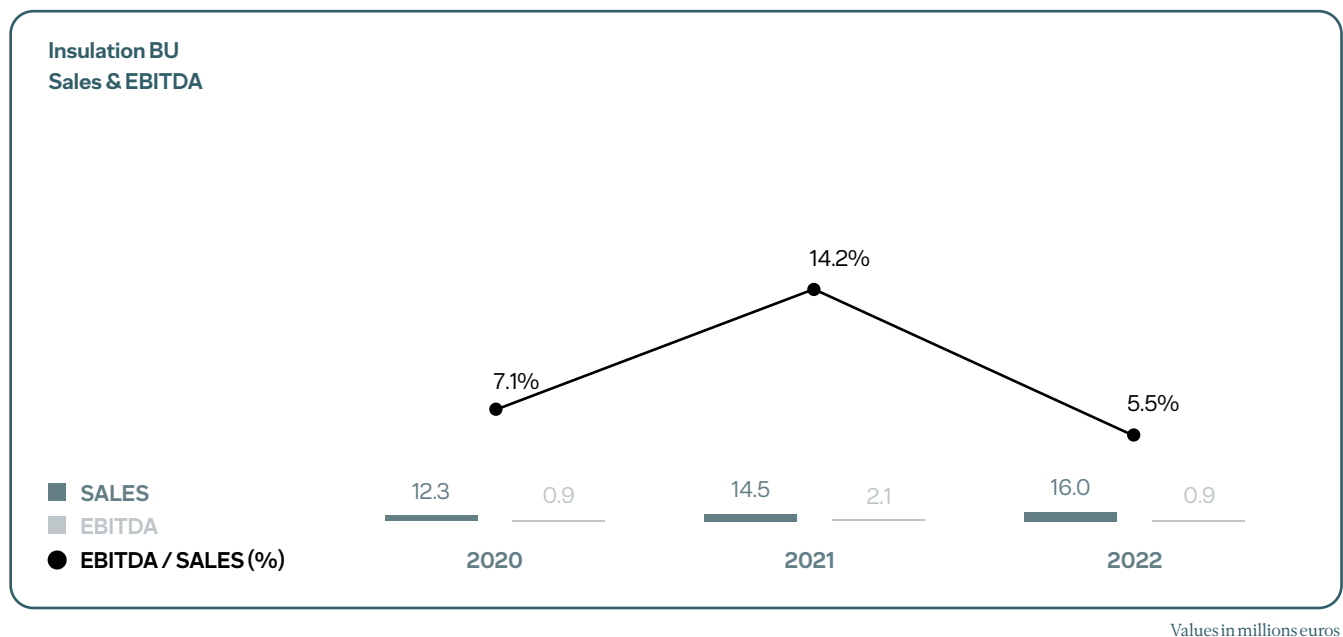
2.5. INSULATION

Sales by the Insulation Cork BU totalled €16 million in 2022, an increase of 9.8% compared with the previous year. Excluding sales to other Corticeira Amorim BUs, the increase was 143%. The BU's EBITDA was penalised by the sharp impact of prices increases in raw-material cork and energy.

In regard to improving the efficiency of the BU's industrial operations, a major investment in the Silves industrial unit was concluded, aimed at renovating old factory equipment with the aim of boosting performance. At the end of 2022, an investment project was also launched at the Vendas Novas industrial unit with the aim of increasing its production capacity. This project is expected to be completed in the first quarter of 2023.

The BU resumed activities aimed at enhancing expanded cork agglomerate solutions, specifically:

- Participation in the 8th International Cork Conference, which brought together about one hundred participants from 20 countries for the presentation of new solutions, including Evaporterm and Big Tree (presented by a South Korean distributor);
- Participation in Concreta, held at Exponor (Porto), where innovative and sustainable cork insulation solutions were presented;
- Participation in Klimahouse in Italy.



3 – Forestry Intervention Project

Over the past few decades, cork oaks (*Quercus suber*) have lost their vitality. This is attributed, among other causes, to poor management practices, harmful biotic agents and climate change. The preservation of the cork oak and the associated cork oak forest ecosystem is essential, not only so that the world can continue to benefit from the cork produced, but also to maintain the valuable benefits the tree provides for the populations of the Mediterranean basin.

To reduce the imbalance between supply and demand for cork, as well as to address growing concerns about reductions in the productivity of existing cork oak plantations, Corticeira Amorim created the Forestry Intervention Project (FIP), dedicated to the preservation and sustainable development of cork oak forests.

In 2022, the Raw Materials BU remained committed to developing and implementing the FIP, increasing its focus on three fundamental areas: Forest Management, Applied Forestry R&D and Fundamental Forestry R&D.

The work carried out so far was aimed at collecting and compiling existing knowledge to share with other producers. This sharing is carried out by producing support materials and documentation, as well as training initiatives, not only on subjects related to the management of cork oak plantations, whether new or existing, but also on topics such as pest control, fertilisation and pruning.

In the area of forestry management, Corticeira Amorim invested in the acquisition of more cork oak plantations, namely Herdade de Rio Frio, with a total of 5,000 hectares, of which almost 4,000 hectares are available for testing new forestry models. Corticeira Amorim's ambition is to become a centre of excellence for cork oak research and to carry out applied research on the impact of irrigation, fertilisation, nutrition and soil. To date, several plantations of cork oaks have been planted where deep and surface irrigation methods are being studied, together with the impact and effectiveness of different amounts of fertilisers on the growth of cork oaks, as well as the productivity, value creation, and economic and technical viability of cork oak plantations subject to irrigation when they are planted. In the future, this will make it possible to define the best protocols for planting cork oaks using this forestry model.

New plantations need the benefit of improved cork oaks that are better adapted to emerging climatic challenges in order to survive longer and produce more cork. To achieve this, new cork oak improvement protocols are being developed. Specimens of cork oak plus trees of different origins and grown in varying climatic conditions were phenotypically selected to create a multiplication and improvement program. At the same time, molecular markers associated with phenotypic characteristics of interest, such as rapid growth and cork quality, are being identified, which will make it possible to identify, select and produce cork oaks adapted to different conditions, thus maximising their productivity and resilience. Corticeira Amorim expects to make its first experimental plantations in 2023, using cork oak plus trees based on phenotypic and genetic selection, as part of its overall planting plans at Herdade de Rio Frio (400 hectares) and Herdade da Baliza (200 hectares).

4 – Innovation, Research and Product Development

The genesis of Corticeira Amorim was deeply linked to the cork industry, its core business. Currently, the Group stands out as the leader of the cork sector at a global level, supplying a broad range of cork products designed for diverse sectors of activity.

As part of the growth trajectory and economic expansion of Corticeira Amorim, deriving especially from the Group's proactive business strategy targeting continuous investment in research and development (R&D), each Corticeira Amorim Business Unit has developed its own respective R&D practices over the course of time, but always in parallel with the R&D competences built up by Amorim Cork Research.

4.1. RAW MATERIAL

In 2022, the Raw Materials BU maintained its commitment to innovation and the development of new and more efficient technologies with a direct impact on improving processes, from forestry to the final selection of cork discs.

In 2021, with the aim of improving the artisanal cork extraction process, the BU began the internal development of a new extraction machine. The first prototypes were used in the 2022 campaign and produced highly positive results, being well accepted by the extraction teams, thus enabling the introduction of cutting-edge technology in a process that has historically been a manual and traditional activity. The BU expects to improve the equipment used and reduce small, remaining flaws to make it more robust, light and reliable.

In terms of innovation focused on industrial processes, the BU maintained its commitment to researching and implementing new technologies in processes for manufacturing and selecting cork discs. A pre-selection process was integrated into the rolling process used in the manufacture of discs, initiating a phase of operational consolidation with associated improvements. In addition, the use of artificial vision technologies, developed entirely using in-house resources, will improve the profitability and visual quality of final products.

To the same end, technology was also developed enabling disks to be weighed individually using intelligent algorithms that correlate the actual weight of the disk with the density as determined by X-ray sorting systems. This project is a response to a highly specific need of some customers and reflects the BU's high level of customer service. New technologies were also developed for choosing and separating out critical defects in cork discs (e.g., encrustations, beetle (*Coraebus undatus*) and ants) using innovative hardware (poliview lenses). This technology improves results in terms of detection, flow, repeatability and reliability.

The Raw Materials BU is also focusing on digital transformation, researching and testing new and diverse technologies with the capacity to unblock situations that, due to technological limitations, had not previously been the focus of intervention. Following on from this stage, a series of proofs of concept was initiated for situations ranging from the continuous weighing of granulates, estimating the gauges of raw and processed cork planks and the classification of discs using human-machine interaction with active learning functionalities. These proofs of concept are based on machine- and deep-learning systems with the potential bring about a real technological revolution in the cork sector.

4.2. CORK STOPPERS

NDtech, the technology for detecting TCA in individual cork stoppers, underwent important improvements in 2022, aimed at increasing productivity and reducing maintenance costs. A new integration algorithm, validated in 2022, was to be implemented in the first quarter of 2023. Equipment designed for natural corks was adapted for use with sparkling wine stoppers as well, making it more versatile. Other optimisations are underway, such as the development of new valves and other important equipment modifications, with a view to improving efficiency and maintaining performance quality.

Improvements were also made to the BU's TCA extraction equipment in 2022 – Naturity for natural corks and Xpür for granulated corks – including improving production capacity, reducing production costs and developing tailored artificial intelligence solutions for equipment control and management. Increased sales resulting from these treatments led to a decision to increase the installed capacity for treating granulates with the installation of new Xpür equipment in 2023.

In the natural cork production process, new technologies were installed on the factory floor to improve inspection and to analyse the interior of stoppers, thus replacing surface-only image analysis. The new process involves artificial intelligence and deep learning tools. A study is also underway into using these tools to assist in the process of selecting cork stoppers. The aim is to develop over the short term an artificial intelligence application for analysing cork traces before punching the stopper.

The interaction between closure and wine has been the object of a number of research projects in collaboration with customers and universities. The aim is to adapt the BU's product portfolio to the different types and characteristics of wines. As a result of these projects, three scientific and technical articles were published in 2022, showing that cork stoppers adapt better to wines when compared with the alternative closures on the market. These projects will continue with the aim of further substantiating the argument for cork stoppers. In 2022, fine chemical analyses were made of volatile and phenolic compounds, looking into their relation to the sensory analysis of wines. Due to the differing oxidation-reduction potential of different wines and their different capacities for aging in the bottle, new comparisons between closures are under way, with a view to optimising the BU's product proposals. This research will lead to new publications in 2023.

The BU continues to intensify its collaboration with universities through the establishment of protocols and by financing of a doctorate with a view to taking advantage of the more specialised knowledge that exists in advanced learning centres.

New types of stoppers were developed for sparkling wines and tests are being carried out as part of their validation process. Bottling tests of these stoppers are currently underway not only of their physical-mechanical performance but also their capacity to allow the normal ageing process of the wine in the bottle. The physical-mechanical aspects of sparkling wine stoppers are critical due to the demanding pressure conditions to which they are subject. In 2022, tighter controls were applied to new technologies used to reduce defects likely to interfere with those characteristics.

A project made in collaboration with a university and aimed at improving cork stopper washing processes, specifically by using new, more sustainable programs that perform better was concluded

in 2022. As part of this project, new equipment was developed to measure and quantify the color of cork stoppers after washing. In regard to marking stoppers, the validation of UV-LED ink was completed and it is now being used in the production of a significant number of stopper brands, resulting in a substantial reduction in energy consumption and an improvement in the quality of the markings.

The BU's concern with greater product sustainability and improving production processes has been the subject of several research projects. The highlights in 2022 include the replacement of agglomerate glues and reference discs with "bio" glues, as well as the validation of new "bio" surface treatments, which, due to their nature and the reduction in the number of application steps, are more sustainable.

In the area of spirit drinks, more and more consumers are seeking to purchase their favourite products online and receive them in the comfort of their homes, reflecting a growing demand from consumers for quality, convenient and easily accessible products. In this context, Amorim TopSeries has developed a range of Bartops closures specifically for the e-commerce and ready-to-drink (RTD) drinks market. This range features a design specially adapted for this segment with a sealing system that is more resistant to transport conditions.

Baco technology was installed to treat TopSeries stoppers against TCA, producing positive results in terms of productivity, and, above all, effectiveness, in line with the most optimistic expectations. Studies are under way with a university partner into the physical-mechanical aspects of these stoppers with a view to better understanding the effect of the high alcohol content of spirits on the agglomerate glue used in TopSeries technical stoppers.

4.3. FLOOR AND WALL COVERINGS

In 2022, the Floor and Wall Coverings BU continued with the medium—to-long term strategic plan it defined in 2021. The plan focuses on developing sustainable flooring that has a positive environmental impact, using cork as a natural raw material that is biodegradable, renewable and recyclable. The plan defines challenging goals: the BU aims to ensure that its entire product line is based on sustainable products by 2024, incorporating a high level of renewable or recyclable raw materials without any use of PVC.

In order to achieve these ambitious goals, the BU began making a series of investments in 2022 that will enable it to increase its production capacity for green products and to achieve a high degree of realism through the use of digital printing as well as high performance levels.

The INNOP25 program, launched in 2021, also aims at combining cork with other 100% renewable materials, generating synergies between them to produce flooring with a high degree of comfort and performance. Several prototypes were made and tested in 2022, under highly demanding conditions, to guarantee performance that is 100% reliable. All products developed under the INNOP25 program will be constructed using 100% renewable materials of plant origin and, like the Amorim WISE range, will have a negative carbon balance.

In 2022, work was also carried out on improving the Amorim WISE range to provide its products with greater stability and durability in extreme weather conditions, underlining the BU's commitment to sustainable product solutions that are environmentally responsible.

The Terrazzo and Burel collections were also launched. Terrazzo uses waste materials from other decorative items to create different, unique looks, complemented by a colour palette that adapts to a wide range of environments, spaces and personalities. Inspired by Nature and all that it offers, the Burel collection brings together two unique and sustainable materials. Waste wool from the mountainous Serra da Estrela region of Portugal is used to create a colour collection that transmits dynamism, comfort and versatility to the consumer.

The BU will implement all its planned investments in 2023, with particular emphasis on digital printing, a state-of-the-art technology with which high levels of realism can be achieved. The INNOP25 program will also continue, finalising the development of prototypes to be launched in 2024. Through these initiatives, the BU will seek to reinforce its identity as a world reference in sustainable products with a negative carbon balance.

4.4. COMPOSITE CORK

In terms of innovation, the Composite Cork BU's main focus in 2022 was on:

- Developing new composites based on renewable materials;
- Developing new technologies for processing cork composites using hot lamination, extrusion and injection moulding;
- Developing new applications, in particular sustainable toys made with cork.

The first two areas of intervention made it possible to prototype and develop a set of new composite materials, focused on the intrinsic characteristics of cork, while combining it with other natural or synthetic materials, either prime materials or from other industrial by-products. The BU has been strengthening its ecological footprint and its investment in the green economy, in the latter case by using industrial synergies. In terms of the circular economy, it has also been responding to the market's requirements and appetite for sustainable materials.

The scope for working with cork combined with other materials is part of a development effort aimed at creating new applications, improving the performance of materials used in current applications and responding to the growing market need to replace plastics. Together these represent key development priorities for the BU.

In this area, new extrusion, moulding and continuous lamination technologies took on a special prominence in 2022, areas that as yet have been little explored in the cork industry and which are available on a prototype scale at the iCork Factory pilot unit.

Highlights among the concrete projects in the different sectors in which the BU operates include:

1. **Mobility:**
Interior components: the development of components for flooring, laminated door trims and injectable materials continued, based on the sustainability and design characteristics of cork.
Structural components: work began on the development of a laminated bio-composite for application to partitions, insulating floors for train cabins, boats and buses, and an acoustic insulation compound, particularly aimed at reducing vibration in heavy equipment cabins such as buses and trucks.
2. **Home, office and leisure goods:**
Two new products were developed and launched for commercial testing at a large decoration and household items retailer. Three other products based on unique designs and new technologies are in the development pipeline and due to be finalised in 2023.

The BU continued to focus on the development of a wider range cork toys produced in collaboration with a specialist in the sector, using new production technologies, including compression moulding.

3. **Energy:**
The BU continued to explore applications in this area, searching for concrete projects that validate the technological feasibility and value of cork composites. Major areas in terms of product development include the protection, insulation and thermal management of electric car batteries.

4. **Flooring:**
In the area of flooring applications, the BU is focusing on continuing projects aimed at expanding its portfolio of flooring bases, ensuring a technical alternative is available for each type of final flooring. It is also seeking to expand its portfolio of flooring components, including luxury vinyl tiles (LVT), as more sustainable alternatives with a better acoustic performance.

A new manufacturing technology was installed that makes it possible not only to diversify the range of cork granulates that can be used, but also to produce multilayer materials in a single stage and in their final form, thus reducing operations and minimising processing costs.

The above represent a sample from a pipeline of about twenty-five ongoing projects covering a wide range of applications and fulfilling the BU's mission in terms of adding value to cork and expanding the BU's portfolio of materials and applications.

Managing the lifecycle of products, cork-based composites and new technologies will remain a priority, as will the search for new, profitable and sustainable applications.

4.5. INSULATION CORK

In 2022, the Insulation Cork BU continued the development cycles launched in previous years in regard to R&D projects undertaken in consortia. These projects fall within the framework of the Group's cork development and innovation strategy for creating new value-added applications for cork as a raw material, specifically by seeking to improve the fire classification of the BU's products. In 2022, it launched the R2U Technologies project in the field of modular construction.

5 – Amorim Cork Ventures

Amorim Cork Ventures (ACV), Corticeira Amorim's business incubator, has accompanied the rising interest of entrepreneurs and start-ups to develop cork-based products, receiving business proposals received through the outlets that it has made available for this purpose.

Since its foundation in 2014, the ACV has received more than 400 applications, supported more than 20 projects (10 of which remain active). Eight patent and utility model applications have been submitted, while two start-ups remain in ACV's investment portfolio.

In recent years, the company's resources have been focused on helping the start-ups in its portfolio to prosper. As a consequence, the combined sales of the two subsidiaries that remain in the portfolio reached €3.76 million in 2022 (an increase of 21% compared with 2021), with sales outside Portugal representing more than 82% of the total.

In addition to the ACV's focus on its current portfolio of subsidiaries, the company also allocates resources to joint ventures created by the Composite Cork BU. This BU has identified the growth potential of certain businesses, seeing joint-ventures (with specialist partners in this segment) as the most appropriate means of developing the full potential and profitability of these businesses and finding in the ACV a set of capacities that best serve the management of joint ventures.

5.1. SUGO CORK RUGS

SUGO CORK RUGS, the brandname of the company TD Cork and a pioneer in the production of rugs made using cork, focuses on market segments that favour eco-design and exclusivity, combined with contemporary design.

In 2022, it concentrated on finding partners who, in line with the brand's values, bring together skills capable of expanding the company's global growth. Although the company identified some potentially interesting partnerships, its efforts in 2022 have not yet made an impact on sales.

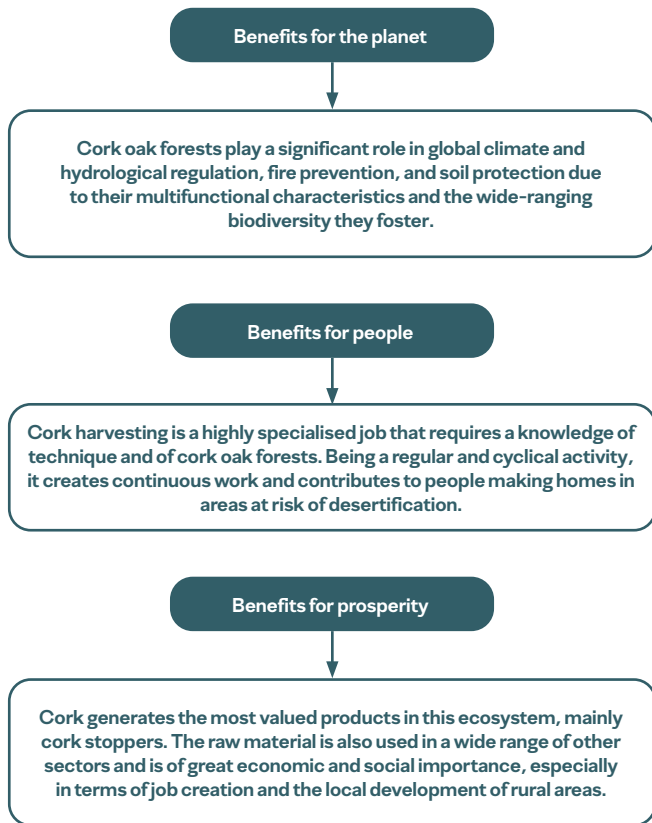
5.2. ASPORTUGUESAS

The footwear brand ASPORTUGUESAS (created by the start-up Ecochic Portuguesas) continued to expand its business, achieving a significant level of growth in its main markets.

Based on a value offer focused on the use of more environmentally friendly materials, with cork soles representing the distinguishing advantage of its footwear, ASPORTUGUESAS recorded sales growth of more than 20% in 2022, supported by the growing consumer receptivity and preference for more eco-friendly footwear.

6 – Approach to Sustainability

The cyclical nature of cork cultivation involves no deforestation. As a world leader in the cork industry, Corticeira Amorim’s activities ensure that cork oak forests remain viable, providing numerous environmental, economic and social benefits.



6.1. STRATEGY

Corticeira Amorim seeks to be sustainable, appropriately remunerating the capital invested, fostering social equity, integrating diversity, and safeguarding the environment as factors of differentiation in its products and services. The mission is simple: add value to cork in an ethical, competitive, differentiating, and innovative manner, in perfect harmony with nature, combining technology and innovation with a traditional natural material, nurturing a sustainable balance between these aspects as well as generating added value for all its stakeholders and for the planet.

The Group’s strategic priorities for sustainable development are reflected in its material matrix and aligned with its mission and fundamental values, incorporating economic, environmental, and social concerns and taking into account trends, both in activities, risks and opportunities and in sustainability, as well as changes in legislation, external commitments and internal policies in full alignment with the Sustainable Development Goals and the expectations of stakeholders.

In order to gather feedback from third parties on the Group’s performance, Corticeira Amorim consults with its stakeholders. The last such general consultation took place in 2018 with a review of the material matrix undertaken in 2021, which sought to put forward a renewed vision of the context and trends in sustainability and took into consideration both the material impacts and the financial consequences.

It is the responsibility of the Corticeira Amorim Board of Directors, presided over by the Chief Executive Officer and Chairman, who integrates the role of Chief Sustainability Officer, to promote sustainable development in the business as well as to approve the strategic objectives, strategic initiatives and priority actions.

It is the responsibility of the Executive Commission to supervise the governance of the themes of sustainability and the integration of these issues into the business. The Executive Commission meets at least twice a year to approach these issues and to define targets, performance goals and review the reporting. The E.S.G. Commission advises the Board of Directors on the monitoring, supervision and strategic orientation of Corticeira Amorim on these questions. The management of sustainability is led by the Chief Sustainability Officer and coordinated by the Head of Corporate Sustainability in conjunction with other business support areas and those responsible for each of the five Business Units (BUs). Each BU has its own sustainability manager, who reports directly to the BU Chief Executive Officer and who holds responsibility for, among other areas, suggesting and implementing the initiatives and actions necessary for compliance with the objectives defined, as well as monitoring and reporting on performance.

All Corticeira Amorim members of staff hold responsibility for implementing the defined priorities, whether through their defence and observance of the principle of good governance, also set out in the Company’s Code of Ethics and Professional Conduct, or through their direct functions on sustainability related themes.

6.2. STATUTES, REGULATIONS AND POLICIES

The management of Corticeira Amorim complies with a robust and cohesive set of Statutes, Regulations and Policies, available at <https://www.amorim.com/pt/investidores/governo-societario/estatutos-regulamentos-e-politicas/>, which enable the alignment with stakeholder expectations, foster balanced and prudent management and strengthen the Corticeira Amorim position as regards sustainable development.

The Organisation, in good time, communicates to its employees any updates and changes occurring in this set of directives and ensures their due dissemination, knowledge and adoption throughout the Company.

Corticeira Amorim implements integrated governance for risk management processes based on the lines of defence concept. For further information, see the Company Governance Report, section III. Internal Control and Risk Management, point 52.

6.3. SUSTAINABLE BY NATURE

In order to guide its actions on material themes, Corticeira Amorim designed and implemented the Sustainable by Nature program, which establishes ambitious targets for 2030. Involving the entire Organisation, this program incorporates four fundamental pillars: fostering transparency and responsibility; promoting the environmental characteristics of the products and their sources; stimulating the development, safety and wellbeing of people; engaging in RDI and leveraging economic performance. Furthermore, there are the following strategic priorities:

- **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 Forests:** preserve the cork oak forest and ecosystem services by increasing knowledge, mobilizing resources and proposing initiatives;
- **Climate Changes:** reduce the environmental impact of operations by adopting renewable, affordable and efficient solutions;
- **Circular Economy:** apply the principles of the 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 undertakes the regular monitoring of the actions foreseen by the sustainability plan, which includes quantitative objectives, performance indicators and control procedures that guarantee, with comparable levels of robustness and integrity, reporting on its priorities and progress on these issues.

Currently, the senior management has approved and as understood by the entire organisation, the following objectives for 2030:

- Zero carbon footprint (scope 1 and 2);
- 100% electricity from renewable sources;
- Zero impact in packaging;
- 100% waste recovery rate;
- 100% of workers accessing training;
- Zero discrimination;
- Zero work accidents.

6.4. MANAGEMENT SYSTEMS

Corticeira Amorim Group companies operate an Integrated Management System which includes the management system for stoppers, quality, environment, and energy practices, food safety, forestry products and custody, workplace health and safety and social responsibility. The Integrated Management System provides for the evaluation of indicators for quality, the environment and safety as well as identifying eventual actions for improvement and the associated resources and needs. These management systems are audited internally and externally, in accordance with a defined schedule for each system. Furthermore, there is also an annual audit to verify compliance. The transversality of certifications does not extend to every company and industrial/distribution unit, due to their respective different characteristics but there has been the implementation of a model adapted to the associated non-financial risks or to the opportunities emerging in the markets operated in. In every establishment not covered by external certification, there are evaluation mechanisms and indicators defined for each of the systems.

6.5. INFORMATION ON SUSTAINABILITY

Information on the performance and the initiatives undertaken by Corticeira Amorim as regards each of its strategic priorities is available in the 2022 Sustainability Report and from the website (<https://www.amorim.com/pt/sustentabilidade/overview/>).

7 – Human Capital Management

The context of people management has been, over the course of recent years, impacted by different variables making this an extremely dynamic and complex challenge. Conditioned by a very particular economic, demographic and social context, the human resource dimension takes on particular importance to the success of companies. In addition to the already recognised shortage of talent must be added the collateral effects of the pandemic, the socialisation of four generations in working contexts coupled with reflection on labour requirements in regard to some technological and organisational alterations.

7.1. DEMOGRAPHIC PROFILE

At the close of 2022, Corticeira Amorim counted on 4,999 workers. Portugal was the dominant geography, accounting for 70.5% of members of staff, with the remaining 29.5% distributed across the different countries where Corticeira Amorim is present worldwide. The rise in around 350 workers on 2021, essentially stems from the perimeter effect of the acquisition of the SACI Group (for the same perimeter, staff numbers remained stable at every BU).

It should be noted that Corticeira Amorim, in 2022, achieved the objective set for gender equality in 2024, which was 25% of females in management posts. At the end of 2022, the Company registered 25.5% in this indicator, which reflects recruitment and professional career development policies highly committed to achieving gender equality.

The average age of Company staff at the end of this year stood at 42 years, thus, reflecting the stabilisation of the average age for the third consecutive year. The rejuvenation of the work force represents one of the leading themes for Human Resource management. The predominant age group across the majority of the Company is between 45 and 54 years, immediately followed by the 35-to-44-year age range. With the objective of balancing the work force, there has been a rise in the recruitment of younger workers.

In terms of qualifications, over 80% of members of staff hold qualifications equal to or above level 2 (European qualification system). Around 25% of these have a qualification equal to or above level 5.

At the end of the year, members of staff with full time open contracts account for 84% of workers while fixed term contracts make up 9.6%. Temporary sources of labour therefore represent 6.4% of the labour force of Corticeira Amorim companies.

2022 stands out for its absenteeism rate of 8.5%. Employees on long term sick-leave represent 40% of this total, COVID-19 absences another 14% and parental leave of absence accounts for around 11%.

7.2. RECRUITMENT

In keeping with the trend in preceding years, the level of recruitment registered new highs, both due to variations in activities and by higher levels of rotation in employment. Over the course of this year, there were around 700 new members of staff in total at every Corticeira Amorim company. In the majority, these new recruits enter the industrial operations area while there was also a significant rise in recruitment of commercial managers and technical staff during 2022.

Also standing out in the field of recruitment, there was the launch of the Mobility + Program with the objective of boosting internal recruitment within the Group. In accordance with the existing vacancies, the required profile is announced and the candidates selected are advanced for recruitment with various positions filled through this internal application process in 2022.

7.3. EMPOWERMENT, QUALIFICATION AND DEVELOPING SKILLS AND COMPETENCES

During 2022, significant priority was attributed to e-learning, both through the development of Group content and the acquisition of specific and technical content, especially for management and behavioural education.

The year also saw all members of staff in Portugal and a significant proportion of international employees (English-language speakers) undertake a multimedia format training program on the Code of Business Ethics and Professional Conduct. The objectives involve guaranteeing knowledge about the contents of this document, which represents the foundations of the Corticeira Amorim organisational culture. This course was integrated into and shall remain a component for the welcome training process undertaken by all new members of staff.

In 2022, bringing together the Stoppers, Floor and Wall Covering and Composite Cork BUs, the Schools of Maintenance began activities, an initiative of extreme importance to the qualification of staff within the industrial perimeter. In order to counter a shortage of labour market competences, these three BUs are investing in the internal qualification of their professionals in the industrial maintenance field, both through the development of professional competences and opening up participation to other staff, from other areas, to begin training in this area. This training makes recourse to external partners, internal monitors and incorporates training modules in the classroom, in the workshop and in real working contexts. This is a long term program within the framework of upskilling and reskilling employees. Through to the end of 2022, some three dozen staff members have gained qualifications.

We would highlight, also in 2022, the training work carried out by the Cork Stoppers BU under the auspices of SA 8000 certification and that involves training contents for all of the Company's staff with a fairly intense dynamic.

Throughout 2022, Corticeira Amorim provided training to over 84% of its members of staff in a total of 75,000 hours of training.

Furthermore, the leadership development project remains ongoing across different levels as well as the development of young employees and for commercial qualifications and in addition to the technical adaptation and regular behavioural programs.

7.4. PERFORMANCE MANAGEMENT

One of the Corticeira Amorim objectives involves guaranteeing the evaluation of the formal performance of all of its members of staff. In 2022, the Floor and Wall Coverings and Composite Cork BUs carried out the evaluation of the formal performance of all of their members of staff at least once.

In 2023, it is forecast that all members of staff at the other companies complete this process.

7.5. WORKPLACE HEALTH AND SAFETY

2022 experienced a setback in the Accident Reduction Program at companies in Portugal. After four years of significant reductions in levels of accidents, year-on-year, 20 more accidents took place in 2022, with the Frequency Index rising from 10 (2021) to 13.4 (2022). Despite some companies having maintained their downwards trend, a significant worsening in other results drove the reversal in the positive trend of recent years. Therefore, a new action plan is undergoing implementation in 2023, featuring diverse but complementary measures, with the objective of recovering the results hitherto registered.

In the health field, the priority for preventive actions continues through the Workplace Gymnastics Programs that have now spread throughout every BU and are already a regular habit for production teams. The studies carried out on industrial units applying this practice for several years have confirmed the benefits of this type of exercise reflect in lower level of joint and muscle pain. With the program's expansion over time, we may expect a lower level of injuries of this type. The physiotherapy programs have also acted as a means of prevention of this type of injury and treating those already incurred with highly promising effects both in terms of the reduction of pain and the level of resulting absenteeism.

The general concern with the health of workers extends to a series of local actions, at the different companies and featuring campaigns and tests with a view to raising awareness around issues such as high blood pressure, smoking, dietary habits and mental health.

7.6. WELLBEING AND BENEFITS

The Company provides a platform, Amorim Vantagens+, where employees may access a series of services and products, on advantageous terms, which has attracted interest and usage by a large number of employees. This platform is available via the Employee Website entitled Linkpeople, and brings together all the local protocols covering areas such as health, education, physical exercise, opticians, culture, leisure, telecommunications, goods and equipment in general.

7.7. CULTURE AND CHANGE

Aware of the trends in society, the generational differences, the changes in the patterns of life and the expectations of our various stakeholders, Corticeira Amorim has been striving for objectives within the ESG framework, which require alterations to some of the patterns of organisational behaviour. From the outset, there is the theme of gender equality, expressed in the goal of raising the number of women in leadership roles. The focus on recruitment and the work of internal communications (campaigns for Women's Day, the Municipal Day of Equality) and the training of managers have led to a growing awareness and within the scope of which there is the gradual adoption of new behaviours and taking on new habits. The ambience reports carried out by the Raw Materials, Cork Stoppers, Floor and Wall Coverings and Composite Cork BUs point to a generalised staff perception that gender discrimination does not exist in the Group.

New challenges are looming over the horizon and, in 2023, Corticeira Amorim is advancing with a Diversity and Inclusion Program, with the objective of endowing the Company with the necessary agility to appropriately manage new, different, diverse and inclusive contexts.



Amorim Florestal has implemented occupational gymnastic actions in all its units, in awareness of the importance of physical exercise for the well-being of its employees in the workplace.

8 – Stock Market Performance

The current value of the Corticeira Amorim share capital stands at €133 million, represented by 133 million ordinary shares with a nominal value of 1 euro, which endow the right to dividends. The admission of Company (then entitled Corticeira Amorim, S.A.) shares for trading on the BVLP – the Lisbon and Oporto Stock Market took place on 18 April 1988, integrating the continuous national trading system ever since 11 December 1991.

Under the terms and for the purpose of Law no. 15/2017, of 3 May, and Decree Law no. 123/2017, of 25 September, the Corticeira Amorim Board of Directors deliberated on the conversion of bearer shares representative of Company capital (code ISIN: PTCOR0AE0006) into nominative shares; the respective conversion in the centralised trading system took place on 26 October 2017.

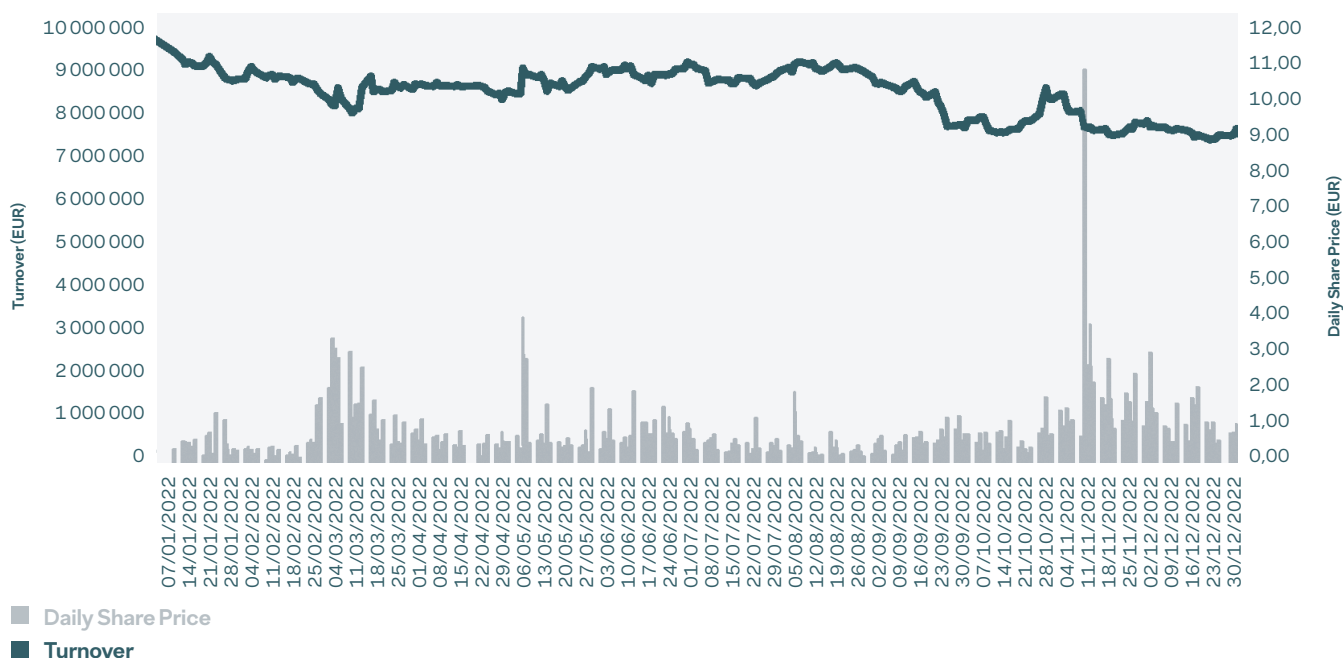
At the end of the year under consideration, the Corticeira Amorim share price stood at 8.72 euros, which reflects a devaluation of 22.7% on the 2021 closing price. The regulated Euronext Lisbon market accounted for around 19.9 million shares in over 70,000 trades that collectively amounted to approximately €191.6 million.

In 2022, the average share transaction was for €9.86 per share; with the annual peak reached at €11.36 per share registered on 1 January; with a minimum of €8.50 euros per share and took place on 20 December; the percentual range correspondingly stood at 33.6%.

The graphs below set out the stock market performance of Corticeira Amorim.

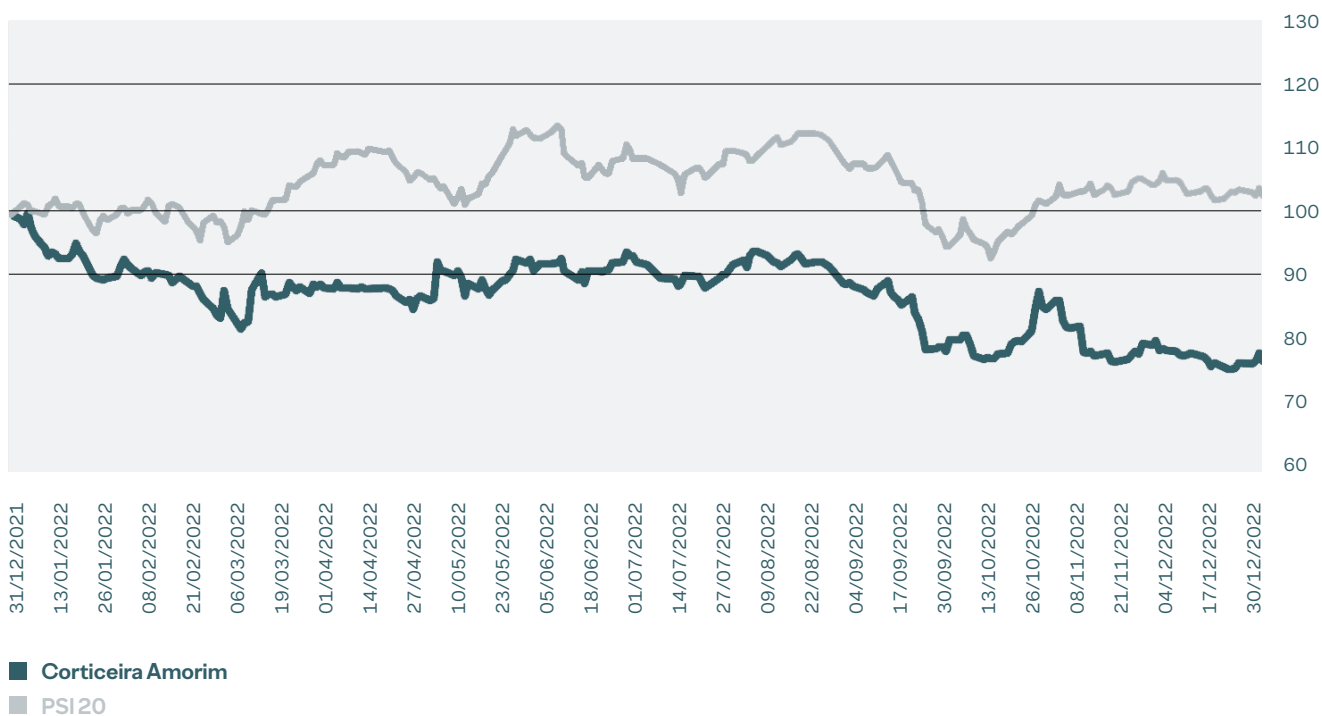
Transactions and regulated market prices (2022)

Source: Euronext



Trend in Corticeira Amorim shares versus the PSI20 (2022):

Source: Euronext



Trends in stock market indicators:

Source: Euronext

	2016	2017	2018	2019	2020	2021	2022
Quantity of shares traded	10,801,324	19,290,907	14,884,614	9,481,944	13,353,226	12,489,555	19,946,784
Share price (€):							
Maximum	9.899	13.300	12.000	11.520	11.780	12.700	11.360
Average	7.303	11.067	10.604	10.062	9.990	10.992	9.864
Minimum	5.200	8.180	8.370	8.710	7.480	9.860	8.500
End of year	8.500	10.300	9.000	11.300	11.600	10.220	8.720
Trading frequency	100%	100%	100%	100%	100%	100%	100%
Stock market capitalisation at year end (€ million)	1,130.5	1,369.90	1,197.0	1,502.9	1,542.8	1,359.3	1,159.8

KEY CORTICEIRA AMORIM ANNOUNCEMENTS IN 2022:

11 January:

**Acquisition of 50% of SACI, S.r.l.,
headquartered in Ivrea, near Turin (Italy).**

24 February:

**Consolidated results of the activities
developed in the 2021 financial year.**

Sales rose by 13% and exceeded €830 million, correspondingly highlighting:

- EBITDA reached €134 million, up by 10%;
- Net result advanced 16% to €75 million;
- Remunerated net debt down €63 million to €48 million;
- Proposal to distribute a gross dividend of €0.20 per share (€0.185 in 2021).

7 April:

**€40 million Green Bond, 2020-2025
Allocation and Impact Report 2021.**

23 April:

Gross dividend of €0.20 per share.

3 May:

**Consolidated results of activities developed
in the first quarter of 2022.**

Robust sales growth, totalling €264 million, highlighting:

- Excluding changes to the consolidated perimeter, sales surged by 18% and with a 9% rise in the net result;
- Contribution from the consolidation of SACI of €28 million in sales and adding €2.8 million to the net result;
- Remunerated net debt down €46 million.

4 May:

**Launching of the joint-venture entitled Elfverson
– Investimentos e Participações, S.A. (Portugal).**

15 June:

**Conclusion of the acquisition of Cold River's
Homestead, SA.**

2 August:

**Consolidated results of activities
developed in the first half of 2022.**

Sales rose by 13%, excluding alterations to the consolidated perimeter, highlighting:

- Improvement of the EBITDA/Sales ratio to 18%, despite the inflationary pressures;
- Growth of 14% in the net result, attaining €45 million in line with the increase in sales (exclusively the SACI Group);
- Positive contribution of the SACI Group, generating €57 million in sales and €3 million in net results.

4 August:

**Acquisition of property, which includes a set of
properties under forestation, that made up part
of the former Rio Frio Estate.**

7 November:

**Consolidated results of activities developed through
the third quarter of 2022.**

Sales up by 24% and in excess of €790 million, highlighting:

- Excluding alterations to the consolidated perimeter, sales up 10%;
- Net result strengthens to €64 million;
- Increase in remunerated net debt to €114 million;
- Proposal to distribute the reserves distributable to shareholders for the amount of €0.09 euros per share.

5 December:

Gross extraordinary dividend of €0.09 per share.

19 December:

Green Commercial Paper Program of €35 million.

21 December:

**Internalisation of information systems
Acquisition of 100% of the capital of OSI – Sistemas
Informáticos e Electrotécnicos, Lda. (Portugal).**

22 December:

Green Commercial Paper Program of €20 million.

9 – Consolidated Results

9.1. SUMMARY

In the 2022 financial year, Corticeira Amorim registered a consolidated business turnover of €1021.4 million and for the first time ever breaking the one billion euros mark. To attain this level of sales, the acquisition of the SACI Group was essential with its activities consolidated into the Corticeira Amorim accounts since the beginning of the year. The core activity of the SACI group corresponds to the production and sale of *muselets* through its ICAS subsidiary. The figures for 2022 confirm the expectation existing as regards the development of its activities: sales in this period amount to €117 million and generating EBITDA of €22.1 million, a significantly improved performance on that registered by the SACI Group in 2021.

At the end of the financial year, Corticeira Amorim maintained its average profitability as measured by the EBITDA/Sales ratio, recovering from the 0.7 percentage point slide reported at the end of September. Despite the increases in the costs of energy, raw materials and human resources, the improvement in the product mix and the rise in prices in effect enabled the maintenance of Corticeira Amorim's levels of profitability.

Corticeira Amorim sales totalled €1,021.4 million, up €183.6 million (+21.9%) year-on-year. We would highlight that, excluding the SACI effect, sales advanced by 7.9%.

The exchange rate effect (primarily associated with the valuation of the US dollar) helped raise the value of sales; excluding this effect, the rise would have been 19.9%; and up 5.9% for a comparable perimeter.

The consolidated EBITDA of Corticeira Amorim reached €164.0 million, a 22% advance on the previous year, practically the same as the rise in sales. The EBITDA/Sales ratio improved from 16% to 16.1%

At the end of December, remunerated net debt amounted to €129 million (2021: €48 million), reflecting payments stemming from the acquisitions made in 2022, especially the 50% stake in SACI (€49 million), the 50% stake in Cold River's Homestead, owner of a section of the properties making up the Rio Frio Estate (€15 million) and the terrain belonging to another section of the Rio Frio Estate (€22 million). The increase in fixed asset investments (€77 million) and treasury funding needs (€48 million), as well as the payment of dividends (€39 million), also contributed to this growth in net debt in 2022.

The non-recurrent results (net) include the effect of recognising the gains from the disposal of an investment property, establishing impairments related to the Ukraine-Russia conflict, costs of restructuring and bonuses attributable to previous financial years. The effect of these non-recurrent items on the net result was approximately €-0.8 million.

The net consolidated result of Corticeira Amorim came in at €98.4 million, reflecting a 31.6% year-on-year increase. Excluding the SACI effect, this rise would have totalled 25.1%.

In keeping with this fairly positive financial position, Corticeira Amorim distributed dividends for the total amount of €38.6 million that corresponds to €0.29 per share.

9.2. CONSOLIDATION PERIMETER

As already detailed, in 2022 Corticeira Amorim began to fully consolidate the SACI group, Herdade do Rio Frio and OSI. Thus, the financial reporting with reference to 2022 is not comparable with 2021.

9.3. CONSOLIDATED RESULTS

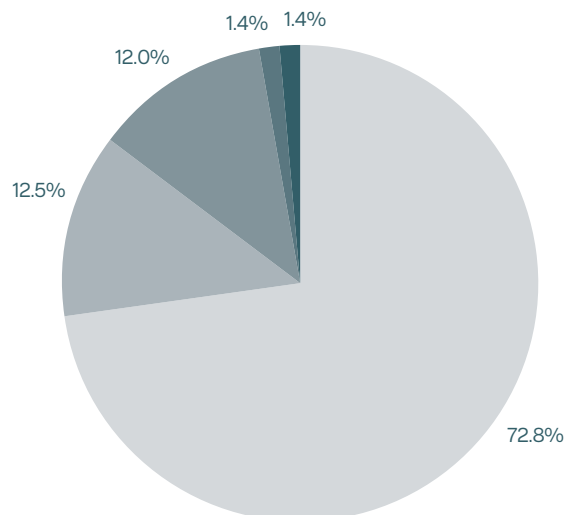
Consolidated sales amounted to €1,021.4 million, representing a 21.9% rise on 2021 when sales totalled €837.8 million. Excluding the effect of integrating the SACI Group, there was sales growth of 7.9%. Every Business Unit (BU) registered significant growth in sales while this rise was also driven by favourable exchange rate movements – excluding this effect, sales were up 5.9% (in a comparable perimeter).

The Raw Materials BU registered a rise in year-on-year sales (+6,8%) with this growth significantly stronger in the first quarter (+9.8%). In a context of significant growth in the downstream activities of this BU, and following the realignment of inventory levels held by this BU, the growth in sales at the Raw Materials BU was foreseeable.

Every other BU registered positive sales rises, with the Stopper (+27.1%, and up 7.3% excluding the perimeter variation) and Insulation Cork (+9.8%) BUs particularly standing out. The relative weightings of sales of each BU within the total of the group shifted slightly in keeping with the entrance of the SACI Group (Stoppers BU) into the perimeter. Withdrawing this factor, the weightings of the different BU in Group sales remained broadly stable.

Consolidated sales by Business Unit:

- Cork Stoppers
- Floor and Wall Coverings
- Composite Cork
- Insulation Cork
- Raw Materials

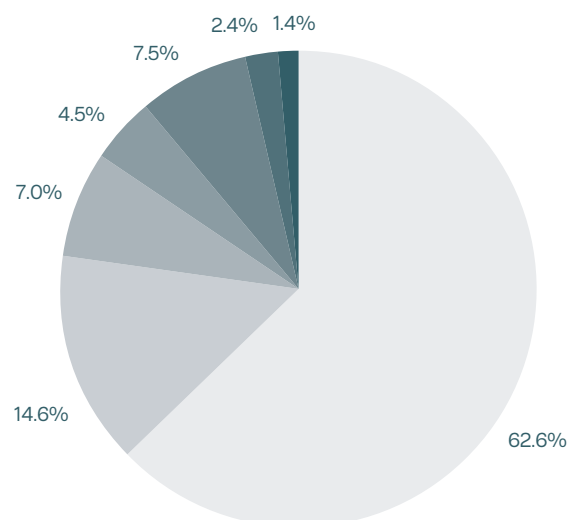


In geographic terms, the largest sales markets for the Group was once again France after having lost this position to the United States of America in 2020. Nevertheless, the exchange rate effect contributed to the weighting of sales in the US market rising in 2022. Due to the

integration of the SACI Group, the relative weighting of sales to Italy also rose. The following positions are occupied by Germany, Portugal and Spain.

Consolidated sales by geographic area:

- EU*
- USA
- Rest of América
- Australásia
- Portugal
- Rest of Europe
- Africa



* Excludes Portugal; includes Switzerland and Norway.

The gross sales margin rose to 51.3%, which corresponds to an increase of 1.7 percentage points on 2021. This rise stemmed essentially from improvements to the product mix and the price rises implemented during the year as well as the favourable impact of exchange rate fluctuations. The variation in production generated a positive effect of around €14.5 million, with more relevant contributions from the Stopper and Composite Cork BUs, broadly reflecting the increase in the quantities produced following the year of 2021 when the quantities produced in stock were significantly reduced.

At the level of operational costs, these experienced a hike of 26.8% (up 14.5% in a comparable perimeter). External supplies and services jumped 30.8%, particularly driven by the rise in the cost of electricity (53%) and transport (17%), within the current inflationary context. Excluding the SACI effect, the cost of external supplies and services rose by 20.2%, in keeping with the higher price of electricity, up 45%, and the 10% increase in transport costs.

The €37 million (+25.2%) increase in human resource costs includes the effect of the variation in the perimeter due to incorporating SACI; when excluding this factor, the rise in personnel costs came in at 10.3%, deriving from the rise in the average pay of employees and by the increase in the average number of employees. Considering average earnings per employee, there was a rise of 9.1%.

The rise in depreciations (+5.2% in a comparable perimeter) reflects the higher level of investment carried out in recent years.

The impairments item (essentially amounts receivable) carries a loss in value of €0.2 million, which contrasts with the recovery of impairments valued at €2.2 million in 2021. Following a strong recovery in impairments, the practically null value of recognised losses stems from the close monitoring of amounts receivable undertaken by Corticeira Amorim.

The other operating gains and costs item recorded a positive variation of €4.8 million. The effect of exchange rate differences on the assets receivable and liabilities payable, and in addition to the respective coverage of exchange rate risks, resulted in a loss of €1.5 million in 2021, with this then rising to €0.2 million. Variations in this item stem essentially from an increase in work for the company (€+1.9 million due to the integration of the SACI Group) and operating subsidies (€+1.1 million).

Consolidated EBITDA totalled €164.0 million, year-on-year growth of around 22%. In terms of a comparable perimeter, consolidated EBITDA came in at €141.9 million, a 6% rise on the previous year primarily due to higher levels of activity. The EBITDA/Sales ratio closed the year at 16.1% (2021: 16.0%).

The EBITDA/Sales ratio of the Raw Materials and Stoppers BU reached 18.8% (2021: 20.0%). The decline in the EBITDA margin reflects the higher prices of raw materials (cork and not cork), higher operating costs (increases to the costs of energy, employees and transport) and lower grinding earnings.

The EBITDA margin at the Floor and Wall Coverings BU went from 2.3% in 2021 to -1.3% in 2022, broadly due to the impacts of the heightened prices of raw materials (especially non-cork), and the costs of energy, transport and commercialisation.

At the Composite Cork BU, the EBITDA margin advanced from 8.6% in 2021 to 17.4% in 2022. The positive performance of the product mix was the main driver of a strong improvement to profitability even while held back by the rise in the costs of energy, raw materials and staff. The favourable exchange rate moves also contributed to this rise in profitability; at constant exchange rates, sales would have risen by 3.4% and with the EBITDA margin standing at 16.6%.

The EBITDA margin in the Insulation Cork BU closed the year at 5.5% (2021: 14.2%). Beyond the occasional impact of the closing of cells, this decrease stems from the impact of rises both in the prices for the cork consumed and operating costs.

EBITDA-sales ratio by Business Unit:

EBITDA/Sales (%)	2020	2021	2022
Raw Materials + Cork Stoppers	21.2%	20.0%	18.8%
Floor and Wall Coverings	1.6%	2.3%	-1.3%
Composite Cork	8.8%	8.6%	17.4%
Insulation Cork	7.1%	14.2%	5.5%
Consolidated	16.6%	16.0%	16.1%



Values in millions euros

EBIT rose to €115.3 million, a year-on-year advance of 23.1% (5.7% in a comparable perimeter). Depreciations also increased by 19.4% (+5.2% in a comparable perimeter.) as a result of the increased investment of recent years.

The non-recurrent results totalled €-0.8 million. These include capital gains of €3.2 million from the disposal of properties in Montijo (investment properties), the establishing of impairments (inventories and clients) to reflect a prudent approach to Russia, Ukraine and Belorussia (€-1 million), restructuring costs (€-1.2 million), bonuses attributable to previous years (€-1.5 million) and transactional costs from concentrating business activities (€-0.25 million).

The financial costs rose on the previous year, even excluding the effects of perimeter variations, stemming from the rise both in average debt and in the average rate of financing.

In terms of the associated gains, the value of the profits appropriated by Corticeira Amorim in companies where it does not hold a majority of the equity capital and/or voting rights amounted to €4.9 million in a significant annual variation (up from €3 million). The change in the functional currency of Corchos of Argentina contributes to this variation, with its performance formerly penalised by movements in the exchange rate and by the application of normative accountancy for hyper-inflationary economies. Reflecting the market approach applying a functional currency other than the peso (price lists in euros, charging at the exchange rate on the date of invoice settlement, costs of raw materials in euros, residual costs in Argentinian pesos), there was the scope to proceed in this year with the functional alteration of the currency for Corchos de Argentina. Hence, following a negative impact on the results of €0.6 million, Corchos de Argentina now turns in a positive impact

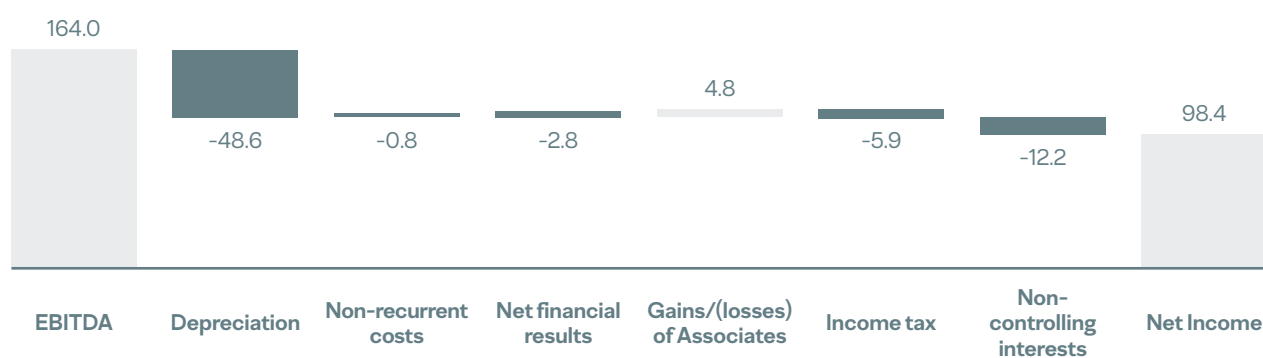
of €1.3 million. As regards the remaining holdings, Vinolok registered a notable increase in its contribution, up from €2.5 million to €2.8 million.

In 2022, the effective rate of taxation [Tax on earnings/(Pre-tax results – Earnings from holdings)] fell back to 5.1%, which compares with 18.2% in 2021. Strongly influencing this reduction was the impact of a decision handed down by the North Central Administrative Court referring to the 2007 IRC corporate tax of Corticeira Amorim, which was favourable to the company and implied the annulling of a provision for the amount of €8.2 million and the recognition of an amount receivable from the State for the value of €3.2 million. The effect of accounting for the fiscal benefits for investment (SIFIDE – Fiscal Incentive System for Business R&D and RFAI – Fiscal Regime for Investment Support), in comparison with the provisions reverted as gains (with Corticeira Amorim maintaining its policy of recognition conditional on the future achieving of objectives) generated a positive impact on results, which should carry over into forthcoming financial years.

The increase in the non-controlled interests stems essentially from the entrance of SACI Group into the Group perimeter with an impact of €5.8 million. This furthermore highlights how the 2021 financial year experienced the impact of the gains from the sale of a property in Chile, with its respective share of results appropriated by non-controlled interests.

Following estimated tax on results of €5.9 million, and the appropriation of €12.2 million of results from non-controlled interests, the consolidated net result of Corticeira Amorim stood at €98.4 million, a rise of 31.6% against the €74.8 million registered in 2021. In a comparable perimeter. This increase stood at 25.1%.

Composition of the net result:



Values in millions euros

10 – Consolidated Statement of Financial Position

In terms of the financial position, the total value of assets stood at €1,269 million, registering an increase of approximately €188 million. A significant proportion of this rise stems from the consolidation of the SACI group. Excluding the perimeter variation effect, assets would have registered a gain of €56 million.

As stipulated by the acquisition contract in 2021, there was the acquisition of a third tranche of 10%, which raised the financial holding in Bourrassé from 80% to 90%. In July 2022, there was the purchase of the fourth and final tranche corresponding to the outstanding 10% of Bourrassé.

The items that most contributed to raising the total asset value were goodwill (up €9 million due to the SACI effect), fixed tangible assets (up €109 million), clients (€25 million due to the increase in sales) and inventories (up €65 million).

In terms of equity capital, the €122 million variation stems essentially from results for the period (€98.4 million), the distribution of dividends (€38.6 million) and changes in the perimeter following the entrance of the SACI Group (€45.8 million).

In the liabilities, the €66 million increase stems essentially from the rise in remunerated debt (€56 million). As at 31 December, total net remunerated debt amounts to €129 million, a year-on-year hike of €80.9 million. This variation arises from the increased level of treasury funding (up by €49.5 million due essentially to higher inventories and client balances) and by the EBITDA generated. Further contributing to this surge in the net debt level were the acquisitions of SACI (€48.7 million), of 50% Herdade do Rio Frio (€14.5 million), the final 10% tranche of Bourrassé (€5 million) and of OSI (€2.8 million).

In terms of financing, Corticeira Amorim reaffirmed its commitment to applying the best principles and practices of ESG and in alignment with the Sustainable Development Goals and implemented two more ESG operations in 2022: (i) a €35 million green bond issuance program maturing on 26 November 2029 and (ii) a €20 million green bond issuance program maturing on 20 June 2027; both under the auspices of the Green Finance Framework – November 2022 of Corticeira Amorim. The issues made within the scope of the aforementioned programs serve for re-financing the acquisition of Herdade de Rio Frio, S.A., the purchase of terrain spanning 1,855 hectares as well as financing the investment for the planting of new cork oaks, all within the framework of the Corticeira Amorim Forestry Interventions Project. As at 31 December, the sustainable financing instruments issued represent 40% of the total gross debt of Corticeira Amorim.

The financial autonomy ratio closed the year at 58.7%, representing a slight rise on the previous year.

11 – Main Consolidated Indicators

	2021	2022	yoy	2022 exc. SACI	yoy	4Q21	4Q22	yoy
Sales	837,820	1,021,391	21.9%	903,903	7.9%	200,688	231,093	15.2%
Gross Margin – Value	415,817	523,766	26.0%	467,989	12.5%	99,821	111,356	11.6%
Gross Margin / Sales	49.6%	51.3%	+165 b.p.	51.8%	+214 b.p.	49.7%	48.2%	-155 b.p.
Operating Costs - current	322,153	408,451	26.8%	368,975	14.5%	85,426	90,849	6.3%
EBITDA - current	134,399	163,954	22.0%	141,885	5.6%	24,087	32,794	36.1%
EBITDA/Sales	16.0%	16.1%	+1 b.p.	15.7%	-34 b.p.	12.0%	14.2%	+219 b.p.
EBIT - current	93,664	115,315	23.1%	99,014	5.7%	14,395	20,507	42.5%
Net Income	1) 74,755	98,394	31.6%	93,550	25.1%	16,724	34,235	104.7%
Earnings per share	0.562	0.740	31.6%	0.703	25.1%	0.126	0.257	104.7%
Net Bank Debt	48,072	128,988	80,915	-	-	-	-	-
Net Bank Debt/EBITDA (x)	2) 0.36	0.79	0.43 x	-	-	-	-	-
EBITDA/Net Interest (x)	3) 167.7	148.6	-19.09 x	139.3	-16.9%	84.3	79.9	-4.43 x

1) Net income includes non-recurring results. In 2022, non-recurring earnings mainly included the sale of an investment property, impairments (inventories and accounts receivable) reflecting a more prudent approach to exposures to Russia, Ukraine and Belarus, and restructuring costs.

2) Current EBITDA of the last four quarters.

3) Net interest includes interest from loans deducted of interest from deposits (excludes stamp tax and commissions).



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The harvesting season occurs annually, between mid-May and mid-June. It is a demanding process reserved for those who have in-depth knowledge of the practice, technique and expertise that enables this specialised work to be carried out without harming the tree.



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The cork planks need space to stabilise, and remain in the cork yards for an average of one year while this obligatory resting process takes place.

12 – Activities of Corticeira Amorim's Non-Executive Directors

During the year, the non-executive members of the Board of Directors regularly attended the monthly meetings of the Board, where all matters that could not be delegated or were included on the agenda because of their importance, scale or critical timing were discussed and analysed.

The meetings were organised administratively to ensure that all board members, executive and non-executive, could adequately prepare beforehand, encouraging the active participation of all members in the debate, analysis and tabling of decisions in benefit of the productivity of the meetings and the efficiency of the Group. The calendar of ordinary meetings of the Board of Directors was agreed at the end of 2019 so that all members could attend. Any board member, including non-executive members, could submit points or discussion subjects for inclusion in the agenda up to two working days before each meeting.

A system has been implemented that enables the Executive Board to report to the Board of Directors in such a way as to ensure that the activities of the two bodies are properly aligned and that all members of the Board of Directors are informed in a timely fashion of the activities undertaken by the Executive Board.

As a consequence, and excepting matters that are of the exclusive competence of the Board of Directors, non-executive board members were informed of and able to follow:

- The development of operating activities and the main economic and financial indicators of all the Business Units that comprise Corticeira Amorim;
- Significant information regarding the Group's consolidated financial function: financing, investment, financial autonomy and extra-patrimonial responsibilities;
- Activities carried out by different support services and their impact on the Group;
- The development of R&D and Innovation activities;
- The process of acquiring and/or constituting new companies;
- The activities developed by the Company's specialised internal committees;
- The formalisation of the Corticeira Amorim Group's corporate policies;
- The calendar of market events and statements, and of the dissemination of information to the market;
- The calendar of the main events involving Corticeira Amorim and its Business Units.

13 – Future Outlook

13.1. THE WORLD ECONOMY

13.1.1. OVERVIEW

The beginning of 2022 was marked by the reopening of the Chinese economy after almost three years of mobility restrictions implemented as part of the country's Covid-zero policies. This change is expected to influence growth in 2023 significantly and has led to a revision of forecasts for the Chinese economy. The current year will also be deeply marked by the ongoing conflict in Ukraine, in terms of both geopolitics, with the ever-present risk of spreading instability, and continuing repositionings between different global powers. It is feared the availability of agricultural products and fertilisers, as well as the evolution of energy availability and prices, will remain determining factors, not least because the current, more positive climate stems largely from an unusually mild winter in the northern hemisphere. The full return of China as an economic power is also expected to result in increased competition for liquid natural gas (LNG) cargoes. At the same time, central bank policies worldwide are likely to result in continuing monetary tightening after years of extraordinarily expansionist policies. This, in turn, will have economic, financial and social impacts that are disproportionate in relation to the measures taken. Since the end of 2022 and the beginning of 2023, when expectations were for a more pronounced recession in Europe, a less severe one in the US and compensating growth in China, the international economic climate has grown more relaxed and positive, reflecting a downward adjustment in the pace of price rises and moderate growth in business activity. Inflation, which is projected to drop to 6.6% in 2023, will continue to have a strong impact on this year's economic and social outlook. Doubts remain, however, over the real reaction of economies to such a profound monetary adjustment, and whether, after the reversal of the most immediate impacts on prices, we will effectively see a return to previous price stability targets. Monetary policy is expected to remain restrictive and will perhaps be further tightened in developed economies. China will again make a decisive contribution to growth, as detailed above, adding an estimated 2.9% to the expansion of the world economy. This will, nevertheless, represent a slowdown compared with the 3.4% China is estimated to have added in 2022. Developed economies will be largely responsible for the projected slowdown (with growth of about 1.2%), while emerging economies, which bottomed out last year, are forecast to grow at a rate of 4.0% this year, marginally above the pace of 2022.

The Euro Zone began 2023 under a cloud of pessimistic forecasts. A technical recession is projected this year due to the energy crisis generated by the conflict in Ukraine, together with similar inflationary pressures to those observed in 2022 and a both sharp and rapid tightening of monetary conditions. Efforts to diversify energy supplies, however, together with less demanding weather conditions in terms of natural gas consumption (January 2023 was the third hottest on record) have resulted in a more relaxed economic climate and an upward revision of growth forecasts. At the same time, the fiscal effort set in motion in 2022 appears to have stabilised the macroeconomic outlook, with the economy now expected to grow 0.7%-0.9% in 2023, compared with the 0.3%-0.5% forecast in November 2022. Inflation will rise well above the price stability target, but remain far below the 9.2% estimated for 2022, consolidating a turnaround in the upward trend of prices. The labour market should remain strong in 2023, following the historically low unemployment rate of 6.1% recorded at the end of 2022.

Domestic demand will face significant pressures and underlying inflation may prove difficult to adjust downwards, requiring a more forceful monetary adjustment. On the positive side, external demand will be more robust following the reopening of China. The conflict in Ukraine and the replenishment of natural gas stocks before next winter, as well as the delayed effects of both monetary tightening and the evolution of prices and incomes are likely to keep expectations firmly anchored. The UK economy is expected to contract, with projections made in with November being revised sharply downwards, reflecting more restrictive fiscal and monetary conditions. A more cooperative stance towards the EU could emerge, embodied in the recently signed agreement in principle to amend the Northern Ireland Protocol. Sweden is also expected to register a contraction in growth, albeit marginal. The country's response to inflationary pressures and the real estate correction currently underway are proving to be significant challenges, with an impact on real disposable income. In the Czech Republic, economic growth is expected to slow to about 1.5%.

The US is expected to avoid a recession in 2023, even if the persistence of above-target inflation and a need to raise and maintain dollar interest rates at high levels will create an obstacle to economic expansion. Signs of an increase in credit defaults are beginning to emerge and may increase. Nevertheless, projections point to growth of about 1.4%, which already incorporates the positive effects of the country's economic resilience at the end of 2022 and its historically low unemployment levels. Economic growth in Japan is expected to accelerate compared with 2022, with growth of about 1.8% benefiting from markedly expansionist monetary and fiscal policies. Australia is projected to record growth of 1.9% in 2023, a marked slowdown compared with the previous year, even when expectations of a resumption of its trade dialogue with China are factored in following a long period of trade sanctions and distance between the two economies.

Among emerging and developing economies, China is expected to maintain strong support for its economy, especially in the sectors most exposed to pandemic-related adjustments in 2022, such as real estate. Selective stimuli should boost consumption and investment, helping the country to achieve its 5.2% growth projection. Economies in Latin and South America are expected to slow down sharply in 2023, despite benefiting from the recovery in Asia. Brazil, supported by more comprehensive fiscal measures, is projected to grow 1.2% and Mexico 1.7%, while a contraction of economic activity is forecast in Chile. Argentina, in turn, is expected to grow at a rate close to 2.0%, representing a slowdown to half the growth rate it recorded in 2022. Growth in South Africa is also forecast to slow down noticeably compared with the previous year, to 1.2%. In addition to other structural constraints, this reflects persistent cuts in its energy supply. Hungary, heavily dependent on energy imports and lacking the flexibility to diversify its sources, will see these factors reflected in the sentiment of international investors in a challenging geopolitical context. Projections point to growth of 5.1%, a slowdown compared with 2022.

Overall, the normalisation of monetary policy should continue in 2023, either by means of raising interest rates or by reversing current extraordinary liquidity injection measures. In some economies, a reversal of monetary tightening can be expected with a view to easing possible pressures on economic activity. The last bastion of quantitative easing measures – Japan – is likely to join other economies by considering positive interest rates and ending monetary injections. Energy is expected to be an area of uncertainty that dominates 2023. While, on one hand, the first response to the Ukrainian conflict appears to have been fully implemented,

structurally altering the pattern of energy consumption and economic development, especially of those economies most exposed to Russian supplies, one-off factors in 2022 and early 2023 may have skewed the perception of exposure. The risk of global energy supply infrastructures being disrupted and of a lack of capacity to replenish reserves are critical. The vulnerability of energy networks, together with a lack of backups, presents clear challenges.

13.1.2. PORTUGAL

After a year of economic growth in the wake of the pandemic in which projections were clearly exceeded, 2023 is expected to prove more challenging, as economic decisions and behaviour adjust to sharp price rises and the monetary restrictions implemented to control them. Projections indicate the Portuguese economy will lose purchasing power and slow to a growth rate of about 1.0% in 2023. Consumption is expected to increase marginally, in expectation of a recovery of investment. The diminished performance of the country's main trading partners is likely to have a negative impact on exports. The upward trend in prices appears to have been reversed, but inflation is expected to fall slowly amid fears that inertia related to increased wage pressures will translate into rising service prices and a high level of underlying inflation. On the positive side, Iberian rainfall levels in recent months could contribute to a reduction in agricultural product and energy prices. Average inflation is forecast to fall to 5.4% in 2023. Unemployment, reflecting the slowdown in growth at the end of 2022, is projected to increase to 6.7% in 2023. Portugal's public finances are expected to improve further, with the budget deficit falling below 1.0% of GDP and public debt dropping towards 110% of GDP. The economy should also return to a positive external balance (external financing capacity) this year, with a surplus equal to about 1.0% of GDP.

13.2. OPERATING ACTIVITIES

13.2.1. RAW MATERIALS

In 2023, the EBITDA item is expected to exceed that registered in the preceding year, reflecting the forecast increase in activities and the repositioning of sales prices in keeping with the higher costs of raw materials experienced in 2022. Equally, the expected stability in the purchase prices in secondary markets, in contrast with the second half of 2022, and the consolidation of operating efficiency projects, installed in recent years also account for determining factors in this evolution.

By areas of activity, it is forecast that the Granulates and Timber will significantly recover their levels of profitability, reflecting an improvement in raw material earnings, higher levels of activity and the repositioning of sales prices. Hence, these areas should compensate for Preparation, where the costs of transport stemming from a higher level of purchases (cork contractually acquired but not extracted in 2022 and that therefore transits over for extraction in 2023) are expected to pressure results. In the Discs area, there is a forecast for a drop in the activity of Twin Top discs.

In terms of Operating Costs, forecasts point to the relevant consequences of the reduction in the electricity price, driven by better market conditions and the renegotiation of contracts and setting consumption prices. Equally, investments in solar panels made in 2022 should then also contribute to reducing consumption costs.

As regards the European Social Fund, it is still expected that the impacts of the inflationary context more directly hit the items of conservation and repair and specialised services. In order to reduce this impact, plans are under way to reduce costs through the implementation of new working models and recourse to alternative materials and suppliers.

Human resource costs are expected to increase in 2023 due to the wage rises planned and expanding employee benefits, especially improving the healthcare plan and expanding variable performance related remuneration.

The 2023 purchase campaign has already launched and is taking place at a good pace. It is hoped this campaign avoids the restrictions of the previous year, which should bestow normality on the supply of cork and, in this way, ensure the repositioning of the normal purchase and supply quantities of the Group.

During this cork extraction campaign, there will be the strengthening of new working models in the field, through recourse to technology, especially in the cork extraction process, boosting the number of extraction machines available for the 2023 campaign. It is also forecast that the improvements made to the extraction machinery are now already fully effective, ensuring appropriate levels of reliability and productivity. This also seeks to deepen the utilisation of technologies already deployed in 2021 and 2022, especially the gripper and bio-waste presses, bringing about developments in both solutions.

The development of new processes, whether designed to improve operating efficiency or the product, shall remain a priority for the Raw Material BU. All operating areas are engaged in ongoing projects that, through the introduction of new technologies (deep learning, RPA, AI, advanced optical visioning, etc.), hold the overall objective of raising current levels of operating efficiency.

Within the scope of the Forestry Intervention Project, plans for 2023 stipulate the planting on new areas of the Rio Frio Estate with a project to densify the planting of around 400 hectares for implementation in the final quarter of this year. In addition, this also foresees the planting of new cork oaks on the Baliza Estate with a planned area of 200 hectares for this year.

In terms of plant production, following the mastery of production techniques in 2022, this shall internalise the production of plants on an increasing scale, gradually guaranteeing control over the process and expanding the scale of production.

During 2023, work is also due for completion on the process of identifying genetic markers, which shall enable the subsequent design of rapid detection mechanisms for the presence of the aforementioned markers in the trees selected.

13.2.2. CORK STOPPERS

In recent years, the world of wine has dealt with a pandemic. Consumers were generating demand for sparkling wine to cope with the daily adversities, and producers and purchasers struggled with supply chain problems stemming from the global paralysation. However, the industry has now returned with other concerns. Wine producers are reformulating their practices to better care for the environment and protect vines from extreme weather events with purchasers and consumers providing further support for this development.

These are interesting times for the wine market as extreme weather and global events are challenging producers. Nevertheless, the general demand for wine remains strong and even flourishing in new and unexpected ways.

Indeed, the times are stimulating for the wine industry. In 2022, sustainability and respect for the environment became an ever more important trend in the winery sector – fully expected to continue in 2023. The drivers of climate change, digitalisation and globalisation are shaping this millennium old industry, increasingly driven by e-commerce. In addition to this, there has emerged a “crowd of pioneers” that are merging and evolving traditional styles of wine and thus 2023 would appear to be a fascinating year for wine.

Although the baby boomers still dominate the upper segment of the market, the consumers of traditional wines have different sensibilities to their parents. The trend of this century to seek more value and variety outside of the ordinary continues, while Generation Z is providing strong support for sustainability, which applies not only to traditional vine growing and wine-making procedures but also to the ethical philosophy of the establishment.

These drivers, boosted by technology, are bringing about change in the world of wine, rethinking its approaches to production, marketing and sales.

The market is becoming more daring and reactive to newness and innovation. In this stimulating spirit of optimism, these are the trends perceived as shaping the world of wine in 2023:

- **Sparkling wine becomes a daily beverage.** Sparkling wines have always been a fairly popular product, consumed at the most diverse moments but, in recent years, sales have risen dramatically. This surprising trend is closely linked up with the growing popularity of sparkling wine-based cocktails, such as spritz, and with their more frequent consumption

on various occasions and not just for celebrations and commemorations.

Another trend likely to be prominent in 2023 refers to “neo-traders”. A neo-trader is essentially a wine producer who does not grow any grapes but rather sources them from various specialist producers, many of them families who have tended the vines for various generations. A neo-trader, however, is a master of both – a producer who became a trader able to choose between a broad selection of terroirs.

Famous regions such as Champagne, Cava and Prosecco shall continue to prosper, accompanied by the global trends in changing consumer habits.

- **The premium segment will remain vibrant.** To the extent that the world is embarking down a period of growing economic weakness, those with financial stability will provide rising opportunities to the owners of premium wine brands. During the pandemic, the market witnessed a major expansion in demand among clients with higher levels of available income who, in their homes, took advantage to drink more wine. Now, with the arrival of inflation, consumers are drinking less but better quality. Even following price rises, the ultra-premium brands may be a relatively accessible indulgence in comparison with other luxury products.
- **Climate and terroir changes.** In these times of growing concerns over the environment, many clients now seek wines certified as vegan, organic and produced sustainably. Recent research concluded that half of wine consumers are positively influenced by brands and marketing describing sustainability initiatives that do not necessarily need to be directly involved in the production of the wine itself and hence general pro-environment measures receive a positive response from consumers. Furthermore, something that will become still more prominent in 2023 is the challenge posed by climate changes to the concept of terroir. When the climate changes, the terroir may also change. The climate fluctuations are already disrupting daily life and it may not be long before this affects the wines they choose.
- **E-commerce is here to stay.** Buying wines is becoming an increasingly online activity. This trend with wine began a long time ago but the COVID-19 pandemic accelerated the transition of traditional wine commerce to e-commerce. The trend is growing still more rapidly and on its own impulse. Thus, the expectation in 2023 is for the wine industry to become still more e-commerce influenced. For many small players and wine traders with online stores, this is good news. The growing prominence of e-commerce within the industry is enabling smaller companies to promote their product range online. With the right tools, they are able to reach far broader and hitherto unexplored audiences. This is also positive for consumers, as the availability and ease of purchase are a comparative advantage over local retail. The fact is, due to an increasingly globalised world and defined by e-commerce and technological advances, the wine industry will inevitably head in this direction.

- **Demand for the Natural.** A strong trend has boosted the demand for natural wines over the last five years. Furthermore, a significant part of the population is ever more positively influenced by brands associated with sustainability and incorporating this into organic agricultural practices. These two trends are interconnected with perceived health and consumer ethical commitments in their shopping habits. Within this framework, it is highly important to define “Natural” and “Sustainable” or “Organic”:

Natural Wine: when talking about natural wines, this may cover a substantial range of products. This may refer to wines produced by traditional methods and without recourse to pesticides, which is also an important component of the organic label. Normally, following fermentation, wine producers add a dose of sugar to sparkling wines in keeping with the desired outcome: *Brut, Extra-Brut, Dry or Extra Dry, Pétillant-Naturel*. In turn, natural sparkling wines do not have any sugar added. These therefore constitute a totally different range, generally acidic, refreshing and delicious. The small wine producers making wines in this line are carving out their own niche in the industry.

Sustainable Wine Making: furthermore, when referring to sustainable wine making, this normally refers to the entire process and not only the final additives. There has been a joint effort across the wine world to make the transition to organic agriculture and the associated biodiversity. This means the non-utilisation of synthetic pesticides, herbicides or fertilisers. Furthermore, there are general efforts to foster variety in the vines. In summary: cultivating grapes in harmony with nature. This accounts for an approach that many wine producers are adopting.

In conclusion, “minimum intervention” and “sparkling wine” are relevant expressions for this year. If there is a conclusion to be reached from all of these forthcoming trends it is that wine producers and consumers understand the importance of terroir. With the trend towards natural wines and organic labels, consumers are also demonstrating a greater awareness of the effects of pesticides and highly processed products.

In this context, 2023 is expected to be a year of growth for the Cork Stoppers BU, despite the increased cost of production factors in general and raw materials in particular.

At an operational level, the presentation of new technologies and product improvements to the market will facilitate evolving towards a more favourable mix, continuing to serve customers with technically exemplary, sustainable solutions perfectly aligned with their needs.

A gradual normalisation of the logistics chain is also envisaged, stabilising the stock levels of sales companies. As for all industry and service companies, hiring and retaining skilled personnel is difficult and generates considerable wage-cost pressure.

Productivity and operational efficiency, in terms of both production and support areas, will remain priority areas for intervention in 2023. Particularly noteworthy in terms of increased productivity are the machine- and deep-learning programs being implemented in critical processes.

The sensory improvement program will also be strengthened and expanded, making it possible to expand and further highlight the BU's competitive advantages and product range.

The BU's main guidelines remain in place: personnel development, management professionalisation, talent retention, a commitment to innovation, digital transformation and the incorporation of sustainability principles into business models.

The strategy for the three-year period 2023-2025 will focus on the following action lines:

- Prioritising product improvement by adapting raw material use;
- Managing raw materials and introducing processes to improve their performance and use;
- Increasing the capacity of Xpür processes, offering the market high value-added products;
- Increasing business capacity in the spirits sector, which will reduce dependence on external suppliers and improve service levels;
- Improving the company's profitability after two years of strong external impacts not fully reflected in the market;
- Ensuring the development of the critical skills required for the BU's business;
- Implementing machine- and deep-learning projects as a means of expanding knowledge and improving product consistency and process efficiency;
- Implementing projects to enhance the advantages of cork over alternative closures;
- Optimising working capital and prioritising investments in innovation and operational efficiency projects.

13.2.3. FLOOR AND WALL COVERINGS

The prospects for 2023 portray a year of transition with changes to the product portfolio of the Floor and Wall Coverings BU resulting from the implementation of the Go4Green innovation program, which applies a new approach to the concept of digital printing and a recognisably differentiated positioning as regards sustainability in the flooring industry.

The new technology implementation project and digitally printed finishings, ensure the consolidation of a collection of visuals and strong investment in communicating the arguments of sustainability and the Green concept rank among the leading priorities of this BU for 2023.

The changes to the BU's product portfolio shall enable a significant reduction in the capital invested in stocks, the phasing out of the current LVT range sourced from Asia as well as accelerating the treasury funding, which will drive a reduction in stock impairments and improve the free cash flow of the Floor and Wall Coverings BU.

Within the innovation framework, the BU is to continue implementing the medium-term program - INNOP25 -, with the objective of developing new flooring solutions, with the current state of implementation allowing for the launching of new products aligned with the BU's mission already in 2024, continuing investment in sustainability and guaranteeing the competitiveness of the price/quality relationship. This undergoes practical implementation through the Go4Green project based on new

techniques for texturised digital printing for a new surface finishing, meeting market demands in conjunction with the base composition of these products – with BIO components, which will enable the launching of new products, innovative, sustainable and competitive, ensuring coverage of various market segments.

The management agenda will continue to foster a culture of excellence, based on continuous improvement processes, on business profitability in a highly competitive surrounding environment and the rising guarantees for product reliability. The application of best in class international standards, with recourse to the methodologies presented in the Investors in People programs, the development of competences and the EFQM model are also to shape a significant turnaround in the strategic positioning of this BU.

At the level of sales, 2023 will be shaped by the reaction of the most price sensitive segments of the flooring market in keeping with the effects stemming from the fall in costs of some of the factors of production (in particular, of transport, PVC and electricity), with corresponding downwards adjustments to prices. In a year of product portfolio change, emphasis will be placed on the phasing out of the LVT products at competitive prices. There will be continued development of the Amorim WISE range and the return of the Hydrocork range with new characteristics and a new version, more competitive but still maintaining the core arguments that underpin the success of this product line.

Stabilisation and some reductions in raw material prices should positively impact on gross margins, which will be balanced by a rise in the purchase price of cork. The pressure of oversized inventories, overvalued by 25%, downstream of the flooring industry supply chain, is expected to trigger a slowdown in demand, with a particular incidence in the first quarter of 2023. This comes in addition to the forecast contraction in final consumer demand, especially prevalent in Central Europe, due to inflation and the rise in interest rates, which are to affect those mass segments most exposed to macroeconomic effects and more sensitive to the price factor.

13.2.4. COMPOSITE CORK

The slowdown in activities (in quantity) represents a trend expected to persist into 2023, with a particular incidence in the first quarter of the year.

The need to protect margins and profitability aligned with the (rising) invested capital and the business risk shall dictate a new, and inevitable, careful adjustment to sales prices essentially taking into account the significant increase in the price of cork, which will probably generate consequences in terms of the volume of sales at constant prices.

In effect, the situation in the cork supply market triggered a rise in the cost of acquisition, with important factors building up in terms of supply and demand:

- The 2022 campaign failed to meet expectations essentially due to adverse climate conditions (an extreme and extended drought) which prevented the appropriate level of extraction without causing harm to the trees. There was also a labour shortage at the beginning of cutting sending its cost soaring;
- Global growth in the consumption and production of wine has seen a rising quantity of cork be channelled into the production of stoppers, including typologies traditionally excluded from this utilisation and consumed as composite cork.

Hence, the price of the raw material availability rose considerably in keeping with the imbalance between supply and demand. In order to mitigate this difficulty, which is more directly affecting the sectors and current products, and ensuring the continued growth of this BU, in addition to internal adaptation initiatives to cope with the new cork sector reality, it is critical to advance with strategic projects and focus on priority areas of relevance to scale and profitability.

This context highlights the contribution expected from new product technologies available in the meantime, and the partnerships in existing markets, two core drivers of success in 2023.

In terms of operating efficiency, the production capacity is to be aligned with demand at each moment. There is a predicted reduction in the unit cost of electricity and the beginning of the internal production of electricity through solar panels now in their final phase of installation. In contrast, there is a forecast for an increase in the unit cost of labour and external services, taking into consideration the inflation context prevailing in 2022. The costs of transport/delivery nevertheless would seem to be displaying some signs of falling back, which may enable the total purchase cost not to be raised from the client's perspective and sustaining the historical volumes of activity in those markets most pressured by rising product prices.

Finally, this will also ensure the modernisation actions for the installed capacity, strengthening the internal specialist competences, implementing new IT tools and systems, with a clear investment in the certification of processes and products from the perspective of sustainability as a core factor in the value proposal and the development of the capacity and agility to respond to the market, in particular through joint-ventures.

The great challenge of 2023 will therefore be the volume of activities, greatly due to the disappearance of the Russian market and the recessionary context in Central Europe where, in addition to the contraction in consumption, there are clearly excessive stock levels as well as the impact of competitiveness in the North American market in many sectors highly affected by the cost of transport. The focus on big bets, new technologies and joint-ventures will be fundamental to compensating for the aforementioned expected losses in volumes. On the cost side, it shall be important to develop additional measure to mitigate the impact of the rise in cork prices, especially encountering alternative sources and avoiding the forecast impacts on the mix and taking advantage of the investment in grinding technologies now at the implementation phase.

13.2.5. INSULATION CORK

The Cork Insulation BU foresees a rise in sales in 2023 despite an expected drop in volume. The strategic measures implemented throughout recent years and the investment, even if still ongoing in the Silves and Vendas Novas industrial units, underpin the confidence in the performance of this BU as a means of mitigating the significant rise in the cost of its key raw material, cork.

The Insulation Cork BU will continue to invest in securing loyalty in current markets, as well as expanding to new geographies, enabling a real argument for sustainability in a global market increasingly aware of the need to make recourse to natural products and technical efficiency.

13.3. CONSOLIDATED RESULTS

2022 was shaped not only by the definitive departure of the COVID-19 pandemic, despite its effects lingering into early 2022, but also by the invasion of Ukraine by Russia and the ongoing war with its duration and impacts difficult to foresee. Disruptions in terms of the supply of raw materials, transport and energy, although now experiencing a gradual regularisation, still show some signs of instability. Inflation, forecast to reach 6.6% in 2023, will be another restrictive drag on activities in the next year.

The EUR/USD exchange rate variation is another factor of uncertainty that conditions the outlook for the performance of Corticeira Amorim in 2023.

In 2023, it is expected that the effect of the rise in the price of cork consumption continues to impact on the accounts. The upwards pressures on salary costs are also relevant. To counter these trends, it will be necessary to make certain additional adjustments to sales prices in order to avoid lowering the levels of profitability. In terms of the cork purchase price, there may be further inflationary pressures, with the corresponding need to pay particular attention to prices in the secondary market. In this context, it will be crucial to maintain the commercial terms for these products and solutions and, internally, continue to implement operating efficiency measures.

In 2022, the year when Corticeira Amorim broke the barrier of one billion euros in consolidated sales, there was the maintenance of average profitability as measured by the EBITDA/Sales ratio. In terms of the activities of Corticeira Amorim, the rise in the price of raw material consumption drove the continued rise in operating efficiency and the search for new markets, diversifying the solutions available to reach out to client needs. These gains, in addition to being maintained, will continue to be a focus for the Organisation.

In 2023, the Stoppers BU is to advance with the integration of the SACI Group, which was consolidated for the first time in 2022. The BU is to continue to invest in sales growth in its three segments and improve operating efficiency. The Stoppers BU will aim to grow faster than the overall wine market. There are relevant markets in the spirits segment still for exploration and the restrictions on plastic stoppers open the door to the natural and sustainable alternatives presented by Corticeira Amorim.

The Composite Cork BU faces the challenge of maintaining profitability and the sales levels achieved in 2022. This objective will drive adjustments to sales prices given that the price of cork has risen significantly. The rise in sales prices may end up impacting on the quantities sold by this BU.

In turn, for the Floor and Wall Coverings BU, 2023 will be a period of product portfolio changes, stemming from the Go4Green program. In this phase, the challenge arises from maintaining the 2022 level of sales while attempting to bring home improvements to profitability at the BU.

The Insulation Cork BU is also to be affected by the rise in the price of consuming cork. The availability of this raw material represents another challenge for 2023. The production efficiency measures and the sustainability arguments establish the orientations for the path this BU is taking.

14 – Business Risks and Uncertainties

Over the course of its 150-year history, Corticeira Amorim has successfully confronted several profound social transformations.

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 2022 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.

15 – Treasury Stock

There were no transactions involving Corticeira Amorim's own shares in 2022 and, thus Corticeira Amorim held no treasury stock at the end of the year.

16 – Proposed Appropriation of Profit

Considering that, based on the individual financial statements for the year that ended on December 31, 2022, the Company recorded a net profit for the year of €50,251,063.63 (fifty million, two hundred and fifty-one thousand and sixty-three euros and sixty-three cents), the Board of Directors of Corticeira Amorim proposes that the Company's shareholders consider and approve a resolution that the net profit for the year, as stated above, in the amount of €50,251,063.63 (fifty million, two hundred and fifty-one thousand and sixty-three euros and sixty-three cents) be appropriated as follows:

- for Dividends: €26,600,000.00 (twenty-six million, six hundred thousand euros), corresponding to a value of €0.20 (twenty cents) per share;
- for Free Reserves: €23,651,063.63 (twenty-three million, six hundred and fifty-one thousand and sixty-three euros and sixty-three cents).

17 – Governance

During 2022 the company maintained the governance model adopted (Anglo-Saxon), significantly strengthening the policies and procedures, both through reviewing the norms and formally introducing new norms, as well as actions designed for their dissemination, adoption and progressive verification of the compliance of routines with these norms.

Highlights:

Policies:

- Formalisation of the Remunerations Policy (2022-2024): approved by the Shareholder General Meeting, which, as regards the executive members of the Corticeira Amorim Board of Directors, includes the definition of a variable component for remuneration taking into consideration the implementation of an incentive system that ensures the alignment of these directors with the interests of the Company and its respective stakeholders from a perspective of economic, social and environmental sustainability over the short, medium and long terms;
- Review of the Diversity Policy (including inclusion);
- Formalisation of the Nominations Policy;
- Formalisation of the Risk Management Policy;
- Formalisation of the Cybersecurity Policy;

Codes:

- Review of the Corticeira Amorim Code of Business Ethics and Professional Conduct, clearly identifying the company's Ethics (general principles the company assumes as ethical conduct) and Professional Conduct to be followed by all members of staff; adjustments to the written formula of the Mission (reference to Ethics), Vision (reference to the integration of Diversity) and Values (strengthening sustainability and social responsibility as regards members of staff and other stakeholders).
- Formalisation of the Anticorruption Code of Conduct and the Risk Prevention Plan for Corruption and Related Infractions. These documents have now entered the Normative Compliance Program (under the terms of Decree Law no. 109-E/2021, of 9 December, which enacts the new General Regime for the Prevention of Corruption), replacing the former Anticorruption Policy;
- Formalisation of the Code of Conduct for Suppliers, based on the principles established in the Anticorruption Code of Conduct and destined only for suppliers. in the expectation that they themselves adhere to the practices of the Corticeira Amorim Group.

Regulations and procedures::

- Review of the Corticeira Amorim Shareholder General meeting Regulations, collating the rules of functioning for the Company's highest body, especially the rights of shareholders, their participation and representation, as well as the functioning of the General Meeting, thereby seeking to clarify and encourage the active participation of shareholders in meetings;
- Review of the Procedure for Reporting Irregularities (whistleblowing) and the respective form for communicating any irregularities;
- Formalisation of the 2023 Equality Plan, establishing the lines of intervention in this area, seeking to attain the established targets.

Actions for the dissemination, adoption and verification of compliance:

1. Program of specific training on the Code of Business Ethics and Professional Conduct, including the Procedure for Reporting Irregularities, obligatory for all Corticeira Amorim Group members of staff;
2. Training actions on the Normative Compliance Program (under the terms of Decree Law no. 109-E/2021, of 9 de December, which enacted the new General Regime for the Prevention of Corruption);
3. Study of the compliance verification procedures in the field of Human Rights (child labour and forced labour).

Finally, this also highlights the strengthening of the reporting model for the specialised internal commissions of the Board of Directors, enabling the full knowledge of the activities undertaken by these commissions and their interactions with the various transversal support areas of Corticeira Amorim in order to enhance the constant alignment of their activities with the priorities of the Organisation.

Therefore, at the end of 2022, a relevant evolution in the governance policies and practices was in place, in line with the recommendations of the Code of Corporate Governance issued by the Portuguese Institute of Corporate Governance (code applied by Corticeira Amorim as its reference in its formal annual reporting on company governance) and with what the Company's various stakeholders, in particular its shareholders, investors and ESG rating agencies evaluate as the best governance practices.

18 – Annual Performance Assessment

It is the responsibility of the Appointments, Evaluation and Remunerations Commission (AERC hereafter), as established in the respective Regulation, to advise the Board of Directors on the annual Company evaluation process, including evaluation of the Executive Commission, the Audit Commission and the internal specialist commissions. To this end, AERC carried out a set of different actions seeking to gather the information relevant to the aforementioned evaluation process for 2022.

In keeping with best practices, a questionnaire was drafted and sent to every member of the aforementioned management bodies and commissions. It was answered by every member in full and thereby evaluating aspects relating to the organisation, functioning, interactions and dynamics of meetings, the composition of the body or commission and aspects relating to its actions and functioning as applicable. The statistical analysis of the responses returns a conclusion that there is a high level of satisfaction (4.74 on a scale of 1 to 5 in which 5 represents total satisfaction) as regards the various aspects subject to questioning. This process also received suggestions for improvement on certain aspects.

It is the belief of the Board of Directors that this result displays the robustness of the governance model and the policies and practices implemented as well as the commitment of all those sounded out for consultation, both individually and at the level of each body/commission, integrate into the high levels of performance deployed in service of the competitiveness of Corticeira Amorim and the creation of long term value for its stakeholders.

As part of the annual assessment of the Company's performance in terms of corporate governance, the Board of Director recognises and underlines the professional, diligent, judicious and proactive work of all the members of Corticeira Amorim's **Board of Directors and Executive Board and their non-executive members, the Audit Committee, the Risk Committee, the Environmental, Social and Governance (E.S.G.) Committee and the Appointments, Evaluation and Remuneration Committee towards.**

- defining, implementing and complying with Company strategy, thereby ensuring high levels of performance over the short, medium and long term;
- defining, implementing and monitoring risk management policies and practices for anticipating, preventing and mitigating risks;
- maintaining a close and collaborative relationship between the members of the different boards and between the Company's other bodies and functional areas;
- ensuring the sustainable development of the Company and the creation of value for all its stakeholders.

It also highlights:

1. the relevant contribution of the **Appointments, Evaluation and Remuneration Committee** to the adoption of policies and practices in matters of appointment, evaluation and adequate remuneration, in line with the best national and international ESG practices and trends, thus promoting high levels of performance and professionalism, in support of the development of Corticeira Amorim's sustainable growth strategy;
2. the effective contribution of the **Environmental, Social and Governance (E.S.G.)**, advising the Board of Directors in monitoring, supervising and strategically guiding Corticeira Amorim in the field of corporate governance, social responsibility, environment and ethics, promoting comprehensive and well-founded analysis of the aforementioned topics;
3. the work of the Risk Committee to strengthen the risk culture of the Corticeira Amorim Group, contributing to its formalisation and consistent implementation, with a view to assisting the Board of Directors in supervising the execution of the risk strategy, issuing opinions and recommendations on risk strategies.
4. the effective and efficient performance and supervision of the Audit Committee and all its members, in favour of (i) the promotion and supervision of the effectiveness of the internal audit system, including the activity plans of both the internal and external audits; and (ii) more reasoned and independent appraisal and deliberations, namely in assessing the independence of the external auditor, dealings with interested parties and handling communications of irregularities.

This professional, committed and diligent service has ensured the good performance of the Company and it is the conviction of the Board of Directors that it will continue to foster an appropriate performance over the long term, thereby making an important contribution to stakeholders and the community in general, as measured and reported in section 5.3. Economic Performance of the Sustainability Report.

19 – Statement of Responsibility

In accordance with line c) of number 1 of article 29^o-G of the Portuguese Securities Code, the members of the Board of Directors state that, to the best of their knowledge, the annual accounts and other documents included in the statement of accounts were drawn up in accordance with the applicable accounting standards, giving a true and accurate account of assets and debts, of the financial situation and profits/losses of Corticeira Amorim, S.G.P.S., S.A. and the companies that are consolidated by the Group. They also state that the management report faithfully expresses the business evolution, performance and position of Corticeira Amorim, S.G.P.S., S.A. and the companies that are consolidated by the Group and that the report includes a special chapter describing the main risks and uncertainties of the company's businesses.

20 – Subsequent Events

On 2 February 2023, the North Central Administrative Court handed down a ruling deeming the appeal submitted by the Tax Authority to be inadmissible as regards the case involving the Corporate Tax payment for 2007. The transit to judgement took place on 8 March 2023. Due to being a subsequent episode and adjustable, the effects of this ruling were incorporated into the financial reporting for 2022.

At the date of issuance of this report, there were no other material events that could materially affect the financial position and future results of Corticeira Amorim and all subsidiaries included in the consolidation.

21 – Final Words

The Board of Directors would like to take this opportunity to express its gratitude to:

- the Company's shareholders and investors for their unfailing trust;
- the credit institutions with which the Group works for their invaluable cooperation;
- the Supervisory Board and the Statutory Auditor for the rigour and quality of their work; and
- to all our employees, whose professionalism, willingness and commitment have contributed so much to the development and growth of the companies belonging to the Corticeira Amorim Group, we express our sincere appreciation.

Mozelos, March 27, 2023

The Board of Directors
of CORTICEIRA AMORIM, S.G.P.S., S.A.

Chairman:
António Rios de Amorim

Vice-Chairman:
Nuno Filipe Vilela Barroca de Oliveira

Members:
Fernando José de Araújo dos Santos Almeida
Cristina Rios de Amorim Baptista
Luisa Alexandra Ramos Amorim
Juan Ginesta Viñas
José Pereira Alves
Marta Parreira Coelho Pinto Ribeiro
Cristina Galhardo Vilão
António Lopes Seabra



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After boiling, the cork planks are too damp to be processed. They are stacked and left to stabilise in a sterilised area with good ventilation. Two days later, they are ready to be processed.



Corporate Governance Report

04

Corticeira Amorim aims to improve the productivity of agro-forestry activities in the Herdade de Rio Frio, in particular through denser planting of trees in this unique area of cork oak forest, using processes that have already been tested in other places.

Corticeira Amorim has been reviewing its corporate governance since 1999, the date on which the Portuguese Securities Market Commission (CMVM) published the first recommendations on the governance of listed companies, aiming at the improvement of mechanisms for the protection of investors in securities markets. The Company compares it with, on the one hand, what are considered best practices and on the other, with the circumstances of its activity and the challenges it has to meet. As a result, it has been implementing a set of measures which, overall, have the main objectives of strengthening the internal systems of control and supervision, enhancing transparency, fostering the participation of shareholders in the life of the Company and ensuring the sustained creation of shareholder value.

This document describes corporate governance policies and practices adopted by the Company, while also providing a qualitative assessment of them compared with the best practices listed in the CMVM corporate governance code of the Portuguese Institute of Corporate Governance (IPCG).

This report also includes the information referred to in article 447 of the Portuguese Companies' Code, in article 29-H(1)(a) of the Portuguese Securities' Code (Diversity policy applied by the company with regard to its management and supervisory bodies) and in article 5 of Law no. 62/2017 of 1 August (balanced representation of women and men in management and supervisory bodies).

Law no. 50/2020, of 25 August transposed to the Portuguese legal system Directive (EU) no. 2017/828 on the rights of listed company shareholders as regards long-term engagement, which entailed the repeal of Law no. 28/2009, of 19 June that previously governed the duty to present a remuneration policy and, at the same time, introduced rules in the Portuguese Securities Code regarding i) the acceptance of the remuneration policy for members of the management and supervisory bodies of issuers of shares admitted to trading on a regulated market and ii) the remuneration report. Having approved the remuneration policy under the terms provided for in the aforementioned Law No. 50/2020, at the General Meeting of 28 April 2022, following motion of the Board of Directors submitting for shareholders' consideration the independent Remuneration Policy proposal drawn up by the Appointments, Evaluation and Remuneration Committee for the three-year period 2022-2024, Corticeira Amorim, under the terms of Article 26-G(8) of the Portuguese Securities Code, has included in this Report a chapter on the Remuneration Report for 2022.

PART I

Mandatory Information On Shareholder Structure, Organisation And Corporate Governance

A – Shareholder Structure

I. CAPITAL STRUCTURE

1. The capital structure (share capital, number of shares, distribution of capital by shareholders, etc.), including an indication of shares that are not admitted to trading, different classes of shares, rights and duties of same and the capital percentage that each class represents.

Corticeira Amorim's share capital amounts to EUR 133 million and is represented by 133 million ordinary registered shares for a nominal value of one euro each, and which grant the right to dividends.

All shares issued by the Company are listed on Euronext Lisbon - Sociedade Gestora de Mercados Regulamentados, S.A.

Distribution of capital among shareholders

Shareholder	No. of shares owned (quantity)	Stake (%)	Voting rights (%)
Qualifying interests:			
Amorim Investimentos e Participações, S.G.P.S., S.A.	67,830,000	51.000%	51.000%
A Porta da Lua, S.A.	8,290,767	6.234%	6.234%
API – Amorim Participações Internacionais, S.A.	2,717,195	2.043%	2.043%
Vintage Prime – S.G.P.S., S.A.	2,717,195	2.043%	2.043%
Amorim, Soc. Gestora de Participações Sociais, S.A.	13,414,387	10.086%	10.086%
Freefloat*	38,030,456	28.594%	28.594%
Total	133,000,000	100.000%	100.000%

* Includes 3,045,823 shares (2.29%) held by funds managed by Santander Asset Management, S.A., S.G.I.I.C. (communication received by the Company on 6 June 2019).

2. Restrictions on the transfer of shares, such as clauses on consent for disposal, or limits on the ownership of shares.

There are no restrictions on the transfer of shares.

3. Number of treasury shares, the percentage of share capital that it represents and corresponding percentage of voting rights that corresponded to treasury shares.

As at 31 December 2021 Corticeira Amorim held no treasury shares and it did not engage in transactions during 2022, reason why as at 31 of December 2022 the Company did not own treasury shares.

4. The disclosures of important agreements to which the Company is a party and that come into effect, amend or terminated in cases such as a change in the control of the Company after a takeover bid, and the respective effects, except where due to their nature, would be seriously detrimental to the Company; this exception does not apply where the Company is specifically required to disclose said information pursuant to other legal requirements.

The Company has not entered into any agreements as described in this paragraph except for the normal “change of ownership” clauses included in certain loan agreements entered into during the normal course of operations, and which, on a case-by-case basis, have been analysed and their contractualisation considered appropriate for the Company’s interests.

At 31 December 2022, there were covenants requiring the maintenance of Corticeira Amorim’s controlling interest in contracts regarding loans totalling 130 million euros (31-12-2021: 80 million euros). In the case of change of shareholder control, the contracts usually provide the possibility - but not the obligation - of early repayment of the amounts loaned. It should be added that the Company has significant liquidity reserves, as detailed in the notes to the consolidated accounts (note 22). Specifically, at 31 December 2022, there were 220.1 million euros of contracted and unused credit lines (31-12-2021: 206.2 million euros).

This circumstance is not likely to impair the free assessment by shareholders of the performance of the members of the Board of Directors.

5. A system that is subject to the renewal or withdrawal of countermeasures, particularly those that provide for a restriction on the number of votes capable of being held or exercised by only one shareholder individually or together with other shareholders.

The Company’s Articles of Association do not include measures of this type and, to the best knowledge of Corticeira Amorim, there are no other arrangements and/or measures with that same goal.

6. Shareholders’ agreements that the Company is aware of and that may result in restrictions on the transfer of securities or voting rights.

Corticeira Amorim has no knowledge of the existence of any shareholders’ agreements that might lead to the aforementioned restrictions.

II. SHAREHOLDINGS AND BONDS HELD

7. Details of the natural or legal persons who, directly or indirectly, are holders of qualifying interests, with details of the percentage of capital and votes attributed and the source and causes of the attribution.

Shareholder	No. of shares	% of share capital with voting rights
Amorim Investimentos e Participações, S.G.P.S., S.A.(a)		
Directly	67,830,000	51.000%
Attributable total	67,830,000	51.000%

(a) The shares with voting rights in Amorim Investimentos e Participações, S.A. are wholly owned by three companies, Amorim Holding Financeira, S.G.P.S., S.A. (11.392%), Amorim Holding II, S.G.P.S., S.A. (38.608%) and Amorim – Sociedade Gestora de Participações Sociais, S.A. (50%) without any of them having a controlling stake in the Company, ending the imputation chain, under the terms of Article 20 of the Portuguese Securities Code. The share capital and voting rights of these three companies, in turn, are held, respectively in the case of the first two, directly and indirectly (through Imoeuro S.G.P.S., S.A. and Oil Investment, B.V.) by Maria Fernanda Oliveira Ramos Amorim and daughters, and in the third case by Mr. António Ferreira de Amorim, Wife and Children.

Shareholder	No. of shares	% of share capital with voting rights
Amorim, Sociedade Gestora de Participações Sociais, S.A.(b)		
Directly	13,414,387	10.086%
Attributable total	13,414,387	10.086%

(b) The capital of Amorim, Sociedade Gestora de Participações Sociais, S.A. is held by António Ferreira de Amorim, by his Wife and Children, but none of them holds a controlling interest in the Company.

Shareholder	No. of shares	% of share capital with voting rights
A Porta da Lua, S.A.(c)		
Directly	8,290,767	6.234%
Attributable total	8,290,767	6.234%

Shareholder	No. of shares	% of share capital with voting rights
Maria Fernanda Oliveira Ramos Amorim		
Directly	-	-
Through the shareholder A Porta da Lua, S.A.(c)	8,290,767	6.234%
Attributable total	8,290,767	6.234%

(c) The share capital of the company A Porta da Lua, S.A. is wholly owned by Maria Fernanda Oliveira Ramos Amorim.

Shareholder	No. of shares	% of share capital with voting rights
API – Amorim Participações Internacionais, S.A.(d)		
Directly	2,717,195	2.043%
Attributable total	2,717,195	2.043%

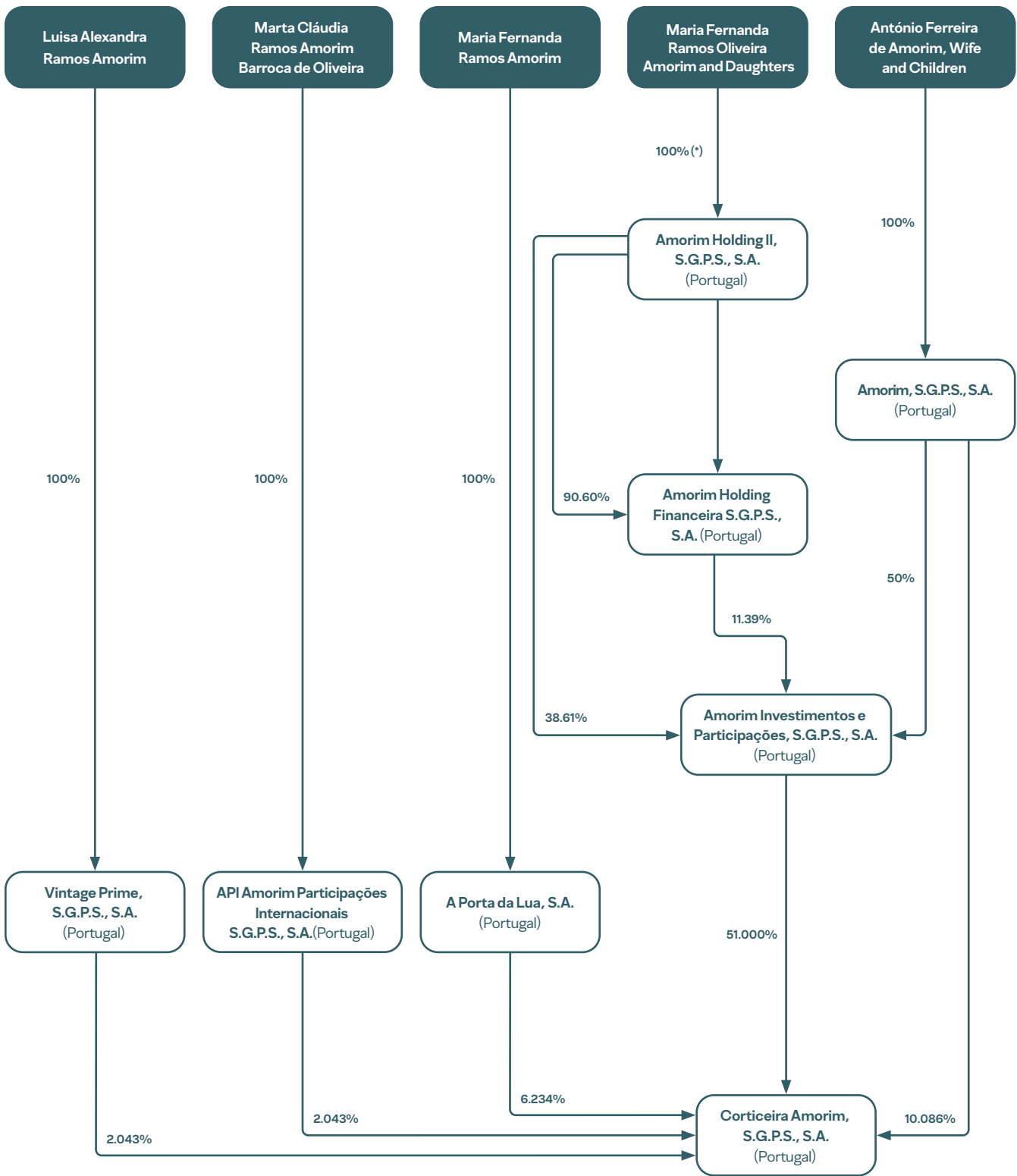
Shareholder	No. of shares	% of share capital with voting rights
Marta Cláudia Ramos Amorim Barroca de Oliveira		
Directly	-	-
Through the shareholder API – Amorim Participações Internacionais, S.A.(d)	2,717,195	2.043%
Attributable total	2,717,195	2.043%

(d) The share capital of the company API – Amorim Participações Internacionais, S.A. is wholly owned by Marta Cláudia Ramos Amorim Barroca de Oliveira.

Shareholder	No. of shares	% of share capital with voting rights
Vintage Prime – S.G.P.S., S.A.(e)		
Directly	2,717,195	2.043%
Attributable total	2,717,195	2.043%

Shareholder	No. of shares	% of share capital with voting rights
Luisa Alexandra Ramos Amorim		
Directly	-	-
Through the shareholder Vintage Prime – S.G.P.S., S.A.(e)	2,717,195	2.043%
Attributable total	2,717,195	2.043%

(e) The share capital of Vintage Prime – S.G.P.S., S.A. is wholly owned by Luisa Alexandra Ramos Amorim.



(*)Held directly and indirectly through the companies Imoeuro, S.G.P.S., S.A. and Oil Investments, B.V.

8. A list of the number of shares and bonds held by members of the management and supervisory boards.

a) Corticeira Amorim shares held and/or traded directly by members of the Board of Directors and by members of the supervisory body of the Company:

- i. The members of the governing bodies did not trade any shares representing the share capital of the Company during the 2022 financial year. At 31 December 2022, they did not hold any shares in Corticeira Amorim.

b) Corticeira Amorim shares traded by companies, in which the members of the Company's governing bodies exercise management or supervisory responsibility:

- i. During the 2022 financial year there were no transactions under the terms set out in this note.

c) Other changes in direct ownership of Corticeira Amorim shares in companies, in which the members of the Company's governing bodies exercise management or supervisory responsibility:

- i. During the 2022 financial year there were no amendments under the terms set out in this note.

d) Corticeira Amorim shares held by companies, in which the members of the Company's governing bodies exercise management or supervisory responsibility:

- i. Amorim Investimentos e Participações, S.G.P.S., S.A. is the holder of 67,830,000 shares, representing 51% of the share capital and voting rights of Corticeira Amorim, S.G.P.S., S.A.

António Rios de Amorim (Chairperson of the Board of Directors of Corticeira Amorim), Nuno Filipe Vilela Barroca de Oliveira (Vice-Chairperson of the Board of Directors of Corticeira Amorim), Cristina Rios de Amorim Baptista e Luisa Alexandra Ramos Amorim (members of the Board of Directors of Corticeira Amorim) are, respectively, member, member, Chairperson and member of the Board of Directors of Amorim Investimentos e Participações, S.G.P.S., S.A.

- ii. Vintage Prime – S.G.P.S., S.A. is the holder of 2,717,195 shares, representing 2.043% of the share capital and voting rights of Corticeira Amorim, S.G.P.S., S.A.

Luisa Alexandra Ramos de Amorim, member of the Board of Directors of Corticeira Amorim, holds the position of Chairperson of the Board of Directors of Vintage Prime – S.G.P.S., S.A.

- iii. API – Amorim Participações Internacionais, S.A. is the holder of 2,717,195 shares, representing 2.043% of the share capital and voting rights of Corticeira Amorim, S.G.P.S., S.A.

Nuno Filipe Vilela Barroca de Oliveira, Vice-Chairperson of the Board of Directors of Corticeira Amorim, is a member of the Board of Directors of API – Amorim Participações Internacionais, S.A.

- iv. A Porta da Lua, S.A. is the holder of 8,290,767 shares, representing 6.234% of the share capital and voting rights of Corticeira Amorim, S.G.P.S., S.A.

Luisa Alexandra Ramos de Amorim, member of the Board of Directors of Corticeira Amorim, holds the position of member of the Board of Directors of A Porta da Lua, S.A.

- v. The company Amorim – Sociedade Gestora de Participações Sociais, S.A. is the holder of 13,414,387 shares, representing 10.086% of the share capital and voting rights of Corticeira Amorim, S.A.

António Rios de Amorim and Cristina Rios de Amorim Baptista (respectively, Chairperson and Member of the Board of Directors of Corticeira Amorim) hold the position of Directors of Amorim – Sociedade Gestora de Participações Sociais, S.A.

The ownership recorded on 31 December 2022, referred to in sections i. to v. remains unchanged at the issue date of this report.

e) Transactions of directors and/or entities closely related to directors:

There were no transactions of Corticeira Amorim shares by entities related to its management.

No company which controls Corticeira Amorim or any of Corticeira Amorim's directors or officers or any person closely related to such directors or officers carried out transactions involving Corticeira Amorim's financial instruments.

f) List of shareholders holding at least one-tenth of the Company's share capital:

- i. The company Amorim Investimentos e Participações, S.A. holds 67,830,000 shares of Corticeira Amorim, corresponding to 51% of the share capital and 51% of the voting rights;
- ii. The Company Amorim – Sociedade Gestora de Participações Sociais, S.A. holds 13,414,387 shares of Corticeira Amorim, corresponding to 10.086% of the share capital and 10.086% of the voting rights;

The share ownership referred to in i. and ii. refers to 31 December 2022, remaining unchanged at the date of publication of this report.

9. Special powers of the Board of Directors, especially as regards resolutions on the capital increase, with an indication as to the allocation date, time period within which said powers may be carried out, the upper ceiling for the capital increase, the amount already issued pursuant to the allocation of powers and mode of implementing the powers assigned.

It is the responsibility of Corticeira Amorim's Board of Directors to maintain effective control and guidance over the activities of the Company. It is the highest strategic decision-making body (definition of strategy and main policies; organisation and coordination of the corporate structure; matters of special relevance that, due to their amount, risk, timing or special characteristics, are strategic for the Company and also the body responsible for monitoring the most important and relevant aspects of the activity, including significant matters decided on or simply examined by the Executive Committee, therefore ensuring that all members of the Board of Directors are aware of the measures adopted as a response to Board decisions and can monitor their implementation and effectiveness).

As provided for in the Portuguese Companies' Code, the role of the Board of Directors is to manage the Company's business and affairs and decide on any matter relating to its management while abiding by the resolutions adopted by the General Meeting or the decisions made by the Audit Committee whenever required by law or the Articles of Association. As part of its management powers, it defines and ensures the implementation of mechanisms which, in turn, ensure that the entire Corticeira Amorim Group will act in accordance with its objectives, executing the strategic plans and policies approved by the Board of Directors.

These duties include, among others:

- a. Choosing its Chairperson;
- b. Co-opting Directors;
- c. Requesting the convening of general meetings;
- d. Preparing annual reports and financial statements;
- e. Acquisition, disposal and encumbrance of real estate assets;
- f. Providing bonds and personal or real guarantees by the Company;
- g. Opening or closing establishments or important component parts thereof;
- h. Significantly expanding or reducing the Company's activity;
- i. Making major changes in the Company's organisation;
- j. Establishing or terminating important and long-lasting cooperation projects with other companies;
- k. Change of head office;
- l. Merging, de-merging or changing the legal status of the Company;
- m. Deciding on any matters put forward at the request of any director for resolution of the Board of Directors.

The Company's Articles of Association¹ give the Board of Directors the following powers: the exercise of all powers of direction, management, administration and representation of the Company and in particular:

- a. Move the location of the registered office of the Company to any other place permitted by law;
- b. Set up any branches, offices, affiliates, subsidiaries, agencies or representative offices of any kind anywhere in the Portuguese territory or abroad;

- c. Acquire, sell or pledge, in any manner, shares and debentures of its own stock belonging to the Company and any rights attached thereto as well as to carry out any transactions with such shares and debentures and upon such terms as the directors shall think fit;
- d. Acquire, sell, exchange and lease real estate for the purposes permitted by law, as well as encumber them;
- e. Exercise and promote the exercise of the rights of the Company in companies in which the Company has an interest;
- f. Acquire, sell, exchange, lease and pledge personal property, in any manner;
- g. Negotiate borrowings with financial institutions on the terms, conditions and forms which the Board of Directors shall think fit;
- h. Operate bank accounts, deposit and draw monies, make, accept, sign and endorse cheques, negotiable invoices, bills of exchange, promissory notes and other negotiable instruments;
- i. Disclose, give up or come to terms in any proceedings or enter into arbitration;
- j. Exercise all other powers, authorities and discretions provided by law and these Articles of Association.

Under the terms of the Regulations of the Board of Directors of Corticeira Amorim, the formalisation process of which was concluded on 23 February 2022, the Board of Directors is responsible for managing and representing Corticeira Amorim, under the terms envisaged in the applicable legal and statutory rules, with the responsibility to manage the Company's business and carry out all acts and operations relating to its purposes that are not the responsibility of the other corporate bodies. It is also responsible for establishing the strategic guidelines of the companies that are in a control or group relationship with it, in accordance with article 21 of the Portuguese Securities Code (the "Corticeira Amorim Group"). This is done in compliance with the applicable legal provisions, particularly those relating to the business sectors in which each company in the Corticeira Amorim Group operates. In the exercise of its powers, the Board of Directors is responsible for:

- a. Defining the strategy and approving the general policies of the Corticeira Amorim Group, as well as the codes necessary for its good governance;
- b. Defining the organisational structure of the Company and the Corticeira Amorim Group, namely the organisation by sub-holdings of the various Business Units that comprise it;
- c. Giving instructions to the management of the Business Units, whenever it deems useful or necessary, namely within the scope of the matters listed herein;
- d. Approving the business plan and the annual or multi-annual investment plan and monitoring its implementation;
- e. Approving the sale of assets and/or rights, investments and encumbrances to be made by the Company or the Corticeira Amorim Group companies;
- f. Representing the Company in and out of court, in cases it has filed or it is defending, and it may waive, negotiate and admit guilt in any legal proceedings, as well as enter into arbitration agreements;
- g. Incorporating companies and to subscribe, acquire, encumber or dispose of shareholdings;
- h. Deciding to incur debt on the national or international financial market, including through the issue of bonds or any other securities;

- i. Deciding that the Company will provide technical and financial support to the companies in which it directly or indirectly owns shares, interests or other corporate holdings, namely by granting them loans and providing guarantees to their benefit;
- j. Proposing to the General Meeting the acquisition and sale of own shares, own bonds or other own securities, within the limits established by law;
- k. Approving the Company's internal control, risk management and internal audit systems;
- l. Deciding on the matters provided for in article 406 of the Commercial Companies Code;
- m. Exercising any other powers that may be conferred upon it by law, by Corticeira Amorim's Articles of Association or by the General Meeting.

The Board of Directors may delegate the following powers², to one or more of its members or to an Executive Committee, through a duly minuted resolution:

- a. The implementation of the decisions made by the directors;
- b. The day-to-day management of the Company;
- c. The authority, power and discretion to implement certain management matters.

It is the Board of Directors' responsibility to set the limits of the delegation of powers mentioned in the previous paragraph as, well as determine the *modus operandi* of the Executive Committee.

The Board of Directors does not delegate powers as regards defining the Company's strategy and main policies; organising and coordinating the corporate structure; deciding on matters that, due to their value, risk, timing or special characteristics/ circumstances are considered strategic.

According to the law, the following powers are thus not subject to delegation in the Executive Committee:

- a. Choosing the Chair of the Executive Committee (Chief Executive Officer - CEO);
- b. Co-opting directors;
- c. Requesting the convening of General Meetings;
- d. Approving management reports and annual accounts;
- e. Providing bonds and personal or real guarantees by the Company;
- f. Changing the registered office and capital increases, under the terms foreseen in the Company's Articles of Association;
- g. Merging, de-merging or changing the legal status of the Company.

In addition to the matters provided for in the Portuguese Companies Code, the following are not considered to be powers of day-to-day management of the Company and are therefore not delegated in the Executive Committee:

- a. Approval of the annual investment/disinvestment plan of the Company and of the companies, directly or indirectly controlled, by the Company and amendments of an amount exceeding 10% of the overall value of the approved annual investment/disinvestment plan;

- b. Acquisition, disposal or encumbrance of real estate assets of the Company and of the companies, directly or indirectly controlled by, the Company not related to the operational activities pursued by the companies directly or indirectly, controlled by the Company;
- c. Incorporation or taking an interest in, namely through the direct or indirect acquisition of shareholdings, of companies worth more than EUR 2,500,000.00 (two million and five hundred thousand euros);
- d. Approval and modification of the strategic plans and annual targets of the Company and the Corticeira Amorim Group;
- e. Approval and modification of the main policies of the Company and the Corticeira Amorim Group;
- f. Transactions of the Company, or of companies directly or indirectly controlled by the Company, with related entities or with any shareholders of the Company;
- g. Approval and modification of the organisational structure of the Company and the Corticeira Amorim Group;
- h. Issue of bonds or other debt instruments of the Company;
- i. The companies controlled by the Company entering into subordination agreements and parity group agreements.

As far as increases in the share capital are concerned and in accordance with article 8 of the Company's Articles of Association the Board may, by a majority of two-thirds of its members, increase the share capital, one or more times, in accordance with the law, up to EUR 200 million. It is the Board of Directors' responsibility to fix the terms and conditions for share capital increases as well as the share subscription period and payment procedures.

In the financial year under review, the Board of Directors has not decided to undertake any increase of the share capital of the Company.

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1. The Company's Articles of Association provide that, by a majority of two-thirds of its members, the Board of Directors may pass resolutions about capital increases, once or more times, in accordance with the law, up to EUR 200 million. It is also responsible for deciding on the respective terms, conditions method and length of the subscription and payment period. This assignment of powers to the Board of Directors was given by the General Meeting of 23 April 2021, with the resolution to amend article 8, paragraph 1, of the Articles of Association; Article 8, paragraph 1 of the Memorandum of Association does not indicate the term for the exercise of the powers. Article 456, No. 2(b) of the Portuguese Companies' Code states that the Articles of Association should establish the period, not exceeding five years, during which the powers may be exercised. It also states that in the absence of any indication, the period shall be five years; No. 4 of the same article 456 states that the General Meeting, deciding with the majority required for amendment the Articles of Association, may renew the powers of the Board of Directors. In 2022 no capital increases were issued under the powers of the Board of Directors, in April 2021.
 2. Regarding the current term of office (2021-2023), the Board of Directors decided to delegate powers to an Executive Committee in accordance with its respective Regulations available at <https://www.amorim.com/pt/investidores/governo-societario/estatutos-regulamentos-e-politicas/>

10. Information on any significant business relationships between the holders of qualifying interests and the Company.

The Company did not conduct any business operation or deal with holders of qualifying interests or the entities with which they are in any relationship, in accordance with Article 29-S (4) of the Portuguese Securities' Code, outside normal market conditions. Any business that occurred fell under the current activity of the contracting parties. The procedures applicable to these transactions are described in sections 89 through 91 of this report.



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Corticeira Amorim is implementing various projects to renew the forest area, in order to significantly increase cork production.

B – Corporate Boards and Committees

Corticeira Amorim is the holding company of an economic group based in Portugal, solidly established internationally, through subsidiaries, associate companies and joint ventures. The vast portfolio of products and solutions, it continually develops, responds to diverse markets and A consumers.

The governance of Corticeira Amorim addressing the challenges arising from this framework, advocates a Diversity Policy, particularly in the composition of its corporate bodies and specialised internal committees, in particular the Board of Directors and the Audit Committee, as a way to:

- Promote diversity in the composition of the respective body;
- Enhance the performance of each member and, jointly, of each body;
- Stimulate comprehensive, balanced and innovative analysis and, consequently, allow informed and agile decision-making and control processes;
- Contribute to the increase of innovation and self-renewal of the Company, for its sustainable development and creation of value for the shareholders and other stakeholders in the long term.

Corticeira Amorim believes that the diversity criteria, which seek to combine and integrate the specific and different attributes of each person in the Company, are in fact a catalyst for innovation and a driver for attracting talent. It also believes they make a decisive contribution to enriching the organisation and promoting working environments that are more flexible, creative and generate high performance.

The diversity of the characteristics of the members of the management and supervisory bodies and employees, particularly their age, gender, geographical origin, skills, allows Corticeira Amorim to obtain different perspectives on issues, as well as greater independence of opinions and to achieve more solid decision making. This enables the operational structures to enrich and improve knowledge, experience and the organisational culture.

Corticeira Amorim undertakes to continually promote diversity in its corporate bodies and other management bodies, particularly the Board of Directors and the Audit Committee, especially in the following areas:

Gender: the integration into the teams of members of different genders brings together and ensures dialogue encompassing different styles of approach, reflection and action, promoting creativity and innovation;

Age: the combination of members of different ages/generations allows us to combine the experience of some with the irreverent perspectives of others, younger persons, promoting debate, innovation and bolder, more solid and sustainable decisions;

Geographical origin: the diversity of geographical and cultural origin favours the sharing of experiences, knowledge and perspectives of the challenges, particularly international ones, and a better understanding and positioning of the Organisation in the various markets;

Skills: different academic backgrounds and professional experiences tend to develop different skills and styles of action, and that, together with diverse experiences, contribute to better and more information and help achieve better decisions and action;

Inclusion: adopt measures that enable the integration of people with disabilities or special needs, promoting the adaptation of the respective jobs, whenever necessary.

Diversity Policy:

https://www.amorim.com/xms/files/Investidores/Estatutos_Políticas_Regulamentos/20220223_Politica_de_Diversidade_EN.pdf

With regard to gender diversity on the Board of Directors and the Audit Committee, there is compliance with the policy, which is shown in section 19 (Board of Directors including the Audit Committee) of this report. It is to be noted, in particular, that the Board of Directors includes 40% of people of the under-represented gender (female), and that the Audit Committee has an equal composition in terms of gender.

As stated in section 15 of this report, the Company has adopted the Anglo-Saxon governance model, which advocates the existence of a Board of Directors that includes an Audit Committee, that is, including administration control within the same body, thereby keeping two levels of supervision – that undertaken by the Audit Committee (supervision) and that undertaken by the statutory auditor (financial).

I. GENERAL MEETING

The General Meeting is the main body of the Company, and its meetings form the main moment for shareholders to actively and personally participate in the life of the Company.

In addition to the law and the Articles of Association, the functioning of the General Meeting is governed by the respective Rules of Procedure, approved by the General Meeting and published on the Company's website: https://www.amorim.com/xms/files/Investidores/Estatutos_Politicis_Regulamentos/20220428_Regulamento_da_Assembleia_Geral_EN.pdf

a) Composition of the Presiding Board of the General Meeting

11. Details and position of the members of the Presiding Board of the General Meeting and respective term of office (beginning and end).

The Presiding Board of the General Meeting is composed of a Chairperson and a Secretary, posts occupied by:

Chairperson: Paulo de Tarso da Cruz Domingues

Secretary: Rui Paulo Cardinal Carvalho

Beginning of first term of office: 26 June 2020

End of current term of office (2021–2023): 31 December 2023, remaining in office until a new election pursuant to law.

Professional qualifications and other relevant information of the curriculum of the members of the Board of the General Meeting:

Paulo de Tarso da Cruz Domingues (Chairperson)

Graduated from the Faculty of Law at the Portuguese Catholic University (Porto) in 1987; Master's in Law, from the Faculty of Law of the University of Coimbra, in the area of Corporate Legal Sciences, with the thesis *On Corporate Capital - Concept, Principles and Functions* (1997); Doctorate in Law from the Faculty of Law of the University of Porto, in Civil Legal Sciences (in the area of Commercial Law), with the thesis *Variations on Corporate Capital* (2009). Associate Professor at the Faculty of Law of the University of Porto, where he has been teaching Commercial Law since 1998; Director and Chairperson of the Scientific Council at the University of Porto's Law Faculty since February 2019. Guest/visiting professor at several Portuguese and foreign universities. Participation in several lectures, conferences, seminars, post-graduation courses and master's courses, mainly in the area of Company Law. Guiding and examining several master's and PhD theses, in various faculties. Chairperson of the Association of Company Law in Review. Member of the Institute for Business and Labour Law (IDET) at the Faculty of Law of the University of Coimbra; Member of the Centre for Legal and Economic Research (CIJE) of the Faculty of Law of the University of Porto; member of the editorial board for the journal *Direito das Sociedades em Revista* (Company Law in Review); Member of the editorial board of *RED - Revista Eletrónica de Direito* (Electronic Journal of Law); member of the editorial board of *Ab Instantia*, a journal produced by the Abreu Advogados Knowledge Institute (IAB) and published by Almedina; member of the editorial board for the *Revista Jurídica Luso-Brasileira* (RJLB); member of the Portuguese Arbitration Association (APA). He boasts more than 80 publications and articles, especially on corporate law, including, among others, his collaboration on the manual *Estudos de direito das sociedades* (Studies on company law), by several authors (coordinated by Coutinho de

Abreu - 13th edition, Almedina, Coimbra, 2017), and the *Código das Sociedades em Comentário* (Companies Code in Commentary) (vols. I – VII, Almedina, 2010–2017). Arbitrator and legal adviser. He is also currently Chairperson of the Presiding Board of the General Meeting for the following companies: Abreu & Associados – Sociedade de Advogados, RL and Coimbra Aparthotel, S.A.
Gender: Male • Age: 58

Rui Paulo Cardinal Carvalho (Secretary)

Graduated with a bachelor's degree in Law from the Faculty of Law of the University of Coimbra. He has been an associate lawyer at Abreu Advogados since 2019. He has participated, as secretary, in various arbitration proceedings.
Gender: Male • Age: 29

b) Exercising the right to vote

12. Any restrictions on the right to vote, such as restrictions on voting rights subject to holding a number or percentage of shares, deadlines for exercising voting rights, or systems whereby the financial rights attaching to securities are separated from the holding of securities.

Each share qualifies for one vote. The total number of shares issued is 133 million.

Regarding the shares issued, there are no statutory guidelines providing for the existence of shares that do not carry voting rights or determining that voting rights exceeding a certain threshold shall not be counted if such votes are cast by only one shareholder or by a shareholder who is related to that shareholder. The Articles of Association do not envisage mechanisms that aim to cause a time lag between the entitlement to receive dividends or subscribe for new securities and the voting rights of each ordinary share.

All matters whose appraisal and/or decision is the responsibility of the Shareholders' General Meeting, pursuant to the law and the Company's Articles of Association, shall be submitted to the General Meeting in separate motions, which shall be considered and decided and/or voted upon one by one, separately, and the outcome of the voting on each item of the agenda shall be recorded in the minutes of the respective General Meeting. Those entitled to attend the General Meeting and discuss and vote on those who, on the record date, corresponding to 00:00 (GMT) on the fifth working day prior to the date of the Annual General Meeting, are registered as an owner of shares entitling them to at least one vote. In the event that the General Meeting is adjourned, the adjourned meeting shall be made up of members who provide evidence of holding shares in the Company, provided that the record date shall be observed.

The Articles of Association provide for the possibility of shareholders voting by mail, provided that the ballots reach the Company at least three business days before the General Meeting. Votes sent by mail are equivalent to negative votes for proposals submitted after the date on which such votes were cast. The presence of the shareholder at the General Meeting revokes the vote it may have sent by mail.

Corticeira Amorim's Articles of Association allow electronic voting, provided that there are adequate technical resources available to enable checking the validity of electronic votes and ensuring their data integrity and confidentiality. Votes sent by electronic means must be received by the Company by the third business day prior to the General Meeting. The Chairperson of the General Meeting must check prior to the convening of the General Meeting, the existence

of technical means and communication to ensure the safety and reliability of the votes cast. If the Chair of the Presiding Board of the General Meeting decides that the technical requirements for voting by electronic means are met, such information shall be included in the Notice calling the meeting. Such requirements were not met in 2022. Votes sent by electronic means are equivalent to negative votes for proposals submitted after the date on which such votes were cast. The presence of the shareholder at the General Meeting revokes the vote it may have sent by mail or by electronic means.

In view of the health crisis experienced around the world, Corticeira Amorim implemented a wide range of measures to protect and safeguard the health and well-being of its stakeholders, including its shareholders and members of the governing bodies. Therefore, also in line with the recommendations issued by the CMVM, Corticeira Amorim decided, given that there was no statutory provision forbidding it, that the Shareholders' General Meeting of 23 April 2021 would be held exclusively by telematic means, pursuant to Article 377(6)(b) of the Portuguese Companies' Code and that the right to vote would be exercised by prior electronic correspondence, pursuant to Article 384(8) and (9) of the Portuguese Companies' Code and Article 22 of the Portuguese Securities' Code. At the end of 2021, given the frankly positive evolution in the pandemic situation, Corticeira Amorim decided to hold its Extraordinary General Meeting on 3 December 2021, in a face-to-face format. That meeting was held at its registered office, taking the measures and procedures necessary so that it could be conducted in safety for all those attending. The right to vote was exercised by electronic mail, pursuant to Article 384(8) and (9) of the Portuguese Companies Act, and Article 22 of the Portuguese Securities Code. The level of participation in this General Meeting was higher than those carried out exclusively by telematic means (87.849% versus 83.898%). Postal ballot forms are available from Corticeira Amorim's registered office (Rua Comendador Américo Ferreira Amorim, no. 380 – 4535-186 Mozelos - Portugal) and from the Company's website (www.corticeiraamorim.com). At the request of a shareholder, such postal ballot forms may be provided by e-mail.

13. Details of the maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders that are in any relationship as set out in Article 20/1.

The Articles of Association do not provide for any limit on the number of votes, that each shareholder (either separately or jointly with other shareholders) is entitled to cast or exercise.

14. Details of shareholders' resolutions that, imposed by the Articles of Association, may only be taken with a qualified majority, in addition to those legally provided, and details of said majority.

The Company's Articles of Association establish specific requirements for convening/decision-making quorums, for the following situations:

- a. Identical to those of general law:
 - Removal from office of a director elected under the special rules set out in article 392 of the Portuguese Companies' Code – the removal from office will not become effective if shareholders accounting for at least 20% of the share capital have voted against the removal of such director, irrespective of the just cause invoked for such removal from office;
- b. Higher than those of general law:
 - Restriction or withdrawal of pre-emption rights in share capital increases – the Company's Articles of Association require that the Annual General Meeting be attended by shareholders accounting for at least 50% of the paid-up share capital;
 - Exercising the right to vote – need to own at least one share of the Company's stock at least five business days prior to the date scheduled for holding the General Meeting;
 - In order that a General Meeting requisitioned by shareholders may pass resolutions – it is required that the General Meeting be attended by shareholders owning shares representing at least the minimum amount of share capital required by law to legitimise the reason for calling such meeting;
 - Change in Board composition – such resolution requires the approval of shareholders who represent not less than 2/3 of the total share capital;
 - Winding-up the Company – such resolution requires the approval of shareholders representing at least 85% of the paid-up share capital.

II. MANAGEMENT AND SUPERVISION

a) Composition

15. Details of corporate governance model adopted.

The Company adopts the Anglo-Saxon governance model, with an extended Board of Directors, including an Audit Committee, in the current term of office fully composed of independent members, and with a dual supervision, by the Audit Committee (fiscalisation/supervision) and by the Statutory Auditor (financial supervision).

In the Board of Directors' opinion, this new model when fully implemented, contributes effectively to:

- Greater agility, greater proximity and better monitoring, and therefore also greater efficacy and efficiency for the Company, and in carrying out the internal management and supervision of this, due to including the Audit Committee within the Board of Directors;
- Greater diversity (academic background, skills, gender, age, professional experiences) on the Board of Directors and, above all, independent visions with the ability to consider the business from new perspectives, thereby adding value and sustainability to Corticeira Amorim.

Additionally, specialised internal committees are also in place, chaired by independent directors and mainly composed of members of Company management bodies, with corporate functions: the Risk Committee, the E.S.G. (Environmental, Social & Governance) Committee and the Appointments, Evaluation and Remuneration Committee.

The Board of Directors believes that the adoption of this governance model at Corticeira Amorim will boost its long-term growth and profitability, in harmony and along with the long-term interests of all its stakeholders.

As a consequence, the Board of Directors is confident that the corporate governance model adopted is suitable for the specific circumstances of Corticeira Amorim for the following reasons:

- It embodies a framework of principles of corporate governance and good practices designed to promote greater transparency and a high level of professionalism and competence;
- It promotes diversity in the composition of its governing bodies, enhancing the performance of each member and, as a whole, of each body;
- It provides reasoned and agile decision and control processes;
- It encourages shareholder participation in the life of the Company;
- It fosters the efficiency and competitiveness of Corticeira Amorim;
- Contributes to the increase of innovation and self-renewal of the Company, for its sustainable development and creation of value for the shareholders and other stakeholders, in the long term.

Corticeira Amorim encourages an internal reflection on corporate governance structures and practices adopted by the Company by comparing their efficiency with the potential benefits to be gained from implementing other practices and/or measures established as a reference in the Portuguese Institute of Corporate Governance (IPCG) Corporate Governance Act or by other organisations.

This matter – as well as Corticeira Amorim's organisational development issues – has been reviewed by the Executive Committee. The reflection on the corporate structure itself, is carried out both by the Executive Committee and by the Board of Directors which is advised on this matter by the E.S.G. Committee.

16. Articles of association rules on the procedural and material requirements governing the appointment and replacement of members of the Board of Directors, the Executive Board and the General and Supervisory Board, where applicable.

The rules governing the appointment and replacement of members to the board of directors are those provided for in law, in addition to a number of specific features set out in the Company's Articles of Association:

The election of members to the board shall be done on the basis of lists specifying the office to be filled by each Director. The voting shall be carried out in the following manner:

First: one Director shall be elected separately from among the people proposed on the lists subscribed by the groups of shareholders who own between 10% and 20% of the share capital. Each list must propose, at least, two eligible persons for each office to be filled, but the same shareholder may not subscribe to more than one list. If, on a first poll, there are lists submitted by more than one group of shareholders, then a poll shall be first taken among all such lists and, thereafter, among the names of the candidates listed in the winning list. The lists of candidates may be submitted to the General Meeting before the business on the agenda relating to the election of Directors starts to be discussed;

Second: the General Meeting shall elect the remaining directors. All shareholders present may take part, in the respective resolution, regardless of whether or not they signed or voted on any of the lists of the first phase. The General Meeting cannot elect the remaining Directors until it has elected one of the nominees on the lists of the first phase unless no list has been proposed.

The term of office of the Board members is three calendar years. At the end of the Directors' term, the shareholders must elect new directors or re-elect - one or more times - current Directors.

At the time of voting the management report, the annual financial statements and the proposal for appropriation of profit, the Annual General Meeting may decide to remove any or all directors from the Board. This will not imply the payment of any compensation to any Director so removed from office regardless of whether a director's discharge from employment has been for cause or without cause. However, this provision will not apply to a Board member elected under special election procedures on a first poll if members holding at least a 20% stake in the share capital of the Company resolve against removing any such Director from office regardless of the cause for a director's discharge from employment.

When a Director is declared to be definitively absent, and there are no substitutes, he/she shall be replaced by co-optation, unless the directors in office are not sufficient in number for the Board to function. If there is no co-optation within 60 days of the absence, the Audit Committee appoints a replacement. The co-optation and appointment by the Audit Committee shall be subject to ratification at the next General Meeting.

If a director elected under the special rules of the first stage is absent permanently, and there is no respective substitute, a new election shall be held, at which the special rules of the first phase apply, with necessary adaptation.

The appointment and replacement of members of the Board of Directors and of the Audit Committee also take into account the Policy of Promoting Diversity in the Company's Corporate Bodies (available at: <https://www.amorim.com/en/investors/corporate-governance/board-members/>), described in the comment to Recommendation I.2.1 of this report, with the aim of achieving the objectives referred to therein. The actual diversity of its composition (age, gender, qualifications and professional background) is detailed in section 19 of this report.

17. Composition of the Board of Directors, with details of the Articles of Association's minimum and maximum number of members, duration of term of office, number of effective members, date when first appointed and end of the term of office of each member.

According to the Articles of Association, the Company is administered by a Board of Directors (which includes an Audit Committee), composed of a chairperson, a vice-chairperson and one to nine other members. In the current term (2021-2023), the Board of Directors consists of a chairperson, a vice-chairperson and eight members, all incumbent members.

The duration of the term of office of the Board of Directors is three calendar years³.

Board of Directors Composition (ten effective members):

Chairperson: António Rios de Amorim

Date of first appointment to the Board of Directors:
29 March 1990

First appointment as Chairperson of the Board of Directors:
31 March 2001

End of current term of office (2021-2023): 31 December 2023,
remaining in office until a new election pursuant to law.

Vice-Chairperson: Nuno Filipe Vilela Barroca de Oliveira

Date of first appointment to the Board of Directors:
28 March 2003

End of current term of office (2021-2023): 31 December 2023,
remaining in office until a new election pursuant to law.

Board Member:

Fernando José de Araújo dos Santos Almeida

Date of first appointment to the Board of Directors: 31 July 2009
End of current term of office (2021-2023): 31 December 2023,
remaining in office until a new election pursuant to law.

Board Member: Cristina Rios de Amorim Baptista

Date of first appointment to the Board of Directors: 20 July 2012
End of current term of office (2021-2023): 31 December 2023,
remaining in office until a new election pursuant to law.

Board Member: Luisa Alexandra Ramos Amorim

Date of first appointment to the Board of Directors:
28 March 2003

Elected as member of the Board of Directors at the General Meeting of Shareholders of 4 April 2013.

End of current term of office (2021-2023): 31 December 2023,
remaining in office until a new election pursuant to law.

Board Member: Juan Ginesta Viñas

Date of first appointment to the Board of Directors: 20 July 2012

End of current term of office (2021-2023): 31 December 2023,
remaining in office until a new election pursuant to law.

Board Member: José Pereira Alves

Date of first appointment to the Board of Directors: 23 April 2021

End of current term of office (2021-2023): 31 December 2023,
remaining in office until a new election pursuant to law.

Board Member: Marta Parreira Coelho Pinto Ribeiro

Date of first appointment to the Board of Directors: 23 April 2021

End of current term of office (2021-2023): 31 December 2023,
remaining in office until a new election pursuant to law.

Board Member: Maria Cristina Galhardo Vilão

Date of first appointment to the Board of Directors: 23 April 2021

End of current term of office (2021-2023): 31 December 2023,
remaining in office until a new election pursuant to law.

Board Member: António Lopes Seabra

Date of first appointment to the Board of Directors: 23 April 2021

End of current term of office (2021-2023): 31 December 2023,
remaining in office until a new election pursuant to law.

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3. At the time of voting the management report, the annual financial statements and the proposal for appropriation of profit, the annual General Meeting may decide to remove any or all directors from the Board. This will not imply the payment of any compensation to any Director so removed from office regardless of whether a Director's discharge from employment has been for cause or without cause. However, this provision will not apply to a Board member elected under special election procedures on a first poll if members holding at least a 20% stake in the share capital of the Company resolve against removing any such Director from office regardless of the cause for a Director's discharge from employment.

18. Distinction to be drawn between executive and non-executive directors and, as regards non-executive members, details of members that may be considered independent.

Considering the composition of Corticeira Amorim's **Board of Directors**, mentioned in the preceding paragraph, this body delegated the executive management to an Executive Committee composed of four members:

Executive members:

Chairperson: António Rios de Amorim
Vice-Chairperson: Nuno Filipe Vilela Barroca de Oliveira
Board Member: Fernando José de Araújo dos Santos Almeida
Board Member: Cristina Rios de Amorim Baptista

Non-executive members:

Board Member: Luisa Alexandra Ramos Amorim
Board Member: Juan Ginesta Viñas
Board Member: José Pereira Alves (Independent Lead Director)
Board Member: Marta Parreira Coelho Pinto Ribeiro (Independent)
Board Member: Maria Cristina Galhardo Vilão (Independent)
Board Member: António Lopes Seabra (Independent)

The Board of Directors considers that this delegation of powers is in the interests of the Company, in particular the agility of its decision-making, maintaining a number of non-executive members (six, representing 60% of the Board of Directors) and independent members (four, representing 40% of the Board of Directors and 66.7% of the non-executive members) that, it considers appropriate for the functions they undertake and the size of the Company.

The size, expertise, and diversity of the Board of Directors, combined with the availability of all the members, which is also reflected in attendance (sections 23 and 29), are appropriate to the size of the Company and the complexity of the risks inherent to its activity, ensuring the full, efficient and diligent exercise of the duties entrusted to this body and to each of its members, whether executive or non-executive.

19. Professional qualifications and other relevant curricular information of each member of the Board of Directors.

António Rios de Amorim Chairperson of the Board of Directors and Chairperson of the Executive Committee

Chairperson and CEO of Corticeira Amorim since March 2001. Degree in Commerce from the Faculty of Commerce and Social Sciences at the University of Birmingham (1989) and, in addition, attendance at: Executive MBA - Columbia University (1992), International Business Management - INSEAD (2001) and Executive Program in Strategy and Organization - Stanford University (2007). He was CEO of Amorim & Irmãos (1996-2001), Director of Sociedade Figueira-Praia (1993-2006), operational manager at Amorim - Empreendimentos Imobiliários, promoter of the Lisbon Towers and Arrábida Shopping projects (1993-1995), and Executive Director of Amorim Hotéis, SA, in charge of the development of the Ibis and Novotel chains in Portugal. He was a member of the European Round Table of Industrialists - the only Portuguese corporate group to belong to this association (1991-1995). He was also Chairperson of the Portuguese Cork Association (2002-2012) and the Confédération Européenne du Liège (since 2003). In February 2006, he was awarded the commendation of Grand Officer of the Order of Agricultural, Commercial and Industrial Merit by the Portuguese President. In 2018, he was distinguished by EY as *Entrepreneur of the Year - Portugal*. He is a member of advisory bodies for business associations and knowledge centres: COTEC Portugal (executive board); Industry Training Association (ATEC) (advisory board); Faculty of Economics and Management at the Portuguese Catholic University (advisory board); the University of Minho's Institute of Science and Innovation for Bio-Sustainability (IB-S) (strategic board), and the Family Business Association (Vice-Chairperson of the senior board). He is also a member, representing Corticeira Amorim, of the Business Roundtable Portugal Association. Since 2014 he has been Honorary Consul of the Republic of Bulgaria in Santa Maria da Feira, with jurisdiction in the districts of Porto, Aveiro and Braga.

Nationality: Portuguese • Gender: Male • Age: 55

Nuno Filipe Vilela Barroca de Oliveira Vice-Chairperson of the Board of Directors and member of the Executive Committee

Graduate in business administration from Portuguese Catholic University. He has professional experience in the areas of insurance (Ocidental Seguros, 1993), assets investment (Merrill Lynch, 1995) and private banking (Banco Comercial Português, 1996), specialising in Financial Analysis and Private Investment. He served as a non-executive Director of Corticeira Amorim, from March 2003 to September 2005; he then proceeded to carry out executive functions from that date and is currently Vice-Chairperson of the Board of Directors. Non-executive Director of various companies in the Amorim Group (since 2000). Former executive Director of Barrancarnes (2000-2005). He is the Honorary Consul of Norway in Porto.

Nationality: Portuguese • Gender: Male • Age: 52

Fernando José de Araújo dos Santos Almeida
Member of the Board of Directors and member of the Executive Committee

Graduated with a bachelor's degree in Economics from the University of Porto, Faculty of Economics (1983-1984). Professional specialisation and complementary training in the areas of Balanced Scorecard, Strategic Management, Management Control, Performance Evaluation and Decision Support Systems. He joined Corticeira Amorim in 1991 and held various positions in several of the Group's member companies. In 2002, he took over as manager of Organisational Development and Business Management Planning and Control at Corticeira Amorim. He has been a Corticeira Amorim director since 2009. Lecturer at Porto Business School in the areas of Strategy Development and Management Control. Nationality: Portuguese • Gender: Male • Age: 61

Cristina Rios de Amorim Baptista
Member of the Board of Directors and member of the Executive Committee

She graduated in Economics from the Faculty of Economics of the University of Porto, in 1991. She completed an MBA in International Banking and Finance from the University of Birmingham (UK), in 1992. In 2001, she took a postgraduate degree in International Management at the Universidade Católica Portuguesa. She began working in 1992, for international institutions such as S.G. Warburg España (Corporate Finance) in Madrid (1992), N.M. Rothschild & Sons Limited (Corporate Finance) in London (1993), Rothschild Asset Management Limited (Asset Management) in London (1993) and Soserfin, S.A. (management of Economic Studies and Research) in 1994. She was a member of the Board of Directors of Fundação Casa da Música (from 2006 to March 2013) and of Fundação AEP (from 2009 to April 2013). She joined the upper management of the Amorim Group in 1994 and is currently Chairperson of the Board of Directors of the respective holding (Amorim – Investimentos e Participações, S.G.P.S., S.A.) and CFO of the Group. In 1997 she took office as Investor Relations Officer at Corticeira Amorim, S.G.P.S., S.A. (a position she occupied until the end of 2017), having been named Best Investor Relations Officer at the 2016 IRG Awards (Deloitte). In July 2012, she became a member of the Corticeira Amorim's Board of Directors. She has been a non-executive member of the Board of Directors of Banco BPI, S.A. since 2017. She also serves on the Bank's Risk Committee (member from 2017-2020, chairperson since December 2020) and the Nomination, Evaluation and Remuneration Committee (member since December 2020). She has been a member of the Executive Board of the Association of Listed Companies (AEM) since 2014 and a member of the Board of the Business Council for Sustainable Development (BCSD) Portugal since 2016. Nationality: Portuguese • Gender: Female • Age: 54

Luisa Alexandra Ramos Amorim
Member of the Board of Directors

With a degree in Marketing from ISAG and Hospitality from EHTE and EHTEP, completing several areas of training in Hospitality at the Centre International de Glion, in Marketing from UCI Communication – USA and Management at EGP Porto. Director of Amorim – Investimentos e Participações (since 2002) and of Amorim Negócios Internacionais (since 2016). She is the president and CEO of Quinta Nova - Nossa Senhora do Carmo (since 2006) and Taboadella (since 2018), accumulating relevant knowledge of the wine sector, both national and international. Was the CEO of Natureza, S.G.P.S (2002-2006), Director of Marketing for JW Burmester (2000-2002) and Member of the Hospitality Management in Amorim Hotéis e Serviços and Sociedade Figueira Praia (1996-1997), when she began her role with the Amorim Group. Worked in management consulting sector at Deloitte & Touche, Porto (1998-2000). In addition to her business activity, she is the founder and chairperson of the Bagos d'Ouro Association (since 2010), member of the Board of ACIBEV (since 2020) and member of the Executive Board of the Universidade Nova de Lisboa (since 2018). She was a member of the Board of Directors of the Fundação Museu do Douro (2006-2011). She is the Honorary Consul of Hungary in Porto. Nationality: Portuguese • Gender: Female • Age: 49

Juan Ginesta Viñas
Member of the Board of Directors

With a wide and extensive professional experience in managing businesses, he has played relevant roles in several international companies such as International Harvester (sales manager), DEMAG EO (sales manager), Hunter Douglas (General Manager and the person responsible for the industrial firms located in Brazil, Argentina and Chile) and Torras Domenech (Managing Director and CEO). Since 1996 he has been executive director of Trefinos, S.L., a Spanish company that produces cork stoppers for some of the world's most prestigious winemaking regions. Nationality: Spanish • Gender: Male • Age: 81

José Pereira Alves:
Member of the Board of Directors, Chairperson of the Audit Committee and lead independent director

Graduated with a bachelor's degree in Economics from the University of Porto, Faculty of Economics. He began his career in 1984 as an audit technician with the international audit firm Coopers & Lybrand. In 1990, after a professional qualification examination, he became a Statutory Auditor. In 1993, he became a partner at the External Audit Firm Bernardes, Sismeiro & Associados, S.R.O.C. On 1 January 1994, he became a partner at PricewaterhouseCoopers (PwC), and for over 22 years was responsible for coordinating the audit and review work for various groups, including: Amorim, RAR, Salvador Caetano, Nors, Ibersol, TAP, CTT, Semapa and Jerónimo Martins, among others. Between 2001 and 2015, he was on many occasions a member of the Territory Leadership Team, PwC's executive management body in Portugal, and between 1 July 2011 and 30 June 2015 he led the firm in Portugal as Territory Senior Partner (Chairperson). On 30 June 2016 he ceased to be a partner at PwC Portugal. He is Chairperson of the Supervisory Board for SFS – Gestão de Fundos, S.G.O.I.C., S.A., Chairperson of the Supervisory Board for The Fladgate Partnership, S.A., Chairperson of the Supervisory Board for Galp Energia, S.G.P.S., S.A. and Chairperson of the Supervisory Board for NOS, S.G.P.S., S.A. Nationality: Portuguese • Gender: Male • Age: 61 • Independent

Marta Parreira Coelho Pinto Ribeiro
Member of the Board of Directors and member of the Audit Committee

Marta graduated with a bachelor's degree in Economics and a master's degree in Industrial Economics from the University of Porto, Faculty of Economics and holds a PhD degree in Economics (specialisation in Behavioural Economics) from the London School of Economics and Political Science (LSE), 2004. Since 2004, she has been a staff member of LSE. From 2004 to 2014, she was responsible for the subject of Negotiation, turning it into a reference subject at LSE. She is an Associate Fellow at Said Business School, University of Oxford where, since 2017, she has been a staff member on the Trading course for executives where she teaches and coaches executives. She teaches topics to executives at the United Nations ("World Food Programme") as well as other large organisations such as Equinor (multinational company operating in the energy sector). In terms of research, Marta is essentially devoted to the study of over-optimism and over-confidence of economic agents and the implications of such deviations in economic decision-making (namely decisions related to entrepreneurship). Her research topics are central themes in the field of Behavioural Economics as evidenced by the reference to her work by the Nobel Prize in Economics, Daniel Kahneman, in his book "Thinking Fast and Slow". In addition to her teaching and research roles, she has played, and still does, an advisory role. Among other advisory roles, namely in the area of Negotiation, she participated in studies on price reform in the pharmaceutical industry in Portugal and studies on regional economic development. Nationality: Portuguese • Gender: Female • Age: 53 • Independent

Maria Cristina Galhardo Vilão
Member of the Board of Directors and member of the Audit Committee

She graduated in Law from the Faculty of Law of the University of Lisbon and has a master's degree (LL.M) from McGill University, Montreal, Canada. Her professional career has been focused on law practise, working in the areas of finance, capital markets and business consultancy, among other Law fields. After an initial period as legal and economic adviser to the Macau Government, which was followed by a Master's degree from McGill University (Canada), she practised law at the law firm Barros, Sobral, G. Gomes & Associados, with offices in Portugal, Brazil and London, where she worked mainly in the capital markets, finance and corporate areas, with a strong international focus. She was temporarily seconded to Clifford Chance in London, where she gained first-hand experience of working in a global law firm. In 1997 she joined Belarmino Martins & Associados, a correspondent firm of Price Waterhouse, which led to her joining Oliveira, Martins, Moura, Esteves & Associados, a member of Landwell, correspondent law firms of PricewaterhouseCoopers. During this period, she came into close contact with auditors and clients in the financial and banking field, as well as in corporate consultancy. In 2000, together with Manuel Anselmo Torres, she founded the Galhardo Vilão Torres (GVT) law firm, which specialises in Tax, Financial and Corporate Law. Since then, she has worked as a partner at GVT, where she coordinates and assists clients in the technological, industrial, real estate, hotel and distribution sectors. She also provides advice to individual clients in specific cases, particularly involving property. Her work continues to be highly international, with her clients being, mainly, foreign or Portuguese and involved in multinational activities. Nationality: Portuguese • Gender: Female • Age: 58 • Independent

António Lopes Seabra
Member of the Board of Directors and member of the Audit Committee

Graduated with a bachelor's degree in Electrical Engineering from the Faculty of Engineering at the University of Porto in 1973 and completed postgraduate programmes in Management at INSEAD (France) in 1991, 2000 and 2015. He was also the Manager of Continental Mexico, S.A. de C.V., with headquarters in San Luís Potosí, Mexico. From 2000 to 2011 he, was Director of Continental Pneus (Portugal), Chairperson of the Board of Continental-Lemmerz and Chairperson of the Board of the Portuguese Rubber Industry Association (APIB). He was the Portuguese representative at the Rubber Industry Liaison Office (BLIC) / European Tyre and Rubber Manufacturers Association (ETRMA) from 2000 to 2008. From 2006 to 2011 he was a member of the Advisory Board in Engineering and Management at the Instituto Superior Técnico, and a Member of the Casa da Música Founders Council where, from 2008 to 2011 he was also a Member of the Board for the Foundation of the same name. From 1990 to 2000 he worked at Continental Mabor S.A., in successive roles as Supplies Director, Materials and Distribution Director and Operations and Logistics Director. He was the Supplies Director at Mabor – Manufatura Nacional de Borracha, S.A., from 1989 to 1990. From 1984 to 1987 and 1987 to 1989 he was on the staff of EDP E.P. where he worked as a Standardisation Engineer and a Standardisation and Network Planning Adviser. From 1997 to 1989, he was Director of the Planning, Design and Construction Division of the Macau Utility Company (CEM) LV/MV/HV Network. He was a lecturer at the Instituto Superior Técnico (Lisbon) and simultaneously a member of the research team at the National Institute for Scientific Research (INIC) from 1976 to 1979. He began his career as a project and construction engineer for MV and LV electrical networks at the Federation of Ribatejo Municipalities (Santarém), in 1973 and 1974. Nationality: Portuguese • Gender: Male • Age: 71 years • Independent

In 2022, the training plan specially designed and delivered to all members of the Board of Directors and Audit Committee should be mentioned (level of participation: 100%) on:

- Code of Business Ethics and Professional Conduct of Corticeira Amorim;
- Anti-corruption Compliance Programme - implications of Decree-Law No. 109-E/2021 of 9 December, in which the national anti-corruption mechanism is created and the general corruption prevention scheme is established;
- Whistleblowing procedure - implications of Law No. 93/2021 of 20 December, in which the general whistleblower protection scheme is established.



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Detail of the cork harvesting process, using the axe to separate the cork plank from the bark.

20. Customary and meaningful family, professional or business relationships of members of the Board of Directors, with shareholders that are assigned qualifying holdings that are greater than 2% of the voting rights.

Companies holding or to which qualifying holdings exceeding 2% of the voting rights of Corticeira Amorim are attributable, which have directors of Corticeira Amorim on their Board of Directors:

- António Rios de Amorim, Nuno Filipe Vilela Barroca de Oliveira, Cristina Rios de Amorim Baptista and Luisa Alexandra Ramos Amorim are members of the Board of Directors of Amorim Investimentos e Participações, S.G.P.S., S.A.;
- António Rios de Amorim and Cristina Rios de Amorim Baptista are members of the Board of Directors of Amorim – Sociedade Gestora de Participações Sociais, S.A.;
- Luisa Alexandra Ramos Amorim is the Chairperson of the Board of Directors of Vintage Prime – S.G.P.S., S.A. and member of the Board of Directors of A Porta da Lua, S.A.;
- Nuno Filipe Vilela Barroca de Oliveira is member of the Board of Directors of API – Amorim Participações Internacionais, S.A.

Maria Fernanda Oliveira Ramos Amorim is Luisa Alexandra Ramos Amorim's mother, and Nuno Filipe Vilela Barroca de Oliveira's mother-in-law.

António Ferreira de Amorim is the father of António Rios de Amorim and Cristina Rios de Amorim Baptista.

There are no customary and meaningful commercial relations between the members of the Board of Directors and shareholders to whom a qualifying interest is imputed.

In accordance with the Rules of procedure of the Board of Directors, its members must:

- Punctually inform the Chairperson of any facts that may constitute or give rise to a conflict between their interests and the interests of Corticeira Amorim or the Corticeira Amorim Group;
- Promptly inform their chairperson of any and all circumstances, changes and/or transactions that may in any way create doubt as to a potential conflict or that, in general, may conflict with their duties to Corticeira Amorim or the Corticeira Amorim Group;
- In the event of a conflict of interest, the member of the Board of Directors in question may not interfere in the respective decision-making process, without prejudice to the duty to provide any information and clarifications requested.

21. Organisational charts or flowcharts concerning the allocation of powers between the various corporate boards, committees and/or departments within the Company, including information on delegating powers, particularly as regards the delegation of the Company's daily management.

Corticeira Amorim's Articles of Association provide for the following bodies, which are currently in office:

Presiding Board of the General Meeting

Composition and term of office as described in section 11 herein.

The Chairperson of the Presiding Board of the General Meeting is responsible for:

- Calling the General Meetings - preparing the notice and fostering its publication;
- Receiving requests for the inclusion of items on the agenda and, in the event they are approved, publish the matters included on the agenda in the same manner used for the notice;
- In the case of virtual general meetings (cyber-meetings, online meetings and meetings by conference call), ensuring the authenticity and security of communications;
- Choosing the location for the General Meeting within the national territory, provided that the head office does not allow the meeting to be held on satisfactory terms;
- Chairing the General Meeting, direct and guide the work, in particular: check those attending and the quorum; organise the attendance list; call the meeting to order; allow, limit or deny the floor to speak; present postal votes; calculate total votes and announce the results;
- Authorising the presence, in the General Meeting, of third parties from outside the Company; the General Meeting may revoke this authorisation;
- Adjourning the General Meeting, immediately setting its restart date at no more than 90 days; the same session cannot be suspended twice;
- Ending the session, ensuring the minutes are drafted and signing them.

The secretary of the Presiding Board of the General Meeting is responsible for:

- Assisting the Chairperson of the Presiding Board in conducting the work, including checking attendance and quorum, as well as organising the attendance list;
- Reading the agenda stated on the notice, and the documents referred to the Presiding Board during the session;
- Taking notes for drawing up the minutes;
- Counting the votes;
- Drawing up the minutes and signing them.

Board of Directors ⁴

Composition and term of office as described in section 17 of this report; duties as described in section 9 of this report.

Executive Committee

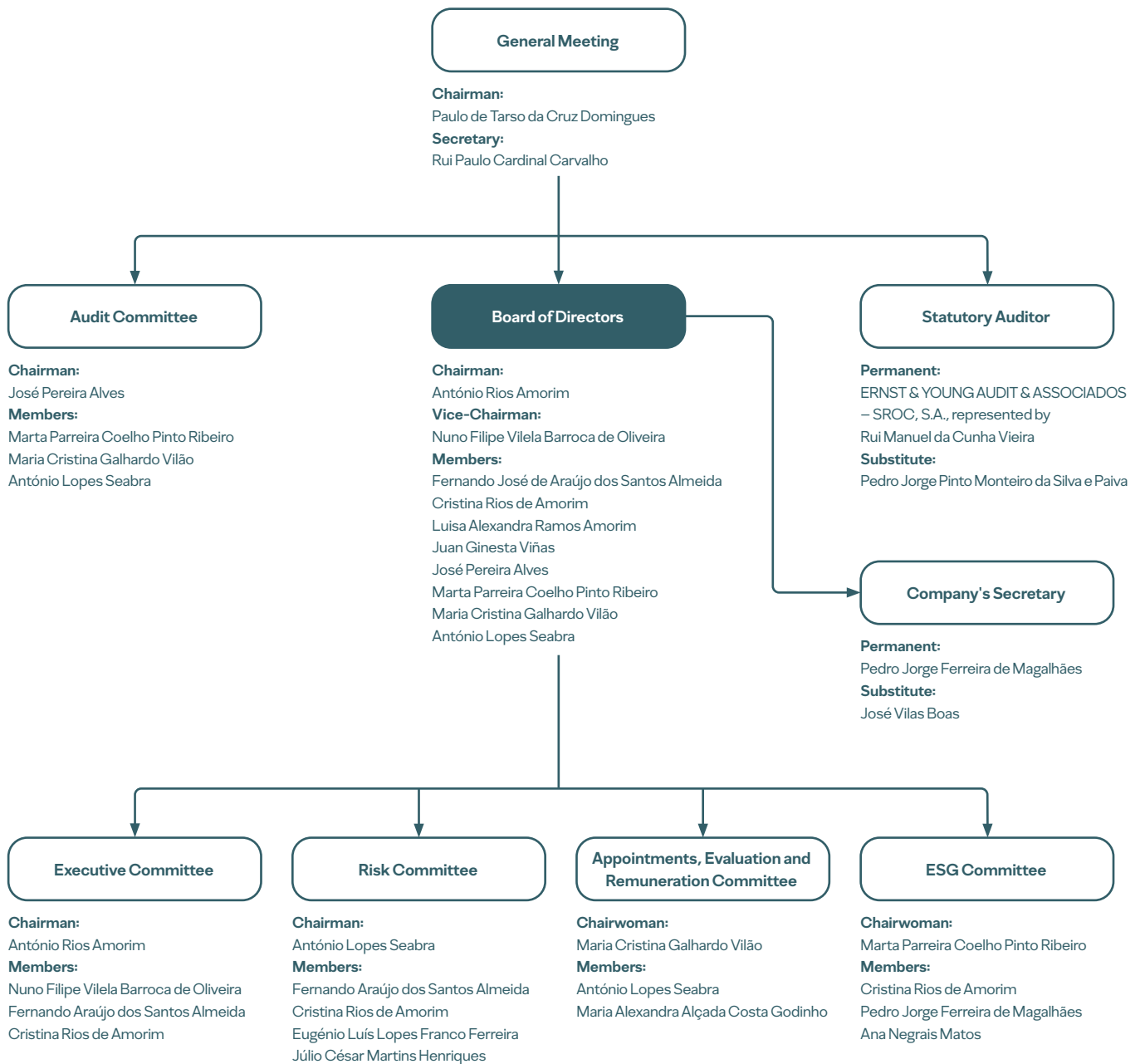
Composition and term of office as described in section 28 of this report; duties as described in section 29 of this report.

Audit Committee

Composition and term of office as described in section 31 of this report; duties as described in sections 37 and 38 of this report.

Statutory Auditor

Composition, term of office and duties as described in section 39 of this report.



Organisational Structure of the Company

As explained in detail in section 9, the role of the Board of Directors is to manage the Company's business and affairs and decide on any matter relating to its management while abiding by the resolutions adopted by the Annual General Meeting or the decisions made by the Audit Committee whenever required by law or the articles of association, and is also supported by specialised internal committees set up with duties in specific areas: Risk, ESG and Appointments, Evaluation and Remuneration. As provided for in law and the articles of association, the Board of Directors has delegated the day-to-day management to an Executive Committee, as described in sections 28 and 29 of this report.

The non-executive members of the Board of Directors regularly attend the monthly meetings of the Board of Directors, which analyse and decide on the evolution of all non-delegable matters and all issues whose relevance, materiality and / or criticality becomes pertinent to their inclusion in the agenda of the Board.

The meetings are organised by the Company Secretary, Pedro Jorge Ferreira de Magalhães, who is present at all meetings.

Pedro Magalhães has a broad range of academic and professional qualifications⁵, namely in the areas of ESG and Compliance, which add significant value in terms of supporting decision-making by the management body.

The organisation of meetings allows all Directors – both executive and non-executive Directors – to adequately prepare themselves in advance in order to participate fully in the meeting and to assess and devise measures to improve meeting productivity and organisation efficiency. The calendar of regular meetings is agreed upon at the beginning of every financial year, so all members are able to be present. Any Director, including non-executive directors, may request the inclusion of items/topics in the agenda to be considered by the directors, up to the second business day prior to any board meeting.

Whenever matters are examined and/or decided in which one or more members of the Board of Directors have particular interests which conflict with the interests of the Company, the member(s) in conflict shall inform the Board of this circumstance, providing all necessary information but abstaining from voting on such matters.

A reporting system between the Executive Committee and the Board of Directors has been implemented across the organisation with a view to ensuring alignment of their activities and that the Directors are informed of the activities of the Executive Committee in a timely fashion. The Executive Committee provides in a timely and appropriate manner to the request, all information requested by other Board Members and which are necessary in accordance with their respective duties.

In the scope of its powers, the Board of Directors has timely access to all information, documents and employees, both from the Company and its main subsidiaries, with a view to monitoring the business, evaluating performance and development prospects, as well as seeking the full explanation of any matter that it deems pertinent.

Thus, in addition to matters which by law or the Articles of Association fall to be considered exclusively by the Board of Directors, non-executive directors are aware of and monitor:

- The progress of the operating activities and the main economic and financial key performance indicators of each Business Unit which forms part of Corticeira Amorim;
- Relevant consolidated financial information: financing, investment, equity to total assets ratio and off-balance sheet liabilities;
- The business carried on by the various support divisions and their impact on the organisation;
- The progress in Research, Development and Innovation (RDI) activities;
- The calendar of the major events of Corticeira Amorim and its Business Units. The Organisation is often represented by one or more non-executive directors at international events, such as trade missions.

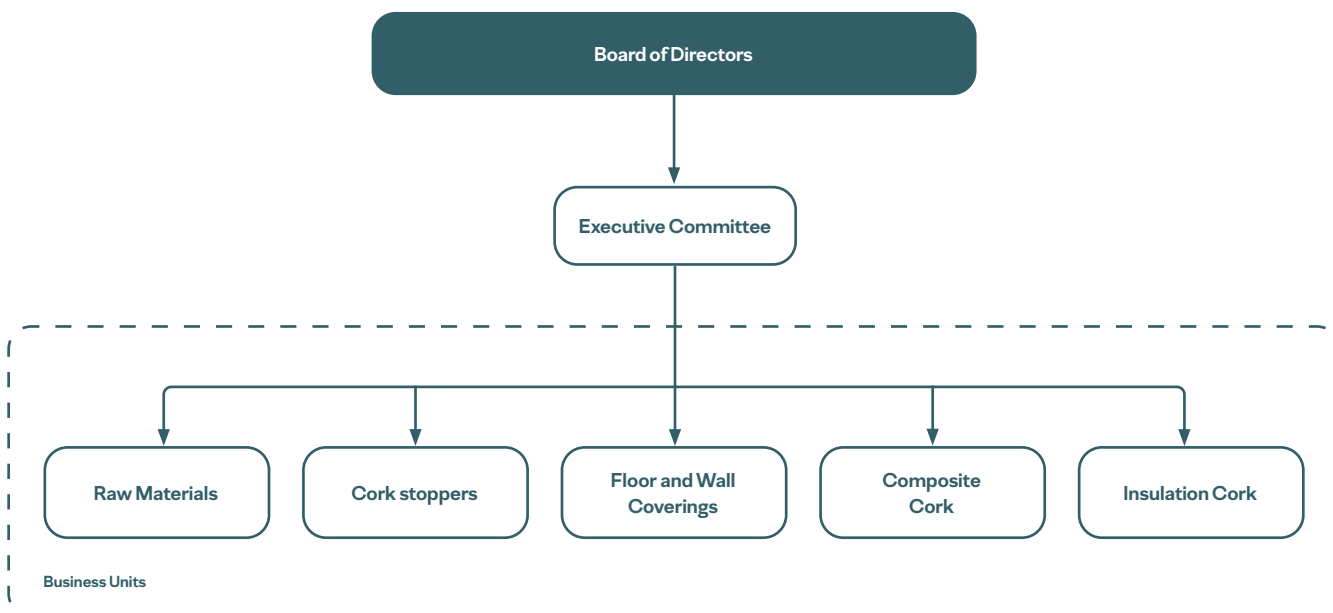
Corticeira Amorim’s operating structure is divided into five Business Units.

Adopting a management model based on a strategic-operational holding concept, the Business Units are coordinated by the Executive Board of Corticeira Amorim.

Each Business Unit has a Board of Directors composed of non-executive and executive members. This body is the authority responsible for deciding on all matters deemed relevant; and has an Executive Management, which is composed of highly qualified executives who have the adequate technical and professional competences to conduct the business and to manage the specific challenges of the business activity developed and foreseen. The executive management in the Business Units is exclusively the responsibility of independent professional managers, i.e., the Chairperson of the Board of Directors does not conduct the executive management of the same, which is the responsibility of the CEO of that Business Unit. In the case of the Cork Stoppers Business Unit, given the complexity of the business, there are two co-CEOs.

The strategic alignment of the whole organisation is enhanced by the use of the balanced scorecard method, both globally in Corticeira Amorim and individually in the Business Units. In this regard, Corticeira Amorim’s Board of Directors is responsible for approving strategic initiatives and goals for the organisation as a whole and specifically for Corticeira Amorim.

The diagram below shows how the management structure of the business is currently organised:

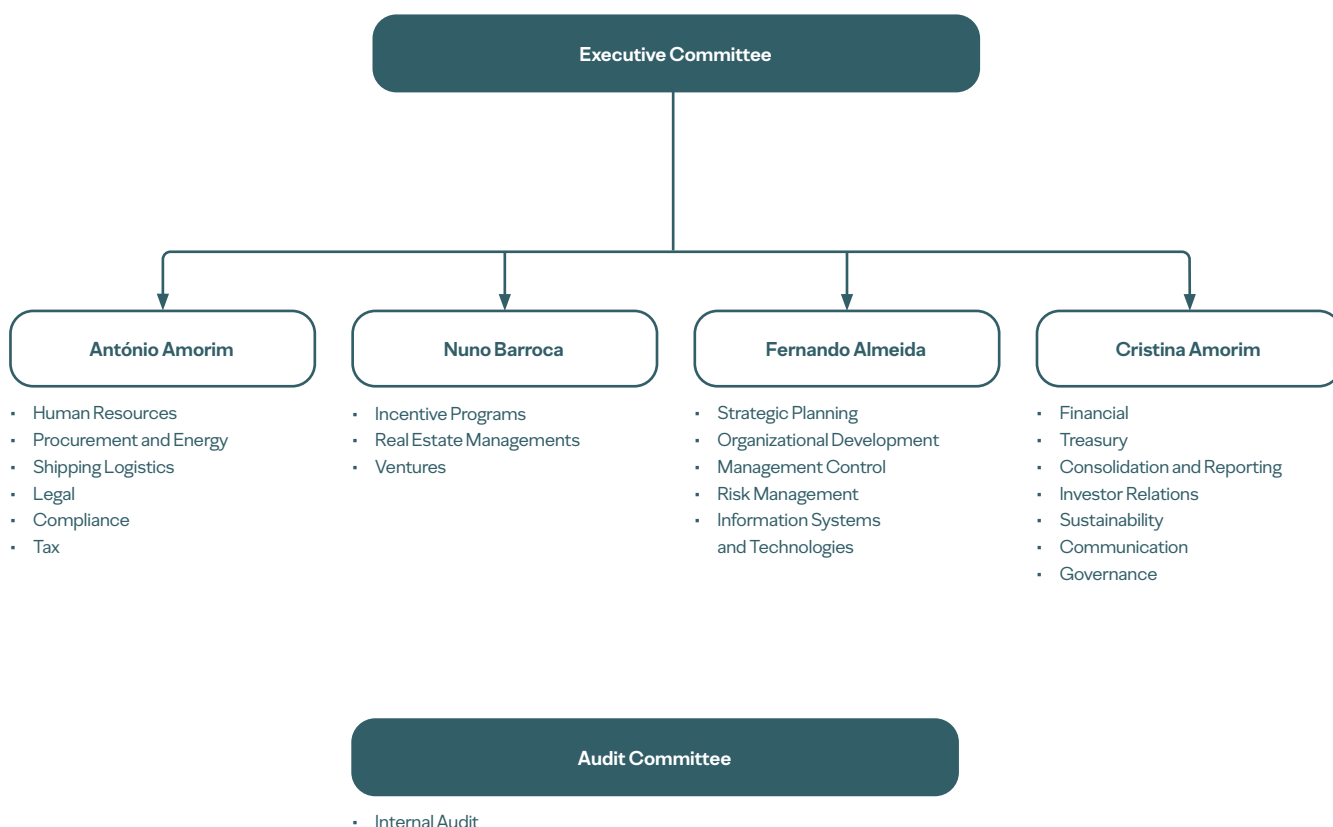


The **support divisions** are responsible for monitoring and coordinating the operation of the Business Units and their functional areas, under the coordination of the members of the Executive Committee.

With the exception of the Internal Audit area, which reports functionally to the Audit Committee, the activities of the other support areas are periodically reported to the Executive Committee, with the activity monitored by an executive director, as shown in the chart below.

At intervals deemed suitable/ appropriate, the director monitoring the relevant support division or the Executive Committee or even the Board of Directors may request a review – and they effectively do so – of the activity carried out by the different support divisions in order that the need or opportunity to create new positions or implement new strategies may be considered by the Board of Directors.

- 4 The Company's Articles of Association provide for the possibility of the Board of Directors being advised by one to three advisors, to be appointed by it from among persons of recognised merit and experience, with terms of office coinciding with those of the Directors. The advisors to the Board of Directors are people who advise the Board of Directors about the various issues addressed at board meetings, but they don't have the right to vote on resolutions passed at meetings. The Board of Directors, elected on 23 April 2021 for the 2021-2023 term, did not appoint advisors to the Board of Directors.
- 5 In addition to being Company Secretary and Compliance Officer, Pedro Magalhães is Director of the Corticeira Amorim Legal Department, responsible for coordinating the legal division. He is a company lawyer and legal advisor with responsibility for the various Corticeira Amorim Business Units (Raw Materials, Cork Stoppers, Composite Cork, Floor and Wall Coverings and Insulation Cork), as well as cross-cutting support divisions: finance, IT, communication, procurement (including energy, chemicals and insurance) and transport. He has a bachelor's degree in Law (1992, Portuguese Catholic University), a Master's in Law - Legal-Privatistic Sciences (2012, University of Porto, Faculty of Law) and a PhD in Law (2018, Faculty of Law of the University of Porto). He is an external reviewer for the journal RED – Revista Eletrónica de Direito (Electronic Journal of Law) – Centre for Legal and Economic Research (CJIE) of the Faculty of Law of the University of Porto, and author of the book Corporate Governance and Company Sustainability - Stakeholders Model versus Shareholders Model (2019, Livraria Almedina). Included in Legal 500's General Counsel Powerlist Iberia is Portugal Teams since 2017. He also an associate of the Portuguese Institute of Corporate Governance (IPGC), founding member of the Common Home of Humanity and the Association for the Sustainability of the Planetary System (ZERO).



b) Functioning

22. Availability and place where rules on the functioning of the Board of Directors may be viewed.

The modus operandi of the Board of Directors of Corticeira Amorim scrupulously complies with all applicable rules of procedure regarding the Board of Directors, specifically those set out in the Portuguese Companies' Code, in the Company's articles of association and in the regulations issued by the CMVM and in the Company's Code of Business Ethics and Professional Conduct.

The operating regulations are available at <https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>

23. The number of meetings held and the attendance report for each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable.

Pursuant to the Articles of Association, the Board of Directors shall meet when and where corporate interest requires. Ten meetings of the Board of Directors were held throughout 2022 (2021: 11 meetings), and all the members of the Board in office attended or were represented at the meetings. Considering that in these ten meetings there were two directors legally represented by other directors, the overall attendance was 98% and the individual attendance was 90% for the two directors who were represented (Cristina Galhardo Vilão and António Lopes Seabra), and 100% for the other directors.

24. Details of competent corporate boards undertaking the performance appraisal of executive directors.

Pursuant to the Articles of Association, the General Meeting, or a Committee it elects shall decide on the assessment of the performance of the directors, including executive directors.

The corporate governance model adopted by Corticeira Amorim does not include a committee elected by the General Meeting with the powers referred to in this item.

Therefore, the Board of Directors is responsible for deciding on the evaluation of the executive directors, assisted in this task by the Appointments, Evaluation and Remuneration Committee (AERC), a permanent specialised internal committee. The duties of that committee include advising the Board of Directors on its annual self-assessment process, including the evaluation of members of the Executive Committee. The AERC is made up of a majority of independent non-executive directors and does not include any executive directors.

25. Predefined criteria for assessing executive directors' performance.

Under the terms of the Remuneration Policy for the three-year period 2022-2024, approved at the General Meeting of 28 April 2022, following motion of the Board of Directors which submitted for shareholders' consideration the independent Remuneration Policy proposal drawn up by the Appointments, Evaluation and Remuneration Committee (section 69). According to that proposal, the remuneration of the Executive members of the Board of Directors should, whenever appropriate and feasible, consist of a fixed remuneration, to which a variable remuneration is added by way of a share in the company's profits, in the form of: (i) an annual bonus based on the performance of the companies of the Corticeira Amorim Group and (ii) a multi-year bonus (deferred for a period of three years) for achieving the Company's long-term goals.

The attribution of the variable component of the remuneration is aimed at creating a competitive remuneration framework and implementing an incentive scheme, that ensures the alignment of the interests of executive directors with the interests of the Company and its stakeholders, within a perspective of medium and long-term economic, social and environmental sustainability.

The actual amount of the variable pay shall depend on the appraisal to be carried out every year by the Appointments, Evaluation and Remuneration Committee (made up mainly of independent non-executive directors) on the performance of the Board members, examining the contribution of each individual executive director to both the Company's profit in the relevant financial year and compliance with the Company's targets and implementation of the medium and long-term strategies adopted by the Company.

26. The availability of each member of the Board of Directors, indicating the positions held simultaneously in other companies inside and outside the group, and other relevant activities undertaken by members of these Boards.



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Marking of the cork oak tree, in white ink, with the last digit of the year in which the cork was extracted.

António Rios de Amorim (Chairperson):

Empresa	Cargo Exercido
Grupo Corticeira Amorim	
Amorim Agro-Florestal, S.A.	President of the Board of Directors
Amorim Bartop – Investimentos e Participações, S.A.	President of the Board of Directors
Amorim Champcork, S.A.	President of the Board of Directors
Amorim Cork Composites, S.A.	President of the Board of Directors
Amorim Cork Flooring, S.A.	President of the Board of Directors
Amorim Cork Insulation, S.A.	President of the Board of Directors
Amorim Cork Research, Lda.	Manager
Amorim Cork Services, Lda.	Manager
Amorim Cork, S.A.	President of the Board of Directors
Amorim Cork, S.G.P.S., S.A.	President of the Board of Directors
Amorim Florestal España, S.L.	President of the Board of Directors
Amorim Florestal III, S.A.	President of the Board of Directors
Amorim Florestal, S.A.	President of the Board of Directors
Amorim Industrial Solutions – Imobiliária, S.A.	President of the Board of Directors
Amorim Subertech, S.A.	President of the Board of Directors
Amorim Top Series, S.A.	President of the Board of Directors
Chapius, S.L.	President of the Board of Directors
Comatral – Compagnie Marocaine de Transformation du Liège, S.A.	Chairperson of the Board of Directors and Chairperson of the Presiding Board of the General Meeting
Compruss – Investimentos e Participações, Lda.	Manager
Cosabe – Companhia Silco-Agrícola da Beira, S.A.	President of the Board of Directors
Dom Korkowy, Sp. Zo.o	Member of the Board of Directors
Elfverson – Investimentos e Participações, S.A.	President of the Board of Directors
ETS Christian Bourrassé, S.A.	Member of the Board of Directors
Francisco Oller, S.A.	Member of the Board of Directors
Ginpar, S.A.	President of the Board of Directors
Herdade de Rio Frio, S.A.	President of the Board of Directors
Korken Schiesser GmbH	President of the Board of Directors
Olimpiadas Barcelona 92, S.L.	President of the Board of Directors
OSI – Sistemas Informáticos e Electrotécnicos, Lda.	Manager
SIBL – Société Industrielle Bois Liège, S.A.R.L.	Manager
Société Nouvelle des Bouchons Trescases, S.A.	Director
Vinolock, A.S.	Director
Other companies	
Amorim – Investimentos e Participações, S.G.P.S., S.A.	Member of the Board of Directors
Amorim – Serviços e Gestão, S.A.	President of the Board of Directors
Amorim – Sociedade Gestora de Participações Sociais, S.A.	Member of the Board of Directors
Amorim – Viagens e Turismo, Lda.	Manager
Amorim Desenvolvimento – Investimentos e Serviços, S.A.	President of the Board of Directors
Amorim Global Investors, S.G.P.S., S.A.	President of the Board of Directors
Montinho das Ferrarias de Baixo – Sociedade Agroflorestal, S.A.	Sole Director
Montinho, S.G.P.S., S.A.	Sole Director
Pimpolho, S.G.P.S., S.A.	Sole Director
QM1609 – Investimentos Imobiliários, S.A.	Sole Director
Quinta do Monte 2020, S.G.P.S., S.A.	Sole Director
Quinta Nova de Nossa Senhora do Carmo, S.A.	Member of the Board of Directors
Taboadella, S.A.	Member of the Board of Directors

Nuno Filipe Vilela Barroca de Oliveira (Vice-Chairperson):

Company	Position Held
Corticeira Amorim Group	
Amorim Agro-Florestal, S.A.	Member of the Board of Directors
Amorim Cork Composites, S.A.	Member of the Board of Directors
Amorim Cork Flooring, S.A.	Member of the Board of Directors
Amorim Cork Insulation, S.A.	Member of the Board of Directors
Amorim Cork Ventures, Lda.	Manager
Amorim Cork, S.A.	Vice-Chairperson of the Board of Directors
Amorim Cork, S.G.P.S., S.A.	Member of the Board of Directors
Amorim Florestal III, S.A.	Member of the Board of Directors
Amorim Florestal, S.A.	Member of the Board of Directors
Amorim Industrial Solutions – Imobiliária, S.A.	Member of the Board of Directors
Corecochic – Corking Shoes Investments, Lda.	Manager
Cosabe – Companhia Silvo-Agrícola da Beira, S.A.	Member of the Board of Directors
Ecochic Portuguesas – Footwear and Fashion Products, Lda.	Manager
Herdade de Rio Frio, S.A.	Vice-Chairperson of the Board of Directors
OSI – Sistemas Informáticos e Electrotécnicos, Lda.	Manager
Other companies	
Amaroka, Lda.	Manager
Amorim – Investimentos e Participações, S.G.P.S., S.A.	Member of the Board of Directors
API – Amorim Participações Internacionais, S.G.P.S., S.A.	Member of the Board of Directors
ARESPT Real Estate, S.A.	Member of the Board of Directors
Atitlan Real Estates Porto Imóveis, S.A.	Member of the Board of Directors
GRENTS, Lda.	Manager
Casa das Heras – Empreendimentos Turísticos, S.A.	Member of the Board of Directors
Imobis – Empreendimentos Imobiliários Amorim, S.A.	Member of the Board of Directors
Mosteiro de Grijó – Empreendimentos Turísticos e Imobiliários, S.A.	Member of the Board of Directors
Paisagem de Alqueva, S.A.	Member of the Board of Directors
Quinta Nova de Nossa Senhora do Carmo, S.A.	Member of the Board of Directors
Sombraliante – Unipessoal, Lda.	Manager
Taboadella, S.A.	Member of the Board of Directors

Fernando José de Araújo dos Santos Almeida (Member):

Company	Position Held
Corticeira Amorim Group	
Amorim Cork Services, Lda.	Manager
Amorim Cork Flooring, S.A.	Member of the Board of Directors
OSI – Sistemas Informáticos e Electrotécnicos, Lda.	Manager
Vatrya – Consultoria e Marketing, Lda.	Manager
Outras sociedades	
Kaizen Tech, S.A.	President of the Board of Directors

Cristina Rios de Amorim Baptista (Member):

Company	Position Held
Other companies	
Amorim – Investimentos e Participações, S.G.P.S., S.A.	Non-executive President of the Board of Directors
Amorim – Sociedade Gestora de Participações Sociais, S.A.	Non-executive Member of the Board of Directors
Banco BPI, S.A.	Non-executive Member of the Board of Directors
Other institutions	
BCSD Portugal – Conselho Empresarial para o Desenvolvimento Sustentável	Member of the Management
AEM – Associação de Empresas Emitentes de Valores Cotados em Mercado	Member of the General Board, representing Corticeira Amorim, S.G.P.S., S.A.

Luisa Alexandra Ramos Amorim (Member):

Company	Position Held
Corticeira Amorim Group	
OSI – Sistemas Informáticos e Electrotécnicos, Lda.	Manager
Outras sociedades	
A Porta da Lua, S.A.	Member of the Board of Directors
Amorim – Investimentos e Participações, S.G.P.S., S.A.	Member of the Board of Directors
Amorim – Serviços e Gestão, S.A.	Member of the Board of Directors
Amorim – Viagens e Turismo, Lda.	Manager
Amorim Desenvolvimento – Investimentos e Serviços, S.A.	Member of the Board of Directors
Amorim Global Investors, S.G.P.S., S.A.	Member of the Board of Directors
Amorim Negócios Internacionais, S.A.	President of the Board of Directors
Amorim Negócios II, S.G.P.S., S.A.	President of the Board of Directors
Bucozal – Investimentos Imobiliários e Turísticos, Lda.	Manager
Dreaming Fix, Lda.	Manager
Época Global, S.G.P.S., S.A.	President of the Board of Directors
Folha da Fonte – Agropecuária, Lda.	Manager
Herdade Aldeia de Cima do Mendro – Sociedade Comercial, Agrícola e Turística, Lda.	Manager
LUYNES – Investimentos, S.A.	President of the Board of Directors
Mercado Prime – S.G.P.S., S.A.	President of the Board of Directors
Mercado Urbano – Gestão de Imobiliária, S.A.	President of the Board of Directors
Quinta Nova de Nossa Senhora do Carmo, S.A.	President of the Board of Directors
Vintage Prime, S.G.P.S., S.A.	Member of the Board of Directors
Taboadella, S.A.	President of the Board of Directors
Outras instituições	
Associação Bagos D'Ouro – IPSS	Chairperson of the Board of Directors

Juan Ginesta Viñas (vogal):

Company	Position Held
Corticeira Amorim Group	
Trefinos, S.A.	President of the Board of Directors
Outras sociedades	
Les Finques, S.A.	Sole Director

José Pereira Alves (Member):

Company	Position Held
Other companies	
Galp Energia, S.G.P.S., S.A.	Chairperson of the Supervisory Board
NOS, S.G.P.S., S.A.	Chairperson of the Supervisory Board
SIERRAGEST – Gestão de Fundos, S.G.O.I.C., S.A.	Chairperson of the Supervisory Board
The Fladgate Partnership, S.A.	Chairperson of the Supervisory Board

Marta Parreira Coelho Pinto Ribeiro (Member):

She has a PhD degree in Economics from the London School of Economics and Political Science (LSE), 2004, where she has been a staff member ever since; since 2017, she has also been a staff member of Oxford University, Said Business School, at the Negotiation for Executives course. In addition to teaching and coaching roles, she also dedicates herself to research and an advisory role. She does not hold any other company positions in other companies, be it in or out of the Corticeira Amorim Group.

Company	Position Held
Other companies	
Galhardo Vilão, Torres e Associados, Sociedade de Advogados, R.L.	Partner and Director
Hexagen, S.A.	Chairperson of the Presiding Board of the General Meeting
Hotel Santa Marta, S.A.	Chairperson of the Presiding Board of the General Meeting
Inspira Santos, S.A.	Chairperson of the Presiding Board of the General Meeting
Investoc, S.G.P.S., S.A.	Chairperson of the Presiding Board of the General Meeting
Osório de Castro – Investimentos Imobiliários, S.A.	Chairperson of the Presiding Board of the General Meeting

António Lopes Seabra (Member):

Does not hold any position in any other company.

c) Committees within the Board of Directors

27. Details of the committees created within the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, and the place where the rules on the functioning thereof is available.

The Board of Directors delegated powers to an Executive Committee and established three specialised internal committees: Risk Committee; Appointments, Evaluation and Remuneration Committee; and E.S.G. Committee. The regulations of these committees are available at <https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>.

28. Composition of the Executive Committee.

The Executive Committee shall consist of four members, i.e., a Chairperson and three Members:

- Chairperson:** António Rios de Amorim
- Board Member:** Nuno Filipe Vilela Barroca de Oliveira
- Board Member:** Fernando José de Araújo dos Santos Almeida
- Board Member:** Cristina Rios de Amorim Baptista

The term of office of the Executive Committee coincides with that of the Board of Directors.

29. Description of the powers of each of the committees established and a summary of activities undertaken in exercising said powers.

I. Executive Committee

The **Executive Committee** exercises the powers delegated to it by the Board of Directors - in the precise terms provided for in the articles of association and in law, as described in section 9 herein, with a view to streamlining management practices and making possible closer and continuous monitoring of the Company's different areas (management, operations and support) and its operating and business processes.

According to Corticeira Amorim's articles of association, the Executive Committee is vested with the power to implement the decisions made by the Board of Directors, manage the Company's ordinary course of business and implement certain management duties. The Board of Directors establishes, through its Internal Regulations (available at <https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>), the powers delegated to its Executive Committee:

- a. The implementation of the resolutions of the Board of Directors and the day-to-day management of the Company;
- b. To determine the composition of the boards of directors of the Company's sub-holdings which shall necessarily include at least two members of the Executive Committee;
- c. Through the issuing of binding instructions, the day-to-day management of the companies, directly and indirectly, controlled by the Company, with the following limits:
 - The following powers, according to the law, are not subject to delegation in the Executive Committee:
 - i. Choosing the Chair of the Executive Committee (Chief Executive Officer - CEO);
 - ii. Co-opting directors;
 - iii. Requesting the convening of General Meetings;
 - iv. Approving management reports and annual accounts;
 - v. Providing bonds and personal or real guarantees by the Company;
 - vi. Changing the registered office and capital increases, under the terms foreseen in the Company's Articles of Association;
 - vii. Merging, de-merging or changing the legal status of the Company.
 - The following are not considered to be management powers of ordinary course of the Company, and are therefore not delegated to the Executive Committee:
 - i. Approval of the annual investment/disinvestment plan of the Company and of the companies, directly or indirectly controlled, by the Company and amendments of an amount exceeding 10% of the overall value of the approved annual investment/disinvestment plan;
 - ii. Acquisition, disposal or encumbrance of real estate assets of the Company and of the companies, directly or indirectly controlled by, the Company not related to the operational activities pursued by the companies directly or indirectly, controlled by the Company;

- iii. Incorporation or taking an interest in, namely through the direct or indirect acquisition of shareholdings, of companies worth more than EUR 2,500,000.00 (two million and five hundred thousand euros);
 - iv. Approval and modification of the strategic plans and annual targets of the Company and the Corticeira Amorim Group;
 - v. Approval and modification of the main policies of the Company and the Corticeira Amorim Group;
 - vi. Transactions of the Company, or of companies directly or indirectly controlled by the Company, with related entities or with any shareholders of the Company;
 - vii. Approval and modification of the organisational structure of the Company and the Corticeira Amorim Group;
 - viii. Issue of bonds or other debt instruments of the Company;
 - ix. The companies controlled by the Company entering into subordination agreements and parity group agreements.
- Under Sustainability: review of the materiality matrix and definition of two additional strategic priorities (Ethics and Integrity, Value Chain), monitoring the evolution of indicators and the degree of achievement of the targets;
 - The alignment of the activity of the various business units that constitute the Company, and analysis of the respective reporting;
 - The budget estimates and setting goals and objectives;
 - In terms of human resources: analysis of the evolution of indicators, training policy and priorities, definition of individual and team objectives, performance evaluation, remuneration policy;
 - Monitoring the evolution of critical business factors, definition and implementation of management measures concerning those factors (evolution of prices of main inputs, interest rates and exchange rates);
 - Follow up and decisions on investment, loans and taking on liabilities;
 - Definition of the internal audit and internal control activities and reporting on the main conclusions;
 - Policy definition and decision on priority action in the field of Research, Development and Innovation;
 - Monitoring the Corticeira Amorim's share price: transactions, price development, analysts' estimates;
 - The analysis and reflection on the corporate governance model and its suitability to the Company and respective goals;
 - Analysis and monitoring of the evolution, formalisation and awareness of the policies and practices recommended by the company's internal rules of procedure (codes, regulations, policies and procedures);
 - Monitoring the evolution of the ESG ratings attributed to the Company.

Whenever matters are examined and/or decided in which one or more members of the Executive Committee have particular interests which conflict with the interests of the Company, the member(s) in conflict shall inform the Committee of this circumstance, providing all necessary information but abstaining from voting on such matters.

In the scope of its powers, the Executive Committee has timely access to all information and employees, both from the Company and its main subsidiaries, with a view to monitoring the business, evaluating performance and development prospects. Accordingly, the Executive Committee receives notices, work orders and documentation to support all meetings in which it analyses and/or decides on the strategy, implementation and actions and evaluates the results of the various Business Units of Corticeira Amorim; it participates in the management meetings of these Business Units and has broad access to any documents or employees appropriate to the clarifications that it deems pertinent.

With a properly implemented reporting system within the Company, information flows from the members of the Executive Committee to the Directors, thus ensuring that the performance of the members of both the Board and the Committee are aligned and that every director is informed of the work and activities of the Executive Committee in a timely manner.

The Chairperson of the Executive Committee, who is also the Chairperson of the Board of Directors, provides timely minutes of the Executive Committee meetings to the Chairperson of the Audit Committee.

Summary of activity carried out in 2022:

The activity of the Executive Committee was conducted in 2022 according to these duties, with the purpose of performing:

- The day-to-day management of the Company;
- The implementation of the decisions taken by the Board of Directors;

The Executive Committee met thirteen times during 2022 (2021: 17), attendance was 100% (in overall and individual terms).

II. Risk Committee

The **Risk Committee** is a permanent and specialised internal Committee, whose mission is to advise the Board of Directors in the follow-up and monitoring of risk management activities at Corticeira Amorim. The Risk Committee's duties relate to Corticeira Amorim and its various Business Units and encompass all subsidiaries in which it holds a controlling interest.

The Risk Committee is composed of five members, appointed by the Board of Directors of Corticeira Amorim, presided over by an independent director, and is composed, in the majority, of members of Company bodies. The position of Chair of the Risk Committee is necessarily attributed to a director that includes the Corticeira Amorim's Audit Committee.

Other persons may be asked to attend meetings on a permanent basis, at the request of the Risk Committee, but without having voting rights. Such persons shall be invited taking into account their specialised knowledge of the Risk Committee's area of intervention. The Risk Committee may also request that other persons, internal or external to Corticeira Amorim, may attend its specific meetings, due to the fact they have knowledge that may be relevant to the topics under discussion. The Risk Committee appoints a coordinator from among the Committee's members to act, whenever necessary, as liaison with the sub-holdings that head the different Business Units, on matters attributed to the Risk Committee.

The Risk Committee may request from the Board of Directors, the Audit Committee, the Executive Committee or any other internal committee of the Board of Directors and support areas, as well as, through the designated coordinator, and from the boards of directors and executive managements of the sub-holdings heading the different business units, all the information, documentation and assistance necessary to exercise its powers.

The Risk Committee was designated by the Board of Directors on 3 May 2021 for the 2021-2023 term of office, and is now comprised as follows:

- Chairperson:** António Lopes Seabra
(independent non-executive director)
- Member:** Fernando José de Araújo dos Santos Almeida
- Member:** Cristina Rios de Amorim Baptista
- Member:** Eugénio Luís Lopes Franco Ferreira
- Member:** Júlio César Martins Henriques

Under the terms of, the respective regulations (available at <https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>), the Risk Committee has been attributed the following powers:

- a. Advise the Board of Directors on Corticeira Amorim's risk policy and, within that framework, on the appetite for general, current and future risks;
 - b. Evaluate and monitor the main risks inherent to Corticeira Amorim's activity, as well as the level of exposure to risk and its potential development;
 - c. Inform the Audit Committee of the risks to which Corticeira Amorim is subject and the effectiveness of the respective mitigation plans, promoting the recommendations and reports that the Board of Directors and/or the Audit Committee may request;
 - d. Assist the Board of Directors in supervising the execution of the risk strategy;
 - e. Discuss and issue the opinions and recommendations to the Board of Directors that it deems appropriate, on risk strategies at the aggregate level and by risk type;
 - f. Propose the creation of mechanisms to ensure the implementation of processes, which promote compliance with the approved risk policies;
 - g. Annually review risk policies and procedures and report the results of this review to the Board of Directors.
- The duties of the Risk Committee also include assisting the Audit Committee in assessing the functioning of Corticeira Amorim's internal control model, including its risk management, compliance and internal audit functions.

Summary of activity carried out in 2022:

This Committee met five times during 2022 (2021: three), with 100% attendance (both overall and individually), undertaking the following activities, having actively considered and collaborated on the following processes:

- Integrated risk management system: monitoring of the implementation of the integrated risk management system at Corticeira Amorim, including its Business Units, in line with the most usual standards, ISO31000 and COSO's Enterprise Risk Management - Integrated Framework;
- Formalisation of the Risk Management Policy and structuring of the Risk Function: the Risk Committee monitored and supported the entire process that culminated at the beginning of the year in the formalisation of the Risk Management Policy and the structuring of the Risk Function of Corticeira Amorim, S.G.P.S., S.A. In this process, as part of its duty to collaborate with the other Company bodies, it met (i) with the Board of Directors to present the work carried out in this area and (ii) with the Audit Committee to present the said Risk Management Policy, for the Committee to consider and issue an opinion, for subsequent approval by the Board of Directors;
- Monitoring the implementation of the dashboard to control the risks identified;
- Review of the formalisation of various corporate policies, whose objective is also to mitigate risks, namely the General Cybersecurity Policy and, as already approved at the date of issue of this report, the Anti-corruption Code of Conduct, which replaces the previous Policy on Combating Corruption; the Risks of Corruption and Related Offences Prevention Plan and the Suppliers' Code of Conduct;
- Monitoring of catalogue risks, with the participation of those responsible for the management, monitoring and/or implementation of mitigation measures. Of note is the monitoring of risks: foreign exchange, raw materials and climate change, disruption in the supply chain and logistics, price of (non-cork) raw materials, transport prices, energy and others, retention of key people/functions, the emergence of new pandemics and cybersecurity, including the evolution of the implementation of the Cybersecurity Plan;
- Regular analysis of the evolution of the Russia/Ukraine armed conflict, the measures adopted by the Corticeira Amorim Group and estimated impact on business expectations in 2022 and beyond;
- Annual review of the risk catalogue, with the collaboration of those responsible for the operational monitoring of the risks identified;
- Reporting and transparency: in this context, the Risk Committee (i) assessed the information on the topic of Risk, to be included in the consolidated accounts of Corticeira Amorim, for the year 2021, (ii) prepared the annual risk management report, for the year 2021, and (iii) carried out a self-assessment of the Risk Committee.

III. E.S.G. Committee (Environmental, Social & Governance Committee)

The E.S.G. Committee is a permanent specialised internal Committee, whose mission is to advise the Board of Directors in the monitoring, supervision and strategic guidance of Corticeira Amorim in matters of corporate governance, social responsibility, the environment and ethics. The E.S.G. Committee's duties relate to Corticeira Amorim and its various Business Units and encompass all subsidiaries in which it holds control.

The E.S.G. Committee is composed of four members, appointed by the Board of Directors of Corticeira Amorim, presided over by an independent director, and composed, in the majority, of members of Company bodies. The position of Chair of the E.S.G. Committee is necessarily attributed to a director of Corticeira Amorim's Audit Committee.

Other individuals may be asked to participate on a permanent basis, at the request of the E.S.G. Committee, but without the right to vote, given their specialised knowledge of their area of intervention in the E.S.G. Committee, and it may also be possible to request the involvement of other members within or outside Corticeira Amorim, to participate in particular meetings of the E.S.G. Committee. The E.S.G. Committee may request from the Board of Directors, the Audit Committee, the Executive Committee or any other internal Committee of the Board of Directors, as well as from the Boards of Directors of the sub-holdings heading the different Business Units, all the information, documentation and assistance necessary for the exercise of its powers.

The E.S.G. Committee was appointed by the Board of Directors on 3 May 2021 for the 2021-2023 term of office, and is now comprised as follows:

Chairperson:	Marta Parreira Coelho Pinto Ribeiro (independent non-executive director)
Member:	Cristina Rios de Amorim Baptista
Member:	Pedro Jorge Ferreira Magalhães
Member:	Ana Negrals Matos

Under the terms of the respective regulation (available at <https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>), the following powers are attributed to the E.S.G. Committee:

In general:

- Discuss and issue the opinions and recommendations to the Board of Directors that it deems appropriate on any ESG matter;
- Propose to the Board of Directors a multi-year ESG plan for Corticeira Amorim;
- Assess the consistency of ESG policies with applicable legislation and best practices, proposing changes whenever it deems appropriate;
- Review and issue an opinion to the Board of Directors on Corticeira Amorim's Annual Sustainability Report;

In matters of the Environment:

- Assess the environmental sustainability of Corticeira Amorim's business models;
- Develop and propose to the Board of Directors an environmental sustainability strategy cross cutting all Business Units, which is integral and consistent with Corticeira Amorim's global strategy;

In matters of Social Responsibility:

- Give its opinion, at its initiative or at the request of the Board of Directors, on the policies of social solidarity, education, science, innovation and cultural sponsorship, implemented by Corticeira Amorim;
- Monitor and issue an opinion on the configuration of specific initiatives to be developed within the scope of the policies identified in the previous sub-paragraph;
- Monitor and issue an opinion on the evolution of occupational health and safety indices, with special attention to accidents in Corticeira Amorim's industrial units;
- Monitor and issue an opinion on the promotion of training, equality and the well-being of Corticeira Amorim's employees;

In matters of Corporate Governance:

- Monitor, review and assess the suitability of Corticeira Amorim's governance model and its consistency with applicable legislation and best practices, proposing changes to the model whenever it deems appropriate;
- Monitor, review and assess the articulation between the governing bodies and the internal committees;
- Prepare and monitor decision-making by the governing bodies and relevant committees in matters of ESG, namely those that may give rise to possible conflicts of interest;
- Monitor the supervisory actions conducted by the CMVM in relation to corporate governance matters;
- Make recommendations on the efficiency of the role of the non-executive members of the Board of Directors;
- Review and propose to the Board of Directors Corticeira Amorim's Annual Corporate Governance Report;
- Monitor Corticeira Amorim's ratings in the various ESG rankings, as well as ratings with special relevance in corporate governance;

In matters of Ethics:

- Propose to the Board of Directors the measures it considers appropriate for the development of a culture of business ethics and professional deontology, within Corticeira Amorim, and its dissemination to all hierarchical levels of the companies belonging to its sphere;
- Assess and propose to the Board of Directors any changes and/or reviews to the internal code of business ethics and professional conduct;
- Advise the Audit Committee on procedures for reporting non-compliance with the internal code of business ethics and professional conduct.

Summary of activity carried out in 2022:

This Committee met four times during 2022 (2021: three), and overall attendance was 94%, while individual attendance was 100% for all members, except Ana Negrais de Matos who was unable to attend the December meeting and whose individual attendance was 75%, having reviewed, considered and, where appropriate, issued opinions and/or recommendations on:

As part of its mission and the duties conferred upon it by the Board of Directors, the E.S.G. Committee appraised and collaborated activity in the following processes, having analysed, appraised and, where appropriate, issued opinions and/or recommendations on:

- Sustainability: review of the materiality matrix; ES 2021-2024 plan: monitoring of the evolution of compliance with the targets established in social and environmental matters; consideration of new reporting topics: involvement with the community/society and the value chain;
- E.S.G. Ratings: monitoring of the rating given to Corticeira Amorim by the various E.S.G. Ratings companies who have analysed it; appraisal of the practices established by these companies and their suitability for Corticeira Amorim;
- Promotion of diversity: analysis of its development, objectives, actions and goals; analysis of the Gender Equality Plan for 2023; monitoring of how the scope of action evolved, also integrating inclusion;
- Investor relations: analysis of activity for the year and main findings/trends concerning ESG issues;
- Corporate Governance: monitoring of the corporate governance model implemented and the evolution of the specialised internal structures. Analysis of the formalisation of the culture of the Corticeira Amorim Group (codes, policies and regulations) and its impact on the degree of adoption of the Corporate Governance Code of the Portuguese Institute of Corporate Governance and of good international practices; future developments;
- Ethics:
 - Assessment of the action plans aimed at ensuring the adoption of the practices set out in Corticeira Amorim's Code of Business Ethics and Professional Conduct, in particular the degree of implementation of the training plan, which should cover 100% of the Group's employees; analysis of the proposed changes to this Code, which, at the date of issue of this report, were already included in an updated version thereof;
 - Review of the Anti-corruption Code of Conduct, which replaces the former Policy on Combating Corruption; review of the Risks of Corruption and Related Offences Prevention Plan and the Suppliers' Code of Conduct, already approved on the date of issue of this report;
- Appraisal of Corticeira Amorim's voluntary membership initiatives, which testify to its commitment to the adoption of ESG best practices (e.g.: United Nations Global Compact and the Porto Climate Pact);
- Reporting and transparency: in this context, the ESG Committee (i) reviewed the Corporate Governance Report and the Sustainability Report, which are part of the consolidated accounts of Corticeira Amorim, for the year 2021, (ii) prepared the annual report on the activities carried out by the ESG Committee for the year 2021, and (iii) carried out a self-assessment of the ESG Committee.

IV. Appointments, Evaluation and Remuneration Committee

The **Appointments, Evaluation and Remuneration Committee** (AERC) is a permanent specialised internal Committee, whose mission is to advise the Board of Directors (i) in the preparation of succession plans and profile recommendations for the members of Corticeira Amorim S.G.P.S., S.A.'s governing bodies; and (ii) in the evaluation of the overall performance of the Board of Directors itself, its executive members, the Audit Committee and the internal committees. The AERC will also monitor and support the Board of Directors in the appointment of the key management personnel of Corticeira Amorim S.G.P.S., S.A. The duties of the AERC will focus on the governing bodies and key management personnel of Corticeira Amorim S.G.P.S., S.A.

The AERC is composed of three members, appointed by the Board of Directors of Corticeira Amorim, with a majority of non-executive members who are independent of that Board. The position of Chair of the AERC is necessarily attributed to an independent director that is part of Corticeira Amorim's Audit Committee.

Other individuals may be invited to participate on a permanent basis, at the invitation of the AERC, but without the right to vote, given their specialised knowledge of their area of intervention in the AERC, and it may also be possible to request the involvement of other members within or outside Corticeira Amorim, to participate in specific meetings of the AERC, when their knowledge is relevant for the topics to be discussed. The AERC must be free to decide, within the budgetary constraints established by the Board of Directors, on the contracting by the Company of the consultancy services necessary or convenient for the performance of its duties and must ensure that those services are provided independently and that the respective providers will not be hired for the provision of any other services to the Company itself or to other companies that are in a control or group relationship without the express authorisation.

The AERC was appointed by the Board of Directors on 3 May 2021, for the 2021-2023 term of office, and is now comprised as follows:

Chairperson:	Maria Cristina Galhardo Vilão (independent non-executive director)
Member:	António Lopes Seabra (independent non-executive director)
Member:	Maria Alexandra Alçada Costa Godinho

Under the terms of the respective regulation (available at <https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>), the following powers are attributed to the AERC:

In matters of appointments:

- a. Support and advise the Board of Directors in the selection of directors to be appointed to the Executive Committee of the Board of Directors and to internal committees;
- b. Support and advise the Board of Directors in identifying and selecting potential candidates to fill vacancies occurring in the governing bodies and key management personnel of Corticeira Amorim S.G.P.S., S.A.;
- c. Prepare a well-founded opinion for the Board of Directors whenever any vacancy appears or there is a new term of office for the governing bodies mentioned in sub-paragraph b) above. That opinion identifies the people with the most suitable profile to fill that vacancy;

- d. Follow-up the opinions of the AERC referred to in sub-paragraph c) above of (i) a justification regarding the adequacy of the profile, knowledge and curriculum of each candidate for the role to be performed, (ii) the terms of reference used by the AERC. These opinions will be prepared individually for each of the candidates for membership and/or for the body as a whole. The AERC shall induce, to the best of its abilities, transparent selection processes that include effective mechanisms for identifying potential candidates, and that those put forward for selection have the greatest merit, are best suited to the requirements of the role and promote adequate diversity within the Organisation, including gender diversity;
- e. Draw up recommendations, criteria and requirements related to the profile of new members of the governing bodies referred to in sub-paragraph b) above, appropriate to the function to be performed. In addition to individual attributes (such as competence, independence, integrity, availability and experience), these profiles should consider diversity requirements, particularly to gender, which can contribute to improving the performance of the body and to the balance in its composition;
- f. Review and evaluate incompatibilities and independence of the members of the governing bodies;

In matters of evaluation and remuneration:

- a. Advise the Board of Directors in its annual self-assessment process, including the evaluation of the members of the Executive Committee, the Audit Committee and the internal committees;
- b. Advise the Board of Directors in setting the individual objectives and fixed and variable remuneration of the primary managers (non-directors) responsible for the internal control functions (risk management, audit and compliance);
- c. Advise the Board of Directors on the proposal of the criteria to be used in the annual process of evaluating and setting the variable remuneration of the Executive Committee members;
- d. Review and propose to the Board of Directors the Remuneration Policy and the Annual Remuneration Report of Corticeira Amorim, under the terms laid down in Law no. 50/2020 of 25 August, and issue an opinion on the proposals approved by the Board of Directors for submission to the ordinary annual General Meeting of Corticeira Amorim S.G.P.S., S.A.;
- e. Perform other duties or responsibilities that may be delegated to the AERC by the Board of Directors, within the scope of its functions.

The AERC has no powers regarding the definition of the remuneration of the governing bodies of Corticeira Amorim S.G.P.S., S.A. or its key management personnel, but the assessment made by this Committee and the opinion on the Remuneration Policy of Governing Bodies and other Managers of Corticeira Amorim may potentially, and indirectly, have an impact on said remuneration.

Summary of activity carried out in 2022:

This Committee met four times during 2022 (2021: once); the overall and individual attendance was 100%, having considered and, whenever appropriate, issued opinions and/or recommendations on the matters analysed, namely:

- Analysed and reviewed the proposal of a new Diversity Policy for Managers and Employees, which was subsequently submitted to the Board of Directors for approval;
- Analysed and reviewed the proposal for changing the Human Resources Policy, which was later submitted for approval by the Board of Directors;
- Analysed and reviewed the proposed Training Plan for the Board of Directors for the year 2022, including the following matters: Code of Business Ethics and Professional Conduct; Anti-Corruption Compliance Programme; Whistleblowing Procedure;
- Analysed and reviewed the new Appointments Policy, which was subsequently submitted to the Board of Directors for approval;
- Carried out a self-assessment of AERC's activity in 2021;
- Reviewed the Remunerations Report 2021 for proposal to the Board of Directors and subsequent consideration by the General Meeting as part of the Corporate Governance Report;
- Analysed and reviewed the new Remuneration Policy of the Corporate Bodies for the three-year period 2022-2024, aiming, in particular, at the creation of a competitive remuneration framework and the implementation of an incentive system that ensures the alignment of the interests of executive directors with the interests of the Company and its stakeholders, in a perspective of economic, social and environmental sustainability in the medium and long term; this Remuneration Policy was then submitted to the Board of Directors and subsequently considered and approved at the General Meeting of 28 April 2022;
- Advised the Board of Directors with regard to setting the targets and criteria for attributing the yearly and three-yearly variable remuneration of the executive directors under the new Remuneration Policy approved by the General Meeting; and
- Verified which targets and criteria were met in 2021 for the calculation and setting of the annual variable remuneration of the executive directors (to be attributed in 2022).

III. SUPERVISION

a) Composition

30. Details of the Supervisory Body (Supervisory Board, the Audit Committee or the General and Supervisory Board) representing the model adopted.

The Company has adopted the Anglo-Saxon governance model, with a double supervisory mechanism made up of the Audit Committee and the Statutory Auditor.

31. Composition of the supervisory body, with details of the Articles of Association's minimum and maximum number of members, duration of term of office, number of effective members, date when first appointed and end of the term of office of each member.

The Articles of Association determined that the Audit Committee may consist of three or four effective members, the majority of whom are independent, and there may be an Alternate.

On 23 April 2021, the General Meeting of shareholders elected an Audit Committee made up of four effective members, all independent, to carry out duties for the 2021-2023 term of office:

José Pereira Alves (Chairperson)

First appointment as Chairperson of the Audit Committee:
23 April 2021
End of current term of office: 31 December 2023,
remaining in office until a new election pursuant to law.

Marta Parreira Coelho Pinto Ribeiro (Member)

Date of appointment as Alternate to the Supervisory Board:
12 April 2019
Date of first appointment as Incumbent Member of the Supervisory Board: 18 June 2019
Date of first re-election as Member of the Supervisory Board:
26 June 2020 (term of office 2020-2022)
First appointment as Member of the Audit Committee:
23 April 2021
End of current term of office: 31 December 2023,
remaining in office until a new election pursuant to law.

Maria Cristina Galhardo Vilão (Member)

Date of appointment as Alternate to the Supervisory Board:
26 June 2020 (term of office 2020-2022)
Date of appointment as Incumbent Member of the Supervisory Board: 23 December 2020
First appointment as Member of the Audit Committee:
23 April 2021
End of current term of office: 31 December 2023, remaining in office until a new election pursuant to law.

António Lopes Seabra (Member)

First appointment as Member of the Audit Committee:
23 April 2021
End of current term of office: 31 December 2023,
remaining in office until a new election pursuant to law.

At the issue date of this report all the members making up the Audit Committee are independent.

The Policy for Promoting Diversity in the Governing Bodies applies to the Audit Committee as transcribed in the commentary to Recommendation I.2.1 of this report (available for consultation at <https://www.amorim.com/en/investors/corporate-governance/board-members/>), with the aim of achieving the objectives referred to therein. The actual diversity of its composition (age, gender, qualifications and professional background) is detailed in section 33 of this report.

The size, expertise, and diversity of the Audit Committee, combined with the availability of all the members, are appropriate to the size of the Company and the complexity of the risks inherent to its activity, ensuring the full, efficient and diligent exercise of the duties entrusted to this body.

32. Details of the members of the supervisory body, which are considered to be independent pursuant to Article 414(5) of the Portuguese Companies' Code.

As far as the Company knows, all the members of the Audit Committee are independent, meet the independence criteria set out in Article 414(5) as well as the incompatibility rules envisaged in Article 414-A(1), both of the Portuguese Companies' Code.

33. Professional qualifications of each member of the supervisory body and other important curricular information.

As set out in section 19 above.

b) Functioning

34. Availability and place where rules on the functioning of the supervisory body may be viewed.

The operating regulations of the Audit Committee can be found at <https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>.

35. The number of meetings held and the attendance report for each member of the supervisory body.

The Audit Committee meets whenever called by the Chairperson or by any other two members of the Supervisory Board, and at least bi-monthly, pursuant to article 11 of the rules of procedure of that body. During 2022, nine meetings of the Audit Committee were held (2021: seven), with the participation or representation of all members. The overall attendance was 97.2%, and the individual attendance was 100%, except in the case of the member António Lopes Seabra, who was represented at one meeting, so his individual attendance was 89%.

36. The availability of each member of the Audit Committee, indicating the positions held simultaneously in other companies inside and outside the group, and other relevant activities undertaken by members of these Boards.

As set out in section 26 above.

c) Powers and duties

37. A description of the procedures and criteria applicable to the supervisory body for the purposes of hiring additional services from the external auditor.

The Audit Committee is responsible for monitoring the independence of the Statutory Auditor, especially in relation to the provision of additional services.

Subject to the express prior approval of the Audit Committee, services other than the statutory audit were contracted from the Statutory Auditor. Such services are described and itemised in section 47.

38. Other duties of the supervisory body.

The Audit Committee is responsible, under the law and respective Rules of Procedure (available at <https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>):

- a. Oversee the management of the Company;
- b. Monitor compliance with the law and articles of association;
- c. Prepare an annual report on its supervisory action and give an opinion on the report, accounts and proposals submitted by management;
- d. Convene the General Meeting when the Chairperson of that Presiding Board does not and should do so;
- e. Assess and issue its prior opinion on Related Party Transactions, under the terms of its own regulations in accordance with the applicable law;
- f. Check that the published report on the corporate governance structure and practices includes the provisions referred to in article 29-H of the Portuguese Securities' Code;
- g. Outsource for the provision of expert services to assist one or more of its members in the exercise of their duties; the hiring and remuneration of experts must take into account the importance of the entrusted matters and the financial situation of the Company; the scope and conditions of the provision of services to be hired must be communicated in advance to the Board of Directors;
- h. Comply with all other duties set down by law or the articles of association.
- i. Check the correctness of the accounting records and documents supporting those records;
- j. Control, as often and in such manner as the Audit Committee shall think fit, cash assets and any type of assets belonging to the Company or in its possession as a result of any guarantees and deposits received by the Company;
- k. Check the accuracy of the financial statements;
- l. Check whether the accounting policies and valuation criteria, adopted by the Company, lead to a correct assessment of the assets and profits;
- m. Independently and diligently ensure that the management body fulfils its responsibilities in choosing appropriate accounting policies and criteria and establishing adequate systems for financial reporting, risk management, internal control and internal auditing.
- n. Supervise the appropriateness of the process of preparation and disclosure of financial information by the management body, including the suitability of accounting policies, estimates, judgements, relevant disclosures and their consistent application from year to year, in a properly documented and reported manner, as well as make recommendations or proposals to ensure their integrity;
- o. Supervise and assess the adequacy of the structure and effectiveness of the internal control system, comprising the risk management, compliance and internal audit functions, and it must also issue an opinion on (i) the strategic guidelines and the risk policy, prior to their final approval by the management body, and (ii) the work plans and resources concerning the internal control system services, including the risk management, compliance and internal audit functions, and may propose any necessary adjustments;
- p. Propose and implement mechanisms and procedures for (i) periodic control and evaluation to ensure that the risks effectively incurred by the Company are consistent with the objectives set by the management body; (ii) adjustment of the internal control system, including an annual assessment of the degree of internal compliance and performance of that system, as well as the prospects for changing the previously defined risk framework;
- q. Receive claims regarding anomalous situations reported by shareholder, Company's employees or other persons;
- r. Examine and deal with any claims regarding anomalous situations and request the required explanations about such situations from members of the other Company's governing bodies;
- s. Suggest, following the analysis referred to in the preceding paragraph, measures to safeguard from the occurrence of such irregularities and give knowledge of them to the Board of Directors and to the internal or external entities that each situation warrants, while always guaranteeing the non-disclosure of the identity of those reporting such situation, unless they expressly do not wish such;

- t. Suspend directors when:
- Their health temporarily prevents them from performing their duties;
 - Other personal circumstances preclude them from carrying out their duties, for a period of time presumably greater than 60 days, and asking the Audit Committee to be temporarily suspended or the Board deems this to be in the interest of the Company;
- u. Declare the removal from office of Directors when, following their appointment, there occurs some form of incapacity or incompatibility that poses a barrier to that appointment and the director does not leave that post or does not remove the supervening incompatibility within 30 days;
- v. In relation to the accounting information, it is the responsibility of the Audit Committee to:
- Monitor and supervise the statutory audit of the individual and consolidated annual accounts, in particular the implementation of the same, taking into account any findings and conclusions of the Portuguese Securities Market Commission;
 - Consider the report of the directors, the financial statements, the statutory certification of accounts or explanatory statement regarding their non-certification, as well as the additional report to be prepared by the Statutory Auditor;
 - If it agrees with the statutory audit certificate or the statement that the issue of such certification is impossible, then it must explicitly state this in its opinion;
 - If it does not agree with the statutory audit certificate or the statement that the issue of such certification is impossible, then it must include the reasons for such disapproval in its report;
 - Send the report and opinion to the Board of Directors within 15 days of the date on which it received the referred accounting documents;
 - Issue in its report and opinion a statement to be prepared, signed by each of the Audit Committee's members, with their names and positions clearly stated, where they state that, relating to the annual directors' report, the annual accounts, and other accounting documents required by law or CMVM Regulations, to the best of its knowledge, the information was prepared in accordance with applicable accounting standards, giving a true and fair view of the assets and liabilities, financial position and profit/loss of the Company and the companies included in the consolidation perimeter, and that the management report faithfully describes the evolution of the business, the Company's performance and position and of the companies included in the consolidation perimeter, and it contains a description of the principal risks and uncertainties that they face.
- w. In relation to the Statutory Auditor, it is the responsibility of the Audit Committee to:
- Select the auditors to propose to the General Assembly and justifiably recommend the preference for one of them;
 - Monitor and supervise, under the terms of the applicable legal regime, the supervisory procedures aimed at ensuring the independence of the Statutory Auditor, including the obtaining of formal written confirmations of the Statutory Auditor provided in Article 78 of the Statute of the Statutory Auditors Association and in particular, verify the appropriateness and approve the provision of services other than audit services;
 - Be the main liaison with the Statutory Auditor of the company's accounts, and it is responsible, inter alia, for proposing the relevant remuneration and ensuring that the proper conditions for the provision of services are provided;
 - Annually assess the work performed by the Statutory Auditor, its independence and suitability for the performance of the functions and propose to the competent body its dismissal or termination of the contract as to the provision of the services when there is a valid basis for said dismissal.

The Audit Committee is guaranteed access to all documentation and employees of the Company to obtain regular information on the evolution of the activity in general, and the areas that are its special competence in particular. A system of regular reporting is also in place, covering, among others, internal audit reports and the list of transactions with related parties.

IV. STATUTORY AUDITOR

39. Details of the statutory auditor and the partner representing it.

The Statutory Auditor shall consist of one member and one alternate member, any one of which may be a statutory auditor or statutory auditor firm.

The Shareholders' General Meeting, held on 23 April 2021, re-elected for the current term of office (2021-2023):

Statutory Auditor: ERNST & YOUNG AUDIT & ASSOCIADOS – SROC, S.A., represented by Rui Manuel da Cunha Vieira

Alternate: Pedro Jorge Pinto Monteiro da Silva e Paiva

Date of first election: 07 April 2017 (term of office 2017-2019)

Date of first re-election: 26 June 2020 (term of office 2020-2022, interrupted in 2021 following an amendment to the governance model of the Company and, subsequently, the new elections for corporate bodies)

Date of second re-election: 23 April 2022 (term of office 2021-2023)

End of current term of office: 31 December 2023, remaining in office until a new election pursuant to law.

The Statutory Auditor is responsible for the following:

- Undertake all necessary examinations and checks for the audit and issue of the statutory audit certificate of the Company's accounts. The following must be checked, in particular:
 - The correctness of the accounting records and documents supporting those records;
 - When deemed convenient and in the manner considered adequate, the extent of cash and stocks of any kind of goods or assets owned by the Company or received as collateral, deposit or otherwise;
 - The accuracy of the financial statements;
 - Whether the accounting policies and valuation criteria adopted by the Company lead to a correct assessment of the assets and profits;
- Immediately report by registered letter to the chairperson of the Board of Directors the facts in its possession that it considers indicate serious difficulties in the pursuit of the Company's object, including repeated non-payments to suppliers, bad debts, issuing cheques without sufficient funds, failure to pay Social Security contributions or taxes. Request that the Chairperson of the Board of Directors, in the event no reply was made to a letter or request, or the reply received was deemed unsatisfactory, the convening of the Board of Directors to meet, with the statutory auditor present, to appraise the facts and take the appropriate decisions. If the meeting is not held or if the adopted measures are not deemed adequate to safeguard the interests of the Company, it must require, by registered letter, that a General Meeting is convened to appraise and decide on the facts contained in the mentioned registered letters and the minutes of the above-referred meeting of the Board of Directors.

40. State the number of years that the statutory auditor consecutively carries out duties with the Company and/or Group.

ERNST & YOUNG AUDIT & ASSOCIADOS – SROC, S.A. was elected on 7 April 2017 (term of office 2017-2019). And re-elect on 23 April 2021 current term of office 2021-2023). 2022 was its sixth consecutive year in office.

41. Description of other services that the statutory auditor provides to the Company.

During the year under review, ERNST & YOUNG AUDIT & ASSOCIADOS – SROC, S.A., including other entities belonging to the same network, was hired by the Company and other companies that are in a control or group relationship with it, to deliver audit and statutory audit services and other services subject to prior examination and approval by the Audit Committee, such as the review of interim financial information and other reliability assurance services.

The total amount of those services is stated in section 47.

V. EXTERNAL AUDITOR

42. Details of the external auditor appointed in accordance with Article 8 and the partner that represents same in carrying out these duties, and the respective registration number in the CMVM.

The external audit of Corticeira Amorim is undertaken by the Statutory Auditor, a position held by ERNST & YOUNG AUDIT & ASSOCIADOS – SROC, S.A., represented by Rui Manuel da Cunha Vieira (Statutory Auditor).

43. State the number of years that the external auditor and respective partner that represents same in carrying out these duties consecutively carries out duties with the Company and/or Group.

As set out in section 40 – six consecutive years.

44. Rotation policy and schedule of the external auditor and the respective partner that represents said auditor in carrying out such duties.

In this matter, Corticeira Amorim aligns its practice with that enshrined in Law No. 140/2015, of 07 September (Statute of the Statutory Auditors Association) in the case of public interest entities:

- The initial term of office for the external auditor to carry out its statutory audits shall be at least two years;
- The renewal of the term of office of the external auditor is limited to fulfilling a maximum consecutive period in carrying out such duties of ten years;
- The maximum period to carry out such duties by the respective partner, that represents the external auditor, is seven years, starting from the first appointment.

45. Details of the Board responsible for assessing the external auditor and the regular intervals when said assessment is carried out.

The Audit Committee is responsible for annually assessing the work carried out by the statutory auditor, as well as its independence and suitability to carry out such duties.

46. Details of services, other than auditing, carried out by the external auditor for the Company and/or companies in a control relationship and an indication of the internal procedures for approving the hiring of such services and a statement on the reasons for said hire.

As set out in section 41 (details of services) and in section 37 (internal procedures).

47. Details of the annual remuneration paid by the Company and/or legal entities in a control or group relationship to the auditor and other natural or legal persons pertaining to the same network and the percentage breakdown relating to the services.

The Review of interim financial reporting and other reliability assurance services item covers the limited audit of the consolidated financial statements for the six-month period ended 30 June 2022, the independent review of the Sustainability Report, the independent review of the green bonds report, the certification of combined financial statements and the execution of procedures to validate applications under the RRP agendas (Recovery and Resilience Plan).

The Other services item includes carbon footprint analysis studies of products of the Cork Stoppers Business Units and technical support for applications under the RRP agendas.

Annual remuneration paid (note 47):

Type of service	Audit and certification of accounts	Review of interim financial information and other assurance services	Tax advice	Other services	Total
EY SROC					
Corticeira Amorim	46,650	26,450	0	0	73,100
Group companies	206,793	19,000	0	13,800	239,593
Companies of EY's network					
Corticeira Amorim	0	0	0	0	0
Group companies	161,800	0	0	4,000	165,800
Total	415,243	45,450	0	17,800	478,493
Corticeira Amorim					
Corticeira Amorim	46,650	26,450	0	0	73,100
Entidades que integram o Grupo	368,593	19,100	0	17,800	405,493
Total	415,243	45,550	0	17,800	478,593
	87%	10%	0%	4%	100%

Values in euros.



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Corticeira Amorim organised its Annual Staff Meeting, dedicated to the theme "Value & Sustainability", in the presence of almost 300 employees. The 2022 results were presented, followed by discussion of the outlook for 2023. José Manuel Durão Barroso, former President of the European Commission and former Portuguese Prime Minister, spoke about the "Geopolitics of Our World".

C – Internal Organisation

I. ARTICLES OF ASSOCIATION

Available at https://www.amorim.com/xms/files/Investidores/Estatutos_Politicas_Regulamentos/20210423CorticeiraAmorimArticlesofAssociationI.pdf

48. Rules governing the amendment of the Articles of Association of the Company.

The rules governing the amendment of the Articles of Association of the Company are those provided for by law, with the addition of the following specific provisions set out in the aforementioned articles: the Company is managed by a Board of Directors consisting of a chairperson, a vice-chairperson and from one to nine other members. This statutory provision may be amended only with the approval by a majority of shareholders representing at least two-thirds of the Company's share capital.

II. REPORTING OF IRREGULARITIES

49. Reporting means and policy on the reporting of irregularities in the Company.

Corticeira Amorim has a Code of Business Ethics and Professional Conduct, available at <https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>, which formalises the set of rules and guidelines that should guide the Group's and its employees' decisions and daily actions, both in internal relationships (with other employees) as well as external ones with other business partners (investors, customers, suppliers of goods and services, public and private institutions, local communities and society at large).

Violations of this code by employees (including members of corporate bodies, directors and workers) of the Organisation must be immediately rectified and all practices contrary to this code must cease without delay. Regardless of any other liability the transgressor may incur, infractions will be sanctioned in accordance with labour laws and regulations, as well as other legal provisions that must be enforced. In accordance with the law, disciplinary sanctions may include termination of the employment relationship.

The Board of Directors ensures the code is applied and, whenever necessary, (i) establishes interpretation criteria, sending conclusions to the Audit Board and the Legal Department, and such interpretations should be disclosed by the same means as the code; (ii) adopts any appropriate guidelines and procedures to develop the provisions of code, also disclosing them by the same means.

The Audit Committee is the governing body responsible for receiving and following up on any reports of irregularities, thereby also ensuring that the code is applied.

The Internal Audit Department includes, in its annual plan of activities, the collection of information on incidents and/or violations of the Code of Business Ethics and Professional Conduct, producing an annual report on the subject, which will be submitted to the Audit Committee for evaluation and approval. Once approved by the Audit Committee, it will be communicated to the Board of Directors.

All individuals bound by the Code of Business Ethics and Professional Conduct will comply with and contribute to compliance with this code and its associated regulations, policies and principles. To this end, a Procedure for Reporting Irregularities has been established that allows both employees bound by the code and other interested parties to confidentially report any violation of the principles contained in this code without fear of reprisals. This procedure is attached to the code and published on the Company's Intranet and Corticeira Amorim's corporate website, also in an autonomous manner, so that all involved have access to it.

As mentioned, it is the responsibility of the Audit Committee under the terms of the respective Regulation (available for consultation at <https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>) to receive the information on wrongful acts reported by shareholders, by employees of the Company or other individuals/bodies and to treat such whistle-blowing reports appropriately.

Such reports shall be addressed to:

The Audit Committee of Corticeira Amorim, S.G.P.S., S.A.
Address: Registered office of the Company: Rua Comendador Américo Ferreira de Amorim, no. 380
4535-186 MOZELOS
Telephone: 22747 54 00 | Email: supervision@amorim.com

The Company ensures that the Audit Committee will be the first to be made aware of the contents of such whistle-blowing reports (no employee of the Company is authorised to open mail specifically addressed to this corporate body or any of its individual members).

It is the Audit Committee's responsibility, pursuant to the respective Regulations, to review any such reports and ask the Company's other governing bodies and officers for any explanations on the disclosed events and the circumstances surrounding the situation. In dealing with concrete situations, the Supervisory Board is entitled to:

- Suggest measures to prevent such irregularities occurring;
- Report any identified and confirmed irregularities to the Board of Directors and relevant authorities, both internal and external, in accordance with each specific situation.

The Company guarantees that the identity of whistle-blowers will not be disclosed throughout the process unless they expressly choose to disclose their identity.

Corticeira Amorim believes that there are a number of measures, i.e., (i) the assignment of such responsibilities to the Audit Committee – a body composed entirely of independent members, thus ensuring the impartial handling and consideration of irregularities reported; (ii) the non-imposition of the use of a specific format for such reports and the fact that the whistle-blower may use the channels it deems most suitable to make the report; (iii) the obligation to ensure protection of personal data (scrupulously following the instructions given by whistle-blowers regarding confidentiality) that safeguard the rights of both whistle-blowers and other Organisation employees involved, while ensuring that the reporting process remains simple, and contribute effectively to promoting the impartial investigation and clarification of the situations reported.

Those seeking advice or wishing to report an incident will be treated with respect and dignity, in accordance with the following principles:

- **Confidentiality:** the details and statements made will be treated in the strictest confidentiality during all phases of the investigation. The maximum confidentiality of the information transmitted and the identity of the information transferor is guaranteed, whenever the transferor requests it.
- **Thorough analysis:** information received about potential violations of the Code of Business Ethics and Professional Conduct, or associated Regulations, Policies or Principles, should be investigated fully and thoroughly to determine the truthfulness of the reported situation.
- **Respect and dignity:** those seeking advice or wishing to report an incident will be treated with the utmost respect and dignity, always respecting the fundamental rights of those involved in possible violations. Before evaluating the information and situations reported, the third parties and/or employees affected will be entitled to provide the reasons and explanations they deem necessary.
- **Fundamentals:** any decision must be adopted in a reasonable, proportional and appropriate manner, considering the circumstances and the nature of the events.

The Organisation undertakes to refrain from retaliation or reprisals against those who make complaints/speak out, as well as to treat the targets of the accusations fairly. In particular, employees / who report illicit activities conducted by others, acting in good faith and according to criteria of reasonableness and care, may not be the subject of any disciplinary procedure.

Such commitment shall not, however, prejudice the right to any legal action, civil or criminal, that may correspond to the party or parties affected, and the Organisation therefore recommends that: (i) the Procedure for reporting irregularities be used prudently, professionally and in accordance with the highest standards of integrity; and (ii) the reporting be reasoned and made in good faith and not abusive or formulated on the basis of conjecture or supposition.

The reporter may also, at his or her discretion, request in advance an opinion from the Organisation's Legal Department on the risks of reporting and/or on the reasonableness of the grounds. Where requested, the Legal Department will ensure that the identity of whistle-blowers and the information provided by them are not disclosed and the decision as to whether or not to proceed with the report will remain with them.

The email specifically set up for this purpose is as follows: legal@amorim.com

Procedure for communicating irregularities available for consultation at <https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>.

III. INTERNAL CONTROL AND RISK MANAGEMENT

50. Individuals, boards or committees responsible for the internal audit and/or implementation of the internal control systems.

The implementation of the internal control system (comprising the risk management, compliance and internal audit functions) is the Board of Directors' responsibility.

The supervisory body (Audit Committee) is responsible for supervising the effectiveness of the internal control system, including Risk Management and Compliance (which report to the Board of Directors) and Internal Audit (which reports to the Audit Committee).

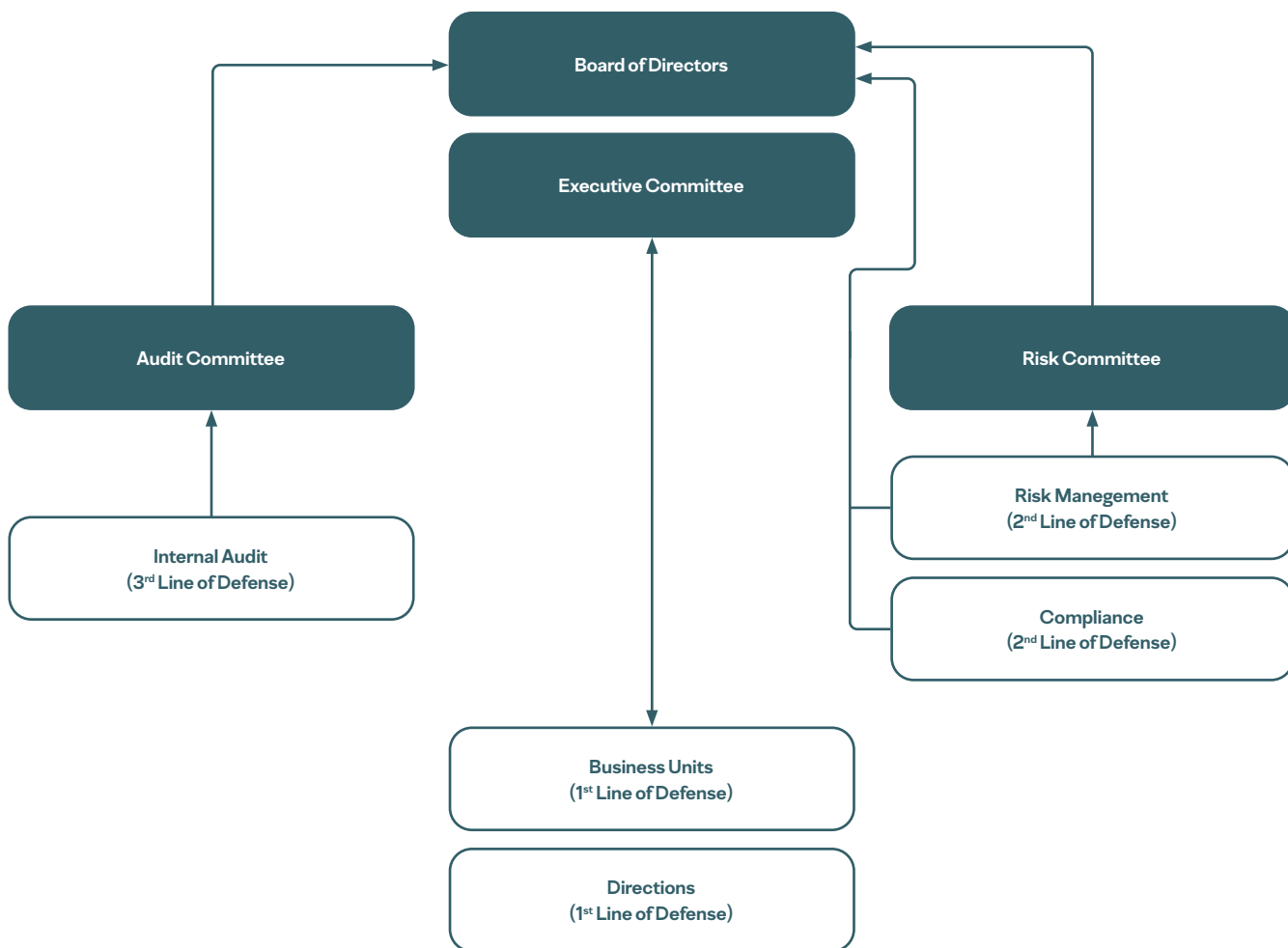
51. Details, even including organisational structure, of hierarchical and/or functional dependency in relation to other boards or committees of the Company.

As mentioned in sections 50 and 52 above.

52. Other functional areas responsible for risk control.

The main aim of the Board of Directors and the Executive Committee is to establish an integrated overview of critical success factors in terms of profitability and/or associated risks with a view to creating sustainable value for both the Company and its shareholders, being responsible for defining the risk strategy and policies, as well as the parameters for assessing acceptable risk, with the support of the Risk Committee (specialised internal committee) and in liaison with the Audit Committee.

Corticeira Amorim presents an integrated flow of governance of the risk management process, based on the concept of Lines of Defence:



Board of Directors:

- Foster risk management and promote a risk culture within the Group;
- Approve the risk management policy;
- Ensure the operation of the risk management process and supervise the execution of the risk strategy;
- Support the organisation, providing the Lines of Defence with human, financial and other resources so that they can effectively carry out their role in the risk management process;
- Appraise the Annual Risk Management Report;
- Annually update and approve the Multiannual Risk Plan.

Risk Committee:

- Advise the Board of Directors on Corticeira Amorim's risk policy and, within that framework, on the appetite for general, current and future risks;
- Evaluate and monitor the main risks inherent to Corticeira Amorim's activity, as well as the level of exposure to risk and its potential development;
- Inform the Audit Committee of the risks to which Corticeira Amorim is subject and the effectiveness of the respective mitigation plans, promoting the recommendations and reports that the Board of Directors and/or the Audit Committee may request;
- Assist the Board of Directors in supervising the execution of the risk strategy;

- Discuss and issue the opinions and recommendations to the Board of Directors that it deems appropriate, on risk strategies at the aggregate level and by risk type;
- Propose the creation of mechanisms to ensure the implementation of processes, which promote compliance with the approved risk policies;
- Annually review risk policies and procedures and report the results of this review to the Board of Directors;
- Prepare an Annual Risk Management Report for the Board of Directors and for the Audit Committee, which should include an **appraisal** of the following topics:
 - The risk strategy and general risk appetite, current and future;
 - Identification of the main risks to which Corticeira Amorim is subject in carrying out its activity, the probability of their occurrence and their respective impact;
 - The performance of the instruments and measures adopted with a view to mitigating the respective risks;
 - The risk monitoring procedures and of the degree of internal compliance with the adopted risk policy.

It should also include possible proposals for adjustment of the risk policy and/or of the evaluation and supervision procedures.

Audit Committee:

- Supervise the effectiveness of the internal control system, comprising the risk management, compliance and internal audit functions;
- Evaluate and issue its decision and the risk management policy prior to its final approval by the Board of Directors;
- Evaluate and issue its opinion on the risk appetite levels, prior to its approval by the Board of Directors.

Internal Audit (3rd Line of Defence)

- Supervise and evaluate compliance with and the effectiveness of the controls implemented;
- Plan and carry out risk-based audit;
- Undertake control tests to evaluate the effectiveness of the risk management and prevention.

Compliance (2nd Line of Defence)

- Ensure and monitor the application of the Compliance Programme on the prevention of corruption and related offences, essentially consisting of:
- Code of Business Ethics and Professional Conduct of Anti-Corruption Code of Conduct;
- Whistleblowing channel;
- Risks of Corruption and Related Offences Prevention Plan.
- Ensure and monitor the application of the General Data Protection Regulation;
- Monitor compliance with export restrictions deriving from economic sanctions and international restrictive measures.

Risks Management (2nd Line of Defence)

- Develop and implement policies, methodologies, processes, and infrastructure for integrated risk management;
- Propose changes to the level of materiality to be considered;
- Plan and programme the annual risk management process cycle;
- Proposed revisions to the risk management policy;
- Support the coordination of the process of identifying, analysing and evaluating risks, and the respective control measures;
- Ensure training and provide the necessary support for the risk identification process;
- Support the external dissemination of official information referring to business risk management;
- Provide the necessary support to the Risks Committee;
- Prepare a regular report following up on risk mitigation measures;
- Consolidate the information collected and report the results, through regular reports to the Executive Committee, the Risk Committee, the Audit Committee and the Board of Directors.

Business Units/Departments (1st Line of Defence)

- Identify, monitor and update the risks associated with their processes and businesses;
- Propose control or mitigation measures for the risks identified;

- Implement approved control or mitigation measures;
- Monitor the effectiveness of the control and mitigation measures and report any identified shortcomings;
- Provide the information necessary regarding the risk management of the processes under its responsibility.

Therefore, given the specificities of Corticeira Amorim's framework and business model - in particular (i) the development of an essentially stable business; (ii) the know-how and skills accumulated over 150 years of activity, continuously enhanced through innovation, development and training programmes; (iii) diversification in terms of products, currencies, markets, the vast portfolio of clients (iv) the effective management and monitoring of the business' critical factors by the Board of Directors and other functions related to the management of these factors; (v) the robust control systems implemented and (vi) the dual corporate supervision (Audit Committee and Statutory Auditor), it can be concluded that Corticeira Amorim's internal control system (comprising risk management, compliance and internal control) is structured and sized appropriately for its activity.

53. Details and description of the major economic, financial and legal risks to which the Company is exposed in pursuing its business activity.

The Corticeira Amorim Group has implemented a process for identifying risks - that could affect its strategy and performance - through an analytical model which was:

- top-down (to identify risks of a more strategic-tactical nature);
- bottom-up (to identify risks of a more operational/ transactional nature).

Appropriate mitigation measures have been defined for the risks identified, to minimise the probability of the occurrence and/or the impact of risk, which have been compiled in Risk Catalogues. Risk indicators or gauges have also been identified for each risk, which act as monitoring instruments and enable changes or deviations to be anticipated.

No new risks were added to the Corticeira Amorim Risk Matrix in the process of risk analysis and review carried out at the end of 2022.

Raw material – Cork

(Strategic and exogenous risk)

- The need to encourage new plantations, to complement the natural generation of cork oak forests which, by itself,
- is not sufficient to meet the estimated growth in demand for cork raw material;
- Effects of climate change;
- Need to correct unsuitable cork oak forest cultivation practices, in order to mitigate certain pests and diseases;
- Availability of qualified labour for managing the cork oak forests and extracting cork;
- With the increase in the price of cork, the selection of its application should take into account the maximisation of the value that Cork adds to products and solutions, ensuring the competitiveness of the portfolio and the profitability of the company.

Main mitigation measures:

The management of the procurement, storage and preparation of the single variable common to all business activities of Corticeira Amorim, i.e., the raw material (cork) is centralised in the Raw

Materials Business Unit, an autonomous unit with professional and independent management. This allows us to:

- Form a specialised team exclusively focused on raw materials;
- Make the most of synergies and integrate all raw materials (cork) manufactured by other Business Units in the relevant Business Unit's production process;
- Management of raw materials from a multinational perspective;
- Strengthen its presence in cork-producing countries;
- Promote forest certification, improve the technical quality of products and enter into research and development partnerships with forestry-related partners;
- Develop R&D forest projects on cork oak genetics and to fight pests and diseases;
- Carry out recycling actions which increase circularity and make cork available for non-stopper applications;
- Ensure that an optimal mix of raw materials is used to meet market demand for finished products;
- Ensure the supply stability of cork, a critical variable for Corticeira Amorim's operations, over the long term;
- Prepare and propose to the Board of Directors the multi-annual purchasing policy to be implemented.

Disruption in the supply chain and logistics

(Operational and exogenous risk)

The importance of the risk of disruption in the supply chain and logistics results mainly from the current context markedly influenced by the effects of COVID-19 and, more recently, by the serious consequences of the armed conflict between Russia and Ukraine, particularly:

- In logistical terms, insofar as export sales are mainly carried out from Portugal, so the rise of logistical obstacles in getting goods to relevant destinations for the Group represents
- a risk;
- Reduced number of logistical operators in certain locations (road, maritime and air transportation) and subsequent risks of unavailability and/or price increases.

Main mitigation measures:

- Development of a logistical model that ensures the best logistical solutions in the short and medium-long term;
- Identify alternatives to the current options for the main destinations;
- Diversification of transportation and logistical suppliers;
- Selection of suppliers and search for solutions depending on their geographical location;
- Implementation of a transport tracking system;
- Monitoring and updating security plans/recovery plans following loss of significant suppliers.

Transportation, energy and other supply price risks

(Operational and exogenous risk)

The importance of this risk mainly results from the current context markedly influenced by the effects of COVID-19 and, more recently, by the serious consequences of the armed conflict between Russia and Ukraine, particularly:

- Pressure on results due to the increase in the price of transport, energy and others;
- Unavailability of containers for transport, with an impact also on the increase in price, in particular regarding Asia (purchases) and the USA (sales);

- Lack of alternative/reduced number of logistical operators in certain locations (road, maritime and air transportation) and subsequent risks of price increases;
- New energy contracts with potentially significant cost increases.

Main mitigation measures

- Continuous monitoring of market prices, carrying out supply tenders, regular requests for quotations from a diverse range of suppliers;
- Significant part of energy needs satisfied based on cork dust in purchased biomass;
- Revision of the energy mix contracting strategy (longer-term contracting, increased exploitation of cogeneration and photovoltaic investments);
- Optimising the production process to obtain greater energy efficiency.

Price risk (other materials)

(Operational and exogenous risk)

- Increasing the prices of other raw materials, particularly rubber, subsidiary materials and packaging materials;
- Reduced competitive supply alternatives for certain materials.

Main mitigation measures:

- Continuous monitoring of market prices, carrying out supply tenders, regular requests for quotations from suppliers;
- Monitoring the entire supply chain;
- Specialised team exclusively dedicated to procurement;
- R&D of new raw materials, with risk assessment of potential suppliers;
- Production verticalisation: incorporation of the intermediate transformation stages using own facilities.

Cybersecurity

(Operational and exogenous risk)

- Social engineering attacks aimed at unavailability of services and/or exfiltration of data and/or execution of fraudulent financial transactions;
- Cyberattacks on Group companies around the world;
- Unplanned access to information/IT systems by service providers;
- Unauthorised dissemination or sharing of corporate data and/or personal data;
- Cyber attacks targeted at disrupting critical services;
- Loss of revenue due to plant shutdowns or disruption of critical services;
- High costs for data or system recovery.

Main mitigation measures:

- Specification of corporate governance model for cybersecurity;
- Implementation of management process and security policies with third parties;
- Regular training actions and awareness of cybersecurity;
- Spot audits and tests aimed at testing system weaknesses every year;
- Response plan to cybersecurity incidents;
- Entity management platform;
- Device access management and privileged access monitoring;
- Vulnerability management and remediation;
- Registration control of IT/OT assets;
- Development of cybersecurity plan cutting across all geographical areas.

Technical/infrastructure replacement

(Operational and endogenous risk)

- Obsolescence of installations and equipment, due to the appearance of new technologies;
- Manufacturing premises and equipment with specific technical characteristics, which may make the rise of technological innovations in the market more difficult, thereby requiring a greater investment on the part of the Group in the search for new solutions;
- Increased need for investment for technological replacement of factories and premises.

Main mitigation measures:

- Implementation of a minimum CAPEX investment plan for ongoing improvement objectives and technological R&D;
- R&D investment:
 - R&D Flooring programme, combining technology, formats and forms of installation, based on new composites from sustainable raw materials;
 - Circular economy programme, seeking to collect and reuse industrial by-products;
 - Technological development programme, utilising new technologies, developing knowledge and new composites from prime raw materials;
- Optimisation and optimisation of manufacturing processes;
- Digitalisation and optimisation of business support processes;
- Encourage closer ties with the entrepreneurs/start-ups ecosystem.

Climate change

(Strategic and exogenous risk)

- Changes in environmental laws and regulations may require changes in products, production processes and the adoption of new technologies;
- Reduction of available raw material, insofar as climate change may lead to a lack of balance in the ecosystem nurturing the cork oak, particularly due to the occurrence of severe droughts, making its dissemination and growth more difficult;
- Strategy to develop increasingly greener products (reducing the use of harmful plastics and favouring the use of renewable, recycled or reused materials).

Main mitigation measures:

- Long-term strategy sustained by new cork oak plantations in new geographical latitudes and new forestry models;
- Dissemination and promotion in the market of the contribution of cork products to mitigating climate change, both through their capacity to retain carbon and also through replacing more energy intensive alternative products;
- Promotion of a new value equation for the Cork oak forests which, in addition to the industrial value of cork, incorporates biodiversity and positive externalities, particularly carbon retention, as complementary sources of income;
- Plan for the diversification of the cork oak forest (geographical area, density and type of plantation);
- Reinforcement of the sustainability plan in the Business Units;
- Seeing as an opportunity the fact that cork and the cork oak tree have positive connotations in future trends to combat climate change through the consumption of products with a better carbon footprint and through the planting of more trees that contribute towards carbon neutrality objectives.

Foreign exchange risk

(Operational and exogenous risk)

- Exchange rate volatility is a factor in the potential erosion of business margins;
- Exchange-rate reserve volatility regarding net investment in subsidiaries/associates.

Main mitigation measures:

- Active policy of replacing invoicing currencies, seeking to increase the percentage of invoicing in euros;
- Exchange rate risk hedging policy, either by natural hedging or by contracting suitable financial instruments;
- Regular monitoring of forecast cash flows in order to ensure the presence of the necessary liquidity to comply with obligations in foreign exchange;
- Continuous and prospective monitoring of exchange rate development, through the Trading Room, in compliance with the exchange rate contracting policies specified by the Board of Directors.

Rise of new pandemics

(Operational and exogenous risk)

Perception of an increased probability in the appearance of new pandemics or spread of infectious diseases and the impacts that a pandemic scenario has for the Group, particularly:

- In terms of employee health;
- Increased rates of absenteeism due to infection or prophylactic quarantining;
- In terms of the Group's productive capacity;
- Potential disruption of the supply and distribution chain;
- Reduction in demand and subsequent reduction in sales;
- Need to reorganise ways of working, particularly teleworking and working at a distance;
- Pressure on the Group's information systems due to the imposition of teleworking.

Main mitigation measures:

- Specific Contingency Plan to respond to a new pandemic scenario.

Risk of the development of alternative stoppers

(Strategic and exogenous risk)

- Rise of new alternative materials to cork;
- Increase in competition from alternative stoppers, particularly screwcaps.

Main mitigation measures:

- Investment and continuous monitoring of the quality and reliability of cork stoppers and the quality of cork raw materials;
- Ongoing reinforcement of market perception of the natural origin of cork stoppers;
- Strengthening of communication campaigns to promote the attributes of cork products;
- Investment in promoting cork stoppers as an "oenological product;"
- Continuous investment in R&D and the development of new solutions and composites for the cork stopper;
- Compliance with certifications and requirements, both of purchase materials as well as manufactured products.

Changes in consumer patterns (wine sector)

(Strategic and exogenous risk)

- Impact of changes in wine and spirits consumption patterns and habits:
 - Variation in volumes;
 - Growth of alternative products to wine, particularly among younger generations;
 - Campaigns against the consumption of alcohol;
- Introduction of additional taxes/tariffs on wine, with an impact on prices and the reduction in consumption, and other amendments to laws and regulations affecting consumption rules.

Main mitigation measures:

- Specialised team exclusively dedicated to continuously monitoring customers, market trends, and promoting the quality of the product;
- Portfolio of customisable products based on specifications requested by customers;
- Diversification into other alcoholic beverage segments;
- Continuous reinforcement of the sustainability of the cork stopper;
- Promotion of the “premium image” of the use of cork stoppers;
- Promotion creditability of natural cork stoppers.

Reputational risk

(Strategic and exogenous risk)

- Risk of internal or external events causing damage to the perception of the Group by stakeholders such as customers, suppliers, investors, employees, financial analysis, communication channels, public entities or the market as a whole;
- Negative impact on the results, resulting from negative perception of the public image of the Group, whether justified or not.

Main mitigation measures:

- Implementation of regular mechanisms to listen to stakeholders, such as surveys or other;
- Strengthening of communication campaigns to promote the attributes of cork products and the creditability of natural stoppers;
- Ongoing investment in the awareness of the Corticeira Amorim brand, in the ethical and professional conformity of conduct of the entire organisation, and appropriate communication regarding Group practices;
- Carrying out market studies to show the advantages of cork stoppers and products, as well as solutions which incorporate cork and dissemination of the benefits of the use of these products;
- Continual reinforcement of the perception by the market of the natural origin of Cork and, consequently, the natural origin of the products that make up the Corticeira Amorim portfolio, in particular the cork stopper;
- Compliance with certifications and requirements both of purchase materials as well as manufactured products.

54. Description of the procedure for identification, assessment, monitoring, control and risk management.

The internal control system (comprising the risk management, compliance and internal audit functions), currently implemented in the Company, is the result of a continuous and thorough improvement and reflection process within the Company. This process involves the Board of Directors, in particular its Executive Committee, the Risk Committee, the various areas responsible for internal control (Risk Management, Compliance and Internal Audit), the Organisational Development and Strategic Planning area and, as appropriate, the support of specialist external consultants.

In order to ensure compliance with the strategic objectives, the Board of Directors formalised, in 2021, the Risk Management Policy of the Corticeira Amorim Group, which includes the definition of objectives, processes and responsibilities which ensure a solid risk management structure.

The Risk Management Policy (i) establishes the principles, guidelines and responsibilities for adequate identification, analysis and evaluation, handling of and response to risks, (ii) ensures the convergence of risk management with strategic planning, (iii) establishes, in a systematised and cross-cutting manner, the control and/or mitigation procedures and measures to deal with the main risks for the Group.

An integrated risk management model is adopted, based on a comprehensive risk management approach, which follows a process based on three essential activities:



1. Identify and Evaluate Risks:

- Using internal and external sources, the Corticeira Amorim Group has developed a new process for identifying risks that could affect its strategy and performance through an analytical model which is:
 - top-down (to identify risks of a more strategic-tactical nature);
 - bottom-up (to identify risks of a more operational/transactional nature);
- This process enables the uncertainty and impact of risks and the consolidated net income of the Corticeira Amorim Group to be evaluated;
- The risks are hierarchised and mapped within a risk matrix and appropriate mitigation measures have been defined to minimise the probability of the occurrence and/or the impact of risk, which have been compiled in risk catalogues;
- The risk matrix makes it possible to categorise and rank risks by order of importance and to support decision-making in the definition of the prioritisation of additional actions beyond the existing controls;
- Given the subjectivity of the attribution of impact/probability criteria to certain risks, indicators or risk gauges (/KRI) are identified for each risk, which workers providing an alert and enabling changes or deviations to be anticipated, which are mapped in the risk catalogue;
- In order to operationalise the risk appetite and tolerance management, global materiality is specified for monitoring risks and KPI/KRI variation bands associated with each risk, as a function of the appetite/tolerance for risk specified by the Board of Directors;
- The magnitude of exposure to the risk is assessed through quantitative and qualitative methods, which consider the individual risk distributions and correlations between risks;
- This process is reviewed annually whenever justified by a certain business contextual change, and the processes formalised in the Multiannual Risk Plan.

2. Monitoring, Controlling and Reporting Risks:

- The 1st, 2nd and 3rd Lines of Defence continually monitor the development in the main risks and the respective KPI/KRI (key performance indicator/key risk indicator);
- Whenever necessary, new mitigation actions are specified to be implemented by the Business Units;
- The Risk Management prepares a regular report with follow-ups on risk mitigation measures and developments in the KPI/KRI.

3. Supervise, Audit and Review:

- Internal Audit (through annual audits of the Risk Management Process), the Risk Committee (at quarterly meetings) and the Audit Committee (at quarterly meetings) oversee the risk management process, contributing with suggestions for improvements or changes to risks, mitigation measures or KPI/KRI;
- This monitoring and review also include the evaluation of the company's risk culture, as well as the alignment between risk management and the company's other activities.

The process and responsibilities for the main functions of the risk management process can be summarised in the following table:

Task/Function	Responsibility
Identification/Annual risk revision	Bottom-up: Business Units/Departments Top-down: Board of Directors (coordination of the Risk Management)
Definition of mitigation measures	Business Units/Departments (coordination of the Risk Management)
Updating of the risk matrix and risk catalogues	Risk Management Risk Committee Board of Directors (approval)
Definition of materiality	Risk Management Risk Committee Board of Directors (approval)
Updating the risk monitoring dashboard	Risk Management Risk Committee Board of Directors (approval)
Operational risk management	Business Units/Departments
Risk monitoring	Business Units/Departments (1st Line of Defence) Risks Management (2nd Line of Defence) Compliance (2nd Line of Defence) Risk Committee
Supervise, audit and review	Internal Audit (3rd Line of Defence) Risk Committee Audit Committee
Periodical reporting accompanied by mitigation plans (KPI/KRI)	Risk Management Risk Committee
Multiannual risk plan	Risk Management Risk Committee Board of Directors (approval)

55. Core details on the internal control and risk management systems implemented in the Company regarding the procedure for reporting financial information.

In regard to the **preparation and disclosure of financial information - including consolidated**, the Company promotes close cooperation among all those involved in the process to ensure that the production, processing and dissemination of information is adequate and accurate, namely that:

- Its implementation, preparation, and processing comply with all applicable legal requirements and best practices in terms of transparency, relevance and reliability;
 - The information has been properly checked both internally and by the appropriate supervisory bodies;
 - The information has been approved by the appropriate governing body;
- Its public disclosure complies with all relevant legal requirements and recommendations, specifically those of the CMVM and is made in the following order: first, via the data dissemination system of the Portuguese Securities Market Commission (www.cmvm.pt); second, via the Company's website (www.corticeiraamorim.com); third, by means of a long list of Portuguese and foreign media contacts; and fourth, to Corticeira Amorim's staff and to shareholders, investors, analysts and other stakeholders, whose contacts are stored in a database.

The process of implementing, preparing, and processing financial information, including consolidated information, is dependent on the transaction recording process and support systems. There is an Internal Controls Procedures Manual and an Accounting Manual implemented at the Group level. These manuals contain a set of policies, rules and procedures to (i) ensure that the process of preparation of financial information follows homogeneous principles and (ii) the quality and reliability of the financial information is ensured.

The implementation of accounting policies and internal control procedures, relating to the preparation of financial information, is subject to evaluation by the internal and external auditors.

The consolidated financial information by Business Unit is assessed, validated and approved by the management of the respective Business Unit, every quarter. This procedure has been consistently adopted by all the Corticeira Amorim's business units.

The consolidated financial information of Corticeira Amorim is approved by the Board of Directors and presented to the Audit Committee before its publication.

It is also to be emphasized that the referred Internal Control Procedures Manual contains a set of rules intended to ensure that the process of disclosure of financial information, including consolidated information, guarantees the quality, transparency and fairness in the dissemination of information.

IV. Investor assistance

56. Department responsible for investor assistance, composition, functions, the information made available by said department and contact details.

Corticeira Amorim ensures, through the Investor Relations Officer, the existence of permanent contact with the Capital Markets, promoting the communication of relevant and up-to-date information to the financial community. Its activity is based on the principles of transparency, rigour and integrity, respecting the principle of equality of shareholders and preventing asymmetries in access to information by investors, financial analysts and regulatory entities.

The Investor Relations Officer brings together and coordinates the work of professionals from other departments (Consolidation, Management Control, Legal and tax, Administrative, Financial, Sustainability, Risk, Governance, Communication) of Corticeira Amorim, in order to provide impartial and timely replies to all requests from investors (whether shareholder or not).

Role:

The Investor Relations Officer of Corticeira Amorim has the following responsibilities:

- Regular publication of the Company's operation performance evaluation reviews and financial results, including co-ordination and preparation of their annual public presentation delivered at the Company's registered office (either in person or via conference call);
- Disclosure of privileged information;
- Disclosure of information on qualifying interests;
- Receipt and centralisation of all questions and queries raised by investors and answers to such questions;
- Participation in conferences, roadshows and meetings with investors and analysts.

The following **measures carried out in 2022** in the context of contact with investors are especially noteworthy:

- Presentation of annual and biannual business activity and results via audio-conferencing, thereby promoting interaction in the disclosure of that information;
- One-on-one meetings with investors and financial analysts;
- Participation in road shows, both in Portugal and abroad;
- Conducting conference calls and video conferences with investors;
- Participation in conferences, both in Portugal and in the main European financial centres, carried out in an in-person and/or virtual format.

The management team, whenever possible and appropriate, were involved in the actions described above, both those of Corticeira Amorim and of the various Business Units.

Corticeira Amorim has been using its information technology to regularly disclose and disseminate its economic and financial information, including the Company's operation performance evaluation reports and financial results as well as its answers to specific questions and queries raised by investors.

Type of information made available (in Portuguese and English):

- The Company's name, registered office and other information set out in article 171 of the Portuguese Companies' Code;
- Articles of Association;
- Code of Business Ethics and Professional Conduct and Procedure and Form for Reporting Irregularities;
- Identification of the members of the Company's governing bodies and the investor relations officer;
- Regulations governing the functioning of the corporate bodies;
- Corporate policies and Equality Plan;
- The Office of Investor Assistance, its functions and means of accessing this Office;
- Financial statements, including an annual report on the corporate governance structure and practices;
- Six-month calendar of corporate events released at the beginning of each half-year;
- Rules of Procedure of the General Meeting;
- Notices to members of Annual General Meetings to be given during a 21-day period prior to the date fixed for each meeting;
- Motions submitted for discussion and vote at a General Meeting during a 21-day period prior to the date of the General Meeting; resolutions adopted and the respective minutes;
- Absentee voting form;
- Proxy form for Annual General Meetings;
- Disclosure of annual, biannual and quarterly information on the Company's business affairs;
- Main financial and activity indicators;
- Price development;
- Press releases: financial results, confidential information, qualifying interests in the share capital of the Company;
- Business presentations to investors and market analysts.

Contact information:

This department can be reached by telephone at +351 (22 747 54 00), fax +351 (22 747 54 07) or e-mail at: corticeira.amorim@amorim.com.

57. Investor Relations Officer.

The Investor Relations Officer of Corticeira Amorim is Ana Negrais de Matos.

58. Data on the extent and deadline for replying to the requests for information received throughout the year or pending from preceding years.

The response rate to requests for information is 100%. The reply is provided, on average, within 24 hours (working days), except for highly complex cases (average response time of five working days), that require consultation with external resources to the Company and are, therefore, dependent on the deadlines for the reply from such resources. These cases accounted for less than 5% of total requests for information in 2022. There were no pending replies at the end of the year.

V. WEBSITE

59. Address.

Corticeira Amorim provides a vast range of information on its website www.amorim.com about its corporate structure, business activity and the development of its business.

60. Place where information on the name, public company status, headquarters and other details referred to in Article 171 of the Commercial Companies' Code is available.

Information available at <https://www.amorim.com/en/investors/corporate-governance/governance-model/>.

61. Place where the articles of association and rules of procedure of the boards and/or committees are available.

Information on the Articles of Association, Corporate Policies, Operating Regulations for governing bodies and specialised internal committees, Code of Business Ethics and Professional Conduct (including the Procedure for Reporting Irregularities) available at <https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>.

62. Place where information is available on the names of the corporate boards' members, the Investor Relations Officer, the Office of Investor Assistance or comparable structure, respective functions and contact details.

Information on the members of the governing bodies, the Investor Relations Officer and the Investor Relations Office, their duties and how to access them available at <https://www.amorim.com/en/investors/corporate-governance/board-members/>.

63. Place where the documents are available and relate to financial accounts reporting, which should be accessible for at least five years and the half-yearly calendar on company events that is published at the beginning of every six months, including, inter alia, general meetings, disclosure of annual, half-yearly and where applicable, quarterly financial statements.

Accountability documents available at <https://www.amorim.com/en/investors/financial-information/annual-report/>
<https://www.amorim.com/en/investors/financial-information/other-financial-reports/>
Half-yearly calendar of company events, available at <https://www.amorim.com/en/investors/financial-calendar/>

64. Place where the notice convening the general meeting and all the preparatory and subsequent information related thereto is disclosed.

<https://www.amorim.com/en/investors/general-meeting/>

65. Place where the historical archive on the resolutions passed at the Company's General Meetings, share capital and voting results relating to the preceding three years are available.

<https://www.amorim.com/en/investors/general-meeting/>



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Herdade da Venda Nova, near the village of Palma, in Alcácer do Sal, where Corticeira Amorim planted the first 251 hectares of cork oak trees at the end of 2019, within the framework of the Forestry Intervention Project.



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Herdade do Conqueiro, located in Avis, in the Alto Alentejo, where the agronomist Francisco de Almeida Garrett planted two hectares of cork oak trees in 2002, using a drip irrigation process. The results were surprising, since it was possible to extract the bark from many trees for the first time after only eight years, thus shortening the normal growth period by 17 years. This was the first step towards implementation of Corticeira Amorim's Forestry Intervention Project.

D – REMUNERATION

I. Power to establish

66. Details of the powers for establishing the remuneration of corporate boards, members of the executive committee or chief executive and directors of the Company.

Pursuant to Article 19(4) of the Articles of Association of Corticeira Amorim, the General Meeting, or a Committee it elects, shall decide on the remuneration of the members of the governing bodies of the Company.

Pursuant to article 29(2) of the Articles of Association, the Board of Directors may appoint specialist internal committees to which it delegates corporate-related duties, including remuneration matters. As the General Meeting has not elected a remuneration committee, this matter became the competence of:

- The General Meeting of Corticeira Amorim, concerning the establishing of the remuneration to be attributed to the members of the Board of Directors, that includes the Audit Committee, as well as establishing the remuneration to be attributed to the members of the Presiding Board of the General Meeting, and the Statutory Auditor;
- Board of Directors of Corticeira Amorim, regarding the fixing of the fixed and variable remuneration to be awarded to its directors and other employees, under the terms of general law.

As described in section 29.IV, the Board of Directors appointed the Appointments, Evaluation and Remuneration Committee, a permanent specialised internal committee, which has the mission of advising the Board of Directors also on the matter of evaluations and remunerations, namely to advise the Board of Directors:

- On its annual self-assessment process, including the evaluation of the members of the Executive Committee, the Audit Committee and the internal committees;
- In setting the individual objectives and fixed and variable remuneration of the primary managers (non-directors) responsible for the internal control functions (Risk Management, Audit and Compliance);
- On the proposal of the criteria to be used in the annual process of evaluating and setting the variable remuneration of the Executive Committee members;
- In the review and proposal to the Board of Directors of the Remuneration Policy and the Annual Remuneration Report of Corticeira Amorim, under the terms laid down in Law no. 50/2020 of 25 August, and issue an opinion on the proposals approved by the Board of Directors for submission for appraisal to the ordinary annual General Meeting of Corticeira Amorim S.G.P.S., S.A.

The AERC has no powers regarding the definition of the remuneration of the governing bodies of Corticeira Amorim S.G.P.S., S.A. or its key management personnel, but the assessment made by this Committee and the opinion on the Remuneration Policy of Governing Bodies and other Managers of Corticeira Amorim, and the consequent Remuneration Report, may potentially, and indirectly, have an impact on the said remuneration.

II. Remuneration Committee

67. Composition of the remuneration committee, including details of individuals or legal persons recruited to provide services to said committee and a statement on the independence of each member and advisor.

The Appointments, Evaluation and Remuneration Committee (AERC), appointed by the Board of Directors on 3 May 2021, in office since then, is made up of:

- Chairperson:** Maria Cristina Galhardo Vilão
(independent non-executive director)
- Board Member:** António Lopes Seabra
(independent non-executive director)
- Board Member:** Maria Alexandra Alçada Costa Godinho
(senior management for the Group,
not included in the Board of Directors)

The AERC may decide to hire consulting services that it deems appropriate and suitable for the full exercise of its functions and must ensure that the selection of the respective providers obeys criteria of competence and independence. In the financial year under review, no natural or legal person was hired to assist the Remuneration Committee.

68. Knowledge and experience in remuneration policy issues by members of the Remuneration Committee.

Members of the Remuneration Committee were selected on the basis of their wide experience in managing human resources, monitoring and benchmarking other companies' remuneration policies and practices and their knowledge in terms of best remuneration practices and labour law.

Academic and professional qualifications of each member of the Appointments, Evaluation and Remuneration Committee and other important curricular information:

Chairperson: Maria Cristina Galhardo Vilão

Academic and professional qualifications, as described in section 19, and it should also be noted that, as part of her practice is a lawyer, she has experience in counselling and monitoring the hiring of directors and senior managers of companies, and remuneration policies, incentives and other policies linked to human resource management in those companies, with knowledge of relevant labour and company law in this regard.

Member: António Lopes Seabra

Academic and professional qualifications, as described in section 19, It should also be noted that his professional activity includes the exercise of being a director and senior manager in large companies, both national and international, which includes, among others, leadership in human resource areas, providing him with relevant knowledge and experience in the definition of analysis metrics and performance assessment and in the definition and implementation of incentive and talent retention programmes.

Member: Maria Alexandra Alçada Costa Godinho

Degree in Psychology, area of Social Psychology of Work and Organisations from the Faculty of Psychology of the University of Porto. Holder also of a Coaching certificate (level 2) from the European Coaching School. She started her professional career at Renault Portuguesa in 1990, as a Human Resources officer in the areas of recruitment, assessments, training and compensation and benefits, and later took on responsibility for the Training Service and Suggestions System. In 1998, at AXA Seguros Portugal, she took on responsibility for conducting and participating in human resources development project, both nationally and internationally. In 2001, she joined the Sonae Group, as head of human resources development at SonaeCom and a human resources anchor at Optimus Telecomunicações. In 2003, she took up the post of corporate director of Human Resources at Corticeira Amorim, S.G.P.S., S.A., with responsibility for defining/ updating policies and carrying out Human Resources development projects, ensuring the operational coordination of the human resources areas for the different Business Units. Between 2012-2014 she taught the Human Resources Strategic Management module and the postgraduate course in Human Resources at the Catholic University of Porto and also participated (2014-2016), as a mentor, in the Mentoring Project of the Catholic University of Porto. She has wide experience of remuneration and compensation policies and practices in different companies and sectors through her technical and advisory work related to salary and benefits management (job analysis and qualification, salary analysis and surveys, compensation benchmarking), and, subsequently, the implementation of remuneration policies and practices and performance management systems at the global level of the organisations in which has worked. Nationality: Portuguese • Gender: Female • Age: 56

III. REMUNERATION STRUCTURE

This Chapter III. Remuneration disclosure and the following Chapter IV. Remuneration disclosure comprise the information set out in paragraphs 1 and 2 of article 26-G of the Securities Market Code and, under the terms of the provisions of paragraph 8 of the same article, replace the remuneration report.

69. Description of the remuneration policy of the Board of Directors and Supervisory Boards as set out in Article 2 of Law No. 28/2009 of 19 June.

The General Meeting held on 28 April 2022, following motion of the Board of Directors, which submitted to the shareholders the independent Remuneration Policy proposal drawn up by the Appointments, Evaluation and Remuneration Committee, approved the following remuneration policy for the three-year period 2022-2024:

1. The members of the Presiding Board of the General Meeting shall exclusively receive a fixed remuneration, paid 12 times a year, determined based on a proposal from the Appointments, Evaluation and Remuneration Committee, which shall be in line with the Remuneration Policy, with the situation of the Company, with market practice, with the responsibilities inherent to the positions held and the technical and professional credentials shown;
2. The remuneration of the Statutory Auditor is in the form of a provision of services. This is established annually, considering the characteristics of the Company and market practices. It is the Audit Committee's responsibility to select the Statutory Auditor to propose to the General Meeting, as well as to propose the respective remuneration;

The remuneration of the Statutory Auditor will correspond to the amounts stated in the contract for the provision of statutory auditing services, entered into with the Company, which covers almost all of its subsidiaries;

3. The Members of the Board of Directors, including an Audit Committee, shall be paid adequate remuneration taking into account:
 - The individual remuneration package agreed upon between the Company and each Director;
 - Observance of the principles of internal equity and external competitiveness, taking into account relevant information disclosed by the main Portuguese economic groups on their remuneration policies and practices.

3.1 Non-executive directors

Non-executive members of the Board of Directors may be remunerated or not, when considering the availability required and the duties actually carried out both within and without the Corticeira Amorim Group.

In the event of being remunerated, the remuneration of Non-executive directors will exclusively consist of a fixed component payable in 12 instalments per year following a proposal from the Appointments, Evaluation and Remuneration Committee, in accordance with the Remuneration Policy, along with best international practices

and considering their specific responsibilities and the availability required for their specific duties.

The non-executive members of the Board of Directors who form part of the Audit Committee shall exclusively be paid a fixed remuneration payable twelve times a year, in line with market practice and the responsibilities inherent to the position held and the technical and professional knowledge and skills they have demonstrated. In line with market practices, the remuneration of the members of the Audit Committee may be differentiated, namely with regard to its Chairperson, due to the particular functions which are undertaken.

The remuneration of non-executive members of the management body shall not include any component, the value of which depends on the performance of the Company or its value, nor any additional benefits.

No contracts with the non-executive directors have been entered into.

3.2 Executive directors

Whenever appropriate and feasible, the remuneration of the executive members of the Board of Directors should consist of a fixed remuneration, to which is added a variable remuneration, by way of a share in the company's profits, in the form of: (i) an annual bonus based on the performance of the companies of the Corticeira Amorim Group and (ii) a multi-year bonus (deferred for a period of three years) for achieving the Company's long-term goals.

3.2.1 Fixed Remuneration

The fixed component of the remuneration corresponds to a monthly payment, paid 14 times a year, following a proposal by the Appointments, Evaluation and Remuneration Committee, considering the Remuneration Policy, the nature of the functions and responsibilities assigned and the practices observed in the market in relation to equivalent positions in large national and international companies operating in the same sectors.

3.2.2 Variable Remuneration

The attribution of the variable component of the remuneration is aimed at creating a competitive remuneration framework and implementing an incentive scheme that ensures the alignment of the interests of executive directors with the interests of the Company and its stakeholders, within a perspective of medium and long-term economic, social and environmental sustainability.

The actual amount of the variable pay shall depend on the appraisal to be carried out every year by the Appointments, Evaluation and Remuneration Committee (made up mainly of independent non-executive directors) on the performance of the Board members, examining the contribution of each individual executive director to both the Company's profit in the relevant financial year and compliance with the Company's targets and implementation of the medium/long-term strategies adopted by the Company.

The variable remuneration of the executive directors includes two components:

- Annual variable remuneration. Each year, the objectives and goals for the Corticeira Amorim Group are established and cascade down to the different areas of responsibility, with the respective performance assessment of the Corticeira Amorim Group carried out based on the consolidated net income achieved for each year. The payment of the annual variable remuneration component, if any, may only be made after the accounts for the corresponding financial year have been determined.
- Three-yearly variable remuneration. Goals for each three-year cycle for the Corticeira Amorim Group are established for this component. The three-yearly performance assessment is based on achieving consistent results over three years combining the evolution of the consolidated net income and the results obtained in the ESG aspects, measured by the Sustainability Index, the indicator made up of the main objectives and goals of the ESG dimensions. Payment of the tri-annual variable remuneration component, if any, may only be made after determining the accounts for the last year of the applicable three-year period, with its payment deferred into two instalments, the amounts and dates of which are determined as follows:
 - 1/2 immediately after determining the accounts for the financial year corresponding to the last year of the applicable three-year period (Initial Payment);
 - 1/2 in the 12-month period after the date of the Initial Payment.

The value of the annual variable remuneration to be awarded shall not exceed the maximum potential limit of 60% of the annual fixed remuneration and the value of the three-yearly variable remuneration shall not exceed the maximum potential limit of 60% of the fixed remunerations in the respective three-year period, which is understood to be a reasonable proportion between the variable remuneration and the fixed remuneration, and is in line with generally recognised practices in the national and international market. Taking into account the current organisational model and the special duties assigned to him/her, the annual variable remuneration of the Chairperson of the Board of Directors shall not exceed the maximum potential limit of 80% of annual fixed remuneration and the value of the three-yearly variable remuneration shall not exceed the maximum potential limit of 80% of the sum of the fixed remunerations in the respective three-year period.

Since the payment of variable remuneration depends on achieving medium and long-term goals, its value is automatically adjusted if results show a significant deterioration in the Company's performance in some of the financial years assessed. In this situation, the three-yearly (deferred) variable remuneration will not be paid to the executive director. If the variable remuneration, in whole or in part, has been unduly awarded, even though it has been paid its reimbursement may be demanded, whether or not the beneficiary is still employed by the Company.

The determination of the annual and/or triannual variable remuneration may consider reasonable adjustments regarding exogenous factors and unforeseen economic decisions, as well as those necessary to ensure comparability, which are appropriate to encourage the objectives of the management, following a duly substantiated proposal from the Appointments, Evaluation and Remuneration Committee.

If an executive director leaves the Corticeira Amorim Group (i) before the end of a fiscal year, this shall determine the loss of the annual variable remuneration for that year, (ii) before the end of the three-yearly period, this shall determine the attribution only in proportion (pro rata) of the three-yearly variable remuneration for that period, if any, in relation to the financial years which they completed in office during the current three-yearly period.

The remuneration of the executive directors of the Corticeira Amorim Group includes all the remunerations due for undertaking positions in governing bodies in other companies of the aforementioned Group.

The members of the Board of Directors are prohibited from concluding contracts with the Company or with its subsidiaries and/or companies in which it holds an interest, which may mitigate the risk inherent to the variability of the remuneration as determined by the Company. No contracts with the executive directors were entered into.

4. The Company's other employees shall be paid adequate remuneration taking into account:

- Corticeira Amorim's business is governed by collective bargaining agreements for the cork industry (relating to factory and office workers), entered into by the APCOR – Portuguese Cork Association and by the sector's trade unions;
- With regard to professional groups concerning industrial positions that require direct, indirect and administrative types of labour, the basic (fixed) remuneration benchmarks function as minimum fixed remuneration limits. At Corticeira Amorim, these remunerations are complemented with variable bonuses linked to the degree of achievement of certain (individual and team) objectives, such as: allowances indexed to working time (shift, night work); bonuses associated with attendances (monthly and annual attendance) as well as bonuses related to productivity, quality, accident reduction and attendance targets (results, goals and attendance bonus). The objective is to increasingly differentiate and expand this practice, aligning employees in this segment with a logic of objectives and teamwork.
- For middle and senior management positions, the Company values a fixed component, in harmony with market values, and a system of variable remuneration, linked to goals for one year and three-year cycles, privileging the attainment of individual and team goals, but with a greater weighting in the achievement of Company results.
- The aim of this policy and this alignment of incentives is to guarantee to attract and retain professionals with the required skills, thereby reinforcing a Company culture in which individual performance is placed at the service of a greater collective good: the sustainability of the Company.
- Depending on the overall results each year, and whenever possible, the company seeks to award a global and equal bonus to all its employees as a share in company profits.

5. It is not the Company's policy to pay the following to the members of its corporate bodies:

- Share allotment plans and/or options to acquire shares of the Company or based on variations in the price of its shares;
 - Any retirement benefit scheme to members of the governing bodies.
6. Payments arising from the termination of office of members of any of the Company's bodies or committees are those stipulated in the general law, and the Company is forbidden from establishing specific agreements that may allow the payment of other compensation.
7. The members of the governing bodies of the Corticeira Amorim Group do not receive, by way of remuneration, any pecuniary benefit.

This Remuneration Policy is based on principles of simplicity, clarity and transparency, and is in line with best practices and market trends. It aims to strengthen the values, attributions and conduct of the governing bodies and employees, in support of the development of the sustainable growth strategy of the Corticeira Amorim Group. It also aims to contribute to the achievement of the Company's strategy, through the definition of assessment criteria (indicators proposed by the Appointments, Evaluation and Remuneration Committee) aligned with the strategic objectives of the Company itself, its long-term interests and its sustainability.

70. Information on how remuneration is structured so as to enable the aligning of the interests of the members of the Board of Directors with the Company's long-term interests and how it is based on the performance assessment and how it discourages excessive risk taking.

The remuneration policy approved by the General Meeting and described in the previous section is adopted.

With regard to the variable remuneration of the executive directors, described in 3.2.2 of the previous paragraphs, the Appointments, Evaluation and Remuneration Committee proposed to the Board of Directors that, in full compliance with the Remuneration Policy for the three-year period 2022-2024, it be structured and implemented as follows:

Annual variable remuneration, by way of profit-sharing, in the maximum amount of 0.5% of Corticeira Amorim's consolidated net income in the reporting financial year, distributed as follows:

- 80% of this remuneration is directly linked to consolidated net income targets, with the following award rule: there will only be access to this variable remuneration component if consolidated net income is greater than or equal to 40 million euros; i.e., if consolidated net income is less than this amount, there will be no access to this variable remuneration component;
- 20% of this remuneration is dependent on targets relating to the Sustainability Index | ESG agreed for the year in question (% green energy, gender equality, energy efficiency, training (access of workers to training), productivity, with the following award rules: if the achievement of the targets is equal to or greater than 100%, the referred 20% will be

awarded (i.e., 0.1% of Corticeira Amorim's consolidated net income for the reporting financial year); if the achievement of the targets is equal to or greater than 75% and less than 100%, the referred 20% will be reduced to 10%; if the achievement of the targets is less than 75%, there will be no access to this variable remuneration component.

The annual variable remuneration is subject to the limits imposed by the Remuneration Policy: for the Chairperson of the Executive Committee the limit of this remuneration is 80% of the fixed remuneration earned in the respective annual reporting period; for the other members of the Executive Committee the limit of this remuneration is 60% of the fixed remuneration earned in the respective annual reporting period.

Three-yearly variable remuneration refers to targets set for each three-year cycle of the Corticeira Amorim Group (which must align with the mandates of the Executive Board), combining the consistency of consolidated net profits and results obtained in the ESG dimensions, measured by the Sustainability Index, over the reporting period. The three-yearly variable remuneration has a maximum value of 0.5% of Corticeira Amorim's consolidated net income over the three reporting financial years. It is distributed as follows:

- 80% of this remuneration is directly linked to consolidated net income targets, with the following award rule: the target will be the average of Corticeira Amorim's consolidated net income for the previous three-year period plus 5%; if this target is achieved each member of the Executive Committee receives the referred 80% (i.e., 0.4% of Corticeira Amorim's consolidated three-yearly net income); if that target is not achieved each member of the Executive Committee receives 0.4% of Corticeira Amorim's consolidated three-yearly net income less 5% for each 1% below target; if the consolidated net income is 10% or more below target, there will be no access to this component of the variable remuneration;
- 20% of this remuneration is dependent on targets relating to the Sustainability Index | ESG agreed for the three-year period concerned (water consumption, energy efficiency, energy consumed from controlled renewable sources, weight of consumption of virgin non-renewable materials, (non-cork) waste recovery rate, accidents at work - reduction in the frequency rate, workers' access to training, women in management positions, % of female workers, participation in meetings of governing bodies and committees, participation in training programmes, setting up and functioning of specialised committees on ESG, Risks and Appointments and Evaluation, digital transition).

The three-yearly variable remuneration is subject to the limits imposed by the Remuneration Policy: for the Chairperson of the Executive Committee the limit of this remuneration is 80% of the sum of the fixed remunerations earned in the respective three-year reporting period; for the other members of the Executive Committee, the limit of this remuneration is 60% of the sum of the fixed remuneration earned in the respective three-year period.

Pursuant to paragraph 3 of Article 19 of Corticeira Amorim's Articles of Association, the remuneration, by way of a share in the Company's profits by members of the Board of Directors not belonging to the Audit Committee, cannot exceed three percent for all directors in office.

71. Reference, where applicable, to there being a variable remuneration component and information on any impact of the performance appraisal on this component.

The remuneration policy approved by the General Meeting and described in section 69 is adopted. The attribution of the variable component of the remuneration depends on the conditions described in the previous point being met.

The actual amount of the variable remuneration to be attributed to the executive members of the Board of Directors will take into account the evaluation to be carried out annually by the Appointments, Evaluation and Remuneration Committee on their performance and the contribution, both to the achievement of targets and the implementation of strategies defined by the Company, in the medium and long term, reflected in the Sustainability Index | ESG agreed for the year and the three-year period in question, respectively.

72. The deferred payment of the remuneration's variable component and specify the relevant deferral period.

The remuneration policy approved by the General Meeting and described in section 69 is adopted. Under those terms, the payment of the three-yearly variable remuneration component, if any, will be made after determination of the profit (or loss) for the years in respect of the whole term of office. There is, therefore, the possibility of the variable pay being reduced if the profit for the year reflects a significant deterioration in the Company's performance and in the agreed Sustainability Index | ESG for the three-year period in question. Likewise, if there is variable remuneration, whose definitive calculation only occurs at the end of the term of office, it is liable to correction (including restitution) until the end of that term of office. If the variable remuneration has been unduly awarded, even though it has been paid, its reimbursement may be demanded, whether or not the beneficiary is still employed by the Company.

73. The criteria whereon the allocation of variable remuneration as shares is based, and also on maintaining Company shares that the executive directors have had access to, on the possible share contracts, including hedging or risk transfer contracts, the corresponding limit and its relation to the total annual remuneration value.

Not applicable. Variable remuneration in the form of shares as described in this section does not exist.

74. The criteria whereon the allocation of variable remuneration as stock options is based and details of the deferral period and the exercise price.

Not applicable. Variable remuneration in the form of stock options as described in this section does not exist.

75. The key factors and grounds for any annual bonus scheme and any additional non-financial benefits.

There are no other systems of annual bonus or other non-cash benefits besides those identified in the previous sections.

76. Key characteristics of the supplementary pensions or early retirement schemes for Directors and state date when said schemes were approved at the general meeting, on an individual basis.

Not applicable. There are no supplementary pensions or early retirement schemes.

IV. REMUNERATION DISCLOSURE

77. Details on the amount relating to the annual remuneration paid as a whole and individually to members of the Company's Board of Directors, including fixed and variable remuneration and as regards the latter, reference to the different components that gave rise to same.

In the financial year 2022, all the members of the **Board of Directors** earned gross remuneration from Corticeira Amorim totalling EUR 1,380,645.24, corresponding to EUR 871,835.24 in fixed remuneration and EUR 508,810.00 in variable remuneration, the latter exclusively attributed to the executive members of the Board of Directors.

Total remuneration broken down by the different components (subparagraph a), paragraph 2, article 26-G of the Securities Market Code:

Board of Directors	Position	Remuneration Paid	
		Fixed Component	Variable Component
Executive members:			
António Rios Amorim	Chairperson	239,334.60	190,900.00
Nuno Filipe Vilela Barroca de Oliveira	Vice-Chairperson	169,334.60	101,300.00
Fernando José de Araújo dos Santos Almeida	Member	145,534.60	86,200.00
Cristina Rios de Amorim Baptista	Member	217,634.60	130,410.00
Non-executive members:			
Luisa Alexandra Ramos Amorim	Member	-	-
Juan Ginesta Viñas	Member	-	-
José Pereira Alves	Member	33,999.96	-
Marta Parreira Coelho Pinto Ribeiro	Member	21,999.96	-
Cristina Galhardo Vilão	Member	21,999.96	-
António Lopes Seabra	Member	21,996.96	-

Values in euros.

- a. An exceptional bonus of 500.00 euros was also attributed to all the executive directors, which was also attributed to all employees hired up to 30 September 2022 in national companies fully owned by the Corticeira Amorim Group..

Proportion regarding the fixed remuneration and variable remuneration (subparagraph a), paragraph 2, article 26-G of the Securities Market Act:

Board of Directors	Position	Remuneration Paid	
		Fixed Component	Variable Component
Executive members:			
António Rios Amorim	Chairperson and CEO	55.63%	44.37%
Nuno Filipe Vilela Barroca de Oliveira	Vice-Chairperson	62.57%	37.43%
Fernando José de Araújo dos Santos Almeida	Member	62.80%	37.20%
Cristina Rios de Amorim Baptista	Member	62.53%	37.47%
Non-executive:			
Luisa Alexandra Ramos Amorim	Member	-	-
Juan Ginesta Viñas	Member	-	-
José Pereira Alves	Member	100.00%	-
Marta Parreira Coelho Pinto Ribeiro	Member	100.00%	-
Cristina Galhardo Vilão	Member	100.00%	-
António Lopes Seabra	Member	100.00%	-

Annual variation in the remuneration, for the performance of the Corticeira Amorim Group and the average remuneration of the employees in full-time equivalent terms for the Corticeira Amorim

Group, excluding the members of the management and supervisory bodies, during the last five financial years (subparagraph c), paragraph 2, article 26-G of the Securities Market Code:

Annual variation of remuneration for the members of the Board of Directors:

Board of Directors	Component	YEAR				
		2018	2019	2020	2021	2022
Executive members:						
António Rios Amorim	Fixed	239,256.15	239,274.90	239,284.50	239,309.10	239,334.60
	Variable	120,500.00	120,400.00	1,000.00	500.00	190,900.00
	Change (%)	2.83%	-0.02%	-33.19%	-0.20%	79.41%
Nuno Filipe Vilela Barroca de Oliveira	Fixed	169,256.15	169,274.95	169,284.50	169,309.10	169,334.60
	Variable	60,500.00	60,400.00	1,000.00	500.00	101,300.00
	Change (%)	2.19%	-0.04%	-25.86%	-0.28%	59.38%
Fernando José de Araújo dos Santos Almeida	Fixed	142,656.15	144,184.95	144,084.50	144,109.10	145,534.60
	Variable	111,650.00	66,850.00	8,715.00	60,150.00	86,200.00
	Change (%)	26.44%	-17.02%	-27.60%	33.68%	13.45%
Cristina Rios de Amorim Baptista	Fixed (a)	N/A	N/A	N/A	154,749.30	217,634.60
	Variable (a)	N/A	N/A	N/A	500.00	130,410.00
	Change (%)	-	-	-	-	124.18%
Non-executive:						
Lúisa Alexandra Ramos Amorim	(b)	0.00	0.00	0.00	0.00	0.00
Cristina Rios de Amorim Baptista	(a)	0.00	0.00	0.00	0.00	-
Juan Ginesta Viñas	(b)	0.00	0.00	0.00	0.00	0.00
José Pereira Alves	Fixed (c)	N/A	N/A	N/A	N/A	N/A
Marta Parreira Coelho Pinto Ribeiro	Fixed (c)	N/A	N/A	N/A	N/A	N/A
Cristina Galhardo Vilão	Fixed (c)	N/A	N/A	N/A	N/A	N/A
António Lopes Seabra	Fixed (c)	N/A	N/A	N/A	N/A	N/A

Values in euros

- Remuneration earned since May 2021 inclusive, following his appointment as a member of Corticeira Amorim's Executive Committee. Until May 2021, he was part of the Board of Directors of the Company as a non-executive member, without remuneration.
- Non-executive, non-remunerated directors.
- Remuneration earned since April 2021, inclusive, following their election as independent non-executive members of the new Board of Directors of Corticeira Amorim, including the Audit Committee of which they were members. Remuneration is earned through the set of posts/ duties carried out at the Company.

Annual change in the average remuneration of the employees (in full-time equivalent terms) of the company Corticeira Amorim:

Employees of the company Corticeira Amorim	YEAR				
	2018	2019	2020	2021	2022
Total Remuneration	46,824.00	48,420.00	40,173.00	41,885.00	49,483.00
Change	2.82%	3.41%	-17.03%	4.26%	18.14%

Values in euros

Annual variation in the performance of the Corticeira Amorim Group:

Performance of the Corticeira Amorim Group 2018		YEAR				
		2018	2019	2020	2021	2022
Sales	Value	763,117	781,057	740,113	837,820	1,021,391
	Change	8.8%	2.4%	-5.2%	13.2%	21.9%
Current EBITDA	Value	133,984	124,724	122,512	134,399	163,954
	Change	0.3%	-6.9%	-1.8%	9.7%	22.0%
EBITDA/Sales	Percentage	17.6%	16.0%	16.6%	16.0%	16.1%
Net income	Value	77,389	74,947	64,326	74,755	98,394
	Change	6.0%	-3.2%	-14.2%	16.2%	31.6%
Net Interest-bearing Debt	Value	139,009	161,091	110,717	48,072	128,988
	Change	49.8%	15.9%	-31.3%	-56.6%	168.3%

Values in thousand euros

78. Any amounts paid, for any reason whatsoever, by other companies in a control or group relationship, or that are subject to a common control.

In the financial year 2022, the company Trefinos, S.L. paid Juan Ginesta Viñas, for his position as a director in that company and pursuant to the existing remuneration agreement, the amount of 554,767.93 euros (fixed remuneration: EUR 87,674.40; profit sharing in Trefinos, S.L.: 467,093.53 euros)).

The other members of the Board of Directors did not earn remunerations from other associate or subsidiary companies included in the consolidated accounts of Corticeira Amorim.

79. Remuneration paid in the form of profit sharing and/or bonus payments and the reasons for said bonuses or profit sharing being awarded.

The amounts attributed to the members of the Board of Directors by Corticeira Amorim, under the terms of this note, are referred to in section 77 and were attributed because the conditions for the attribution of the Annual Variable Remuneration described and calculated under the terms referred to in section 70 were fulfilled.

80. Compensation paid or owed to former executive Directors concerning contract termination during the financial year.

No compensation was paid or is owed to former directors regarding the termination of their duties in 2022.

81. Details of the annual remuneration paid, as a whole and individually, to the members of the Company's supervisory board for the purposes of Law No. 28/2009 of 19 June.

The members of the Audit Committee earned an overall remuneration for carrying out a set of posts at Corticeira Amorim (Board of Directors, Audit Committee, specialised Internal Committees), the value of which is described in section 77.

82. Details of the remuneration, in the said year of the chairperson of the Presiding Board of the General Meeting.

The Chairperson and the secretary of the Board of the General Meeting earned total remuneration of EUR 9,000.00 and EUR 3,000.00, respectively.

V. AGREEMENTS WITH REMUNERATION IMPLICATIONS

83. The envisaged contractual restraints for compensation payable for the unfair dismissal of Directors and the relevance thereof to the remunerations' variable component.

No contractual restraints are envisaged in accordance with this section.

84. Reference to the existence and description, with details of the sums involved, of agreements between the Company and members of the Board of Directors and managers, that envisages compensation in the event of resignation or unfair dismissal or termination of employment following a takeover bid.

There are no agreements according to the terms set out in this section. No agreements providing for the payment of compensations to the Company's directors and officers (other than where required by law) have been entered into by and between the Company and its Directors or Officers.

Under the terms of the Remuneration Policy referred to in section 69, in the event of the termination of duties of the members of any body or committee of the Payments arising from the termination of office of members of any body or committees of the Company, the payments resulting from that termination are those provided for in general law, and the Company is forbidden from establishing specific agreements that may allow the payment of other compensation.

VI. SHARE AWARD AND/OR STOCK OPTION PLANS

85. Details of the plan and the number of persons included therein.

No share award or stock option plans exist in the Company.

86. Characteristics of the plan (award conditions, non-transfer of share clauses, criteria on share pricing and the exercising option price, the period during which the options may be exercised, the characteristics of the shares or options to be awarded, the existence of incentives to purchase and/or exercise options).

Pursuant to the Remuneration Policy approved at the General Meeting and as described in section 85, there are no share award or stock option plans in the Company.

The Company believes that if plans of this type are to be implemented, the General Meeting should consider the characteristics of the plans to adopt, as well as their achievement in each financial year.

87. Option rights to acquire shares (stock options) granted to Company workers and employees.

Option rights of this type do not exist in the Company.

88. Control mechanisms for a possible employee-shareholder system inasmuch as the voting rights are not directly exercised by said employees.

Control mechanisms of this type do not exist in the Company.



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Corticeira Amorim has invested in different ways to promote gender equality, in particular through implementation of the "Equality Plan" and the training initiatives, "Towards Equality". The company is also developing a strategy to boost the number of female employees in the various business units and increase the number of female managers in decision-making positions.



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Innovation, technology and sustainability are the fundamental pillars of Corticeira Amorim's activity, but the protagonists of this success story will continue to be its thousands of employees.

E – Related Party Transactions

I. Control mechanisms and procedures

89. Mechanisms implemented by the Company for the purpose of controlling transactions with related parties.

When not expressly prohibited by law ⁶, related party transactions follow the provisions of the Regulation and Related Party Transactions available for consultation at <https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>.

As a rule, transactions concluded between the Company and any subsidiary ⁷ or related party ⁸ must be conducted within the scope of the Company's or Subsidiary's current activity and under normal market conditions; transactions that do not meet these requirements are subject to a decision by the Board of Directors or the Executive Committee, preceded by an opinion from the Audit Committee.

The assessment to be carried out under the authorisation procedures and prior opinion applicable to related parties transactions must take into account, among other relevant aspects depending on the specific case, the principle of equal treatment of shareholders and other stakeholders, the pursuit of the interests of the Company, and the impact, materiality, nature and justification of each transaction.

Within the scope of the internal control mechanisms for transactions with Related Parties, the following procedures and criteria, considered adequate to guarantee the transparency of the decision-making process and the determination of the transactions subject to disclosure, are in place:

- a. By the end of the month following the end of each quarter, the Board of Directors or the Executive Committee, shall verify and inform the Audit Committee of the value and nature of the transactions carried out in the previous quarter with each Related Party, specifying those that have been subject to specific approval by any of those bodies;
- b. The carrying out of Related Parties transactions shall be submitted for a prior opinion to the Audit Committee, followed by a specific decision by the Board of Directors in the following cases:
 - i. Transactions whose value per transaction exceeds one million euros or where the value accumulated during the year exceeds three million euros;
 - ii. Transactions with a significant impact on the business activity of the Company and/or its subsidiaries due to their nature or strategic importance, regardless of the original value;
 - iii. Transactions carried out outside the ordinary course of business of the Company or any subsidiary.

For the purposes of assessing the transaction in question and issuing the Audit Committee's opinion, the Board of Directors or the Executive Committee, as part of the respective delegation of powers, shall provide that body with the necessary information and a reasoned justification.

The assessment to be carried out under the authorisation procedures and prior opinion applicable to related parties transactions must take into account, among other relevant aspects depending on the specific case, the principle of equal treatment of shareholders and other stakeholders, the pursuit of the interests of the Company, and the impact, materiality, nature and justification of each transaction.

Pursuant to the law, the Company's Articles of Association and the Regulation on Transactions with Related Parties, for assessed transactions subject to prior opinion by the Audit Committee and/or approval by the Board of Directors, the members of these bodies who are, for the specific or planned transaction, Related Parties must provide all information and clarifications with a view to the full understanding of the relevant transaction, although they are not allowed to participate in the decision and/or the respective vote.

It is incumbent upon the Executive Committee (i) to establish mechanisms (subject to the prior appraisal of the Audit Committee) designed to ensure the identification of related party transactions by the Company and by its subsidiaries, and (ii) to inform the Audit Committee with due notice whenever the transaction is subject to a prior opinion from the Audit Committee under the terms of sub-paragraph b) of paragraph 1 of this article.

Related party transactions carried out either by the Company or by any of its subsidiaries, (i) that are not carried out in the ordinary course of business or under normal market conditions shall be disclosed to the market in accordance with current legislation and/or accounting rules in force; (ii) the value of which is equal to or greater than 2.5% of the Company's consolidated assets and which do not meet the requirements set out in the previous point, must be disclosed publicly, no later than at the time they are carried out. Such disclosure should include the identification of the related party and the nature of that relationship, the date and amount of the transaction, the rationale for the transaction and the sense of the Audit Committee's opinion.

These procedures do not apply to:

- i. Transactions carried out between the Company and its subsidiaries, where no Party Related to the Company has an interest in that subsidiary;
- ii. Transactions related to the directors' remuneration, or to certain elements of that remuneration;
- iii. Transactions proposed to all shareholders under the same terms, where equal treatment for all shareholders and protection of the Company's interests are ensured.

The value of these transactions is disclosed annually in the Consolidated Annual Report and Accounts of Corticeira Amorim (section 92 herein).

The procedure by which the Board of Directors or the Executive Committee verifies and submits, each quarter, the value and nature of transactions with Related Parties to the supervisory body, is in place.

- 6 Article 397 - Business with the company, of the Portuguese Companies' Code provides, with binding force, that:
- 1 - The Company is prohibited from granting loans or credit to directors, making payments on their behalf, providing guarantees for obligations contracted by them and granting them advances on remuneration exceeding one month.
 - 2 - Contracts concluded between the Company and its directors, directly or through an intermediary, shall be null and void if they have not been previously authorised by decision of the board of directors, the interested party not having a vote, and following a favourable decision by the supervisory board. [Audit Committee]
 - 3 - The provisions of the preceding subsections shall extend to acts or contracts entered into with companies that are in a group or control relationship with the Company of which the contracting party is a director.
 - 4 - In its annual report, the board of directors shall specify any authorisations it has granted under no. 2 and the supervisory board's report [Audit Committee] shall mention the opinions given on such authorisations.
 - 5 - The provisions of 2, 3 and 4 shall not apply where the act is part of the company's own business and no special advantage is granted to the contracting director.

7 Company in which Corticeira Amorim held 50% and/or management control (subsidiary).

8 Within the meaning of international accounting standards adopted in accordance with Regulation No. 1606/2002, of the European Parliament and of the Council of 19 July 2002 (related party).

90. Details of transactions that were subject to control in the referred year.

As indicated in section 92 above.

91. A description of the procedures and criteria applicable to the supervisory body when same provides preliminary assessment of the business deals to be carried out between the Company and the holders of qualifying interests or entity-relationships with the former, as envisaged in Article 20 of the Securities' Code.

As set out in section 89 above.

II. DATA ON BUSINESS DEALS

92. Details of the place where the financial statements including information on business dealings with related parties are available, in accordance with IAS 24, or alternatively a copy of said data.

Transactions with Holders of Qualifying Interests and Related Entities

Control (Article 3(1)(a) and (b) of the respective regulation)

Transactions with Holders of Qualifying Interests and Related Entities			
Control (Article 3(1)(a) and (b) of the respective regulation)			
Entity	Other information	YEAR	
		2021	2022
i) Transactions, the value per transaction of which does not exceed one million euros or where the value accumulated during the year does not exceed three million euros			
Acquisition transactions to:			
Amorim Serviços e Gestão, S.A.	Provision of services	707.9	517.5
Quinta Nova N. Sra. do Carmo, Lda.	Purchases and provision of services	23.8	21.2
Amorim Viagens e Turismo, S.A.	Provision of services	662.4	1,372.2
Taboadella	Purchases and provision of services	5.4	27.3
Kaizen Tech	Provision of services	-	809.0
Sales and provision of services:			
Amorim Serviços e Gestão, S.A.		52.0	27.4
Quinta Nova N. Sra. do Carmo, Lda.		194.3	241.3
Amorim Viagens e Turismo, S.A.		10.1	9.6
OSI – Sistemas Informáticos e Electrotécnicos, Lda.		33.9	61.1
Taboadella		55.9	61.9
Cork purchases:			
Afaprom Sociedade Agro-florestal, S.A.		74.2	-
Montinho das Ferrarias de Baixo – Sociedade Agroflorestal, S.A.		233.2	-
Soc. Agrícola de Cortiças Flocor, S.A.		143.0	287.8
Serra da Arriça e Malhadas Sociedade Agro-Florestal, S.A.		-	444.4
Vale de Cabecinhas – Sociedade Agro-Florestal, S.A.		-	184.8
S.S.A. Soc. Serv. Agrícolas, S.A.		-	403.8
ii) Transactions with the significant impact on activity, independent of the respective amount			
They did not exist			
iii) Transactions exceptionally undertaken, outside of normal market conditions			
They did not exist			
iv) Transactions carried out outside the ordinary course of business of the Company or any subsidiary			
They did not exist			
v) Transactions submitted for prior opinion:			
Acquisition transactions to:			
OSI – Sistemas Informáticos e Electrotécnicos, Lda.	(a)	10,484.2	9,774.1
Amorim Serviços e Gestão, S.A.	(b)	-	2,800.0
Total		12,680.2	17,043.3

values in thousand euros

The related party transactions basically refer to the provision of services by the companies Amorim Serviços e Gestão, S.A., Amorim Viagens e Turismo, Lda. and OSI – Sistemas Informáticos e Electrotécnicos, Lda., and to the supply of products from the companies Quinta Nova de Nossa Senhora do Carmo, S.A. and Taboadella, S.A., all subsidiaries of Amorim – Investimentos e Participações, S.G.P.S., S.A.

In 2022, purchases of cork from companies owned by the major indirect shareholders of Corticeira Amorim reached a value of 1,320,000 euros, corresponding to less than 2.39% of total purchases of that raw material.

Transactions subject to prior opinion from the Audit Committee:

- Acquisition of consulting services and specialist information systems services from OSI - Sistemas Informáticos e Electrotécnicos, Lda.;
- Corticeira Amorim acquired from Amorim Serviços e Gestão, S.A., on 21 December 2022, 100% of the share capital of OSI – Sistemas Informáticos e Electrotécnicos, Lda. for 2.8 million euros, a transaction carried out under normal market conditions (transaction value determined by an independent external valuation), aimed at internalising the consulting and specialist information systems services function.



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Today there are 2,200 hectares of cork oak forests in the world, 13 billion cork stoppers are produced every year and new uses are discovered every day for this unique sustainable material.

PART II

Corporate Governance Assessment

1 – Details of the Corporate Governance Code implemented

In matters of corporate governance Corticeira Amorim is governed by: (i) current Portuguese legislation, in particular the Portuguese Companies' Code, Portuguese Securities' Code and the regulations issued by the Portuguese Securities Market Commission (CMVM), which may all be accessed on the CMVM's website at www.cmvm.pt; (ii) its own articles of association, which are available on the Company's website at <https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>. It also embraces the Corporate Governance Code issued by the Portuguese Institute of Corporate Governance (IPCG), 2018 edition with the 2020 revision, and, although it is only a recommendatory framework, it is an important reference point of good practice and which is also available at www.cgov.pt.

In this report, Corticeira Amorim assesses its practices in relation to the aforementioned IPCG Corporate Governance Code on a 'comply or explain' basis. This report on Corticeira Amorim's corporate governance structures and practices is benchmarked against all legislation, regulations and recommendations to which our Company is subject.

2 – Analysis of compliance with the Corporate Governance Code implemented

CHAPTER I - GENERAL

I.1. Company Relations with Investors and Information

I.1.1. The Company must establish mechanisms that adequately and precisely ensure the production, treatment and timely disclosure of information to its corporate bodies, shareholders, investors and other stakeholders, financial analysts and the market in general.

Complies. Sections 55, 56, 57 and 58.

I.2. Diversity in the composition and functioning of corporate bodies

I.2.1. Companies must establish criteria and requirements related to the profile of new members of the corporate bodies appropriate to the function to be performed. In addition to individual attributes (such as competence, independence, integrity, availability and experience), these profiles should consider diversity requirements, particularly to gender, which can contribute to improving the performance of the body and to the balance in its composition.

Complies. Part I – Introduction to Chapter B, sections 19 and 26 (Board of Directors and Audit Committee), section 11 (Board of the General Meeting).

Corticeira Amorim adopts policies and practices aimed at promoting diversity in governing bodies <https://www.amorim.com/en/investors/corporate-governance/board-members/>.

Corticeira Amorim is the holding company of an economic group based in Portugal, solidly established internationally, through subsidiaries, associate companies and joint ventures. The vast portfolio of products and solutions, it continually develops, responds to diverse markets and consumers.

The governance of Corticeira Amorim addressing the challenges arising from this framework, advocates a diversity policy in the composition of its corporate bodies, in particular the Board of Directors and the Audit Committee, as a way to:

- Promote diversity in the composition of the respective body;
- Enhance the performance of each member and, jointly, of each body;
- Stimulate comprehensive, balanced and innovative analysis and, consequently, allow informed and agile decision-making and control processes;
- Contribute to the increase of innovation and self-renewal of the Company, for its sustainable development and A creation of value for the shareholders and other stakeholders, in the long term.

Corticeira Amorim therefore acknowledges the need to continually promote diversity in its corporate bodies, particularly the Board of Directors and the Audit Committee, especially in the following areas:

- Adequate academic qualifications and professional experience relevant to the performance of the specific corporate position which, in the respective corporate body as a whole, gather together the necessary competences to ensure the capable performance of the role of that body;
- Inclusion of members from different age groups, combining the know-how and experience of older members with the innovation and creativity of younger members, so as to enable the respective body to steer towards an innovative business vision and prudent management of risks;
- The promotion of gender diversity and, consequently, an adequate balance of sensitivities and style of decision-making within the respective body.

According to Corticeira Amorim's Appointments Policy (available at https://www.amorim.com/xms/files/Investidores/Estatutos_Politicis_Regulamentos/20220801_Politica_de_Nomeacoes_EN.pdf), the following are requirements for the appointment of members of the management and supervisory bodies:

Individual Requirements:

- Good reputation**, that shall take into account the way in which the person usually manages professional or personal business, or exercises his/her profession, especially in aspects that demonstrate his/her capacity to decide in an ethical, measured and judicious manner, or his/her tendency to meet obligations in a punctual manner. All the circumstances that make it possible to assess professional aptitude for the duties in question are to be taken into consideration. Good repute shall be assessed based on objective criteria, based as much as possible on information about the duties performed by the person in question in previous roles, their most notable behavioural traits and the context in which their decisions were taken.
- Independence**: whenever applicable, it is aimed at preventing members of the management body and the supervisory body, and their replacements, from being subject to undue influence from other persons or entities, ensuring conditions that allow them to impartially perform their analysis and in decision-making duties. When evaluating independence, all situations that may affect the independence of the person in question must be taken into account, namely: (a) positions that the person concerned holds or has held in Corticeira Amorim, or a company within the Group, or in a competing entity; (b) family or similar relationships, as well as close personal, professional or economic relationships that the person concerned has with other members of the management or supervisory bodies of Corticeira Amorim or companies within the Corticeira Amorim Group; (c) whether the person concerned or a person with whom he/she has a close personal relationship, simultaneously holds a management position or a first line reporting position in Corticeira Amorim, Corticeira Amorim Group companies or competing entities; (d) significant business relationships in the last three years with Corticeira Amorim, Corticeira Amorim Group companies or competing entities; (e) roles of high political influence held by the person

concerned or a person with whom he/she has a close personal relationship. Notwithstanding the above, the Audit Committee shall always have a majority of independent members, within the meaning of Article 414(5) of the Portuguese Companies Code. A potential conflict of interest does not necessarily mean that the interested party cannot be considered suitable for the role. It is the responsibility of the Board of Directors or the Appointments Committee, as applicable, when checking the requirements for appointment, to assess whether the risk is significant and suggest possible mechanisms to mitigate or eliminate that risk. The Audit Committee informs the Board of Directors or the Appointment Committee of situations that potentially generate conflicts of interest and supports it assessing the situations identified.

- Availability**: the members of the Board of Directors/Audit Committee and the Statutory Auditor shall have adequate availability for performing their respective roles. The executive members of the Board of Directors shall perform their roles on a full-time basis. The non-executive members of the Board of Directors, the Audit Committee and the Statutory Auditor shall have the necessary availability to fully perform their roles.

Collective Requirements:

It is verified, in the collective evaluation of the management body and the supervisory body, whether the composition of each body collectively possesses the appropriate skills and diversity of professional qualifications, as well as the sufficient availability to fulfil their respective legal and statutory duties in all relevant areas of activity. The Board of Directors and the Audit Committee must collectively include members with knowledge, skills and experience in areas relevant to the performance of the corresponding duties in Corticeira Amorim. Notwithstanding the above, the Audit Committee shall always have a majority of independent members, within the meaning of Article 414(5) of the Portuguese Companies' Code, with a high-level of skills and knowledge in the financial, accounting and industrial auditing areas or operational knowledge in Corticeira Amorim's area of activity.

The result of the adoption of these policies is reflected in the composition of the members of their governing bodies, in particular those who are particularly covered by this recommendation.

I.2.2. The management and supervisory bodies and their internal committees must have internal regulations — in particular for the exercise of their duties, chairpersonship, frequency of meetings, operation and framework of duties of their members — published in full on the Company's website, and detailed minutes of the respective meetings must be drawn up.

Complies.

Formalised and available for consultation are the internal regulations of the Board of Directors, the Audit Committee, the Executive Committee and the specialised internal committees: Risk Committee, E.S.G. Committee. (Environmental, Social & Governance) and Appointments, Evaluation and Remuneration Committee which regulate, among other matters, all the references in this note. Detailed minutes of the meetings of these bodies and committees are drawn up.

The information can be found at <https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>.

I.2.3. The composition and number of annual meetings of the management and supervisory bodies and their internal committees shall be made public through the Company's website.

Complies. Sections 17 and 23 (Board of Directors); sections 28 and 29 (Executive Committee); section 29 (Risk Committee, E.S.G. Committee, Appointments, Evaluation and Remuneration Committee); sections 31 and 35 (Audit Committee).

The information can be found at <https://www.amorim.com/en/investors/corporate-governance/board-members/>.

I.2.4. The Company's internal rules must provide for the existence and operation of mechanisms for the detection and prevention of irregularities and a whistleblowing policy - that guarantees adequate means for the communication and treatment of the same safeguarding the confidentiality of the information transmitted and the identity of the person who provided it - shall also be adopted when this is requested.

Complies. Section 49 and Section III - Internal Control and Risk Management of Chapter C - Internal Organisation, in particular section 54.

I.3. Relations between the Company bodies

I.3.1. The Articles of Association or other equivalent means adopted by the Company must establish mechanisms to ensure that, within the limits of applicable legislation, the members of the management and supervisory bodies are permanently assured access to all information and employees of the Company for performance evaluation, the status and the prospects for the development of the Company including, in particular, the minutes, supporting documents for the decisions taken, notices and archives of meetings of the executive management body, without prejudice to access to any other documents or persons who may be asked to provide explanations.

Complies. As stated in this report and/or provided for in the internal operating regulations and/or inherently part of the carrying out of duties, the full access to all information and other elements referred to in this recommendation are ensured. **Sections 21, 29 and 38.**

I.3.2. Each body and committee of the Company must ensure, in a timely and adequate manner, the flow of information, starting with the respective notices and minutes, necessary for the performance of the legal and statutory powers of each of the remaining bodies and committees.

Complies. Sections 21, 29 and 38, as well as under the terms of the provisions of the internal operating regulations of the bodies and committees (<https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>).

I.4. Conflicts of Interest

I.4.1. Through internal rules or equivalent means, members of management and supervisory bodies and internal committees are obliged to inform the respective body or committee whenever there are facts that may constitute or cause a conflict between their interests and those of the Company.

Complies. Sections 20 and 29 and as stipulated in the internal regulations of the Board of Directors and the Executive Committee and, in general terms, Article 3 of the Regulation for Related Party Transactions (<https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>).

With regard to the Audit Committee, it should be noted that at Corticeira Amorim, this body is composed exclusively of independent members who are, therefore not associated with any specific interest group within the Company, nor are they under any circumstances likely to affect impartiality of analysis or decision-making.

The Appointments Policy also establishes the following rules on prevention, reporting and remedying of situations of conflicts of interest:

(https://www.amorim.com/xms/files/Investidores/Estatutos_Politiclas_Regulamentos/20220801_Politica_de_Nomeacoes_EN.pdf)

- Members of the management bodies and supervisory bodies, and their alternates, must avoid any situation liable to give rise to a conflict of interest. Corticeira Amorim is aware that conflicts of interest may arise from personal and professional relationships, both present and past. The members of the Board of Directors/Audit Committee and the Statutory Auditor must immediately disclose any current or potential conflicts of interest that may concern them. Current or potential conflicts of interest must be reported in writing to the Appointments Committee, which will immediately submit its assessment to the Board of Directors, suggesting how the conflict may be satisfactorily mitigated or resolved. Members of the Board of Directors/Audit Committee are required to abstain from voting on any matters in which they have, or may have, conflicts of interest, or in relation to which their objectivity or ability to adequately fulfil their obligations to the institution may be jeopardised.
- Unless authorised by the General Meeting of Shareholders of Corticeira Amorim, members of the Board of Directors may not (i) perform, on their own account or on behalf of third parties, activity(ies) competing with those of Corticeira Amorim; (ii) perform roles in competing company(ies) or to be appointed on behalf of or in representation of such company(ies). When the General Meeting of Shareholders authorises such, it must define the arrangements for access to sensitive information by the director(s) in question.

I.4.2. Procedures must be adopted to ensure that the member in conflict does not interfere in the decision-making process, without prejudice to the duty to provide information and clarifications requested by the body, the committee or its members.

Complies. Sections 20 and 29 and as stipulated in the internal regulations of the Board of Directors and the Executive Committee and, in general terms, Article 3 of the Regulation for Related Party Transactions (<https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>).

I.5. Related party transactions

I.5.1. The management body should disclose, in the governance report or by other publicly available means, the internal verification procedure for transactions with related parties.

Complies. Sections 38, 89, 90 and 91 and as stipulated in the Regulation of the Related Parties Transactions (<https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>).

I.5.2. The management body should report to the supervisory body on the results of the internal verification procedure for related party transactions, including transactions under review, at least every six months.

Not applicable. The Audit Committee is responsible for periodically verifying transactions with related parties. The value of these transactions is disclosed annually in the Corporate Governance Report (section 92).

CHAPTER II - SHAREHOLDERS AND GENERAL MEETING

II.1. The Company must not set an excessively large number of shares necessary to confer the right to a vote and should state in the governance report its option whenever it implies a deviation from the principle that each share corresponds to one vote.

Complies. Section 12.

II.2. The Company shall not adopt mechanisms that hinder the passing of resolutions by shareholders, including fixing a quorum for resolutions greater than that provided for by law.

This practice is considered equivalent to the proposal in this recommendation, i.e., to safeguard the same interests. Section 14.

As detailed in section 14, the **Articles of Association of Corticeira Amorim** enshrine a quorum for calling meetings to order/taking decisions that is greater than that established in law **in the following situations:**

- Restriction or withdrawal of pre-emption rights in share capital increases – the Company’s Articles of Association require that the Annual General Meeting be attended by shareholders accounting for at least 50% of the paid-up share capital (Article 7);
- Removal of a director elected under the special provisions set out in Article 392 of the Portuguese Companies’ Code – it is necessary that shareholders accounting for at least 20% of the share capital vote against the resolution to remove a Director from office (Article 17);
- In order that resolutions may be passed at an Annual General Meeting convened by shareholders, the meeting shall be attended by members holding shares equivalent to the minimum amount required by law to justify the calling of such a meeting (Article 22);
- Change in the statutory rules on the composition of the Board of Directors – this resolution must be approved by shareholders accounting for at least two-thirds of the share capital (Article 24);
- Winding-up the Company – such resolution requires the approval of shareholders representing at least 85% of the paid-up share capital (Article 33).

Therefore, non-compliance with this Recommendation and the requirement of a higher quorum than that provided for by the Portuguese Companies’ Code gives shareholders - particularly small or minority shareholders - an important role in a number of decisions that can have significant impact on corporate life (winding-up), corporate governance model (removal of a Director proposed by minority shareholders and change in the composition of the Board of Directors), ownership rights of shareholders (restriction or abolition of shareholders’ pre-emptive subscription rights in share capital increases) and an appropriate participation in Annual General Meetings convened by shareholders.

Thus, we are of the opinion that keeping these conditions will contribute to enhance and protect shareholders’ rights and role in respect of significant corporate governance matters – values that the Corporate Governance Code seeks to protect.

II.3. The Company shall implement adequate means for shareholders to participate in the General Meeting remotely, in a manner commensurate with its size.

Does not comply. The General Meetings held in 2022 did not allow the participation of shareholders by remote means.

However, Corticeira Amorim considers that, in this specific case, this decision safeguards the same interests as this recommendation, i.e., in particular, encouraging the participation and/or representation of its shareholders.

The Articles of Association of Corticeira Amorim do not allow, nor do they forbid, taking part in the shareholders' General Meeting by telematic means.

As mentioned in the previous point, Corticeira Amorim encourages the attendance of shareholders at General Meetings, which it considers to be an event of the utmost significance for the Company and its shareholders, as a privileged forum for communication between the Company (via the members of its management bodies) and its shareholders, encouraging transparency, joint reflection, the exchange of ideas and arguments and the alignment of interests. Thus, the high active participation of Corticeira Amorim's shareholders in the General Meetings motivates the Company to maintain the traditional system of participation and voting (in person and vote by correspondence, including e-mail), ensuring, on the one hand, the participation of all those who cannot or do not intend to participate in person and, on the other hand, enhancing the traditional participation in person, which largely exceeds 80% of the total shares issued. It should be noted that, as detailed in section 12, in 2021 the level of participation in the December on-site General Meeting was higher than the one carried out exclusively by telematic means in April (87.849% versus 83.898%).

Therefore, taking this reality as a basis and taking into account the complexity associated with holding General Meetings by telematic means (in particular material resources and technical means, control system and verification of shareholder status), as well as the risks of computer tampering and cybersecurity and the associated costs for both parties to avoid these risks, Corticeira Amorim believes that it is appropriate to maintain current practice with regard to holding and participating in the General Meeting of shareholders.

This position and understanding do not preclude that, considering the specific framework for scheduling/holding the General Meeting, remote participation by shareholders is not possible, as was the case in 2020 and in April 2021, due to the restrictions imposed by the response plan to the COVID-19 pandemic.

Rules of procedure of the General Meeting:
https://www.amorim.com/xms/files/Investidores/Estatutos_Politicar_Regulamentos/20220428_Regulamento_da_Assembleia_Geral_EN.pdf

II.4. The Company must also implement adequate means to exercise the right to vote remotely, including by mail and electronic means.

This practice is considered equivalent to the proposal in this recommendation, i.e., to safeguard the same interests. Section 12.

The Articles of Association of Corticeira Amorim provide for the possibility of voting by electronic means, if received at the Company's registered office by the third business day before the date fixed for the holding of the General Meeting. The Chairperson of the Residing Board of the General Meeting shall verify prior to the call for the General Meeting whether the Company is equipped with communication means that can ensure the security and authenticity of the votes cast. If the Chairperson of the Presiding Board decides that the technical requirements for voting by electronic means are met, such information shall be included in the Notice calling the meeting.

The presence of the shareholder at the General Meeting revokes the vote sent by mail or by electronic means.

As electronic voting was not allowed in the General Meetings held in 2022, postal voting was allowed, including voting by electronic mail, to be received by the Company up to the third working day prior to the day scheduled for the General Meeting, and under the other conditions expressly announced in each Notice convening the General Meeting, which is deemed to safeguard the interests envisaged in this recommendation.

In addition, it is considered that, (i) for the shareholder, the complexity associated with secure electronic voting is disproportionate to voting by mail, which also allows for non-presential participation, which can even be revoked by the presence of the shareholder, (ii) both for the shareholder and for the Company, the resulting costs are materially relevant.

Rules of procedure of the General Meeting:
https://www.amorim.com/xms/files/Investidores/Estatutos_Politicar_Regulamentos/20220428_Regulamento_da_Assembleia_Geral_EN.pdf

II.5. The Company's Articles of Association that provide for the restriction of the number of votes that may be held or exercised by a sole shareholder, either individually or jointly with other shareholders, shall also foresee for a resolution by the General Assembly (5 year intervals), on whether that statutory provision is to be amended or prevails – without super quorum requirements as to the one legally in force – and that in said resolution, all votes issued be counted, without applying said restriction.

Not applicable. Section 5. Section 13.

The Articles of Association of Corticeira Amorim do not provide for the limit on the number of votes that each shareholder (either separately or jointly with other shareholders) is entitled to cast or exercise.

II.6. Measures that determine the payment or assumption of fees by the Company in the event of change of control or change in the composition of the Board and that which appear likely to impair financial interests in the free transfer of shares and free assessment by shareholders of the performance of the directors shall not be adopted.

Complies. The Company has not entered into any agreements that determine payments or the assumption of charges by the Company, in the event of a change of control or change in the composition of the Board of Directors, except for the normal “change of ownership” clauses included in certain financing agreements entered into in the ordinary financing of operations and which, on a case-by-case basis, have been analysed and their acceptance considered the most appropriate for the Company’s interests. The existence of a substantial liquidity reserve (credit lines contracted and not used – see point 4) provides that, even if this clause were exercised, the Company would still be able to finance itself and/or service its debt on time.

Therefore, (i) as this is standard market practice which, among other things, seeks to ensure that financing can be obtained on terms that are more advantageous to the Company; (ii) as financing means are guaranteed that are immediately available in the event of the exercise of these clauses; (iii) as this information is disclosed annually in the Company’s accounts, it is considered that the contracting/maintenance of these clauses is not likely to jeopardise the free transferability of shares nor impair the free appraisal by shareholders of the performance of members of the Board of Directors.

No measures have been implemented specifically targeting the effects described in this recommendation. **Sections 4 and 84.**

CHAPTER III - NON-EXECUTIVE MANAGEMENT AND SUPERVISION

III.1. Without prejudice to the legal duties of the chairperson of the board of directors, if he/she is not independent, the independent directors must designate a lead independent director from among them, namely: (i) acting as liaison with the chairperson of the board of directors and other managers, (ii) ensure that they have all the necessary conditions and means to carry out their duties; and (iii) coordinate them in the evaluation of performance by the management body provided for in recommendation V.1.1.

Complies. The independent directors have, among themselves, designated José Pereira Alves as the lead independent director so that, in that capacity, he may namely (i) act, whenever necessary, as liaison with the chairperson of the Board of Directors and with the other directors, (ii) ensure that the independent directors have the set of conditions and means necessary to undertake their duties, and (iii) coordinate them in the self-assessment of performance by the management body as envisaged in recommendation V.1.1.

III.2. The number of non-executive members of the management body as well as the number of members of the supervisory board and the number of members of the committee for financial matters should be appropriate to the size of the Company and the complexity of the risks inherent in its activity, but sufficient to efficiently ensure the tasks entrusted to them, and the formulation of this suitability assessment must be included in the governance report.

Complies. Section 18 (Board of Directors) and section 31 (Audit Committee).

III.3. In any case, the number of non-executive directors must be higher than that of executive directors.

Complies. Section 18.

III.4. Each company must include a number not less than one-third but always plural, of non-executive directors who meet the requirements of independence. For the purposes of this recommendation, a person who is not associated with any specific interest group in the Company nor is it likely under any circumstance to affect his or her exemption in terms of analysis or decision-making, shall be considered independent, in particular by virtue of:

- i. Having exercised for more than twelve years, on a continuous or interim basis, roles in any corporate body;**
- ii. Having been a worker of the company or company with which it is in a control or group relationship in the last three years;**
- iii. Having, in the past three years, provided services or established a significant business relationship with the company or company with which it is in a control or group relationship, whether directly or as a shareholder, director, manager or leader of a legal person;**

- iv. Being the beneficiary of remuneration paid by the company or company with which it is in a control or group relationship, beyond the remuneration resulting from the exercise of the role of director;
- v. Living in a common-law union or being the spouse, relative or similar relationship in a straight line and up to the third degree, inclusive, in a collateral line, of directors of the company, of directors of legal persons directly or indirectly holding qualifying holdings, or of directors of natural persons directly or indirectly holding qualifying holdings;
- vi. Being the holder of a qualifying holding or representative
- vii. of a shareholder having qualifying holdings.

Complies. Section 19.

III.5. The provisions of paragraph (i) of recommendation III.4 shall not preclude the qualification of a new director as independent if at least three years have elapsed between the termination of duties in any Company body and the appointment to the new role (cooling-off period).

Not applicable with respect to any independent member of the Board of Directors.

III.6. In compliance with the powers conferred upon it by law, the supervisory body shall evaluate and issue its decision on the strategic guidelines and risk policy prior to final approval by the management body.

Complies. Sections 38 and 52,

III.7. Companies shall have specialised committees for corporate governance, appointments and performance evaluation that are either separate or combined. In the event the remuneration committee provided for in Article 399 of the Portuguese Companies' Code has been created, and this is not prohibited by law, this recommendation may be complied with by granting this committee powers in the aforementioned matters.

Complies. Sections 27 and 29.

CHAPTER IV - EXECUTIVE MANAGEMENT

IV.1. The management body must approve, through internal regulations or through equivalent means, the performance scheme for executives and the exercise by them of executive duties in entities outside the group.

Complies. The Board of Directors fixes, through the Regulation for the Functioning of the Executive Committee (available at <https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>), the current regime for executives in bodies outside the Corticeira Amorim Group.

IV.2. The management body must ensure that the Company acts in accordance with its objectives and must not delegate powers as regards the following: i) definition of the strategy and the general policies of the Company, ii) organisation and coordination of the business structure; (iii) matters which are to be considered strategic in view of their amount, risk or special characteristics.

Complies. Section 9 and Regulation for the Functioning of the Executive Committee (available at <https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>).

IV.3. In the annual report, the management body explains how the defined strategy and main policies seek to ensure the long-term success of the Company and what the main resulting contributions are to the community at large.

Complies. Chapter 17. Annual Performance Assessment of the Consolidated Management Report and Chapter 5.3. Promote R&D+I and leverage the economic performance of the Sustainability Report.

CHAPTER V - PERFORMANCE ASSESSMENT, REMUNERATION AND APPOINTMENTS

V.1 Annual Performance Assessment

V.1.1. The management body must annually assess its performance, as well as the performance of its committees and - delegated directors, taking into account compliance with the Company's strategic plan and budget, risk management, internal operations and the contribution of each member to that end, and the relationship between the bodies and committees of the company.

Complies. Chapter 18 of the Consolidated Management Report.

V.2 Remunerations

V.2.1. The Company must establish a remuneration committee, whose composition ensures its independence from management, which may be the remuneration committee designated under Article 399 of the Portuguese Companies' Code.

Complies. Sections 29, 66, 67 and 68.

V.2.2. Powers to set remuneration shall lie with the Remuneration Committee or the General Meeting, acting on a proposal from said Committee.

Complies. Sections 66, 67 and 68.

V.2.3. For each term of office, the remuneration committee or the general meeting, on a proposal from said committee, shall also approve the maximum amount of all compensation to be paid to the member of any corporate body or committee due to the respective termination of office, and said situation and amounts shall be disclosed in the governance report or remuneration report.

Complies.

Under the terms of the Remuneration Policy, approved by the General Meeting of shareholders of 28 April 2022 (available at <https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>), payments arising from the termination of office of members of any of the Company's bodies or committees are those stipulated in the general law, and the Company is forbidden from establishing specific agreements that may allow the payment of other compensation.

V.2.4. In order to provide information or clarification to the shareholders, the chairperson or, in his/her absence, another member of the remuneration committee, shall be present at the annual general meeting and any other meetings if the respective agenda includes matters concerning the remuneration of the members of the corporate bodies and committees, or if such presence has been requested by shareholders.

Complies. Regulation of the Appointments, Evaluation and Remuneration Committee (<https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>).

António Lopes Seabra, member of this Committee, was present at the General Meeting of Shareholders of 28 April 2022.

V.2.5. The remuneration committee must be free to decide, within the budgetary constraints of the Company, on the contracting by the Company of the consultancy services necessary or convenient for the performance of its duties.

Complies. Section 67 and Regulation of the Appointments, Evaluation and Remuneration Committee (<https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>).

V.2.6. The remuneration committee shall ensure that the services are provided independently and that the respective providers will not be hired for the provision of any other services to the Company itself or to other companies that are in a control or group relationship without the express authorisation of that committee.

Complies. Section 67 and Regulation of the Appointments, Evaluation and Remuneration Committee (<https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>).

V.2.7. In view of the alignment of interests between the company and executive directors, a portion of their remuneration should be of a variable nature that reflects the sustained performance of the company and does not encourage excessive risk-taking.

Complies. Sections 69, 70 and 71.

V.2.8. A significant part of the variable component must be partially deferred over time for a period of not less than three years, associating it, necessarily, with confirmation of the sustainability of said performance, in the terms defined in the internal rules.

This practice is considered equivalent to the proposal in this recommendation, i.e., to safeguard the same interests. Sections 69 and 72.

Payment of the tri-annual variable remuneration component, if any, may only be made after determining the accounts for the last year of the applicable three-year period, with its payment deferred into two instalments, the amounts and dates of which are determined as follows:

- 1/2 immediately after determining the accounts for the financial year corresponding to the last year of the applicable three-year period (Initial Payment);
- 1/2 in the 12-month period after the date of the Initial Payment.

Thus, the average deferral of payment of the three-yearly annual variable remuneration is more than three years.

V.2.9. When the variable remuneration includes options or other instruments, directly or indirectly dependent on the value of shares, the beginning of the exercise period shall be deferred for a period not less than three years.

Not applicable.

Pursuant to the statement on remuneration policy approved at the shareholders' General Meeting, based on proposal of the Remuneration Committee, it is not the Company's policy to assign shares and/or stock option systems to the members of its corporate bodies, based on stock price changes.

V.2.10. The remuneration of non-executive directors shall not include any component whose value depends on the performance of the Company or its value.

Complies. Sections 77 and 78.

V.3. Appointments

V.3.1. The Company must, under such terms as it deems appropriate, but perfectly demonstrable, ensure that proposals for the election of members of corporate bodies are accompanied by a statement of the adequacy of the profile, knowledge and curriculum of each candidate for the role.

Complies.

The proposals to the shareholders' General Meeting for the election of the members of the corporate bodies are accompanied by a statement of the adequacy of the candidates for the role, namely through their knowledge and academic and professional curriculum, indicating their academic and professional competences, their professional career and relevant positions held or in currently being held, which show the adequacy of the profile, knowledge and curriculum of each candidate for the role in the Company.

The Appointments Policy for members of the management and supervisory bodies of Corticeira Amorim is also formalised, establishing, *inter alia*, the selection and appointment procedures and responsibilities, as well as the requirements for appointment. They are in line with other policies and procedures already in force for matters related to such selection and appointments, as well as other internal rules, namely the Articles of Association of the Company, the Code of Business Ethics and Professional Conduct of Corticeira Amorim, the Diversity Policy and the Human Resources Policy (available at <https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>).

V.3.2. Unless the size of the company does not justify it, the role of monitoring and supporting appointments of senior management must be attributed to an appointments committee.

Complies. Section 29.IV.

V.3.3. This committee includes a majority of independent non-executive members.

Complies. Section 29.IV.

V.3.4. The Appointments Committee shall make its terms of reference available and shall, to the extent of its competences, induce transparent selection procedures that include effective mechanisms for identifying potential candidates, and that those proposed have the greatest merit, are most adequate to the demands of the function and promote, within the organisation, adequate diversity including in terms of gender.

Complies.

In Corticeira Amorim, the Human Resources Departments act in accordance to a set of internally established procedures that advocate and enable:

- The timely and adequate identification of the profiles required/compatible with a given management role;
- The conduct of the selection processes is based on the adequacy of the profile with a view to the function to be performed and criteria of professional merit;
- The appointment of senior management abides by the diversity policy of Corticeira Amorim (Introduction to Section B. in Part I of this report).

Of note is the Appointments Policy in force at Corticeira Amorim (https://www.amorim.com/xms/files/Investidores/Estatutos_Politicar_Regulamentos/20220801_Politica_de_Nomeacoes_EN.pdf), relating to members of the management and supervisory bodies. That policy contains the terms of reference for the selection and appointment of candidates, in particular, the rules and requirements in matters of appointment, change, succession and substitution, and of members of the management body and the supervisory body, as well as the rules on prevention, reporting and remedying of situations of conflicts of interest.

CHAPTER VI — INTERNAL CONTROL

VI.1. The management body must discuss and approve the Company's strategic plan and risk policy, including the establishment of limits as regards risk assumption.

Complies. Sections 52 and 54.

VI.2. The supervisory body must be internally organised, implementing periodic control mechanisms and procedures to ensure that the risks effectively incurred by the Company are consistent with the objectives set by the management body.

Complies.

The reporting and periodic control mechanisms implemented allow the supervisory body to monitor these matters; the control systems implemented by the Company, considered robust by the supervisory body, ensure that the risks incurred are consistent with the objectives set, particularly in the areas considered most critical, where there are perfectly established/implemented monitoring/control and mitigation plans (for instance, the forest intervention programme aimed at ensuring the availability of the raw material cork, or exchange rate developments). In addition, there is a robust culture of budget management control (which also serves as a scoreboard for evaluating the performance of the Group's upper management).

VI.3. The internal control system, comprising the risk management, compliance and internal audit functions, shall be structured in terms that are appropriate to the size of the Company and the complexity of the risks inherent to its activity. The supervisory body shall evaluate it and, within the scope of its powers to supervise the efficiency of this system, propose any adjustments that may be deemed necessary.

Complies. Sections 52, 53 and 54.

VI.4. The supervisory body shall give its opinion on the work plans and resources concerning the internal control system services, including the risk management, compliance and internal audit functions, and may propose any necessary adjustments.

Complies. Sections 38 and 50 to 52.

As can be seen in the sections mentioned above, the internal control system implemented at Corticeira Amorim relies on significant and productive interaction with the supervisory body, which, at any time, may request clarifications or propose adjustments that it considers necessary.

VI.5. The supervisory body shall receive reports drawn up by the internal control services, including the risk management, compliance and internal audit functions, at least with respect to matters concerning accountability, the identification or resolution of conflicts of interest and the detection of potential irregularities.

Complies. Section 38.

VI.6. The Company must establish a risk management function based on its risk policy, identifying:

- i. the main risks to which it is subject in the performance of its business activity,**
- ii. the probability of their occurrence and the respective impact,**
- iii. the instruments and measures to be adopted with a view to their mitigation,**
- iv. the monitoring procedures, with a view to their monitoring.**

Complies. Sections 50, 52 and 54.

VI.7. The Company shall establish procedures for the supervision, periodic assessment and adjustment of the internal control system, including an annual assessment of the degree of internal compliance with the system, as well as the possibility of amending the previously defined risk framework.

Complies. Section 54.

CHAPTER VII – FINANCIAL INFORMATION

Mozelos, 27 April 2023

VII.1 Financial information

VII.1.1. The internal rules of the supervisory body must establish that it supervises the adequacy of the preparation and disclosure of financial information by the management body, including the adequacy of accounting policies, estimates, judgements, relevant disclosures and their consistent application between financial periods, duly documented and communicated.

Complies. Section 38.

VII.2 Statutory audit and supervision.

VII.2.1. The supervisory body shall, by means of internal regulations, define supervisory procedures to ensure the independence of the Statutory Auditor, in accordance with the applicable general rules.

Complies. The Audit Committee has established an internal procedure that covers these matters.

VII.2.2. The supervisory body must be the main liaison with the statutory auditor of the company's accounts and the first recipient of the relevant reports, and is responsible, inter alia, for proposing the relevant remuneration and ensuring that the proper conditions for the provision of services are provided within the Company.

Complies.

It is the responsibility of the Audit Committee to propose the Statutory Auditor and the respective remuneration, within the framework of the Remuneration Policy approved at the shareholders' General Meeting.

VII.2.3. The supervisory board must annually assess the work performed by the statutory auditor, its independence and suitability for the performance of the functions and propose to the competent body its dismissal or termination of the contract as to the provision of the services when there is a valid basis for said dismissal.

Complies. Section 38.

The Board of Directors
of CORTICEIRA AMORIM, S.G.P.S., S.A.

Chairperson:
António Rios de Amorim

Vice-chairperson:
Nuno Filipe Vilela Barroca de Oliveira

Members:
Fernando José de Araújo dos Santos Almeida
Cristina Rios de Amorim Baptista
Luisa Alexandra Ramos Amorim
Juan Ginesta Viñas
José Pereira Alves
Marta Parreira Coelho Pinto Ribeiro
Cristina Galhardo Vilão
António Lopes Seabra



Sustainability Report

05

One of the cornerstones of Corticeira Amorim's business activity is to implement circular economy principles. The combination of cork with waste from a wide range of industries, has engendered a panoply of new products, solutions and applications.



Message from the Chief Sustainability Officer

Dear stakeholder,

The absolutely extraordinary and unexpected events of the past few years have highlighted both the resilience and fragility of our world, at all levels: environmental, social and economic. We have had to confront a pandemic, war in Europe, natural disasters, interruptions in the supply chain, unbearable energy prices, galloping inflation and worsening living conditions for the most fragile populations.

In this context, we have the obligation to contribute to the construction of an equitable and sustainable system capable of protecting the current and future generations.

Sustainability is a fundamental aspect in the development of Corticeira Amorim's products and solutions. We are concerned with maximising the positive impacts of our business activity, namely the preservation of cork oak forests, while minimising any direct negative impacts along the value chain.

We know that by operating sustainably, we are building a more resilient business and creating value for all our stakeholders. We work together with our partners to present cork-based products and solutions that support the circular economy, contribute to decarbonisation of the economy and regeneration of natural systems.

In 2022, we strengthened our sustainability commitments and implemented the initiatives planned to attain the goals set for 2030 in the Sustainable by nature programme. Key highlights include:

- Acquisition of the Herdade de Rio Frio, an important milestone in the Forestry Intervention Project;
- The ambitious action plan in the fields of energy (improving efficiency, increasing the use of renewable energies and reducing Scope 3 emissions), water (reusing water from the cork boiling process) and sustainable packaging;
- Increased employee benefits with increased health plan coverage and extension of variable remuneration to all;
- Reinforcement of social responsibility practices through implementation of the SA 8000 Standard, which, together with the ISO 45001 Standard, covers more than 50% of workers;
- The new ambition of the 2023 Equality Plan;
- Strengthening of partnerships and commitments, inclusively with the UN Global Compact and the Porto Climate Pact;
- Continued support to the community/society through the annual planting of cork oak trees, the offer of grants for research projects linked to the cork oak forest and support for inclusive, disruptive and technological education models;

- Promotion of recycling of cork stoppers and of other cork products at the end of their life, extending the scope of selective collection of such products;
- Strengthening the governance, engagement and transparency model, in particular by formalising and disclosing commitments, policies and practices and adapting the sustainability report to align it with the new GRI 3 standards (GRI 1 and GRI 3), the Corporate Sustainability Reporting Directive and the European Union Taxonomy;
- Strengthening of sustainable finance, by contracting two new Green Commercial Paper Programmes.

We carry out our business activity with responsibility, always striving for excellence. On this path, we are guided by a solid culture of demanding standards and a cohesive set of internal regulations, which make it possible to align the expectations of all stakeholders, encourage balanced and prudent management, reinforce transparency and demonstrate the Company's commitment to developing its business activity in line with the principles of sustainable development.

But it is our employees, from various continents, and their constant determination to achieve more, surpass challenges, influence by example and foster the well-being of the communities that are closest to them, that underpin Corticeira Amorim's sustainable growth strategy.

The 2022 Sustainability Report, which I hereby present, provides further information on Corticeira Amorim's work to foster sustainable development, focusing in particular on the way that the company faces the risks and opportunities of climate change, supports its employees and the community in which it operates, and relates to all its stakeholders, producing results and responding to key global challenges.

We thank all employees and other stakeholders for their valuable contribution to promoting sustainability. We remain committed to working together to achieve a better future for all.

We uphold our permanent commitment to global peace and security. We hope that all parties involved in the conflict between Russia and Ukraine, as in all other conflicts around the world, will seek and find understanding for peace, security and prosperity for all.

Warm regards,

Cristina Rios de Amorim

Board Member and Chief Sustainability Officer



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Chromatography is a cork stopper analytic process that makes it possible to detect compounds and quantify them.

About this report

This Sustainability Report, included in Corticeira Amorim's Consolidated Annual Report, reflects the company's commitment and approach to sustainability issues, in particular its performance in relation to the Sustainable by nature programme, which establishes its goals for 2030.

The good practice of regular reporting, carried out since 2006, fosters transparency and encourages the adoption of sustainability principles, both in the value chain and among its main stakeholders.

This document has been prepared in accordance with the guidelines of the Global Reporting Initiative, the GRI Standards (GRI), whilst satisfying the legal requirements introduced by Portugal's Decree-Law no. 89/2017 of July 28, and pursuant to Article 508-G of the Commercial Companies Code, it is a Consolidated Non-Financial Statement of Corticeira Amorim, SGPS, S.A. It also complies with article 8 of the Taxonomy Regulation and article 10 (2) of article 8 of the Delegated Act.

The information contained in this report has been audited by ERNST & YOUNG AUDIT & ASSOCIADOS - SROC, S.A.

To improve accessibility and transparency, Corticeira Amorim has made available a set of other documents, which will be itemised throughout the report.

Navigating the Sustainability Report:

- About Corticeira Amorim - **Chapter 1**
- Engagement with stakeholders - **Chapter 1.4**
- Characterization of the value chain - **Chapter 1.5**
- Ethics and governance of sustainability - **Chapter 2**
- Sustainable by nature programme and alignment with the UN SDGs - **Chapter 3**
- Sustainable finance - **Chapter 4**
- European Union Taxonomy - **Chapter 5**
- References and scope of the sustainability report - **Chapter 6**
- Consolidated sustainability indicators - **Chapter 7**
- GRI Table - **Chapter 8**
- Alignment with the Task Force on Climate-Related Financial Disclosures (TCFD) - **Chapter 9**
- Independent assurance report - **Chapter 10**

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

2022 Key Facts

Corticeira Amorim

- #1 in the world for cork processing
- >150 years of history
- €1,021,400,000 consolidated sales
- 93% sales outside Portugal

Business Units

- 5 business units
- 1,150,000 m² cork yards
- 6,100,000,000 stoppers
- 10,000,000 m² installed capacity in floor & wall coverings
- 203,783 blocks and 33,264 cylinders
- 60,000 m³ insulation cork

World Presence

- 30 countries where operating
- 20 industrial units
- 10 raw material preparation units
- 3 agroforestry units
- 63 distribution units
- 8 joint ventures
- 30,000 customers in over 100 countries

Cork, Cork Oak Tree And Cork Oak Forest

- >2,100,000 ha in the western Mediterranean basin
- 200 years average lifespan of a cork oak tree
- 100,000 people depend on cork oak forests
- >1,300 €/ha/year average value estimated of the ecosystem services associated with a cork oak forest properly managed
- 1/36 biodiversity hotspots
- -73t CO₂/1t cork produced
- Barrier against fires - Regulates the hydrological cycle - Protects the soil and decreases the risk of desertification

Strategy

- 2021 - most recent materiality review
- 12/17 SDGs aligned with the sustainability strategy
- 10 strategic goals
31 main targets
7 quantitative targets by 2030 (Portugal)
9 quantitative targets by 2024 (Portugal)

Ethics And Integrity

- 2006 date of first sustainability report
- 7,485 hours of training in the Code of Business Ethics and Professional Conduct
- Internal codes, policies and regulations
- 89% of stakeholders agree that the Group presents a clear vision of its economic, social and environmental responsibilities
- UN Global Compact Participant

Value Chain

- 1st FSC® certificate in the chain of custody in the cork industry (2004)
- 100% of non-cork suppliers covered with supplier evaluation programme
- 95% cork and cork products of controlled origin
- 82% production units with international code of cork stopper manufacturing practices
- 59% production units with forest products chain of custody certification

Cork Oak Forest

- €56,900,000 value of acquisitions of forest estates
- 8,181 ha forest estates under management (Herdade da Venda Nova, Herdade da Baliza and Herdade de Rio Frio)
- 381 ha intervened forest estates under management (Forestry Intervention Project)
- 154,610 cork oak trees planted (Forestry Intervention Project)
- 10 commitments to biodiversity (Act4nature Portugal)

Climate Change

- 77% renewable energy
- 68% controlled renewable energy
- 2.8% energy efficiency
- 81,442 tCO₂eq emissions avoided
- 243,866 tCO₂eq emissions generated by the business activity and value chain
- -5,100,000 tCO₂ approximate cork oak forest sequestration promoted (21 times more than the emissions generated by the activity and value chain)
- 670 m³ water consumed per €M
- Photovoltaic project:
 - 2021-2024 (4 years)
 - +11 €M
 - 30 GWh
 - 20% total electrical energy consumption in Portugal
 - 14.6 k tCO₂eq avoided

Circular Economy

- 100% use of cork
- 89% waste recovery rate (non-cork)
- 88% sustainable materials (renewable and recycled)
82% renewable materials
- 5 continents with cork recycling programmes (including the Green Cork project in Portugal, Ecobouchon project in France, ETICO programme in Italy)
- 1,052 t recycled cork (equivalent to 234 million cork stoppers)

Green Products

- >50% consolidated sales with life cycle assessments and carbon footprint studies
- CORK STOPPERS: 1st choice for customers who want better quality and to contribute to the mitigation of climate change
- FLOOR AND WALL COVERINGS: 100% of floor & wall coverings with indoor air quality certification and contributions to sustainable construction certifications, LEED/BREEAM
- Composite Cork: > 500 applications for various sectors, allying innovation and circular economy practices
- INSULATION CORK: 0% additives in products that are simultaneously 100% natural, recyclable, reusable and long-lasting

Development

- 4,999 workers
- 71% workers in Portugal
- 94% employees covered by collective bargaining agreements
- 26% women workers
- 26% women in management positions

Safety, Health and Well-Being

- 72% workers covered by ISO 45001 or SA 8000 certifications
- 14.3 lost time injury frequency rate

Communities / Society

- 120,000 trees planted in partnership (Green Cork)
- 6,518,000 recycled cork stoppers (Green Cork)
- 75,000 students involved in environmental education actions in partnership (Green Cork)
- 2.17 x production multiplier in Portuguese economy
- 7x direct value of the activity in Portugal multiplier (includes impacts of cork oak forest's ecosystem services)
- 39% contribution to total exports from the municipality of Santa Maria da Feira
- 51% of impact on employment in the forestry sector in Coruche and Ponte de Sor

Innovation

- €11,075,000 average R&D+i investment
- 8 joint ventures

Sustainable Finance





- €86,200,000 green financing allocated
- 5 green financial instruments
 - €40,000,000 in green bonds
 - €11,600,000 in the green commercial paper programme
 - €20,000,000 in sustainability linked commercial paper programme
 - €20,000,000 in green commercial paper programme
 - €35,000,000 in green commercial paper programme

EU Taxonomy

- 2 / 6 green objectives
- 8.0% eligible turnover
- 37.6% eligible Capex
- 5.9% eligible Opex

Awards and recognition

Each year, Corticeira Amorim strengthens its ESG (Environmental, Social & Governance) policies and practices and expands its engagement and communication with its stakeholders. This evolution is recognised by entities that assess Corticeira Amorim's performance, who recognise the Company as a leader in its sector and as a model in terms of its contributions to sustainability. Some of these organisations and the recognitions obtained are listed below.

Entity	Classification range	Corticeira Amorim's Classification	Last updated
 Climate Change 2022 (www.cdp.net)	Leadership (A-/A) Management (B-/B) Awareness (C-/C) Disclosure (D-/D)	Management B	December 2022
 (www.ecovadis.com)	Platinum - top 1% (overall score between 78 and 100) Gold - top 5% (overall score between 70 and 77) Silver - top 25% (overall score between 59 and 69) Bronze - top 50% (overall score between 50 and 58)	Gold 72	February 2023
 (www.sustainalytics.com) ¹	Negligible (0-10) Low (10-20) Medium (20-30) High (30-40) Severe (40+)	Low risk 14,7	September 2021
 (www.msci.com) ²	Leader (AA/AAA) Average (BB/BBB/A) Laggard (CCC/B)	Leader AA	January 2023

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2 The use by Corticeira Amorim of any MSCI ESG RESEARCH LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Corticeira Amorim by MSCI. MSCI services and data are the property of MSCI or its information providers and are provided 'AS-IS' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

Voluntary commitments

The Corticeira Amorim Group actively participates in discussion meetings with national and international entities on sustainable development of the geographical regions in which the group operates. In various cases, the Group's representatives are members 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

The Global Compact Network Portugal is the Portuguese network of the UN Global Compact (UNGC), which gathers the initiative's participants based or operating in Portugal. Its work is to share knowledge and methodologies between projects, programmes and tools in order to contribute to furthering implementation of the Ten Principles and create opportunities for intersectoral initiatives to develop in action, defence and dissemination of the UN SDGs Corticeira Amorim, S.G.P.S., S.A. | UN Global Compact

Sustainable Wine Roundtable

Global and independent coalition that aims to establish a universal sustainability standard for wine. <https://swroundtable.org/>

Smart Waste Portugal

Association whose objective is to contribute to the production and dissemination of knowledge in the area of waste; to stimulate initiatives 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 objectives. <http://www.smartwasteportugal.com/pt/>

Porto Climate Pact

The Porto Climate Pact has been designed to serve everyone, with the ultimate goal of defending the global climate system. However, it subsists largely on the basis of membership among different entities operating in Porto. https://pactoparaoclima.portodigital.pt/?page_id=5850

IB-S (Institute of Science and Innovation for Bio-Sustainability)

Research unit at the University of Minho, dedicated to the sustainability of the built and natural environment. <http://ib-s.uminho.pt/>

ForestWISE - Collaborative Laboratory for Integrated Forestry and Fire Management

A private, non-profit association, whose mission is to promote the integrated management of forests and fire, based on (joint) research and development activities, knowledge and technology transfer, acting as a link between industry, the academic world and the Public Administration, with impacts on the forest and fire sectors and on society. <https://www.forestwise.pt/en/>

Centro Habitat

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. <http://www.centrohabitat.net/en>

Charter of Principles of the 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, faster and more robust. <https://climatechange-porto.com/porto-protocol/>

Charter of Principles of BCSD Portugal

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. https://bcdsptugal.org/wp-content/uploads/2022/11/Charter-of-Principles_BCSDPortugal_ENG.pdf

BRP - Business Roundtable Portugal

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

BCSD Portugal

Business 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. <https://bcdsptugal.org/en/>

APCOR - Portuguese Cork Association

Business association in the cork sector that represents, promotes, disseminates and researches the Portuguese cork industry. <https://www.apcor.pt/en/>

ACT4NATURE Portugal

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

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

50 Sustainability & Climate Leaders

Project promoted by the TBM Media Group, with content distributed by the Bloomberg group, that aims to promote the exchange of ideas on how to achieve greater sustainability by focusing on recent technological solutions, favouring disruptive innovation and fostering socially responsible leaders.

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

Corticeira Amorim continues to highlight the urgency of climate change issues and the collective action required for protection and enhancement of biodiversity and natural capital. In this context, it has subscribed to the following manifestos, in 2022:

- **Manifesto Towards COP27**

Signed by 80 Portuguese companies, it presents six priority lines of action for an important contribution towards achieving a fairer, carbon-free global economy.

<https://bcdsportugal.org/manifesto-rumo-cop-27/>

- **Forest 2030: United for the future of forests and the territory**

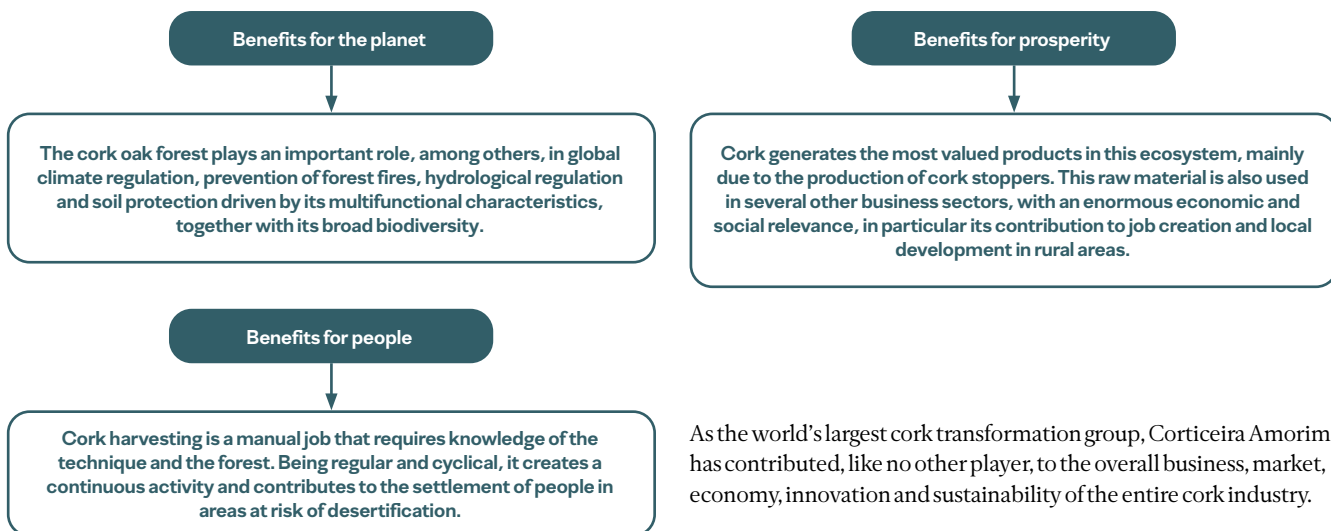
Signed by 25 organisations, entities and companies, it is an appeal to the participation of the entire society towards guaranteeing a Portuguese forest with a future.

<https://produtoresflorestais.pt/floresta-2030-um-compromisso-para-o-futuro/>

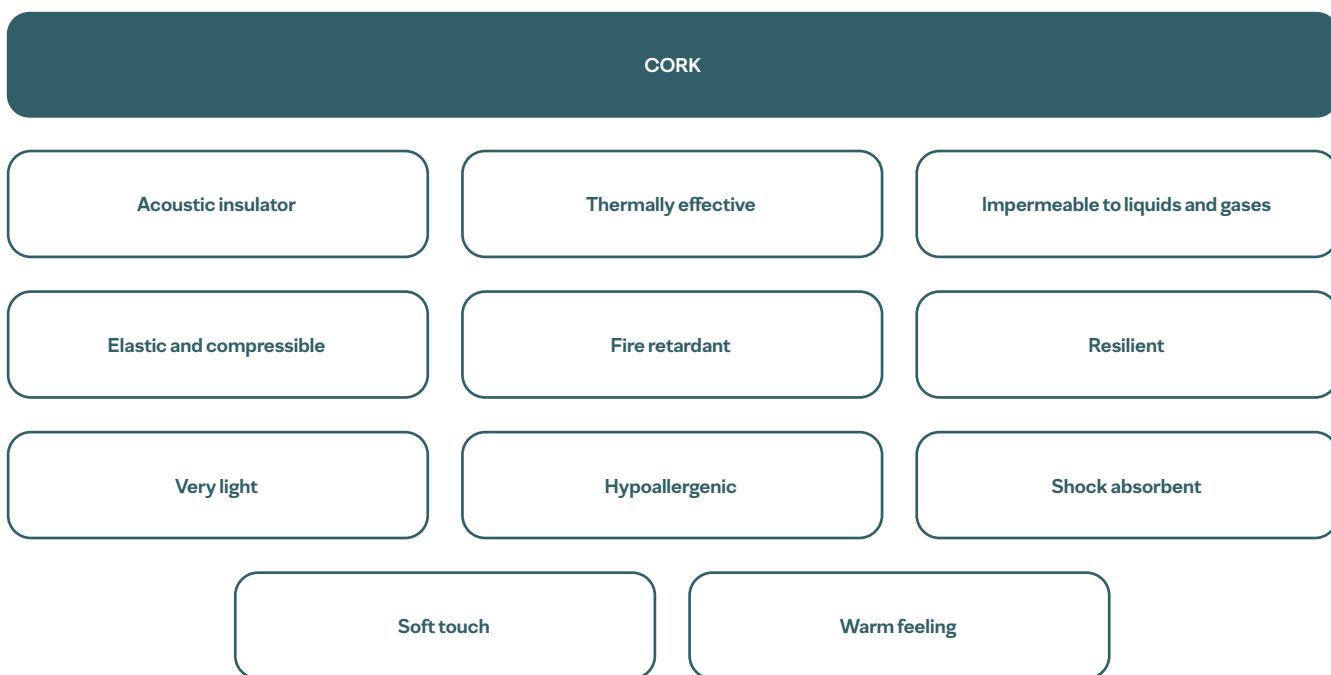
- **Manifesto Towards COP15**

Signed by 63 companies, it is a call for attention of the importance of Nature and the urgent need to reverse the loss of global biodiversity and move towards a paradigm of regenerative economy. <https://bcdsportugal.org/en/manifesto-por-um-acordo-pela-natureza-na-cop15/>

Cork, Cork Oak Tree, Cork Oak Forest



Cork



Cork is the name commonly given to the bark or protective cover that acts as the epidermis of the *cork oak tree* (*Quercus Suber L.*). It is a renewable, 100% natural and recyclable material that has truly exceptional characteristics. Cork cells, grouped in a characteristic alveolar structure, identical to that of a beehive, are filled with a mixture of air-like gases, whose walls are primarily coated with suberin (a kind of natural wax) and lignin (a three-dimensional macrocell that is resistant to microbiological attacks). Polysaccharides, ceroids and tannins, although with less expression, are other compounds found in cork's cellular system.

Each cork plank contains around 60% of gaseous elements – which explains its extraordinary lightness. These small cushions of air endow cork with remarkable compressibility, enabling it to recover its original shape after being compressed. Due to cork's resilience, compression does not cause expansion elsewhere in the material, which makes it a material that can be used in seals and joints and in thermal, acoustic and anti-vibration insulation. Cork's elasticity gives it a superior level of tolerance to changes in temperature and pressure. Its lightness and chemical inertia make cork an ideal closure for wines. It resists humidity and ageing, without any deterioration.

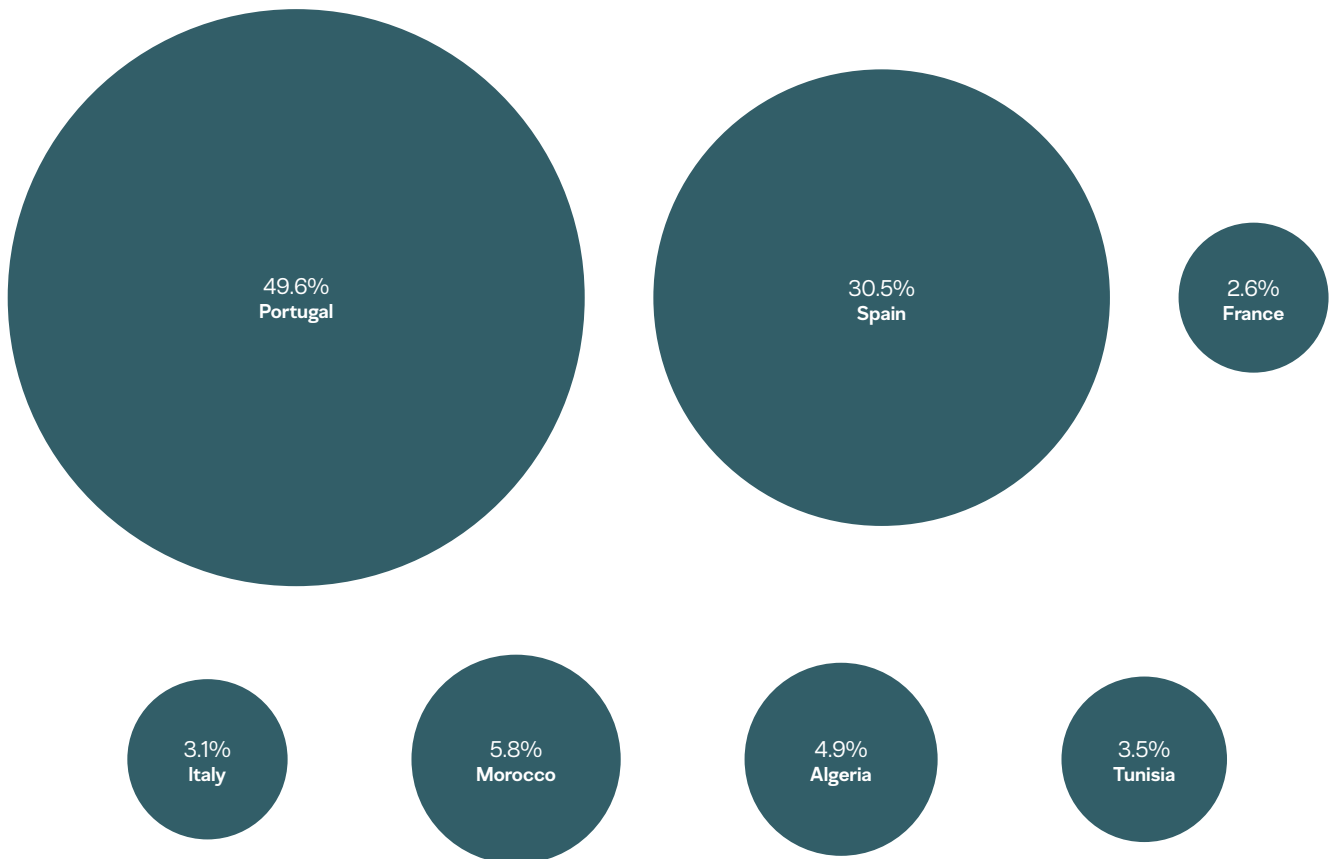
Cork oak tree

The cork oak tree from which cork is extracted, belongs to the oak family. Its value is not based solely on the products extracted from the tree, but on the entire set of agronomic, forestry, silvopastoral and hunting resources associated to cultivating cork oak trees. The regular harvesting of cork makes a fundamental contribution to the environmental, economic and social sustainability of the Mediterranean region's rural areas, where the cork oak tree can be found.

The process of harvesting cork is called "*descortiçamento*" (stripping) in Portuguese. It takes place during the period of greatest vegetative activity: from mid-May to the end of August. It occurs without deforestation and the cork oak trees can grow with minimal or no use of fertilisers, pesticides or pruning. Currently, the work of harvesting cork is mainly manual, conducted by specialised professionals, with absolute precision, using a special axe, ensuring that the tree is not damaged. Stripping is therefore considered to have minimal impact on wildlife and the degradation of biodiversity.

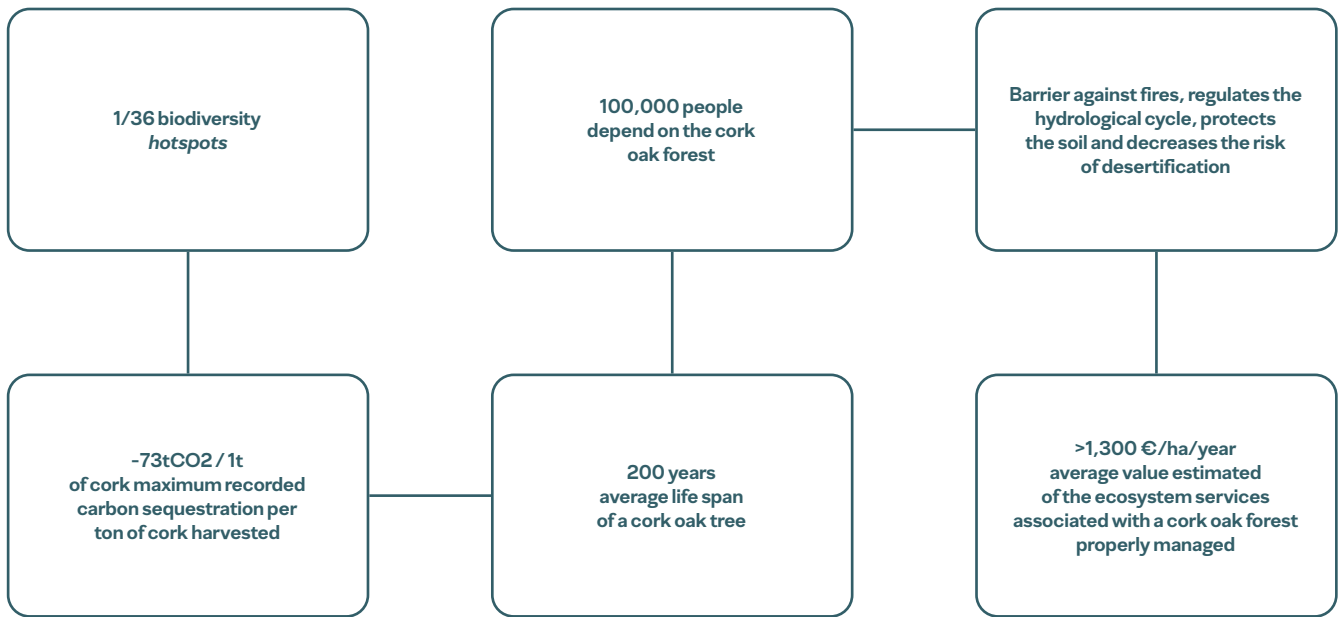
The cork oak is a slow-growing tree, which can live up to 200 years, from which cork may be harvested 15 to 18 times on average in its lifetime. The first harvest only takes place after 25 years, when the tree trunk reaches a perimeter of 70 cm. The cork removed in this first harvest is called "virgin cork". Nine years later, the "secondary cork" is extracted. After these two extractions, "*amadia 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.

Annual cork production



Source: FAO(2010)

Cork oak forest



The cork oak forests (*montados de sobro* and *florestas de sobreiros* in Portuguese) occupy an estimated area of more than 2.1 million hectares in the Western Mediterranean basin. Portugal, Spain, Morocco and Algeria harbour about 90% of the distribution area of the species. Approximately 200,000 tons of cork are extracted annually from the total area of cork oak forests. Portugal, which harbours one third of the global area of cork oak trees, is the world's largest cork producer.

The cork oak forest is an ecosystem that is characterised by its multifunctionality, combined with a variety of integrated forest and agricultural production systems. It is also characterised by the quality of the products supplied and by management practices that have a reduced impact on the environment.

This forest ecosystem mainly consists of cork oak trees (*Quercus suber L.*) in regions where the Atlantic influence is greater, and holm oaks (*Quercus ilex*), in the more interior regions, characterised by high temperatures and low rainfall. The vegetal biodiversity of this ecosystem is composed of a rich herbaceous layer and several shrub species, including aromatic and medicinal species, which play an important role in the nutrition of animals and people.

In this type of forest, it is also possible to find a great diversity of animal species, contributing to the high biodiversity that characterises its ecosystem. The cork oak forest combines the elements mentioned above with cultivation of crops and livestock production in the same space, taking advantage of the benefits of biological interactions between them.

It is possible to find three different types of landscapes in this ecosystem: (i) forest, whose focus is cork extraction; (ii) a savanna-like landscape, where multiple activities such as agriculture, forest management and grazing are carried out; (iii) and an silvopastoral landscape, in which cattle grazing and cereal cultivation are mainly practiced.

The cork oak forest plays an important role in promoting ecological functions such as soil conservation, carbon storage and water retention, due to the vast existing biodiversity and the multifunctional exploitation that characterises it. It also offers a set of economic and environmental goods and services, related to agro-silvo-pastoral activities and others, such as ecotourism, which significantly contribute to the economic importance of this ecosystem.

Cork is the most valued asset in the ecosystem, mainly due to its transformation into cork stoppers. Cork is also used for the production of applications for several other sectors of business activity due to its varied characteristics. As a result, in addition to its economic value, it has enormous social relevance because it creates employment and promotes the local development of rural areas.



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Natural cork stoppers (made from a single piece of cork) used in bottles of still wine, make it possible to sequester up to -309 g CO₂eq per stopper. This result - which considers the CO₂ sequestration by cork oak forests - makes a relevant contribution to decarbonisation of the wine industry.

1 – Corticeira Amorim


Corticeira Amorim is one of the largest, most entrepreneurial and dynamic multinationals of Portuguese origin. Its business activity in the cork business date back to 1870 and today it is the world leader of the sector. Operating under the maxim “not just one market, not just one 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 articles for some of the most technological, disruptive and demanding activities in the world, as will be examples the aerospace, automotive, construction, sports, energy, interior design, and wine, sparkling and spirits industries. Currently under the leadership of the fourth generation of the family, which cultivates the values of pride, ambition, initiative, sobriety and attitude, the Company invests millions of euros annually in research, development and innovation (R&D+i) and registered, in 2022, €1.0214 billion in consolidated sales, 93% of which outside Portugal.

1.1 BUSINESS MODEL

The business model implemented is founded on an integrated and vertical process that uses circular economy principles in order to minimise waste created. Cork, which lies at the heart of Corticeira Amorim’s operations, derives from several forestry producers with whom the company maintains a medium-long term partnership and promotes good forest management practices, thereby ensuring the ecosystem services of the cork oak forests, in particular the continued production of a high-quality raw material (cork).

1.2 BUSINESS UNITS

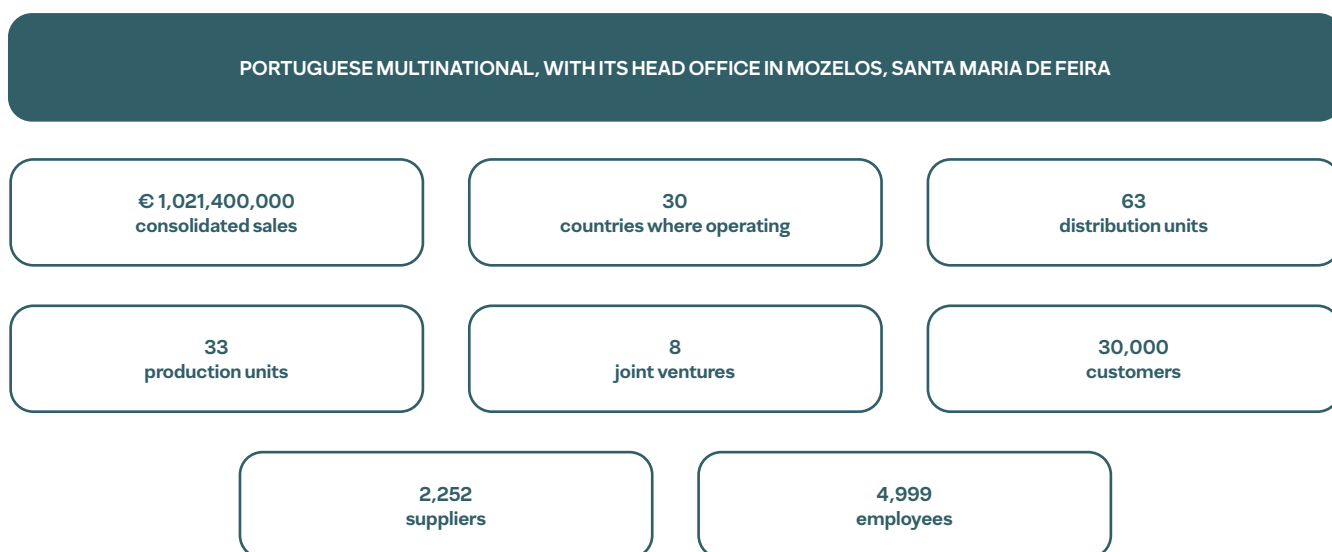
The Company has a vast product portfolio aimed at different markets and objectives and is structured into five Business Units (BU): raw materials, cork stoppers, floor & wall coverings, composite cork and insulation.

BU and products	Markets	Main references	Sales*
 <p>Raw Materials Responsible for overall and integrated management of the company’s value chain, it plays a key role in promoting synergies between the various business units to ensure optimisation of the flow and quality of cork</p>	Cork, agroforestry	1,150,000 m ² of cork yard 8,181 hectares of forest estates under management	204.4 €M
 <p>Cork Stoppers World leader in the production and supply of cork stoppers, this BU has its own distribution network, which places it in a unique position to provide the ideal stopper for any wine or spirits segment, anywhere in the world</p>	Still and sparkling wines, spirits, beer and cider	6,100,000,000 stoppers	754.0 €M
 <p>Floor & Wall Coverings Operating in more than 60 countries, it offers a range of high-quality and versatile flooring solutions with comfort and sustainability credentials, which promote higher quality of life, through the provision of greater acoustic and thermal insulation</p>	Floor & wall coverings	10,000,000 m ² installed capacity in floor & wall coverings	132.0 €M
 <p>Composite Cork Innovation is the driving force of this BU that proposes to redesign the world in a sustainable manner, reusing and reinventing materials with applications in a wide array of different areas</p>	Aerospace, mobility, energy, sealing, construction, sports and recreational surfaces, flooring, home, office and leisure goods, toys and footwear	203,783 blocks and 33,264 cylinders	124.6 €M
 <p>Insulation Cork Dedicated to the production of 100% natural insulation materials that offer exceptional technical performance, products that combine virtually unlimited durability, low embodied energy, and an A+ indoor air quality rating with excellent simultaneous thermal, acoustic and anti-vibration insulation properties</p>	Sustainable construction / insulation, interior and exterior design	60,000 m ³ of insulation cork	16.0 €M

*Sales of the BU

1.3 WORLD PRESENCE

With its head office in Portugal, the Corticeira Amorim Group is present in five continents through its operations, whether in production units (industrial, preparation of raw materials and agroforestry), distribution units or joint ventures, or through market agents. The Company's shares are listed on Euronext Lisbon.



1.4 STAKEHOLDERS

Corticeira Amorim relates with various stakeholders who have, or may come to have, influence, dependence and/or responsibility towards the Group, with whom it can share knowledge and best practices, opening new opportunities for the development of sustainable solutions throughout the value chain.

Corticeira Amorim has identified eight main groups of stakeholders: shareholders and investors, customers, employees, official and governmental entities, suppliers, media, NGOs and the community and partners and civil society.

1.4.1 COMMUNICATION CHANNELS

To foster stronger alignment with stakeholders' needs and expectations, Corticeira Amorim uses a distinct set of communication channels, that are regularly reviewed and permit a wide range of information to be made available to its stakeholders.

Shareholders and investors	Customers	Employees	Official and governmental bodies
<ul style="list-style-type: none"> General shareholders' meetings Meetings with investors and analysts Periodic disclosure of evolution of the business Annual reports & accounts Sustainability report Regular meetings and contacts Responses to external requests Visits to the cork oak forest and to Corticeira Amorim Website Social networks Newsletter and press releases Information brochures 	<ul style="list-style-type: none"> Sustainability report Environmental education/awareness actions Support for initiatives/projects Satisfaction surveys Participation in fairs and industry events Awareness and technical support programmes Cooperation agreements for R&D+i Publication of technical articles Working groups Regular meetings and contacts Various seminars and workshops Responses to external requests Visits to the cork oak forest and Corticeira Amorim Website Social networks Newsletter and press releases Information brochures 	<ul style="list-style-type: none"> Sustainability report Initiatives to defend the cork oak forest Environmental education/awareness actions Support for initiatives/projects Satisfaction surveys Information panels at the premises Procedures and Policies Intranet Performance management systems Various seminars and workshops In-house thematic and awareness-raising initiatives Responses to external requests Visits to the cork oak forest and Corticeira Amorim Website Social networks Newsletter and press releases Information brochures Periodic team meetings Linkpeople (Human Resources ER) 	<ul style="list-style-type: none"> Periodic disclosure of the evolution of the business activity Annual Report & Accounts Sustainability report Initiatives to defend the cork oak forest Participation in trade fairs and industry events R&D+i collaboration protocols Publication of technical articles Support for initiatives/projects Satisfaction surveys Awareness and technical support programmes Working groups Periodic meetings and contacts General and sectoral meetings Various seminars and workshops Responses to external requests Visits to the cork oak forest and Corticeira Amorim Website Social networks Newsletter and press releases Information brochures

Suppliers	Media	NGO's and Community	Partners and civil society
<ul style="list-style-type: none"> Annual report & accounts Sustainability report Environmental education / awareness actions Support for initiatives / projects Selection and evaluation of suppliers Participation in trade fairs and sectorial events Awareness and technical support programmes R & D + I collaboration protocols Publication of technical articles Working groups Regular meetings and contacts Seminars and various workshops Responses to external requests Visits to the cork oak forest and Corticeira Amorim Website Social networks Newsletter and press releases Information brochures 	<ul style="list-style-type: none"> Periodic disclosure of the evolution of the business activity Annual report & accounts Sustainability report Support for initiatives / projects Participation in trade fairs and sectorial events Publication of technical articles Responses to external requests Visits to the cork oak forest and to Corticeira Amorim Website Social networks Newsletter and press releases Information brochures 	<ul style="list-style-type: none"> Periodic disclosure of the evolution of the business activity Annual report & accounts Sustainability report Initiatives to defend the cork oak forest and the environment Environmental education / awareness actions Community engagement initiatives Support for initiatives / projects R & D + I collaboration protocols Working groups Regular meetings and contacts General and sectoral meetings Seminars and various workshops In-house thematic and awareness-raising initiatives Responses to external requests Visits to the cork oak forest and Corticeira Amorim Website Social networks Newsletter and press releases Information brochures 	<ul style="list-style-type: none"> Sustainability report Initiatives to defend the cork oak forest and the environment Environmental education / awareness actions Community engagement initiatives Support for initiatives / projects Participation in fairs and sectorial events R & D + I collaboration protocols Publication of technical articles Working groups Regular meetings and contacts General and sectoral meetings - Seminars and various workshops Responses to external requests Visits to the cork oak forest and Corticeira Amorim Website Social networks Newsletter and press releases Information brochures

1.4.2 CONSULTATION

Corticeira Amorim has conducted a process of consultation and involvement with its stakeholders since 2009, concerned with promoting their participation and contribution to the definition of the Group's sustainability strategy and materiality review (Chapter 2.4 Definition of strategy/Materiality Review). This procedure has made it possible to understand external developments and market expectations, as well as to anticipate new opportunities and risks.

Detailed information on *stakeholder* consultations is available in the Sustainability Reports for the years 2009, 2011, 2013, 2015, 2018 and 2021 at <https://www.amorim.com/en/sustainability/reports/>.

The most recent stakeholder consultation process took place in 2018, and the materiality matrix and strategy were reviewed in 2021. The table below presents the main results.

Extended stakeholder consultation (2018) (direct consultation of the eight stakeholder groups)

137 stakeholders identified	8 main stakeholder groups consulted auscultados	74% response rate
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Top 5 most relevant topics:

- Promotion of the Montado (Cork Oak Forest), its biodiversity and ecosystem services
- Economic performance
- Ethics and anti-corruption
- Materials management
- Waste and effluent management

89% agree that the Group has a clear vision of its economic, social and environmental responsibilities	97% consider the information provided in the Sustainability Report to be good or very good
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Review (2021)

Documental research and direct consultation with customers and investors

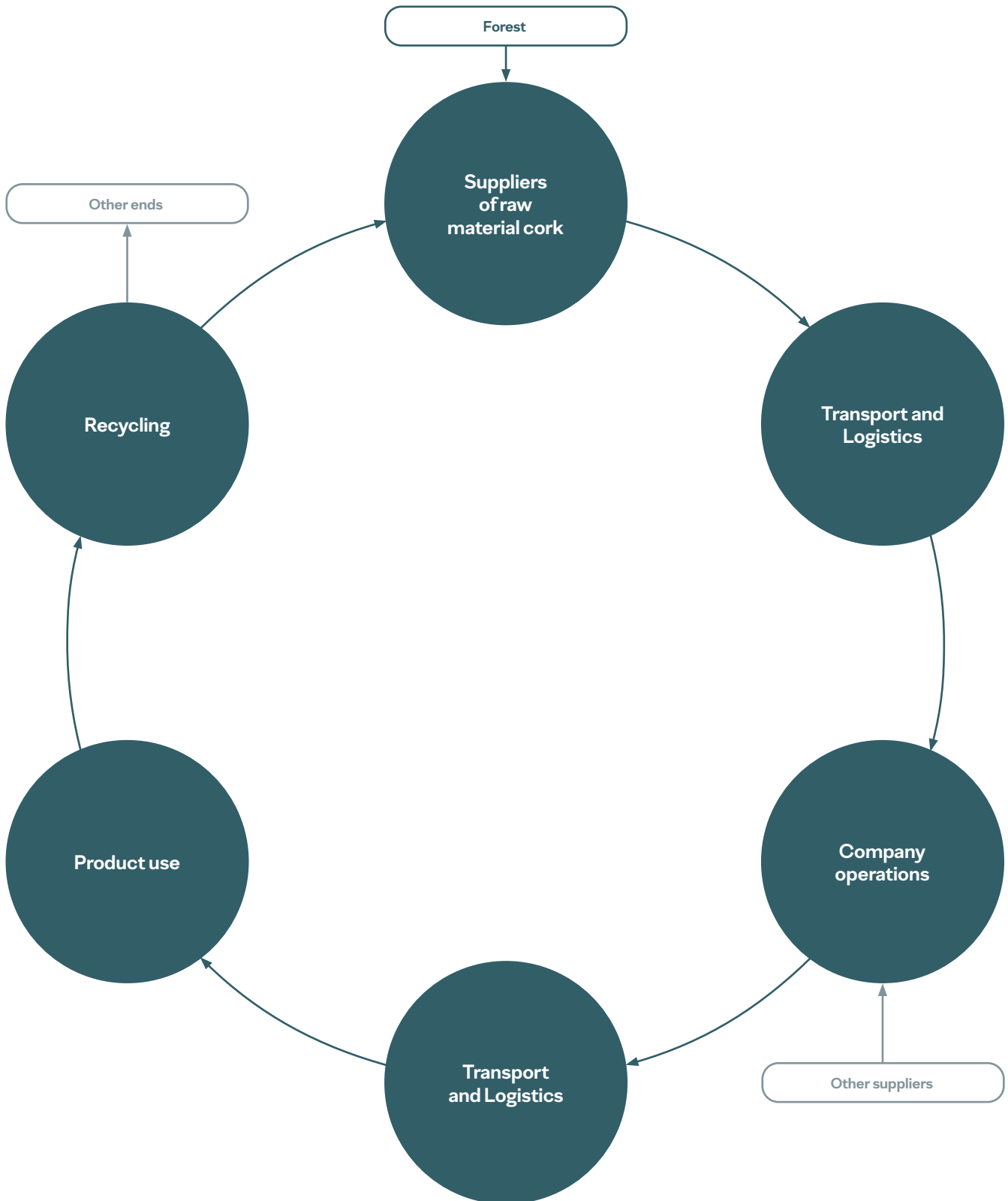
3 new topics identified:

- Transparency and communication
- Emissions management
- Customer satisfaction

1.5 CHARACTERIZATION OF THE VALUE CHAIN

Corticeira Amorim's business model spans all stages of production, from the purchase of the raw material to the logistical operations or entry and distribution (transport) to operations, recycling and marketing of various cork products.

Corticeira Amorim actively fosters ethics and economic, environmental and social responsibility at all levels of the business, as referred to throughout this report.



Supply chain

The main raw material used at Corticeira Amorim is cork. Cork products account for over 80% of the company's total revenues. The Company also uses other natural resources, including wood, water and energy and other raw materials, such as chemicals, plastics, and various services, such as transport, which it obtains by preferentially selecting suppliers that adopt good ESG practices. Corticeira Amorim has a supplier evaluation and selection procedure for this purpose.

In 2022, Corticeira Amorim purchased materials from 2,252 direct suppliers around the world; the vast majority of materials were purchased in Portugal (about 70% of total value of purchases).

Cork and cork products are primarily purchased in the Mediterranean basin, in particular: Portugal, Spain, France, Italy, Morocco, Tunisia and Algeria, involving a large number of suppliers with whom the Company maintains medium-long term partnerships. It is also in these regions that the majority of Corticeira Amorim's operations are located, and it makes conservation and social and economic investment in these areas. The great majority of purchases are made in Portugal and Spain (95% of total acquisition value). The volume of purchases in North Africa is 4.6% and less than 0.5% of purchases were made in other locations. The Raw Materials BU is responsible for preparing and discussing the company's multi-annual supply policy, ensuring the optimisation of the flow of all types of cork raw materials to be used in the remaining BUs, for the production of their respective products and applications.

Corticeira Amorim's transversal support areas - Procurement & Energy and Shipping Logistics - are responsible for the management of suppliers and purchases of all non-cork products, services and contractors and transport. From an overall perspective, management is focused on seeking excellence in the goods acquired and services provided, and is also aligned with the Company's strategic objectives, thereby allowing the Group to add increasing value in terms of sustainability.

The Company has identified the risk of disruption in the supply chain and logistics in its risk matrix and has the following main mitigation measures: development of a logistics model that make it possible to permit the best logistic solutions in the short and medium-long term; identification of alternatives to the current options for the main destinations; diversification of transport and logistics suppliers; selection of suppliers and search for solutions depending on their geographical location; implementation of a transport *tracking* system; monitoring and updating of security plans/recovery plans for the loss of relevant suppliers.

Corticeira Amorim does not directly import or process minerals from conflict zones (tin, tantalum, tungsten, gold).

There were no significant changes in Corticeira Amorim's supply chain in 2022.

Additional information on Purchasing Policy and Code of Ethics and Conduct for Suppliers: Chapter 3.2.2 Value Chain.

Additional information on supplier selection and evaluation against ESG criteria: Chapter 3.2.2 Value Chain.

Additional information on supplier audits: Chapter 3.2.2 Value Chain.

Transport and logistics

The transport and logistics of products along Corticeira Amorim's value chain have a significant impact on the business, both economically and environmentally, and therefore ensuring their sustainable management is a priority.

Corticeira Amorim has been working to promote good ESG practices with its suppliers and clients in terms of logistics, encouraging them to use resources responsibly, apply circular economy practices, reduce waste, reduce the number of raw materials used, limit packaging and choose recycled, recyclable and/or compostable materials. To this end, it has created the sustainable packaging project.

In terms of transport, Corticeira Amorim's Shipping Logistics area aims to structure an integrated platform for providing services to the different BUs, while ensuring, in its business activities, that the company upholds the values of commitment, credibility, integrity (ethics) and the pursuit of excellence. Corticeira Amorim has been implementing new ways of mitigating the impact of transport and, for this reason, differentiates itself positively in terms of the international competitiveness of its business. One example of these actions is the preference for maritime transport. Various initiatives have been developed and implemented with a view to maximising the quantity of product transported per packaging unit and/or reducing packaging weight, thereby optimising transport flows of raw materials and products. The Company has also been working on its information systems to improve and consolidate the methodology used in the calculation of the impacts of its transport activities.

Additional information on the initiatives of the sustainable packaging project: Chapter 3.3.4 Green products/ Maintain a proactive role in the vast scope of applications of cork/ packaging materials.

Additional information on initiatives to mitigate the impact in transport: Chapter 3.3.2 Climate change/ Reduce the environmental impact of operations/ Other indirect emissions (scope 3).

Company operations and product use

Corticeira Amorim develops its business activity based on the bioeconomy and seeks to have a business activity that has a positive impact on ecosystems throughout the value chain. The most relevant benefits for the planet include work to help preserve the cork oak forest and ecosystem services, the development of eco-efficient processes with a view to reducing the impact of operations, the application of circular economy practices and the offer of products based on Nature.

Cork products provide an alternative to other items produced from materials that have a major impact on the environment. They support the protection and restoration of biodiversity and ecosystems, promote the transition to a circular economy and contribute to mitigating climate change.

Corticeira Amorim has 4,999 employees, located throughout the world, who have a passion for this business, and strive to go further, overcome challenges, influence by example and promote the development and well-being of the communities closest to them and society in general.

The Company currently has more than 30,000 clients and 93% of sales are made outside Portugal, to more than 100 countries.

Additional information on sustainable development goals for 2030: Chapter 3 Sustainable by nature Programme / 3.1 Quantitative targets for 2030 and progress.

Additional information on activities, products and services and markets: Chapter 1 Corticeira Amorim.

Additional information on Corticeira Amorim's management systems: Chapter 2.5 Management systems.

Additional information on green products: Chapter 3.3.4 Green products.

Recycling

Cork is a 100% natural material, renewable, biodegradable, reusable and can be recycled for several times in the economy. Recycling cork products extends the life cycle of cork and its environmental benefits, in particular its CO₂ retention capacity.

The Company currently operates selective cork stopper collection initiatives on the five continents, which together have enabled the collection and recycling of 1,052 tons of cork, corresponding to 1.48 tons of cork recycled per €1 million sold, or 3.8% of the cork stoppers produced by Corticeira Amorim in 2022.

Although recycled cork will never be used in cork stoppers, it can have a second life and be used in a wide array of other products. Recycling projects also have an aspect linked to social responsibility and environmental awareness for all stakeholders and the community in general.

In addition to 100% use of cork, and whenever feasible, Corticeira Amorim promotes industrial symbioses and uses recycled materials or by-products from other industries, thereby saving the planet's natural resources and reducing the problems associated with waste disposal. This management, which is possible thanks to cork's characteristics, also makes it possible to extend the diversity of applications based on the circular economy.

Corticeira Amorim is collaborating with stakeholders throughout the value chain to attain the goal of zero impact of packaging and is committed to developing innovative, durable and high-quality products designed for a sustainable end of life, through reuse, recycling or composting.

Additional information about recycling cork products: Chapter 3.3.3 Circular economy/ Applying the principles of circular economy/ Cork recycling.

Additional information on industrial symbioses: Chapter 3.3.3 Circular economy/ Apply the principles of circular economy/ Materials.

2 – Ethics and Governance of sustainability

Corticeira Amorim is governed by a solid and cohesive set of internal regulations, comprising statutes, codes, regulations and policies, which enable its stakeholder's expectations to be aligned, and thereby foster balanced and prudent management, reinforce transparency and demonstrate the Company's commitments to developing its business activity in line with sustainable development.

Corticeira Amorim seeks to identify and integrate issues that may have an impact on governance of sustainability, such as regulation or stakeholder perceptions, and respond to the challenges that arise in the markets in which it operates.

The General Sustainability Policy considers the commitments to achieve the following:

- Act in full compliance with the laws and regulations in force in the regions where it operates, and to collaborate with the authorities as far as possible;
- Integrate sustainability into the decision-making process;
- Respect Employees, Customers, Suppliers, Shareholders and other Stakeholders that are important to the sustainability of Corticeira Amorim;
- Manage risks and opportunities associated with the Organisation's activities, so as to avoid negative impacts on people and the environment;
- Conduct business according to principles of trust, transparency and ethics, encouraging communication channels to inform, involve and maintain an ongoing dialogue with stakeholders;
- Build and foster a framework of respect for the fundamental values of Human Rights (as proclaimed by the United Nations Universal Declaration of Human Rights) and Labour Rights (as proclaimed by the International Labour Organization);
- Encourage free trade, striving to prioritise responsible and sustainable relationships with its suppliers and having common commitments to sustainable development;
- Repay the support of the communities where it operates, contributing to the progress, economic development and well-being of those communities, encouraging SMEs and future local entrepreneurs to achieve sustainable results and thus boost national entrepreneurship.

The Organisation regularly notifies employees of updates to this set of guidelines and promotes their dissemination and adoption throughout the Organisation.

Corporate Regulation and Policies:

<https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>

General Sustainability Policy:

https://www.amorim.com/xms/files/Investidores/Estatutos_Politiclas_Regulamentos/2021-12-06_General_Sustainability_Policy.pdf

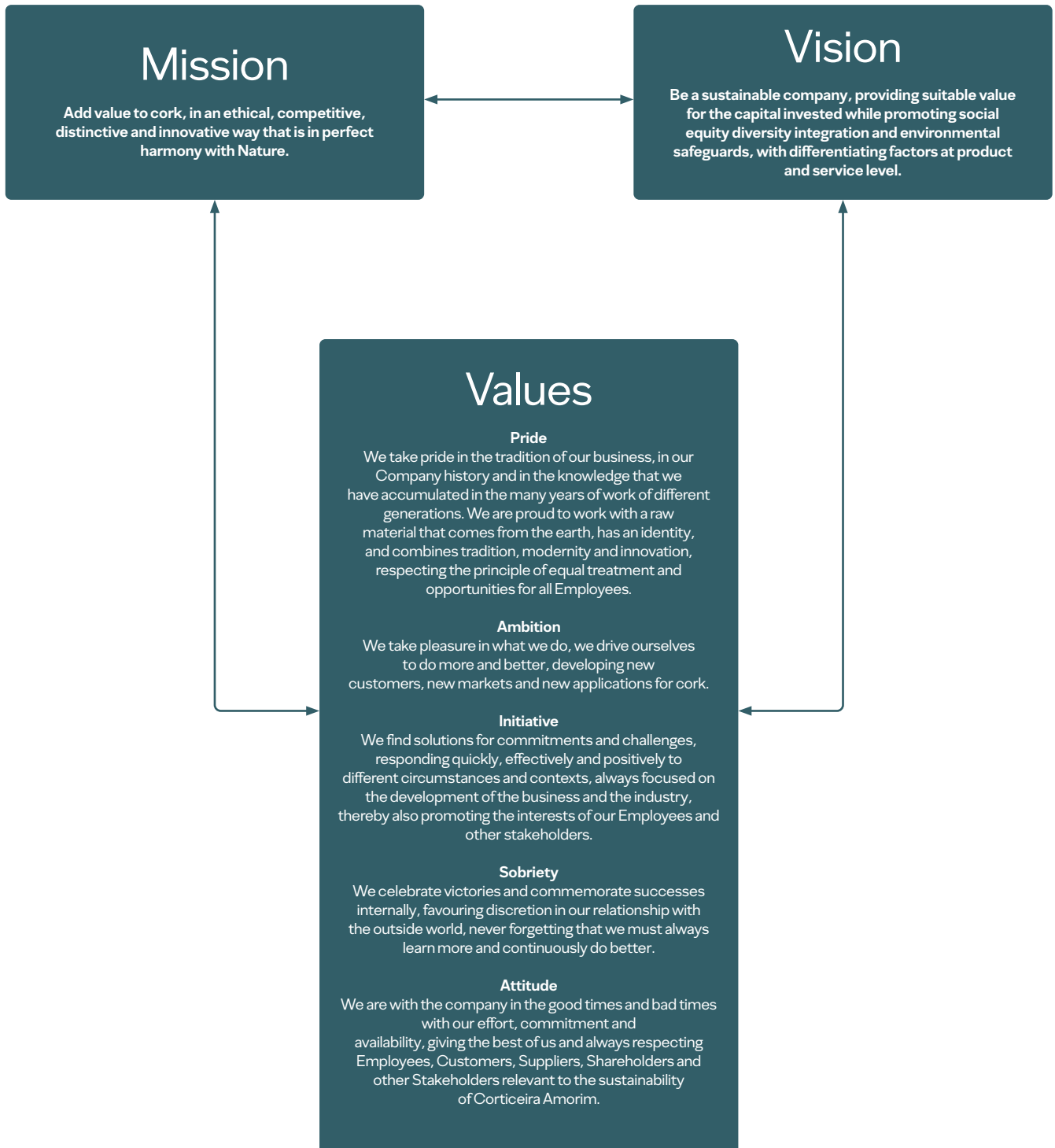
2.1 MISSION, VISION AND VALUES

By promoting the cyclical extraction of cork, without damaging the trees, Corticeira Amorim contributes to making the cork oak forest a viable, natural and renewable resource, delivering numerous environmental, economic and social benefits.

The Company's mission, vision and values outlines its ambition for success, and guarantees long-term sustainability and reflects, in addition to its firm conviction based on the knowledge that cork is a unique material that

comes directly from nature. The mission is aligned with the purpose of combining knowledge, technology and innovation with a centuries-old natural material, promoting a sustainable equilibrium, and thereby generate added value for all stakeholders and for the planet.

The Company's strategic priorities for sustainable development are aligned with its mission and fundamental values, incorporating economic, environmental and social concerns and making it possible to define a clear roadmap for strategic, operational and investment decisions, now and in the future.



2.2 MANAGEMENT MODEL

Corticeira Amorim’s Board of Directors, which includes the Chief Sustainability Officer (CSO), is responsible for promoting ESG topics in the business, and approve the strategic objectives and initiatives and priority actions.

The Executive Committee (CECA) is responsible for overseeing the governance of sustainability issues and integrating ESG issues into the business. At least twice a year, the CECA analyses the approach to ESG topics, and defines the goals, performance and review of the reporting.

The Board of Directors has set up Corticeira Amorim’s E.S.G. committee (CESG), a permanent specialised internal committee, which is responsible for providing advice, monitoring, supervision and strategic guidance to Corticeira Amorim in the field of corporate governance, social responsibility, environment and ethics matters. The committee’s attributions have been established in the respective regulations. The CESG is chaired by an independent member of the Board of Directors and is mainly composed of members of the Company’s corporate bodies, including the CSO and includes the Head of Corporate Sustainability (HCS) as a permanent guest.

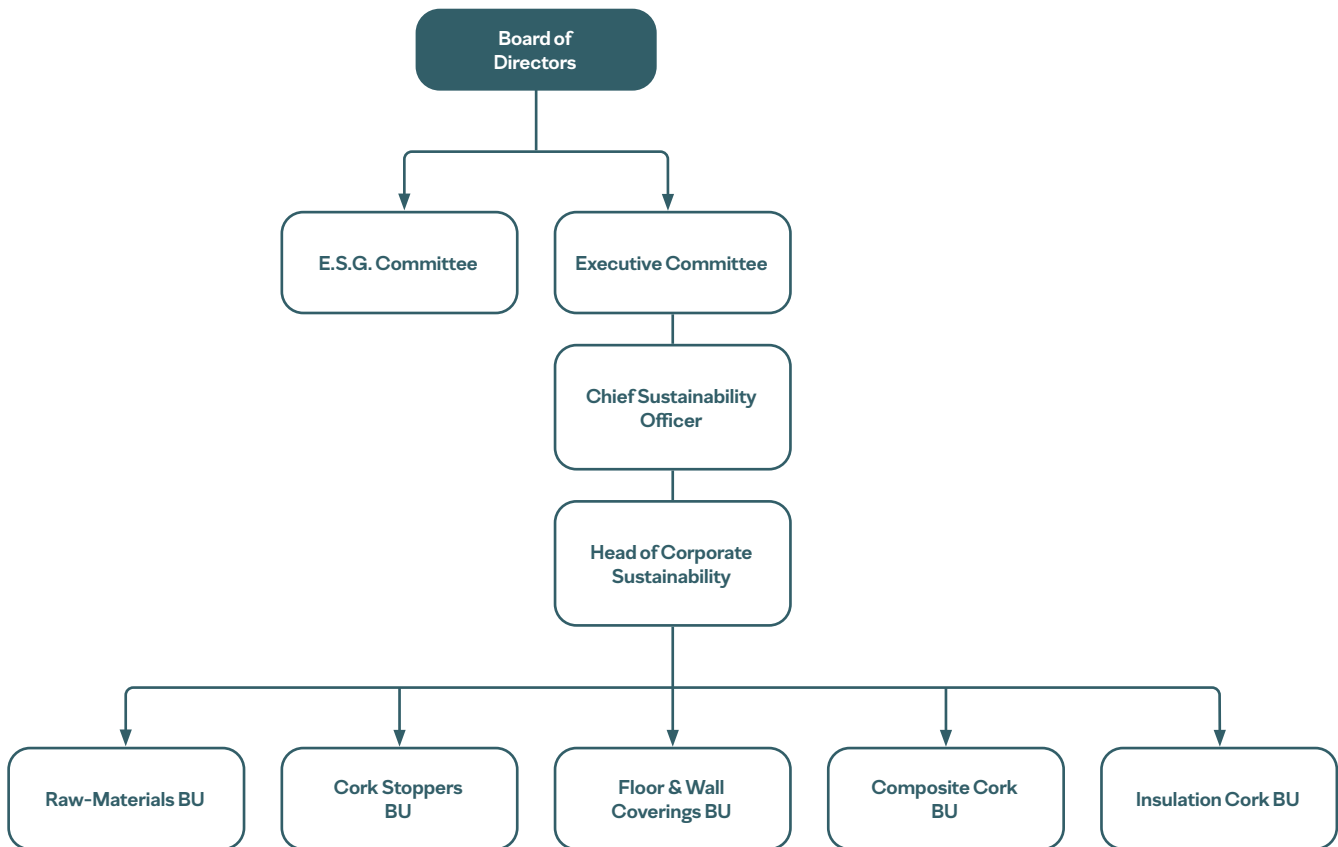
Day-to-day management of ESG topics, is led by the CSO and coordinated by the HCS, together with the other support areas and the sustainability officers of the five BUs. Each BU has its own

sustainability officer, who reports directly to the Chief Executive Officer (CEO) of the respective BU and who is, among other tasks, responsible for suggesting and implementing the initiatives and actions necessary to fulfil the defined objectives, monitoring and reporting performance.

All of Corticeira Amorim’s employees are responsible for contributing to the achievement of the defined priorities, either through the defence and observance of the principles of good governance, also enshrined in the Company’s Code of Business Ethics and Professional Conduct, or through direct functions in the areas of sustainability.

The Board of Directors is responsible for preparing and submitting financial reporting documents, including the Sustainability Report, to the Annual General Meeting of Shareholders, which deliberates on these documents, including the Sustainability Report, which are approved provided they gather the majority of favourable votes of the shareholders present or represented at the Annual General Meeting.

E.S.G. Committee Regulation:
https://www.amorim.com/xms/files/Investidores/Estatutos_Políticas_Regulamentos/20210531_Regulamento_da_Comissao_ESG_2021-2023-EN.pdf



2.3 RISKS AND OPPORTUNITIES

Corticeira Amorim has an integrated multidisciplinary system aimed at identifying, assessing, prioritising, treating and monitoring risks. The internal control system, encompassing risk management, *compliance* and internal audit, as well as the procedures for the detection/prevention of irregularities currently implemented in the Company is a robust system, in continuous improvement, the result of internal reflection within the Company, involving both the Board of Directors, in particular its CECA, the Risk Committee and the different support areas - specifically the Risk area, *Compliance* area and the Organisational Development and Strategic Planning area - and supported by specialised external consultants, when appropriate. The Internal Audit area is responsible for supervising and evaluating compliance with and the effectiveness of the controls implemented; planning and carrying out risk-based audits; and testing the controls to evaluate the effectiveness of management and risk prevention.

The Risk Committee is a permanent specialised internal committee, appointed by the Board of Directors, composed mainly of members of the governing bodies and chaired by an independent, non-executive director. It is responsible for advising the Board of Directors on monitoring risk management activities at Corticeira Amorim.

Corticeira Amorim has implemented a process of identifying the risks that could affect its strategy and has subjected all its activities to a global risk analysis. The Company has a catalogue of identified risks and defined mitigation measures, to minimise the probability of their occurrence and/or impact, as well as indicators or risk assessments for each risk, which act as monitoring instruments and enable changes or deviations to be anticipated.

Corticeira Amorim has defined the impact of a risk on the consolidated results of Corticeira Amorim Group as being a material risk. A substantive strategic or operational impact is defined in Corticeira Amorim's Risk Management process as one that produces an effect on consolidated results that exceeds €5 million.

Therefore, given the specificities of Corticeira Amorim's framework and business model - in particular (i) the development of an essentially stable business; (ii) the know-how and skills accumulated over 150 years of activity, continuously enhanced through innovation, development and training programmes; (iii) diversification in terms of products, currencies, markets, the vast portfolio of clients (iv) the effective management and monitoring of the business' critical factors by the Board of Directors and other functions related to the management of these factors; (v) robust control systems implemented and (vi) the dual corporate supervision (Audit Committee and Statutory Auditor), it can be concluded that Corticeira Amorim's risk management and internal control are structured and sized appropriately for its activity.

The substantive impacts with strategic or operational effects on Corticeira Amorim's business activity are defined in the Risk Management Policy. Further information on internal control and risk management is available in Chapter C - Internal Organisation / III. Internal Control and Risk Management of the Corporate Governance Report 2022.

Risk Management Policy:

https://www.amorim.com/xms/files/Investidores/Estatutos_Politicar_Regulamentos/2022-02-23_Politica_de_Gestao_de_Risco_EN.pdf

2.4 DEFINITION OF STRATEGY

The definition of Corticeira Amorim's strategic sustainability priorities is developed by the Sustainability area with the collaboration of other areas and involves a materiality analysis that takes into account the evolution of the business activity, risks and opportunities, as well as sustainability trends and benchmarks, changes in legislation, external commitments and internal policies, alignment with the Sustainable Development Goals (SDGs) and stakeholder expectations (Chapter 1.4.2 Consultation).

The Board of Directors is responsible for approving the strategic objectives, strategic initiatives and priority actions, and the CECA is responsible for monitoring them. The alignment of the entire Organisation is enhanced using the balanced scorecard methodology.

The implementation of initiatives and actions necessary to meet the objectives defined, as well as the monitoring and regular reporting of performance is the responsibility of the teams of each BU.

Top management approval	Board of Directors
Monitoring by top management	Executive Committee
Proposal of strategic priorities and consolidation of sustainability indicators	Sustainability support area with the collaboration of other support areas
Implementation of initiatives and actions, monitoring and internal reporting	Teams responsible for implementing sustainable development practices in each BU

Materiality review

To ensure that the sustainability strategy is kept up to date and to support the risk management process, Corticeira Amorim carries out regular materiality analyses, with the support of external experts.

The last process took place in 2018 and was reviewed in 2021. With the analysis conducted in 2021, the intention was to obtain a renewed vision of the overall sustainability context and trends, as well as to validate the main material issues identified as a result of the stakeholder consultation and considering both the materiality of impacts and the materiality of financial information, in line with the concept of double materiality.

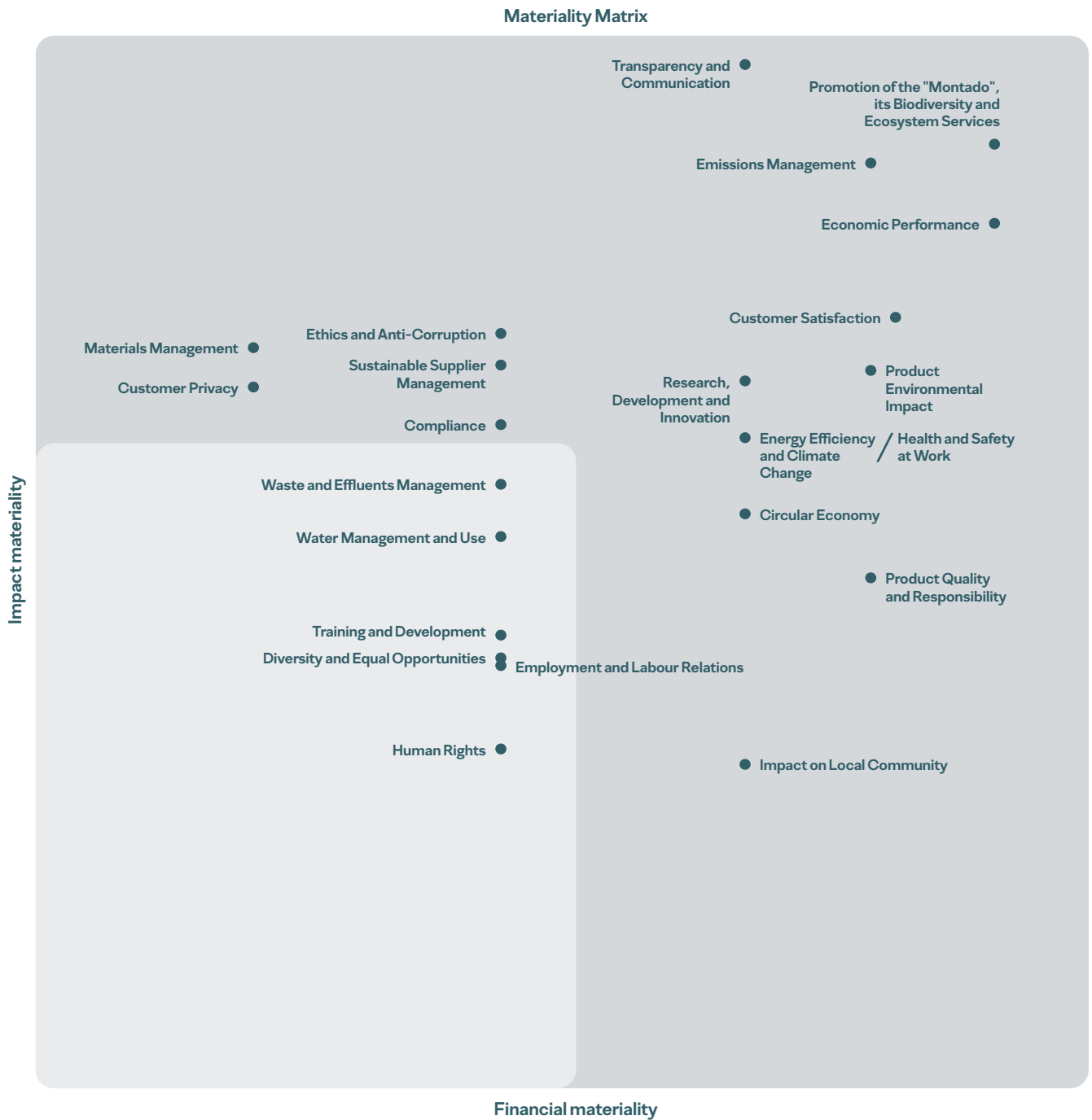
Therefore, Corticeira Amorim's material impacts on people or the environment were considered, as well as those impacts that may generate risks or opportunities and that have a material influence on the Company's ability to create value in a sustainable way.

Materiality analysis	
The materiality analysis conducted in 2018 and its review (2021) were supported by external experts and involved four main steps:	
Documental research	<p>The documental research relied on reliable sources of information to identify and prioritise the most relevant sustainability topics for Corticeira Amorim's stakeholders. This work included an analysis of current and emerging market and stakeholder trends, as well as identification of the main changes in the Company's external environment. The analysis focused on publicly available information from relevant companies, including industry peers, customers, suppliers, partners and opinion makers.</p> <p>The themes identified were given a score between 1 (not important) and 5 (very important), reflecting the importance that the organisations attached to the issues included in terms of evaluation and impact of the actions taken.</p> <p>The results provided relevant information for prioritisation of issues and identification of strategic opportunities for improvement of future performance.</p>
Involvement of Corticeira Amorim's employees	<p>This step was considered in the 2018 process in a broad manner and in the 2021 review in a more restricted manner. In 2018 a broad group of employees from all the BUs was invited to classify several themes identified in the documental research, based on their perceived importance for Corticeira Amorim and performance, wherein 1 is not important and 5 is very important. The survey was sent to 32 employees and had a response rate of 94%. To complement the internal survey, two focus groups were organised, one with the participation of various support areas, in particular human resources, legal, risk, investor relations, consolidation, communication and corporate governance, and another with top management, to obtain information on the assessment of material issues. The 2021 review involved the organisation of focus groups, with special importance given to the perception of the potential impact of the issues on the Organisation's financial performance and its ability to create value.</p>
Engagement with relevant external stakeholders	<p>This step was considered in the 2018 process in a broad manner and in the 2021 review in a more restricted manner. In 2018, the external stakeholders belonged to the following groups: shareholders and investors, customers, official and governmental entities, partners and civil society, suppliers, media and NGOs and the community. They were asked, through questionnaires, to classify several themes identified in the documental research, based on their perceived importance for Corticeira Amorim and performance, wherein 1 is not important and 5 is very important. The survey was sent to 105 stakeholders and had an overall response rate of 74% (including employees). The 2021 review involved interviews with six stakeholders belonging to the shareholder and investors and customers groups which allowed for further refinement of the material issues and provided additional information on the main sustainability topics and their impacts.</p>
CECA approval	<p>The CECA approved the definition and the final materiality matrix.</p>

Materiality matrix

Given the implementation of the new GRI standards (GRI1 and GRI3) and the path that Corticeira Amorim is following to ensure alignment with the Corporate Sustainability Reporting Directive (CSRD), it was considered essential to revisit the results of the materiality review conducted in 2021, and thereby ensure better alignment with these trends, in particular with the concept of double materiality. This reflection resulted in the matrix presented in this report.

Throughout the report, the material themes for Corticeira Amorim are highlighted, in accordance with the materiality matrix: transparency and communication; promotion of Montado (cork oak forests), its biodiversity and ecosystem services; economic performance, research, development and innovation; energy efficiency and climate change; emissions management; health and safety at work; circular economy and the product environmental impact, including the themes of product quality and responsibility and customer satisfaction. Given their importance for the Organisation, training and development, which include diversity and equal opportunities, are also considered to be material topics for the purposes of this report.



2.5 MANAGEMENT SYSTEMS

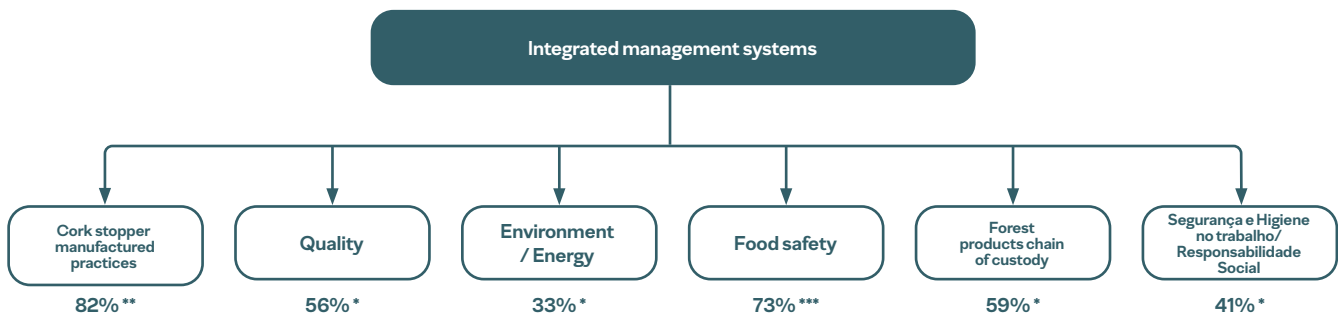
The companies of the Corticeira Amorim Group have an Integrated Management System (IMS), in which quality, environmental and safety indicators are monitored and possible improvement actions and associated resource needs are identified.

The IMS is an important tool for achieving internal and external compliance with legal rules and regulations, as well as company objectives and practices.

The management systems are audited internally and externally, according to the schedule defined for each system. In addition, an annual compliance verification audit is also carried out.

Due to the different characteristics of the companies and industrial units/ preparation of raw materials/ distribution/ agroforestry, each company/unit implements the model that best suits the associated non-financial risks or the opportunities emerging in the markets in which they operate, which explains the diversity of external certifications that may include: the management system of cork stopper manufacturing practices, quality, environment, energy, food safety, forest products and chain of custody, health and safety and social responsibility.

In all establishments not covered by external certifications, there are evaluation mechanisms and indicators defined for each of the systems.



* Considers the number of certifications on the total of 27 PUs

** Considers 22 PUs of the Raw-Materials and Cork Stoppers BUs

*** Considers 11 PUs of the Cork Stoppers BU

2.6 PERFORMANCE EVALUATION OF THE EXECUTIVE DIRECTORS

The Remuneration Policy for the three-year period 2022-2024, approved by the Annual General Meeting of Shareholders on April 28, 2022, recommends, in relation to the executive directors, the attribution of a variable component in remuneration, with a view to creating a competitive remuneration framework and implementing an incentive system that ensures the alignment of the interests of the executive directors with the interests of the Company and its respective stakeholders, from a perspective of economic, social and environmental sustainability in the medium-long term.

The variable remuneration of executive directors has two components:

- **Annual variable remuneration.**
Each year, the objectives and goals of the Corticeira Amorim Group are established and spread across the different areas of responsibility, with the respective evaluation of the performance of the Corticeira Amorim Group conducted based on the consolidated net profit achieved each year;
- **Three-year variable remuneration.**
In this component, targets are set for each three-year cycle of the Corticeira Amorim Group. The three-year performance assessment will be based on the achievement of consistent results over three years combining the evolution of consolidated net profits and the results obtained in the ESG dimensions measured by the Sustainability Index, an indicator composed of the main objectives and targets of the ESG dimensions.

Remuneration Policy:

https://www.amorim.com/xms/files/Investidores/Estatutos_Políticas_Regulamentos/2022-04-28_Política_de_remuneracoes_EN.pdf

2.7 HUMAN RIGHTS

Respect for Human Rights is assumed as a structural principle of all Corticeira Amorim's business activity. This principle is embodied in the Human Rights Policy, in which the Group undertakes to build and foster a framework of respect for the fundamental values of Human Rights and Labour Rights, which is imperative for the entire Company and progressively extends to all stakeholders.

In particular, the Company is opposed to arbitrary detention, torture or execution; the Company is in favour of human dignity, non-discrimination, equal rights, safety and well-being, education, personal and professional development and the freedoms of conscience, religion, organisation, association, opinion and expression. In 2022, Corticeira Amorim promoted - and will continue to promote during the enrolment and integration of new employees - online and in-class training courses on this issue.

Corticeira Amorim recognises the impact that its supply chain can have. It has therefore developed a Purchasing Policy and Code of Ethics and Conduct for Suppliers, which favours contracting suppliers who adhere to this Code, and may terminate the relationship with suppliers who do not comply with internationally recognised human rights and/or allow any violation of those rights within their industrial and/or commercial operations.

Also in this regard, Corticeira Amorim is developing an internal Human Rights Due Diligence process with the aim of strengthening its practices and commitments related to its operations.

Additionally, there are several procedures in place when purchasing materials to ensure the mitigation of potential negative impacts, in particular for purchases of cork, cork products and non-cork products (3.2.2 Value Chain).

Human Rights Policy:

https://www.amorim.com/xms/files/Investidores/Estatutos_Politicar_Regulamentos/2021-12-06_Human_Rights_Policy.pdf

Purchasing Policy:

https://www.amorim.com/xms/files/Investidores/Estatutos_Politicar_Regulamentos/2021-12-06_Purchasing_Policy.pdf

Code of Ethics and Conduct for Suppliers:

https://www.amorim.com/xms/files/Investidores/Estatutos_Politicar_Regulamentos/Corticeira_Amorim_-_Codigo_de_Etica_e_Conduta_para_Fornecedores.pdf

2.8 COMBATING CORRUPTION AND ATTEMPTED BRIBERY

The phenomenon of corruption exists in all societies and extends across various historical moments, affecting social development and economic growth, also generating situations of discredit and reputational crises in institutions.

Corticeira Amorim absolutely rejects all and any unethical or dishonest conduct or behaviour, in particular fraud, corruption, money laundering or financing of criminal or terrorist organisations, and has a position of zero tolerance in relation to any act or omission that could, even potentially, lead to situations of conflict of interest, undue advantage, inducement or permeability. In this manner, the company aims to promote free competition and loyalty in the market.

Corticeira Amorim is committed to ensuring, through appropriate compliance programmes, all the necessary conditions for compliance with the rules on the prevention of corruption.

To manage corruption issues, and as a complement to the Code of Business Ethics and Professional Conduct and the Code of Ethics and Conduct for Suppliers, the Company has the following instruments: Risk Prevention Plan for Corruption and Related Infractions, Anti-Corruption Code of Conduct, an internal training plan on the subject; a whistleblowing channel and a compliance officer. These documents and procedures define and regulate the behaviour and measures to be adopted by Corticeira Amorim and its stakeholders. The Risk Prevention Plan for Corruption and Related Infractions, which will be permanently monitored and periodically reviewed, identifies, analyses and classifies, for each Group entity and business and support area, the potential risks of corruption or related infractions associated with the business activity, systematises the measures already in place to prevent these risks, as well as the corrective measures to reduce the probability of occurrence and impact of the risks and situations identified. In 2022, specific training was given to managers on this subject.

Code of Business Ethics and Professional Conduct:

https://www.amorim.com/xms/files/Investidores/Estatutos_Politicar_Regulamentos/2022-02-23_Codigo_de_Etica_EN.pdf

Code of Ethics and Conduct for Suppliers:

https://www.amorim.com/xms/files/Investidores/Estatutos_Politicar_Regulamentos/Corticeira_Amorim_-_Codigo_de_Etica_e_Conduta_para_Fornecedores.pdf

Risk Prevention Plan for Corruption and Related Infractions:

https://www.amorim.com/xms/files/Investidores/Estatutos_Politicar_Regulamentos/Corticeira_Amorim_-_Plano_de_Prevencao_de_Riscos_de_Corruptao_e_Infracoes_Conexas.pdf

Anti-Corruption Code of Conduct:

https://www.amorim.com/xms/files/Investidores/Estatutos_Politicar_Regulamentos/Corticeira_Amorim_-_Codigo_de_Conduta_Anticorruptao.pdf

Procedure for reporting irregularities:

https://www.amorim.com/xms/files/Investidores/Estatutos_Politicar_Regulamentos/2022-02-23_Procedimento_de_reporte_de_irregularidades.pdf

2.9 APPROACH TO TAX

Corticeira Amorim is committed to contributing to the welfare of the community in which it operates and to developing ethical and socially responsible behaviour and is fully committed to its responsibility to contribute to sustaining public spending, implementing good practices in matters of taxes and contributions, in particular to public Social Security schemes, and considers that any form of fraud against the various tax and Social Security authorities is reprehensible.

The Corticeira Amorim Group complies with the tax and corresponding tax disclosure requirements in each jurisdiction in which its companies operate, in accordance with the applicable laws and regulations, taking the necessary measures to ensure prompt compliance with all its obligations.

Corticeira Amorim, as detailed in its Tax Policy, is committed to:

- Act in full compliance with the laws and regulations in force in the regions where it operates, and to collaborate with the authorities as far as possible;
- Implementing good practices in terms of taxes and social security, considering any form of fraud against the various tax and social security authorities to be reprehensible;
- The Organisation undertakes to observe procedures to prevent and detect illegal practices in financial and accounting matters, including money laundering and the financing of terrorism, by Employees or third parties;
- Pay special attention to the nature of the transaction when there are abnormal payments and receipts in cash, or cheques and currencies other than those included in the agreed payment terms, complying with the regulations in force in all circumstances and at all times.

Governance, control and fiscal risk management

Corticeira Amorim presents an integrated flow of governance of the risk management process, including tax risks, based on the concept of the lines of defence described in detail in Chapter C - Internal Organisation / III. Internal control and risk management of the Corporate Governance Report.

In operational terms (1st Line of Defence), each BU has its own officer responsible for tax matters, who reports directly to the CEO of the BU.

The support division of Tax is responsible for monitoring and coordinating the activities of the holding company, the BUs and their respective operational areas with monitoring by CECA. This division provides support to the BUs and provides the general guidelines that the entire Corticeira Amorim Group, which, in particular, specifies:

- Ensure full compliance with the tax obligations established in the respective legislation and resulting from the economic and social activities carried out in each country, through compliance with all reporting obligations and payment of the taxes, contributions and other levies that are due;
- Guarantee the adequate and prudent interpretation of the legislation in force applicable to the operations carried out, with the support of external consultants and requesting the opinion of the local tax authorities when necessary and possible, in order to ensure full *compliance* with the applicable rules;
- Build a proactive, healthy and close cooperation relationship with the tax authorities of the various countries in which it operates, in order to ensure the provision of information, documentation and clarifications necessary for a proper understanding of the Group's operations in those countries;
- Develop the tax function with the utmost rigour and professionalism, in line with the Group's Tax Policy aimed at:
 - Implementation of the options that prove to be most appropriate for the business and shareholders, in strict compliance with the law;
 - Use tax benefits and incentives that are applicable and appropriate to the business conducted;
 - Definition of the terms and conditions of intra-group transactions, taking into account the rules, the Organisation for Economic Co-operation and Development (OECD) guidelines and the best international practices applicable to transfer pricing;
 - Full (content) and prompt compliance with the obligations of disclosure and reporting of information of a fiscal and para-fiscal nature, including, among others, the *country-by-country reporting* to which the Group companies are obliged.

Corticeira Amorim implements an appropriate governance model to monitor, measure and manage tax risks, taking into consideration the best practices, experiences and perspectives, as well as the specific aspects of each jurisdiction in which it has subsidiaries. The Company maintains adequate supervision of its tax practices to reduce potential financial and reputational impacts.

Engaging stakeholders and managing their tax concerns

Corticeira Amorim's presence in different jurisdictions is based on commercial and business objectives. Therefore, the Company adopts tax strategies aligned with its business activity, ensuring that decisions are taken based on legitimate commercial and business considerations and not for tax reasons.

To promote transparent and trustworthy relationships with the tax authorities and other stakeholders, the Company adopts several practices, in particular:

- Management of the relationship with the tax authorities so as to minimise the risk of litigation, disputes or others;
- Appropriate tax advice, with the participation of internal specialists and external consultants, reinforcing the internal control environment;
- Adequate disclosure of its Fiscal Policy, as well as the nature and amount of payments made to public entities.

Tax Policy:

https://www.amorim.com/xms/files/Investidores/Estatutos_Politicas_Regulamentos/2021-12-06_Tax_Policy.pdf

2.10 REPORTING OF IRREGULARITIES

The communication of identified irregularities (addressed to the Company's Audit Committee) is made according to a defined procedure and may be presented by shareholders, employees, stakeholders or other persons/entities. The Audit Committee, composed entirely of independent members, is responsible for analysing the reports received and following up on them, in accordance with the procedure referred to above, including the suggestion of measures to mitigate and prevent the occurrence of such irregularities.

The Organisation ensures that the contents of the communications received are, in the first place, known to the Audit Committee (no employee of the Organisation is authorised to open correspondence addressed specifically to this corporate body or to any of its members individually identified).

Those who request advice or wish to report an incident will be treated with respect and dignity, in accordance with the following principles:

- **Confidentiality:** The details and statements made will be treated in the strictest confidentiality during all phases of the investigation. The maximum confidentiality of the information transmitted and the identity of the information transferor is guaranteed, whenever the transferor requests it. Anonymous reporting will also be considered, and it is important to note that this option may limit the ability to carry out an investigation.
- **Thoroughness:** Information received about potential violations of the Code of Business Ethics and Professional Conduct, or associated Regulations, Policies or Principles, should be investigated fully and thoroughly to determine the truthfulness of the reported situation.
- **Respect and dignity:** Those seeking advice or wishing to report an incident will be treated with the utmost respect and dignity, always respecting the fundamental rights of those involved in possible violations. Before evaluating the information reported about situations, the third parties and/or Employees affected will be entitled to provide the reasons and explanations they deem necessary.
- **Fundamentals:** Any decision must be adopted in a reasonable, proportional and appropriate manner, considering the circumstances and the nature of the events.

More detailed information can be found in Chapter C - Internal organisation/ II. Reporting of irregularities of the Corporate Governance Report and in the Procedure for Reporting Irregularities (which includes a form for reporting irregularities).

In 2022, two communications of irregularities were received through this procedure.

Procedure for Reporting Irregularities:

https://www.amorim.com/xms/files/Investidores/Estatutos_Politicas_Regulamentos/2022-02-23_Irregularities_internal_reporting_procedure.pdf

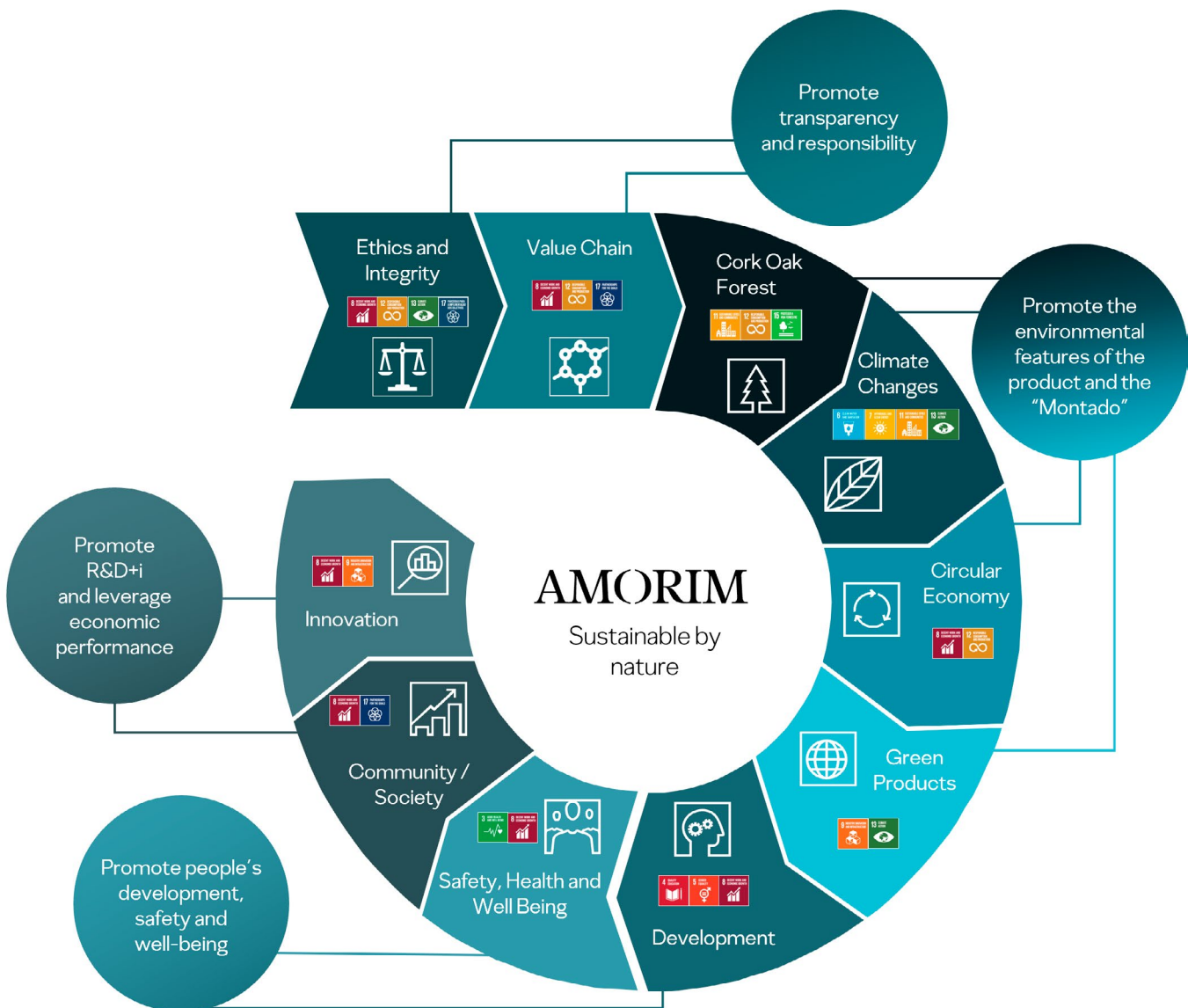
3 – Sustainable by nature Programme

In 2018, Corticeira Amorim aligned the Company’s objectives with the United Nations SDGs and laid the foundations for the Sustainable by nature programme, which sets out the ambition to be met by 2030.

This programme is based on four fundamental pillars: promote transparency and responsibility; promote the environmental feature of the product and the “Montado”; promote people’s development, safety and well-being; promote R&D+i and leverage economic performance.

Currently, ten major objectives have been defined that guide the actions of the entire Organisation, focusing on ethics and integrity, the value chain, the cork oak forest, climate change, circular economy, green products, development, health, safety and well-being, community/society and innovation.

Corticeira Amorim promotes regular monitoring of the actions envisaged in the sustainability programme, which includes quantitative objectives, performance indicators and control procedures, which guarantee, with comparable levels of rigour and integrity, the reporting of its priorities and progress in these matters, and whose results are disclosed throughout this report.



Ethics and Integrity	Act in an appropriate and ethical way, with transparency and responsibility, stimulating competitiveness and the creation of long-term value.		<ul style="list-style-type: none"> • Integrate climate change measures; • Protect the labour rights; • Foster balanced and prudent management and sustainability; • Be transparent and accountable; • Sustain economic growth.
Value Chain	Reinforce responsible production and consumption, preferably selecting suppliers that adopt good ESG practices.		<ul style="list-style-type: none"> • Eradicate forced labour worldwide and ensure a global elimination on child labour; • Promote sustainable management and efficient use of resources; • Strengthen partnerships for sustainable development.
Cork Oak Forest	Preserve the cork oak forest and ecosystem services by increasing knowledge, mobilizing resources and proposing initiatives.		<ul style="list-style-type: none"> • Strengthen efforts to protect and safeguard cultural and natural heritage; • Promote the implementation of sustainable forest management and mobilise resources; • Integrate the values of ecosystems and biodiversity.
Climate Change	Reduce the environmental impact of operations by adopting renewable, affordable and efficient solutions.		<ul style="list-style-type: none"> • Increase the use of renewable energy; • Improve energy efficiency; • Reduce the negative environmental impacts; • Increase efficiency in water use.
Circular Economy	Apply the principles of circular economy through the reduction of waste, extend the life of materials and regeneration of natural systems.		<ul style="list-style-type: none"> • Improve the efficiency of global resources, thereby achieving sustainable management; • Substantially reduce the generation of waste through reducing, recycling and reusing materials; • Manage use of chemicals in an environmentally sound manner.
Green Products	Maintain a proactive role in developing the already vast scope of application of cork, sustained by the innate properties of the material.		<ul style="list-style-type: none"> • Strengthen resilience and adaptability to climate-related risks; • Upgrade infrastructure and rehabilitate industries to make them sustainable; • Reduce the negative environmental impact.
Development	Promote personal and professional development for all.		<ul style="list-style-type: none"> • Provide training for all; • Ensure equal access to opportunities; • End all forms of discrimination.
Safety, Health and Well-being	Ensure the safety of employees in the workplace and access to quality health conditions.		<ul style="list-style-type: none"> • Reduce the number of accidents and the ability to manage these; • Provide access to essential quality health services; • Promote safe and secure work environments for all workers.
Community/Society	Boost economic growth in a sustainable and inclusive manner, ensuring efficient production and decent work for all.		<ul style="list-style-type: none"> • Sustain economic growth; • Strengthen the global partnership for sustainable development.
Innovation	Support and promote research, development and innovation and foster sustainable solutions.		<ul style="list-style-type: none"> • Promote development-oriented policies that support productive activities, entrepreneurship, creativity and innovation; • Enhance scientific research.

3.1 QUANTITATIVE TARGETS FOR 2030 AND PROGRESS
(scope: Portugal perimeter)

Corticeira Amorim continues to develop and implement its Sustainable by nature programme, which currently sets out seven quantitative goals for 2030 and nine quantitative targets for the period 2021-2024.

The scope considered in these quantitative objectives corresponds to companies in Portugal, which have the potential to produce a significant impact on the priority areas of the Sustainable by nature programme and which cover the majority of the business operations of Corticeira Amorim (63% of consolidated sales originate in Portugal, 71% of employees are in Portugal and 64% of the PUs are located in Portugal).

Corticeira Amorim believes that the Sustainable by nature programme is not static. Every year a reflection is carried out which may lead to a readjustment of some of the objectives outlined or the introduction of new ones.

In 2022 the focus remained on achieving the quantitative objectives which are summarised in the table below:



Sustainable by nature programme (sustainability perimeter)			Quantitative targets (Portugal perimeter)		
Pillar	Goal 2030	2030 Targets	Plan 2021-24	Target 2030	Performance 2022
Ethics and Integrity	<ul style="list-style-type: none"> Act in an appropriate and ethical way, with transparency and responsibility, stimulating competitiveness and the creation of long-term value. 	<ul style="list-style-type: none"> Integrate climate change measures; Protect the labour rights; Foster balanced and prudent management and sustainability; Be transparent and accountable; Sustain economic growth. 	<ul style="list-style-type: none"> Review Code of Business Ethics and Professional Conduct; Formalise regulations for the functioning of the main corporate bodies and committees; Develop the Anti Corruption Code and Plan; Implement a human rights <i>due diligence</i> process; Formalise/review policies; Define the Risk Catalogue; Implement a risk monitoring and reporting model. 		●*
					●*
					●*
					●*
					●**
					●**
Value Chain	<ul style="list-style-type: none"> Reinforce responsible production and consumption, preferably selecting suppliers that adopt good ESG practices. 	<ul style="list-style-type: none"> Eradicate forced labour worldwide and ensure a global elimination on child labour; Promote sustainable management and efficient use of resources; Strengthen partnerships for sustainable development. 	<ul style="list-style-type: none"> Establish and promote adherence to the Code of Ethics and Conduct for Suppliers. 		●*
Cork oak forest	<ul style="list-style-type: none"> Preserve the cork oak forest and ecosystem services by increasing knowledge, mobilizing resources and proposing initiatives. 	<ul style="list-style-type: none"> Strengthen efforts to protect and safeguard cultural and natural heritage; Promote the implementation of sustainable forest management and mobilise resources; Integrate the values of ecosystems and biodiversity. 	<ul style="list-style-type: none"> + 3,000 ha intervened forest estates under management by 2024. 		● 381 ha intervened forest estates under management.

Climate Change	<ul style="list-style-type: none"> Reduce the environmental impact of operations by adopting renewable, affordable and efficient solutions. 	<ul style="list-style-type: none"> Increase the use of renewable energy; Improve energy efficiency; Reduce the negative environmental impacts; Increase efficiency in water use. 	<ul style="list-style-type: none"> ≥2/3 of controlled renewable energy/year; +2% energy efficiency/year; -1% water consumption intensity /year. 	<ul style="list-style-type: none"> 100% controlled renewable electrical energy; Zero carbon footprint (scopes 1 and 2). 	<ul style="list-style-type: none"> 69% controlled renewable energy; 2.9% energy efficiency; -6.9% water consumption intensity; 3.4% controlled renewable electrical energy; 33,272 tCO₂eq carbon footprint (scopes 1 and 2).
Circular Economy	<ul style="list-style-type: none"> Apply the principles of circular economy through the reduction of waste, extend the life of materials and regeneration of natural systems. 	<ul style="list-style-type: none"> Improve the efficiency of global resources, thereby achieving sustainable management; Substantially reduce the generation of waste through reducing, recycling and reusing materials; Manage use of chemicals in an environmentally sound manner. 	<ul style="list-style-type: none"> -5% weight of non-renewable virgin materials/year; ≥ 90% waste recovery rate (non cork) / year. 	<ul style="list-style-type: none"> 100% waste recovery rate. 	<ul style="list-style-type: none"> -1.2% weight of non-renewable virgin materials; 96% waste recovery rate (non-cork); 100% use of cork.
Green Products	<ul style="list-style-type: none"> Maintain a proactive role in developing the already vast scope of application of cork, sustained by the innate properties of the material. 	<ul style="list-style-type: none"> Strengthen resilience and adaptability to climate-related risks; Upgrade infrastructure and rehabilitate industries to make them sustainable; Reduce the negative environmental impact. 		<ul style="list-style-type: none"> 100% recyclable packaging materials; 0% non-renewable virgin packaging materials. 	<ul style="list-style-type: none"> 88% renewable and/or recycled packaging materials; 13% non-renewable virgin packaging materials
Development	<ul style="list-style-type: none"> Promote personal and professional development for all. 	<ul style="list-style-type: none"> Provide training for all; Ensure equal access to opportunities; End all forms of discrimination. 	<ul style="list-style-type: none"> 95% workers with training by 2024; 25% women in management positions by 2024. 	<ul style="list-style-type: none"> 100% workers with training; 33.3% women in management positions; 33.3% women workers. 	<ul style="list-style-type: none"> 91% workers with training; 26% women in management positions; 26% women workers.
Safety, Health and Well-being	<ul style="list-style-type: none"> Ensure the safety of employees in the workplace and access to quality health conditions. 	<ul style="list-style-type: none"> Reduce the number of accidents and the ability to manage these; Provide access to essential quality health services; Promote safe and secure work environments for all workers. 	<ul style="list-style-type: none"> Zero recordable work-related injuries by 2024. 	<ul style="list-style-type: none"> Zero recordable work-related injuries. 	<ul style="list-style-type: none"> 74 recordable work-related injuries.
Community / Society Innovation	<ul style="list-style-type: none"> Boost economic growth in a sustainable and inclusive manner, ensuring efficient production and decent work for all; Support and promote research, development and innovation and foster sustainable solutions. 	<ul style="list-style-type: none"> Sustain economic growth; Strengthen the global partnership for sustainable development; Promote development-oriented policies that support productive activities, entrepreneurship, creativity and innovation; Enhance scientific research. 	<ul style="list-style-type: none"> Develop a volunteer plan. 		<ul style="list-style-type: none"> ***

* <https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>

** Chapter C - Internal Organisation / III. Internal Control and Risk Management of the Corporate Governance Report

** Chapter 3.5.1 Community / Society and Innovation / Culture and Knowledge.

- **Fulfilled**
- **In progress**
- **Not fulfilled**



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Corticeira Amorim is committed to unlimited customisation of packaging, including logos and specific formats, various engraving techniques and a wide range of colours and materials (ceramics, glass, wood, stones, metals, etc.).

3.2 PROMOTING TRANSPARENCY AND RESPONSIBILITY

The foundations of Corticeira Amorim's success are deeply embedded: entrepreneurial vision, responsibility and rigour, creativity and innovation. The Company has a set of internal regulations and policies which, associated with the Company's Articles of Association, the Code of Business Ethics and Professional Conduct and strict guidelines and processes, supported by appropriate training, enable the interests of its stakeholders to be aligned, foster the balanced and prudent management and sustainability of the Group, mitigate risks and guarantee compliance with legal and other requirements to which the Organisation is committed, in its operations and in the value chain, in favour of competitiveness and the creation of long-term value. Always with transparency and responsibility.

3.2.1 ETHICS AND INTEGRITY

(SDG 8, 12, 13 and 17)

Corticeira Amorim bases its operations on high standards of business ethics, fostering appropriate professional and ethical conduct in all relationships with its stakeholders. It thereby delivers results that are the fruit of its management vision, the efficiency of its processes, continuous innovation, the professionalism and competence of the team, the competitiveness of its offer and its reputation in the marketplace. To this effect, it assumes a set of commitments in matters of ethics and environmental and social responsibility, in particular through the formalisation of coherent and comprehensive internal regulations (codes, policies, regulations and procedures), which materialise the principles by which it governs its business activity, promoting these principles in its sphere of influence, in particular in the supply chain, and it invites suppliers and service providers to adhere to the same principles.

Aware of the risks to which its business activity is subject and the interests of its stakeholders, Corticeira Amorim regularly analyses these matters, promoting reflection thereof, with a view to bridging possible *gaps* and maintaining the alignment of internal regulations with best international practices.

To this end, the Board of Directors has delegated powers to an CECA and set up three specialised internal committees: Risk Committee; Appointments, Evaluation and Remuneration Committee and CESG.

The CESG met four times in 2022. The processes that it appraised, and in which it actively collaborated, are specified in Chapter B Corporate Boards and Committees / II Management and Supervision / c) Committees within the Board of Directors / III. E.S.G. Committee. Key activities included assessment of the action plans to guarantee the adoption of the practices envisaged in the Code of Business Ethics and Professional Conduct, in particular the degree of implementation of the training plan; proposed changes to this Code; assessment of the Anti-Corruption Code of Conduct, which replaces the former Anti-Corruption Policy; appreciation of the Risk Prevention Plan for Corruption and Related Infractions and the Code of Ethics and Conduct for Suppliers and appreciation of the Corporate Governance Report and the Sustainability Report, which are part of Corticeira Amorim's consolidated accounts for the year 2021.

Regulations of the Risk Committee, the Appointments, Evaluation and Remuneration Committee and the E.S.G. Committee:

<https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>

Training plan for the Code of Business Ethics and Professional Conduct

The Code of Business Ethics and Professional Conduct formalises a set of rules and guidelines that should guide the decisions and daily actions of Corticeira Amorim and its employees, both in terms of internal relations (with other employees) and in external relations, with other business partners (investors, clients, suppliers of goods and services, public and private institutions, local communities and society in general). It is important for Corticeira Amorim that all employees are aware and sensitive both to ensuring compliance with the rules specified in the Code of Business Ethics and Professional Conduct and to adoption of behaviour in line with the principles and values defended by this Code. For this purpose, Corticeira Amorim has promoted online and in-class training courses on this subject, and will continue to organise such initiatives during enrolment and integration of new employees. These courses should cover 100% of the Group's employees. In this context, a training programme on the Code of Business Ethics and Professional Conduct was prepared in a 30-minute multimedia format (e-learning). The training can be conducted individually, via computer or mobile phone, and was only concluded when each employee passed a final test, with at least an 80% success rate. Over 250 training sessions were held in 2022, in English and Portuguese, on topics related to the Code, equivalent to a total of about 7,500 hours. 2660 employees attended the courses, primarily in Portugal and partly in the USA. French and Spanish versions will be produced in 2023 to be taught in some of the subsidiaries outside Portugal, in addition to the remaining employees who haven't yet taken part. The Code is available on the Company's website and accessible to all stakeholders. Additionally, a summary brochure was delivered to the employees who took the training course and all employees receive a full and complete version of the Code of Business Ethics and Professional Conduct, which constitutes an annex to their employment contract.

3.2.2 VALUE CHAIN

(SDG 8, 12 and 17)

Corticeira Amorim gives preference, whenever possible, to suppliers who adopt good ESG practices, both with regard to the source of materials and the exploitation processes. It also aims to cooperate with suppliers by propagating the same values of ethics and conduct as the Organisation, reinforcing responsible behaviour throughout the value chain.

The Purchasing Policy and the new Code of Ethics and Conduct for Suppliers set out the Company's commitments, mirror its culture and define appropriate behaviour in terms of the ethical, social and environmental conduct that Corticeira Amorim expects from its suppliers of goods and services.

All the company's suppliers and business partners must, in conjunction with Corticeira Amorim, guide their actions by the highest principles of integrity, transparency, honesty and good business practices, while absolutely repudiating all forms of conduct, behaviour or practices that are, or they may consider to be, irregular, illegal, unethical and/or dishonest.

Various initiatives are conducted to ensure that suppliers comply with the technical ESG and legal requirements required by the Company. Corticeira Amorim has therefore implemented supplier selection and evaluation processes in which all suppliers are required to submit documents proving their compliance with

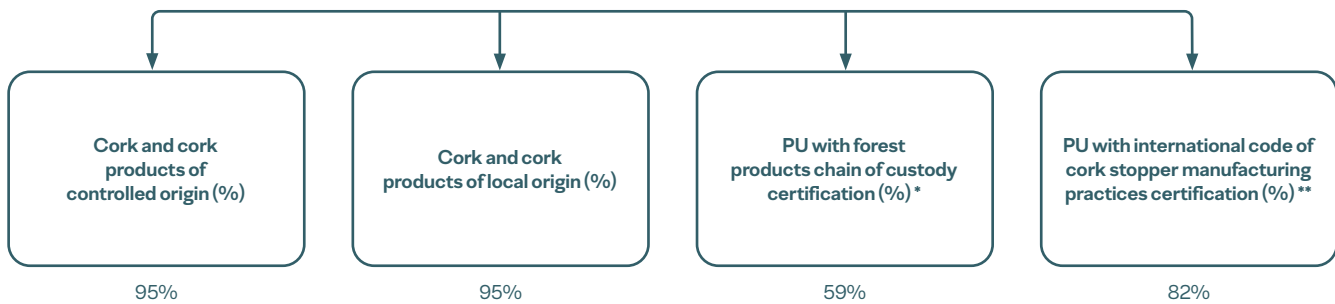
requirements in terms of environmental and social aspects, as well as compliance with prevailing legislation and specific qualification standards. In addition, the Company has an annual training plan available for employees working in the field of purchasing, that covers the topics of the Code of Business Ethics and Professional Conduct and the Anti-Corruption Code of Conduct.

Corticeira Amorim will strive to promote adherence to the new Code of Ethics and Conduct for Suppliers throughout its supply chain, and thereby strengthen the process of selecting and assessing suppliers.

Purchasing Policy:
https://www.amorim.com/xms/files/Investidores/Estatutos_Politiclas_Regulamentos/2021-12-06_Purchasing_Policy.pdf

Code of Ethics and Conduct for Suppliers:
https://www.amorim.com/xms/files/Investidores/Estatutos_Politiclas_Regulamentos/Corticeira_Amorim_-_Codigo_de_Etica_e_Conduta_para_Fornecedores.pdf

Procurement and supply of cork



* Considers the number of certifications amongst the total of 27 PUs
 ** Considers the number of certifications amongst the 22 PUs of the Raw Materials and Cork Stoppers BUs

For the purposes of this report, local origin is considered to be sourced from Portugal and Spain and controlled origin is considered to be low risk for all five categories of unacceptable sources, under the FSC* controlled wood system, which also covers cork, i.e. the countries of Portugal and Spain.

As a leader in the sector, Corticeira Amorim recognises the influence of its business activities in enhancing the value of the cork oak forest and implementing best management practices. Therefore, in addition to managing the supply of cork, Corticeira Amorim, through its Raw Materials BU, carries out a vast range of activities aimed at increasing knowledge of the cork oak forest and the production of high-quality cork. A particularly notable example is its investment in forestry projects and land management, such as in the Herdade da Baliza, the Herdade da Venda Nova and the Herdade de Rio Frio. These three projects are part of the Forestry Intervention Project (FIP) and occupy a total area of 8,181 hectares. The company aims to conduct concept tests of the new cork forest management techniques. The cork produced from these three estates corresponds to about 1% of the Company's total raw material purchases, which will continue to purchase primarily from a controlled network of suppliers. For further information see Chapter 3.3.1 - Cork oak forests.

Medium-long term partnership relationship with cork suppliers

The Raw Materials BU has developed a knowledge and georeferencing database that provides access to highly reliable data on the quantitative and qualitative evolution of cork production in the different cork-producing areas, regions and countries. In the Iberian Peninsula there are currently 10,000 estates, with cork oak groves, recorded by Amorim Florestal. This means that today, in terms of information management, Amorim Florestal already has the location and size of each estate, the year of harvesting and the profile of the producer.

Purchases in controlled origin

	Reference	2022	2021	2020
Purchases of cork and cork products				
Portugal and Spain (K€)	GRI 204-1	314,171	277,206	231,153
North Africa (K€)	GRI 204-1	15,048	12,782	14,845
Other locations (K€)	GRI 204-1	1,470	1,588	591
Total (K€)	GRI 204-1	330,689	291,577	246,589

In 2022, Corticeira Amorim made purchases of cork and cork products totalling €331 million, 95% in Portugal and Spain. These are regions considered to be of controlled origin, i.e. low risk for all five categories of unacceptable sources under the *Forest Stewardship Council* (FSC®) controlled wood programme, which also covers cork. Corticeira Amorim also purchases cork from Morocco, Algeria and Tunisia (4.6%). In these countries, the sales process is conducted by the State - the only forestry producer in those territories - by private or public auction.

Adding value to certified forests

The entire purchasing process of the Raw Materials BU results from historical knowledge and the evaluation of cork in the harvest year or the immediately preceding year. Those responsible for managing the properties have the possibility of certifying their good practices by submitting them to the FSC® certification process. Corticeira Amorim favours suppliers who comply with the International Code of Cork Stopper Manufacturing Practices (ICCSMP) and forest certification, in particular FSC® certification, wherein these standards are also adopted by the Group: 82% of Corticeira Amorim's production units have external certification attesting to compliance with the ICCSMP and 59% of production units have chain of custody certification in accordance with the forest products chain of custody thereby confirming to the market the commitment and action to protect biodiversity, the rights of employees, the rights of indigenous peoples and areas of significant environmental and cultural importance.

Amorim Cork Composites, S.A.² received FSC® certification in 2004, thereby becoming the first company in the cork industry to achieve this certification.

Between 2008 and 2015, Corticeira Amorim developed, in partnership with other institutions, a programme of initiatives aimed at the enhancement of the value and sustainability of the cork oak tree and associated biodiversity. Among the key initiatives undertaken include the provision of a free technical advisory service to owners and the institution of two awards: one which distinguished the best research work and the other which distinguished best management practices with regard to the enhancement of the value and sustainability of the cork oak tree and associated biodiversity. This partnership was created when Corticeira Amorim joined the European Commission's "Business and Biodiversity" initiative and its partners were the Portuguese Institute for Nature Conservation and Forests (ICNF), the World Wildlife Fund and Quercus.

Procurement and supplies of non-cork products

100% of suppliers of non-cork products are assessed by Corticeira Amorim's methodology for pre-qualifying, qualifying and assessing suppliers.

The acquisition of non-cork products includes a pre-qualification, qualification and evaluation of suppliers. The aim is to gain detailed knowledge of the practices of suppliers, preferably selecting those that offer the best negotiating conditions and share Corticeira Amorim's principles and commitments in ESG matters, in particular those stipulated in the Code of Ethics and Conduct for Suppliers.

Qualified suppliers must meet the quality standards of the supplies, delivery deadlines and indices of social and environmental responsibility defined by Corticeira Amorim. For this purpose, a methodology established by the Company is applied, characterised by indices of social responsibility (IRSoc) and of environmental responsibility (IRAmb), that determine that companies which would like to be suppliers to Corticeira Amorim must make the following commitments:

- Do not violate privacy or lose any customer data, in particular from Corticeira Amorim companies;
- Do not use child labour;
- Do not use forced or compulsory labour;
- Do not practice any type of discrimination;
- Reduce waste and effluents;
- Handle chemicals in an environmentally safe manner;
- Handle, store and forward hazardous waste in an environmentally safe manner;
- Contribute to the recycling and reuse of materials and products.

IRSoc and IRAmb are calculated according to the percentage of requirements fulfilled by the supplier. If the supplier is certified by the NP 4469 standard or similar, the supplier will have an IRSoc of 100%. If the supplier is certified by the ISO 14001 standard or similar, the supplier will have an IRAmb of 100%.

According to the index under analysis, for each requirement that the supplier does not commit to comply with, 25% will be taken from the IRSoc or IRAmb. If the supplier fails to comply with one or more requirements in its commitment, the IRSoc or IRAmb will be zero.

The selected suppliers are subject to an annual audit programme based on the following criteria:

- Performance from the previous year;
- Criticality of the products / services provided; or
- Product quality and good environmental and social practices in the case of new suppliers.

After each audit, the suppliers' performance is evaluated in order to validate the criteria necessary for qualification and to detect non-conformities. When non-conformities are identified, an action plan is requested and, depending on the criticality of the non-conformities detected, follow-up audits and verification of measures to mitigate the non-conformities are carried out. Furthermore, it may also be necessary to collaborate with the supplier to resolve the non-conformities or find alternatives to that supplier. In 2022, Corticeira Amorim did not replace any suppliers as a result of the supplier prequalification, quantification and evaluation process.

² In 2004, called Corticeira Amorim - Indústria, S.A.



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i.cork factory uses technologies such as compression moulding and thermoforming in its incessant quest to enhance cork's unique characteristics.

3.3 PROMOTE THE ENVIRONMENTAL FEATURES OF THE PRODUCT AND THE “MONTADO”

Corticeira Amorim recognises that its business activity has environmental impacts throughout the value chain and works continuously to reduce them.

The Energy, Environment and Biodiversity Policy formalises Corticeira Amorim’s commitment to caring for, and respecting, the environment and protecting biodiversity in the daily pursuit of its operations.

All of Corticeira Amorim’s policies take into consideration the transition to a more sustainable economy through the allocation of available resources to maximise their efficient use, aimed at decarbonising the company’s production activities, seeking to minimise risks to the climate, human health and biodiversity. The Energy, Environment and Biodiversity Policy applies to all industrial, raw material preparation, agroforestry and distribution activities, products and services, waste management and also to the company’s suppliers, service providers, subcontractors and other business partners.

The Company reports environmental indicators in accordance with the sustainability perimeter, as noted in Chapter 6 References and scope of the report/ Companies included in the consolidation of sustainability indicators. The organisational boundaries of these indicators have not changed in relation to 2021 and correspond to 70% of the consolidated sales volume, as per the consolidated financial statements.

The indicators presented in this Chapter are within the framework of the independent limited assurance review performed in accordance with the International Standard on Assurance Engagements (ISAE 3000, revised) and which is available in Chapter 10 Independent assurance report.

Corticeira Amorim already has information systems capable of monitoring financial data connected to certain activities and projects related to its environmental impacts, in particular projects associated with sustainable finance (Chapter 4 Sustainable finance) and activities reported under the European Union Taxonomy (Chapter 5 European Union Taxonomy).

Certifications / Audits / Verifications

	Production Units	All Units
ISO 14001	15%	15%
ISO 5001*	19%	15%
Internal EMS	67%	70%
Total	100%	100%

* Not included in ISO 14001

Total units considers production and distribution units in a total of 33
Production units considers production and distribution units in a total of 27

The companies of the Corticeira Amorim Group have an IMS, which includes an environmental management system (EMS). Due to the different characteristics of the companies and activities, each company implements the model that best suits the associated non-financial risks or the opportunities emerging in the markets in which they operate. This is the reason for the diversity of external certifications. The management systems are audited, internally and externally, according to the schedule defined for each system. In addition, an annual audit to verify compliance is also carried out.

In all of these systems there are evaluation mechanisms and indicators defined for each system.

By the end of 2022, 33% of the production units had their environmental/energy management system certified by international standards, such as ISO 14001 and ISO 50001, respectively. Additionally, 16 of the 27 production units (59%) had their chain of custody certified according to the FSC®, which confirms to the market the Company’s concern and action in the protection of biodiversity, employees’ rights, indigenous peoples and areas of significant environmental impact of cultural importance (Chapter 2.5 Management Systems).

Agroforestry activity

The growing awareness of the urgent need for intervention in cork oak forests led Corticeira Amorim to launch the Forestry Intervention Project in 2013 and invest directly in forest estates involving cork oak trees. 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 about 100,000 cork oak trees planted in 251 hectares of the Herdade da Venda Nova and about 54,000 cork oak trees planted in 130 hectares of the Herdade da Baliza (Chapter 3.3.1. Cork oak forest).

Given the characteristics of these projects, the environmental indicators of the companies associated with them (Cosabe, Amorim Florestal III and Herdade de Rio Frio) are not being consolidated for the purposes of this report. Separate information is provided in relation to the impact on water. Corticeira Amorim aims to work to strengthen the methodology used for reporting environmental aspects related to agroforestry activity.

Energy, Environment and Biodiversity Policy:
https://www.amorim.com/xms/files/Investidores/Estatutos_Políticas_Regulamentos/2021-12-06_Energy_Environment_and_Biodiversity_Policy.pdf

3.3.1 CORK OAK FOREST

(SDG 11,12,15)

In view of the activities developed by Corticeira Amorim, based on the use of cork, the promotion of cork oak forests, its biodiversity and ecosystem services assumes fundamental importance.

Corticeira Amorim undertakes numerous actions for the preservation, development and enhancement of the value of cork oak forests, based on the following axes:

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

Commitment to biodiversity

The promotion of the cork oak forest, biodiversity and associated ecosystem services is one of Corticeira Amorim’s core material issues. The Company is committed to preserving the cork oak forest and ecosystem services, including biodiversity, by increasing knowledge, mobilising resources and proposing measures.

Corticeira Amorim made a voluntary commitment to Act4nature Portugal, a business initiative launched by BCSD Portugal (part of the WBCSD worldwide network). The scope of the commitment includes Corticeira Amorim’s operations in Portugal.

The table below shows the progress made in relation to the ten commitments:

Individual commitments	Monitoring indicators	Start / End	Progress in 2022	References
Include the protection of biodiversity in the corporate Code of Business Ethics and Professional Conduct	Code of Business Ethics and Professional Conduct published on the Corticeira Amorim’s website	2020-2020	●	Code of Business Ethics and Professional Conduct available at https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/ .
Develop initiatives that foster cork oak forests, biodiversity and ecosystem services	Number of initiatives and results	2021-2024	●	Numerous actions were carried out to promote cork oak forests, biodiversity and ecosystem services. Information available in Chapter 3.3.1 Cork oak forest/Preserving the Cork oak forest/ Forestry Intervention Project.
Expand knowledge on the environmental impact of cork products and of the ecosystem that they support	Number of studies and results	2021-2024	●	Studies were developed on the environmental impact of cork products and the cork oak forest ecosystem. Information available in Chapter 3.3.1 Cork oak forest/Preserving the Cork oak forest/ Remunerating Ecosystems Services and in Chapter 3.3.4 Green products/ Maintain a proactive role in the vast scope of applications of cork/ Life cycle assessments.
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 non-renewable plastics/chemicals	2021-2024	●	Information on achievement of 2030 targets and progress in Chapter 3.1 Quantitative targets for 2030 and progress.
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	●	Information on achievement of 2030 targets and progress in Chapter 3.1 Quantitative targets for 2030 and progress.
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	●	Information on achievement of 2030 targets and progress in Chapter 3.1 Quantitative targets for 2030 and progress.
Increase resource management efficiency by ensuring a waste recovery rate of 90% or higher	Waste recovery rate (% of non-cork recovered waste)	2021-2024	●	Information on achievement of 2030 targets and progress in Chapter 3.1 Quantitative targets for 2030 and progress.
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 associated biodiversity	Annual investment in R&D+i and results	2021-2024	●	Innovation lies at the heart of Corticeira Amorim’s strategy, which aims to extend the concept of innovation to all BUs and improve areas such as portfolio diversification, process efficiency and quality and the circular economy. Additional information in Chapter 3.3.4 Green Products/ Maintain a proactive role in the vast scope of applications of cork/ Innovation in products and solutions.
Implement initiatives that raise employee awareness of biodiversity issues	Number of initiatives and their results	2021-2024	●	Corticeira Amorim’s environmental education programme was designed with the objective of supporting schools in environmental education and raising the awareness of the community in general and employees, of the need to protect and enhance the value of Portugal’s forests, including cork oak forests, and to promote cork recycling. Information on the initiatives undertaken is available in Chapter 3.5.1 Community/ Society and Innovation/ Culture and knowledge/ Environmental education and action.
Publish the monitoring of the commitments made	Annual sustainability report published on the Corticeira Amorim’s website	2021-2024	●	This report.

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

- Fulfilled
- In progress
- Not fulfilled

Commitment to non-deforestation

The cyclical nature of the harvesting and regeneration of the bark of the cork oak tree (cork) occurs without deforestation. The cork oak tree is a slow growing tree, from which cork can be harvested 15 to 18 times during its lifetime. The first harvest can only occur when the trunk of the tree reaches a perimeter of 70 cm. The cork removed in this first harvest is called “virgin”. After nine years, “secondary” cork is harvested. Then, “amadia” or “reproduction” cork is harvested every nine years. The process of cork harvesting is called “descortiçamento” (stripping).

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 relevant set of ecosystem services, in particular cork supply, climate regulation, fire prevention, soil protection and prevention of desertification, in addition to maintaining biodiversity.

Preserve the cork oak forest

Over the last few decades, cork oak trees have been losing their vitality, attributed to poor management practices, the occurrence of harmful biotic agents and climate change. The preservation of the cork oak tree and of the cork oak forest ecosystem is essential if we are to continue to enjoy not only the cork produced but also many other ecosystem services valuable to the populations of the Mediterranean basin.

Each year, Corticeira Amorim implements various actions to maintain and increase the areas of cork oak forest, with a view to promoting the conservation of the respective natural and socio-cultural values, including ecosystem services, preservation of species and respect for the rights of employees and local communities.

Although no trees are cut down to obtain cork, forest management certification ensures best practices in responsible forest management.

For this reason, Corticeira Amorim invests in forest certification, safety at work, technical training and support programmes for forest owners, far beyond the forest areas under its direct management, with the aim of reaching a greater number of owners and encouraging them to use best management practices and to invest in the conservation of cork oak forests and their ecosystem services, whether it be the provision of cork, climate regulation, fire prevention, hydrological regulation and soil protection or the maintenance of habitats and biodiversity.

Forestry Intervention Project

	Reference	2022	2021	2020
Forestry Intervention Project				
Forest estates under management (HA)	GRI 304-1	8,181	6,326	3,076
Intervened forest estates under management (HA)	GRI 304-3	381	251	251
Planted cork oak trees (Nr)	GRI 304-3	154,610	100,400	100,400

Accumulated values

To alleviate growing concern over the reduction in productivity of existing cork oak plantations, Corticeira Amorim has been developing the Forestry Intervention Programme (FIP), which aims to preserve and ensure the sustainable development of cork oak forests.

Under the motto “Caring for the present, building the future”, the FIP began in 2013, as a research project that sought a new model of subericulture using drip irrigation. This technique allows a very significant increase in the success of the planting and, at the same time, a greater initial growth of the trees, thus reducing the first cycle of exploitation from the current 25 years to around half that time. Drip irrigation will be used until the first harvesting of cork, at which point it will be removed and the cork oak will return to its normal growth, with cork harvesting conducted at nine-year intervals.

The FIP has a plan that focuses on three key areas:

- **Forest management (Induction)** - Coordinate new plantations and provide owners with technical support in the forestry area. Currently, 130 ha of forest areas that do not belong to, or are not managed by, Corticeira Amorim are being monitored. The work conducted to date aims to collect and compile existing knowledge on various topics and to produce support and supporting documentation with practical application, both in existing cork oak forests and in new plantations. The forest management office also aims to provide advice to forest producers on such diverse subjects as treatments for pests, fertilisation and pruning.
- **Applied forestry R&D (Intervention)** - To carry out applied research into the impacts of irrigation, fertilisation, nutrition and soil on the cork oak tree. To date, several cork oak plantations have been carried out in which there has been study of the methods of deep and surface irrigation, the effect and effectiveness of fertilisers in different quantities on the growth of cork oak trees, assessment of productivity and valuation and economic and technical viability of cork oak plantations subject to irrigation. In the future, this action will make it possible to define the best protocol to follow for the plantation of cork oak trees.
- **Fundamental forestry R&D (Investigation)** - To produce cork oaks plus (better adapted to emerging climatic scenarios, pests and diseases) through a cork oak improvement programme. Phenotypically selected specimens of cork oak trees from different origins and soil and climate conditions, in order to establish a multiplication and improvement programme. In parallel, molecular markers associated with phenotypic characteristics of interest, such as rapid growth and cork quality, are being identified. In the future, these markers will make it possible to identify, select and produce cork oak trees adapted to different conditions, maximising productivity and resilience.

Intervention in forest estates

The growing awareness of the urgent need for intervention in cork oak forests has led Corticeira Amorim to invest directly in forest estates, involving cork oak trees, in which a drip irrigation system will be used. Currently, three forestry projects are under management, with a total area of 8,181 hectares: the Herdade da Baliza, the Herdade da Venda Nova and the Herdade de Rio Frio, with around 100,000 cork oak trees planted on 251 hectares of Herdade da Venda Nova and around 54,000 cork oak trees planted on 130 hectares of Herdade da Baliza. Corticeira Amorim intends to continue and increase its active participation in intervention in new cork oak areas through the purchase of land, leasing or partnerships (densification of existing areas through partnerships with forest owners), with the target of intervening in an area of 3,000 hectares of forest by 2024. The goal is to conduct applied research into the impacts of irrigation, fertilisation, nutrition and soil on the cork oak and to help promote and disseminate the implementation of new planting and management techniques for the cork oak forest that are more efficient and resilient to the forecast climate scenarios.

To finance the investment in forest estates, which amounted to € 56.9 million, Corticeira Amorim has made use of green financing instruments, which are noted in Chapter 4 Sustainable finance. Green financing instruments are considered effective tools to support projects with positive impacts on climate change mitigation and are aligned with the four components of the London Market Association's Green Loan Principles of February 2021 and the International Capital Market Association's Green Bond Principles of June 2021 (with Appendix 1 of June 2022), respectively.

Cork oak tree improvement programme

The aim is to produce cork oak trees that are better adapted to emerging climatic scenarios, pests and diseases, maximising their productivity and resilience. To this end, specimens of cork oaks plus from different origins and soil and climate conditions have been selected with a view to establishing a multiplication and improvement programme. Among the actions underway is the identification of molecular markers associated with phenotypic characteristics of interest, such as:

Rapid growth - Fast-growing trees will enter the cork production cycle sooner, enabling their economic exploitation to start sooner;

Resistance to drought - Plants that are resistant to climate change will make it possible to increase the survival rate in new plantations, as well as being more tolerant to the scarcity of water, which will result in a differentiated development;

Resistance to insects (flathead oak borer) – The identification, selection and multiplication of trees naturally resistant to insects (flathead oak borer) is essential to maintain the quality of cork and to increase the availability of useful cork;

Quality of the cork – The quality of cork is a fundamental feature of a cork oak genetic improvement programme. Fast growth - trees with fast growth will enter the cork production cycle earlier, which will make it possible to start harvesting them more quickly.

Remunerating ecosystem services

Ecosystem services can be translated as direct and indirect contributions of nature to human well-being. Biodiversity loss significantly affects the provision of ecosystem services on which humans depend, since biodiversity underpins several ecological processes. There is a consensus that quantifying ecosystem services in monetary and non-monetary values is a necessary tool to operationalise this concept in decision-making and to contribute to a pathway aligned with the biodiversity strategies, European Ecological Pact and the UN SDGs.

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

Corticeira Amorim is the world's largest producer of cork products, playing an important role in promoting sustainable forest management and creating a set of valuable interconnections between cork oak forests, business and people, as well as increasing knowledge of cork oak forests and the ecosystem services they make possible.

In this context, it began studying the value of ecosystem services more than ten years ago, a subject that has already been launched for public discussion by various specialists. In the most recent study, produced by EY in 2019, it was concluded that, on average, the ecosystem services of a well-managed cork oak forest provide benefits to society of over 1300 €/ha/year.



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Process of mixing cork with other materials, resulting from circular economy practices.

The value of the cork oak montado ecosystem services

In 2019, Corticeira Amorim commissioned a study entitled "The value of the montado ecosystem services", produced by EY, in which it was concluded that more profitable and biodiverse ecosystems can be enhanced and perpetuated through more sustainable production systems, thereby fostering the services provided, combating biodiversity loss and also contributing to carbon neutrality and the UN SDGs.

By considering four case studies, EY was able to identify the three main groups of ecosystem services provided by cork oak forests. The quantitative analysis was based on the estimation of the costs avoided and demonstrated that the capacity of cork oak forests to provide services to society is highly variable and fundamentally depends on management practices and the soil and climate conditions of the territory.

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 regulation: 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

Three of the ecosystem services were monetised: global climate regulation, extreme event regulation: fire prevention and hydrological regulation and soil protection. The other services identified were evaluated with quantitative data wherever possible but were not monetised.

The study concluded that, on average, the ecosystem services of a well-managed cork oak forest provide benefits to society in excess of 1,300 €/ha/year.

Global climate regulation	Fire prevention	Hydrological regulation and soil protection
596€	546€	220€

Evaluation of the values of ecosystem services in the estates under Corticeira Amorim’s management

Corticeira Amorim is developing, with the support of external experts, a methodology for the first assessment of ecosystem services, which will enable an initial survey to be carried out of the values of ecosystem services in the three estates under Group management: Venda Nova, Rio Frio and Baliza. These values correspond to the classification of ecosystem services in a base year, which may be contrasted with reference values or subsequent evaluations, to support the monitoring and verification of the conservation, promotion or degradation of natural values. The methodology is based on informative indicators of different property management outcomes in water, biodiversity and carbon at the time of the project.

3.3.2 CLIMATE CHANGE
(SDG 6, 7, 11 and 13)

As in any other industrial activity, Corticeira Amorim’s transformation processes have associated environmental impacts. In order to minimise these impacts and in coherence with the Energy, Environment and Biodiversity Policy, the Company implements throughout its value chain - from cork production to its transformation into products with low or negative carbon impact up to the end of the product’s life - sustainable practices that are based on the following fundamentals:

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

To ensure that climate-related ambitions and targets are incorporated throughout the Company and that management is held accountable for the achievement of those targets, Corticeira Amorim, in its management by objectives system, contemplates climate change issues, including the achievement of targets at the level of the Procurement and Energy area, new product departments and packaging areas.

Commitment to the use of energy and other resources

Corticeira Amorim undertakes to apply environmental criteria and the rational use of energy, in all planning and decision-making work on issues that may have an impact on the environment, and also implement the necessary tools to avoid pollution and reduce energy consumption, investing in cleaner energy sources and more ecological technologies.

In addition, Corticeira Amorim undertakes to contribute to research and to encourage the development and dissemination of technologies, which respect the environment and energy efficiency and seek carbon neutrality.

It also undertakes to make rational use of resources, minimising water, paper and energy consumption, reducing waste generation and emissions, favouring recycling and seeking ecologically correct solutions.

Climate-related risks and opportunities

Climate risks are part of an integrated multidisciplinary system regarding risk identification, assessment, prioritisation, treatment and monitoring.

Corticeira Amorim conducted an assessment of the physical climate risks for each of its industrial, raw material preparation, agroforestry or distribution units and their respective locations using the ThinkHazard! tool, which identifies the greatest physical dangers to which certain countries are exposed, classifies them by risk levels and also offers recommendations on solutions for adapting to these risks.

Although it does not yet carry out a climate-related physical risk assessment for its industrial activity through climate scenarios, the Company plans to implement this step in the future.

The Company has identified the risk of forest fires and the risk of water stress as the relevant physical climatic risks for the main raw material used in its activities. For this reason, Corticeira Amorim already develops several initiatives that promote the adaptation of cork oak forests to the risks that threaten them. For example, the FIP aims to preserve cork oak trees and cork oak forest ecosystems, through programmes that promote their resistance to drought, pests and diseases and increase their survival rate. Further information on Corticeira Amorim's risk analysis (physical and transitional) can be found in Chapter 2.3 Risks and opportunities and in Chapter 9 Alignment with the TCFD.

The cork oak tree and cork (raw material and products) can also sequester carbon, which contributes to mitigating greenhouse gas emissions (GHG). In this regard, the conclusions of research conducted by the Instituto Superior de Agronomia leave no doubt as to the importance of the role of the cork oak tree and the ecosystem surrounding it: for every ton of cork produced, the cork oak forest sequesters over 73 tons of carbon dioxide.

The cork oak tree is the basis of an ecological system unique in the world, contributing to the survival of many species of indigenous fauna and to the safeguarding of the environment. It is found in seven countries in the western Mediterranean basin - Portugal, Spain, France, Italy, Morocco, Algeria and Tunisia - where it acts as a barrier against the advance of desertification because it can withstand climates with low rainfall, and help fix soil and organic matter, thereby reducing erosion and increasing water retention.

The use of Corticeira Amorim's products also contributes to mitigating climate change, both through their capacity to retain carbon and by replacing more energy-intensive alternative products. The industrial processing of cork, that has been harvested from cork oak trees, is the best way to guarantee the preservation and development of cork oak forests, ensuring their economic viability. Specific legislation is in place to protect them, as well as several programmes of non-governmental organisations that seek to preserve forests by improving and certifying forest management practices. It is essential to foster the development of subculture that is capable of promoting the crucial role played by the cork oak forest and, at the same time, fuel the growth of the market for cork products. The facts described above will therefore provide an opportunity for the differentiation of cork products.

Corticeira Amorim is strengthening its process of identifying, describing and quantifying the risks and opportunities and the associated potential financial implications and also the costs of responding to these risks.

Reduce the environmental impact of operations

Corticeira Amorim's activity uses resources and its environmental impacts predominantly arise in its production units. Most of the energy used in the production process is renewable and locally generated. In some operations energy sourced from fossil fuels is also used. This results in GHG and other atmospheric emissions, which have an impact on the environment. The production processes also consume water and release effluents and waste. In particular, hazardous waste poses a threat to the environment and may generate future liabilities.

Aided by different working groups, Corticeira Amorim identifies initiatives and engages with external stakeholders in order to reduce the company's environmental impact and achieve the goals set out in the Sustainable by nature programme (Chapter 3.1 Quantitative targets for 2030 and progress).

Energy consumption within the organisation

	Reference	2022	2021	2020
Energy consumption				
Energy consumption (GJ)	GRI 302-1	1,815,871	1,929,864	1,638,115
Energy Intensity (GJ/M€)	GRI 302-3	2,548	2,862	2,652
Renewable energy (%)	GRI 302-1	77%	79%	83%
Controlled renewable energy (%)	GRI 302-1	68%	68%	66%
Energy efficiency (%)	GRI 302-4	2.8%	3.8%	3.4%

The unit of measurement used is GJ; to convert to MWh, the values should be divided by 3.6. Energy intensity = energy consumption / consolidated sales of the sustainability perimeter.

The energy consumed during 2022 was 1,816 thousand GJ, 77% originating from renewable sources. The majority of renewable energy results from burning biomass (87%), primarily cork powder generated endogenously in production (79%). Other renewable energy sources result from the production of electrical energy from photovoltaic solar panels (0.9%), cogeneration (0.3%) and purchased renewable electrical energy (12%).

Energy from renewable sources controlled by the Group represented 68% of the total energy consumed, corresponding to 1,227,000 GJ. The proportion of energy produced from biomass was 67%.

The energy intensity indicator decreased by 11% as a result of the various energy efficiency measures implemented in recent years as part of the energy efficiency project.

In order to monitor the energy consumption available in the factories in Portugal, comply with the objectives established within the Sustainable by nature programme and maintain involvement and the urgent need to adapt technology to increased production and quality, among other objectives, the Company holds an annual Energy Efficiency Forum involving the participation of the company's executives in charge of energy issues.

Energy Efficiency Forum

Held once or twice a year the Forum is attended by the company's different energy managers and serves as a means to foster sharing and interaction. Among other objectives, the Forum aims to: monitor the consumption of energy resources available to the company's factories (in particular cork powder, electrical energy, natural gas and propane gas); maintain involvement and the urgent need to adapt technology to increase production and ensure the quality of the industrial units; forecast needs and present scenarios for consumption of energy resources, with evaluation of scenarios between needs and adaptation of technology; motivate, carry out and control the development and performance of actions. In 2022, the 36th Forum was held, involving the participation of around 26 employees from these areas.

Energy efficiency project

The commitment to energy efficiency is renewed annually and has as a goal, for operations in Portugal, to achieve an energy efficiency rate of 2% per year. In 2022, the energy consumed by the Company totalled 1,816,000 GJ, and around 69 energy efficiency measures were implemented. This resulted in an investment of approximately €1,126,000 and in a 2.8% energy efficiency rate, a saving of around 50,000 GJ and more than 1,675 t CO₂eq avoided. Among these measures, we find both simple and intuitive actions, such as changing the lighting installations, or intervention in the electrical installations in the various facilities (17 measures), and more complex actions, that require major investments and adaptations. This is the case of the use of compressed air to generate movement in industrial processes (18 measures). Other measures that had a major impact, with a significant investment, are those carried out at a thermal level, especially in terms of boilers. The boilers in operation, despite already operating with renewable energy from biomass, are the target of constant interventions, to keep them modern and efficient (28 measures). The remaining six measures were developed in order to improve the efficiency of processes, motors and others. However, the work doesn't stop with the implementation. It is followed by a rigorous programme of monitoring the actions, calculating the impacts and preparing additional and/or corrective measures.

- Reduce energy consumption through energy efficiency measures, with the aim of achieving an energy efficiency rate of 2% per year in operations in Portugal - energy efficiency project;
- Achieve 20% of electrical energy consumed from controlled renewable sources for the period 2021-24, through the implementation of the photovoltaic project;
- Select energy suppliers according to the proportion of renewable energies in their mix and purchase renewable electrical energy, sourcing 100% of electrical energy from renewable sources by 2030 in operations in Portugal.

Renewable energy project (biomass)

The project aims to respond to the reduction in the availability of cork powder for use at the energy level, which results from the constant search to optimise the yield of cork consumed in the industrial cycle. The various initiatives include optimising the yield of cork powder for burning, converting boilers for burning other biomass (olive stones, almond shells or broken pallets) and acquiring new, more efficient boilers. In 2022, an investment of over €689,000 was made in this project, distributed over 28 measures, resulting in a saving of 482 tCO₂eq avoided.

Photovoltaic project

Corticeira Amorim is determined to increase the consumption of energy from renewable sources, both through the selection of energy suppliers according to the proportion of renewable energy in their mix and through direct investment in photovoltaic projects. With an investment in excess of €11 million, during the period 2021-2024, 22,000 KWp will be installed, using more than 40,000 solar panels placed on factory roofs. The goal is to have the main industrial units with part of their energy consumption derived from photovoltaic energy. The energy produced will be for self-consumption, represents 20% of the electrical energy consumed by the Group, and will avoid the emission of around 14,600 tCO₂eq per year. In 2022, 12,672 GJ of energy were produced from these panels which, together with the electrical energy produced through cogeneration (4,019 GJ), corresponds to 3.2% of the total electrical energy consumed (522,886 GJ).

Direct (scope 1) and indirect (scope 2) GHG emissions

	Reference	2022	2021	2020
GHG emissions (scope 1 and 2)				
Direct emissions (scope 1) (tCO ₂ eq)	GRI 305-1	5,687	5,898	6,432
Indirect emissions (scope 2)* (tCO ₂ eq)	GRI 305-2	31,534	38,397	26,958
Total (scope 1 and 2) (tCO₂eq)		37,221	44,294	33,390
Carbon intensity** (tCO ₂ eq/M€)	GRI 305-4	52.2	65.7	54.1

* Market Method

** The indicator was adjusted and was calculated considering the energy consumption over the consolidated sales of the sustainability perimeter.

The CO₂eq emissions of the business activity (scopes 1 and 2) attained a total of 37,221 tCO₂eq, calculated by the market method. On the one hand, there was a reduction of 16% compared to the previous year as a result of emissions avoided, due to the increased level of self-generated electrical energy (solar photovoltaic energy and cogeneration), energy efficiency measures and a more favourable mix of electrical energy purchased from the grid. On the other hand, the positive effect of renewable energy consumption from biomass sources was slightly reduced, due to the fact that most of the energy efficiency measures were related to the modernisation and efficiency of biomass boilers (28 / 69 measures).

Corticeira Amorim's goal for 2030 is to achieve zero scope 1 and 2 emissions in its operations in Portugal and to this end it is counting on maintaining some projects that have been launched in recent years and other projects that it will implement, in particular:

- Maintain and strengthen the strategy of using biomass as the main source of energy - renewable energy project (biomass);

Other indirect (scope 3) GHG emissions

	Reference	2022	2021	2020
Scope 3 GHG emissions				
Purchase of goods and services (tCO ₂ eq)	GRI 305-3	129,885	145,114	119,451
Upstream transportation and distribution (tCO ₂ eq)	GRI 305-3	31,417	22,558	30,642
Downstream transportation and distribution (tCO ₂ eq)	GRI 305-3	42,034	39,834	45,011
Employees commuting (tCO ₂ eq)	GRI 305-3	2,697	3,231	2,602
Business travel (tCO ₂ eq)	GRI 305-3	344	307	360
Waste generated in operations (tCO ₂ eq)	GRI 305-3	270	288	235
Total (tCO₂eq)	GRI 305-3	206,646	211,332	198,301

Corticeira Amorim annually monitors its scope 3 emissions. To determine the categories to be monitored, methodologies and assumptions to be applied, Corticeira Amorim regularly conducts an exhaustive corporate GHG inventory, drawn up by external experts. The last one was carried out by EY, based on information from the year 2018, which covered the activities developed in Portugal and was based on the GHG Protocol methodology (further information in the Sustainability Report 2018, available at <https://www.amorim.com/en/sustainability/reports/>).

In order to define the scope 3 emission categories to be monitored, Corticeira Amorim applied a materiality limit of 3%, taking into account the proportion of the category in total scope 3 emissions. To ensure comparison with previous years, the transport categories of waste generated in operations and business travel (which have proportions of less than 3% in the total scope 3 categories) were also included.

Corticeira Amorim's scope 3 emissions derive primarily from the purchase of goods and services, upstream and downstream

transportation and distribution, with a minor contribution from waste generated in operations, business travel and employees commuting.

Corticeira Amorim considers that emissions associated with the processing of sold products, use of sold products and end-of-life treatment of sold products do not have material importance. Additionally, the Company does not have the necessary information to account for the emissions associated with these activities due to the comprehensive nature of the waste treatment systems in the different countries to which it exports and the complexity of the information gathering process.

Corticeira Amorim is working on the reduction of scope 3 emissions and intends to establish reduction targets based on science, through replacement of carbon-intensive raw materials, selection of logistics suppliers with reduced CO₂ emissions and action at the level of packaging and logistics. To this end, with the involvement of all BUs, it launched the scope 3 emissions reduction programme, which currently includes the organisational limits project and the sustainable packaging project.

Emission reduction programme - scope 3

The involvement of the entire Organisation and supply chain, especially suppliers of raw materials and transport, is fundamental for the reduction of scope 3 GHG emissions. Corticeira Amorim has defined the following areas of intervention for this programme:

- Increase the coverage of organisational boundaries in calculation of the Company's carbon footprint;
- Improve the methodologies for the calculation of information and increase the percentage of emissions calculated based on data obtained directly from suppliers or partners in the value chain;
- Assess the most carbon-intensive materials consumed (raw materials and packaging materials), for example non-renewable virgin materials, in order to consider the feasibility of substitution by alternatives with a lower carbon footprint, in particular renewable or recycled materials;

- Select suppliers in function of their GHG emission reduction targets and plans.

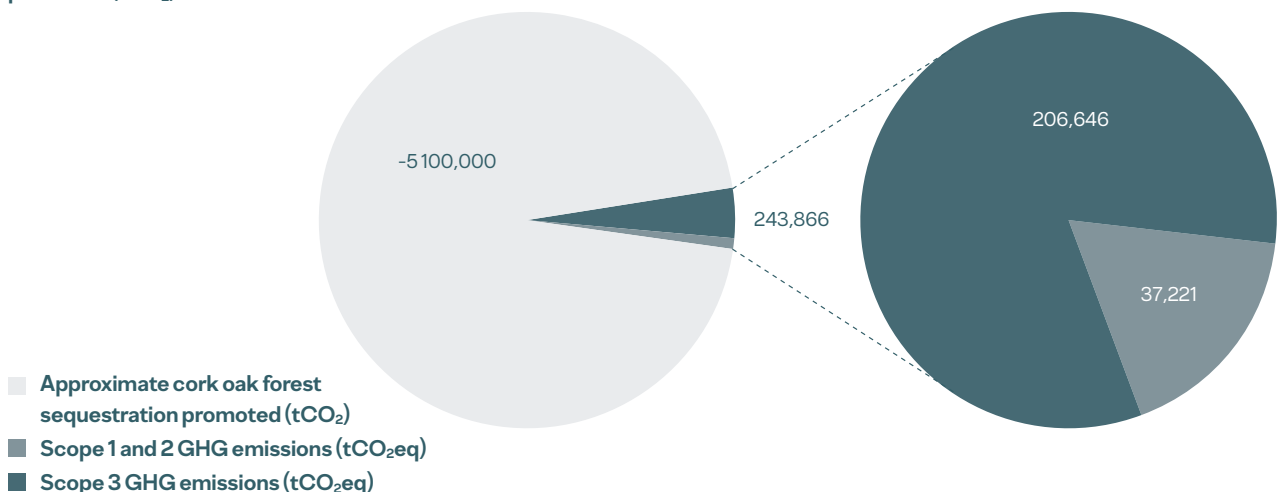
In 2022, the Company began a process of reflection on the organisational limits of environmental indicators, including the carbon footprint. As a result, the methodology for calculating scope 3 emissions was revised to include all the companies in the sustainability perimeter and the information gathering system was extended to some of the Cork Stoppers BU's main distribution units located outside Portugal, in particular: Amorim Cork America, Amorim Cork Beijing, Amorim Cork Spain, Amorim Cork Italy, Amorim France, Bourrasse, Portocork America, Portocork France, Portocork Italy with a view to integrating the respective calculation in the future.

During 2023 and 2024, Corticeira Amorim will continue to consolidate the calculation systems and methodology, with the aim of stabilising the organisational limits for reporting GHG emissions.

Avoided GHG emissions

For the purpose of this reporting, avoided emissions are the reductions in GHG emissions that occur in the value chain of a product as a result of its production or use.

Cork oak forest sequestration promoted (tCO₂)



At the level of the supply chain, the Company promoted the sequestration of about 5,100,000 tCO₂ in cork oak forests, insofar as cork is the main raw material used by Corticeira Amorim in its production activities and cork products are the main economic catalyst of cork oak forests. This value corresponds to more than 21 times the emissions from Corticeira Amorim's business activity and value chain (scope 1, 2 and 3 emissions). During the cork harvesting process, only the outer bark of the tree is removed and cork oak trees can grow for an average of 200 years. On the other hand, cork harvested from the cork oak tree only represents 4% of the total fixation of atmospheric CO₂ and has negligible impacts on the total carbon stored by the tree.

	Reference	2022	2021	2020
Avoided GHG emissions				
Biomass (tCO ₂ eq)	GRI 305-5	77,587	83,449	68,910
Photovoltaic (tCO ₂ eq)	GRI 305-5	1,164	36	0
Cogeneration (tCO ₂ eq)	GRI 305-5	1,016	433	0
Efficiency measures (tCO ₂ eq)	GRI 305-5	1,675	2,193	2,464
Total (tCO₂eq)	GRI 305-5	81,442	86,111	71,374

In terms of the Company's operations, the commitment to renewable energies and other good practices resulted in the avoidance of more than 81 thousand tCO₂eq through the use of biomass to substitute natural gas (77.6 thousand tCO₂eq), the use of renewable electrical energy to substitute fossil fuels (2.2 thousand tCO₂eq) and the implementation of energy efficiency measures (1.7 thousand tCO₂eq).

In terms of product use, Corticeira Amorim considers that its thermal and/or acoustic insulation products, fire-resistant products or those which enable a reduced surface weight to be maintained, depending on the requirements of the end application, as well as the production of cork stoppers, allow emissions to be avoided. In the first case, by saving energy in the use of the product, in the case of cork stoppers, because it corresponds to a packaging product, with low energy incorporation, which prolongs shelf life and reduces waste, being the best alternative for clients who want better quality and to contribute to climate regulation (Chapter 3.3.4 Green products / Environmental benefit of the products /).

Air Quality and Pollution

	Reference	2022	2021	2020
Atmospheric emissions				
Particles (t)	GRI 305-7	85	66	65
Nitrogen oxide (NOx) (t)	GRI 305-7	129	125	122
Volatile organic compounds (COV) (t)	GRI 305-7	55	56	59

Corticeira Amorim has appropriate management systems in place to meet legal requirements, internal regulations and established policies on atmospheric emissions and pollution, implementing measures to mitigate the specific impacts of each BU, in particular through:

- Compliance with all legal requirements;
- Audits for pollution control, in particular to detect failures in systems and processes;
- Regular noise measurements and active measures to reduce it, such as encapsulation of machines and motors;

- Controls of gaseous emissions from chimneys and specific measures to avoid dust or particulate emissions, such as the application of filters;
- Training for employees and third parties on best practices to prevent the occurrence of spillages, making spill kits available;
- Response procedures in place for emergencies and installation or maintenance of pollution prevention devices (such as containment basins, among other measures);
- Mitigation actions for future occurrences, which include detailed investigation of the occurrence, corrective actions to prevent recurrence and communicate the lessons learned.

With regard to atmospheric emissions, these primarily result from the burning of fuels in boilers to generate energy. Emissions include carbon dioxide (CO₂), fine particles, nitrogen oxides (NOx) and volatile organic compounds (VOC), and these are not associated with emissions of odour gases.

Corticeira Amorim is committed to minimising its impact resulting from atmospheric emissions. Therefore, it continuously invests in the modernisation and adaptation of the boilers, having invested around €2.4 million by 2022, in actions that include areas of conservation and repair, improvements in safety, optimisation and monitoring and adaptation for use of other biomasses. In addition, it regularly monitors pollutant emissions of gases or particles into the atmosphere using methods based on existing standards and applicable to emission limit values (ELVs) in accordance with the law in force. In 2022, emissions of fine particles amounted to 85 t, NOx emissions totalled 129 t and VOCs attained 55 t.

Water consumption

	Reference	2022	2021	2020
Water consumption				
Water withdrawal (m ³)	GRI 303-3	631,704	654,309	770,116
Water discharges (effluent) (m ³)	GRI 303-4	154,394	163,831	118,514
Water consumption (m³)	GRI 303-5	477,470	490,846	651,983
Water consumption intensity (m ³ /M€)	GRI 303-5	670	728	1056

Unit of measurement used is m³; to convert to ML, values should be divided by 1000.
Water consumption = water withdrawal - water discharge +/- water storage.

Water consumption intensity: the indicator was adjusted and was calculated considering water consumption over the consolidated sales of the sustainability perimeter.

Water withdrawal attained 631,704 m³. Most of the water used by Corticeira Amorim is sourced from groundwater (92%), with the remaining (8%) obtained from the third-party water. Around 24% of the water was returned to the environment and approximately 76% was consumed - integrated into the product or in the production of steam. Corticeira Amorim has no indication that the hydrographic basins in which the water is collected are under water stress. For the classification of water-stressed areas in the scope of this report, the Aqueduct Water Risk Atlas (wri.org) tool was used, according to which 51% of the water withdrawal activities occur in high-risk water-stressed areas.

Aware of the need to preserve this fundamental resource for the planet, Corticeira Amorim has an approach based on three pillars: reduction of consumption, treatment and hydrological regulation, which is supported by the zero-water waste programme.

Zero-water waste programme

Corticeira Amorim intends to continue to strengthen its commitments to reducing negative environmental impacts. During 2021, it began an audit of all facilities in Portugal, with a view to gauging a common methodology for determining water consumption. In addition, a list of several actions was drawn up based on best practices in the BUs. Among the actions is the introduction of improvements in the water network map, with the inclusion of the supply line to consumers and the discharge of consumers to the WWTP or sanitation. Another action has to do with the acquisition of automatic meter systems, especially in facilities where there is already a high number of meters, in order to reduce the possibility of error in the collection of information. Another example is adopting some good practices of ISO46001 - water efficiency management systems, in particular the creation and monitoring of performance indicators for the main consumers of water, and listing the variables that influence water consumption by process, especially in intensive consumption areas.

Reducing consumption

A target is set for the period 2021-2024 for activities in Portugal to reduce water consumption intensity by 1%/year, which was met in 2022.

Several actions implemented over the last two years are underway, mainly focused on management and monitoring. Of particular note is the launch of the water reuse project by the Raw Materials BU.

Water reuse project

Launched by the Raw Materials BU, it consists of reuse of industrial wastewater from the cooking process. After physical-chemical and biological treatment, an ultraviolet-based filtration and disinfection system was installed. The filtration system consists of three filters, in particular activated carbon, glass and sand. Filtration permits the removal of particles that were not removed in decantation, as well as associated microorganisms, and disinfection by photo oxidation (ultraviolet) which allows the elimination of bacteria, thus ensuring good effluent quality.

The conservation of water resources and the efficient use of water are highly relevant objectives for the Company. With the new filtration and disinfection system, the aim is to reuse all industrial effluent, reducing the consumption of water from boreholes and discharges into the municipal collector; to increase the availability of water, thereby relieving water resources, as well as reducing costs. In 2022, the year in which the project was launched, it has already been possible to reuse around 1,358 m³ of water (around 1% of the BU's total consumption).

Treatment

The larger industrial facilities collect and treat wastewater in their own industrial water treatment plants (WWTPs). Effluent treatment is directly linked to pollution prevention and involves the removal of impurities generated in the manufacture of products, through primary, secondary or tertiary treatment, as appropriate. The treated effluent is discharged into a municipal collector. Periodic analytical controls of the volumes and parameters of the discharges are conducted, as well as monitoring of the receiving environment, in accordance with the stipulations established in the wastewater discharge licence. Corticeira Amorim continuously invests in order to optimise the WWTPs. In 2022, investment in these activities amounted to around €120,000 and focused on projects to adapt production layouts and increase capacity.

Hydrological regulation

One of the ecosystem services provided by cork oak forests is their capacity to regulate the water cycle. The left bank of the Tagus-Sado rivers is about 36% occupied by cork oak trees and is one of the most productive and deepest aquifer systems in the Iberian Peninsula, which is recharged by the infiltration of rainwater into the soil. The interception of rainwater by cork oak trees is important to protect the soil from water erosion, contributing to the fight against desertification. Information on Corticeira Amorim's activities in favour of the protection of cork oak forests and their ecosystem services is available in Chapter 3.3.1 Cork oak forest.

Herdade da Venda Nova

With an area of 251 hectares, the Herdade da Venda Nova estate is currently the largest cork oak plantation, using a drip irrigation technology and is part of the Forestry Intervention Project that Corticeira Amorim has been implementing since 2013 (Chapter 3.3.1 Cork oak forest). Drip irrigation, which will be used only until the first harvest of cork, aims to ensure ideal conditions for the survival and growth of cork oak trees, ensuring a faster and more effective occupation of the forest area. By reducing the period required for cork harvesting by about half and increasing the success of the plantations, it is intended, on the one hand, to guarantee greater profitability and, on the other, greater future availability of raw material, to ensure the sustainability of the industry.

The estate has around 100,000 cork oak trees and a water storage tank with 30,000 m³. Given the project's special characteristics, the aspects related to water are not consolidated with the information included in this report. It is Corticeira Amorim's intention to work in order to consolidate the methodology used for reporting environmental aspects related to agroforestry activities.

3.3.3 CIRCULAR ECONOMY (SDG 8 and 12)

One of Corticeira Amorim's principal mottos is the expression "nothing is lost, everything is valued", because 100% of cork is used in the production process, including the smallest granules of the raw material, which are used as an energy source. Since 1963, Corticeira Amorim has been implementing an integrated production process, which permits, promotes and leverages the reuse of all by-products associated with cork processing. These practices are now one of the Group's flagships, extend to other materials and are focused on the following lines of action:

- Integrated production process that reuses all by-products associated with cork processing;
- Reducing the generation of non-cork waste and promoting its valorization;
- Extending the life of materials through industrial symbioses;
- Recycling of cork products at the end of their life-cycle.

Commitment to eco-efficient processes and the circular economy

Corticeira Amorim’s Energy, Environment and Biodiversity Policy assumes, among other commitments, the principle of promoting good environmental practices among its suppliers and clients, encouraging responsible consumption and the circular economy by reducing waste, reducing the amount of raw materials used, limiting packaging and favouring recycled and/or recyclable materials and “sustainable” raw materials (for example, from sustainably managed forests).

Energy, Environment and Biodiversity Policy:
https://www.amorim.com/xms/files/Investidores/Estatutos_Politicar_Regulamentos/2021-12-06_Politica_de_Energia_Ambiente_e_Biodiversidade.pdf

Apply the principles of circular economy

Corticeira Amorim integrates sustainable practices in the development of its products, through the choice of materials with less environmental impact, in addition to the application of an integrated production process that promotes the reuse of all by-products associated with cork processing and the production of durable products that can be reused, recycled or composted.

Materials

	Reference	2022	2021	2020
Weight of materials				
Renewable virgin (%)	GRI 301-1	82%	82%	81%
Non-renewable virgin (%)	GRI 301-1	12%	12%	13%
Recycled (%)	GRI 301-2	6.2%	6.3%	6.3%
Change in weight of non-renewable virgin materials (%)		-2.7%	-10.6%	-12.2%

To develop its business activity, Corticeira Amorim consumes a set of materials, in particular raw materials, subsidiary materials and packaging materials, including cork, wood, paper, plastics and chemicals. Materials such as glass or metal represent less than 0.01% of the total. From product design to responsible consumption, the choice of materials and efficiency in their use is an extremely relevant topic for Corticeira Amorim.

One of the most significant impacts of any company’s activity on the environment is in the form of waste. The consumption of recycled or renewable materials reduces the overall environmental impact of the final product and is in line with the commitments to sustainable development and sustainable procurement. At Corticeira Amorim, of the materials consumed, 82% are virgin renewable, 6.2% are recycled and only 12% are non-renewable virgin.

Corticeira Amorim continuously strives to reduce the weight of non-renewable virgin materials in order to achieve the target set for the period 2021-2024 of a 5% annual reduction in this indicator, in its operations in Portugal. Although there has been a reduction in the weight of these materials, this has been less than the target. This is due, in part, to the current challenges at the level of supply chains, plus the major transformation at the level of materials. The Company remains committed to the search for lower impact materials and is currently studying various alternatives.

Current initiatives include a focus on the consumption of materials that result from industrial symbioses and which, combined with cork, incorporate a wide range of products from different activities. Since 2020 the consumption of these materials has increased by 13%.

Also of note is the emphasis placed on increasing knowledge of the characteristics of materials in order to gain a better understanding of the possibilities of their use, subsequent recovery and reuse, and the work that has been conducted at the level of the sustainable packaging working group, whose goals for 2030 are to guarantee 100% recyclable materials and 0% non-renewable virgin materials within the Portugal perimeter (Chapter 3.3.4 Green products/ Maintain a proactive role in the vast scope of applications of cork/ packaging materials).

Circular economy project

This project aims to develop new technologies for processing cork not suitable for the cork stopper industry and other industrial by-products (industrial symbioses). These technologies aim to produce a wider range of composite cork of/with cork in combinations, thicknesses, densities and widths that have not been used until now. This will make it possible to extend the supply of circular economy products to the market, helping to reduce pollution and reuse materials that would otherwise be waste. Examples include the Amorim Wise Cork Inspire 700 product range, a PVC-free waterproof flooring solution suitable for all types of spaces and the underlays and underscreeds for application in the construction sector. Since 2019, the incorporation of recycled products in production has seen a 20% increase. In 2022, the sales of products associated with this project exceeded €41 million.

Circular products

Corticeira Amorim launched a new underlay, whose composition includes cork composites and EVA foam, sourced from the surplus of Nike's footwear manufacturing process (Nike Grind). The Go4cork Blend with Nike Grind underlay is produced by Amorim Cork Composites and is intended to have a positive impact on the environment by creating a sustainable solution based on circular economy principles. The new solution is based on a formulation that aims to provide high underlayment performance due to the unique characteristics that cork confers to this application: durability, comfort, impermeability, anti-vibration and thermal and acoustic insulation. According to a study carried out by the consultancy firm, EY, the Go4cork Blend underlay with Nike Grind has a negative carbon balance, representing -5.6kg CO₂ eq/m². This means that this product promotes carbon sequestration in the cork oak forest which is higher than the CO₂ emissions resulting from its production. The life cycle study of the Go4cork Blend underlay with Nike Grind was conducted using a *cradle-to-gate* approach, contemplating the environmental impacts of all activities, from the extraction of the raw material, through the production of all components, to the factory gate. The methodology of the studies was based on the CO₂ sequestration promoted by the cork oak forest, as well as the ISO 14040/44 standards, complemented with the guidelines of the International Reference Life Cycle Data System (ILCD). The data associated with product production was supplied by Amorim Cork Composites, while the general processes associated with the production of raw materials, energy, transport and waste management were obtained from the ecoinvent 3.5 database.

Cork supplied by Corticeira Amorim has been used inside the new 100% electric Mobilize cars of the Renault Group's urban mobility brand. Cork was used in the seats of the Mobilize Duo and Mobilize Solo models, and also in the rear interior panel of the latter vehicle, because it is a natural and sustainable raw material. Supplied by Amorim Cork Composites, cork provides the Mobilize Duo and Mobilize Solo with comfort, well-being and lightness. It also actively contributes to the promotion of unique, disruptive and innovative design, higher levels of sustainability and strengthening of circular economy practices. Using thermoforming techniques, the Mobilize Duo and Mobilize Solo, presented at the last edition of the Paris Motor Show, were developed with 50% recycled raw materials and are 95% recyclable, following ecodesign principles. The idea is to redefine the concept of urban mobility, making it more appealing, attractive and fun. Ideal for city driving, very small in size and with a small footprint, Mobilize cars, thanks to their connected electronic architecture, will also allow better network services. The urgent need to decarbonise the economy makes cork an indispensable material in this urgent paradigm shift.

Cork Recycling

	Reference	2022	2021	2020
Recycled cork incorporated into production				
Total (t)	GRI 301-3	1,052	801	736
By sales volume (t/M€)	GRI 301-3	1.5	1.2	1.2

Recycled cork incorporated in production, by sales volume: the indicator was adjusted and calculated considering the recycled cork incorporated in production over the consolidated sales of the sustainability perimeter.

Since the establishment in 1963 of an industrial unit for the production of cork agglomerates from the waste left from the manufacture of cork stoppers, Corticeira Amorim has made an attentive, pioneering and proactive interpretation of the strategic importance of circularity. The company's strategy to enhance the value of cork has led to the

development of unprecedented cork stopper recycling initiatives, which already benefit from significant adhesion across all five continents.

In its three industrial units, licensed in the Portuguese territory for cork recycling, Corticeira Amorim receives cork stoppers and other end-of-life cork applications, for treatment and grinding. After being transformed into cork granules, the material returns to the production process and, although it can never again be used for the production of cork stoppers, it is incorporated into products of the Composite Cork BU and Insulation Cork BU.

During 2022, the recycled cork incorporated into production increased by 31% - rising to 1,052 tons of cork and is the result of recycling cork stoppers and other materials, particularly expanded cork agglomerate from the demolition of buildings. The cork recycled in 2022 is equivalent to 234 million stoppers, or 3.8% of the total number of stoppers produced in 2022 by the Company (6.1 billion stoppers). This recycled material has gained a new purpose, extending the life cycle of a natural resource, increasing the field of possible applications and extending the carbon retention that is inherent to cork.

Cork stopper recycling project

Corticeira Amorim supports various initiatives for selective collection and recycling of cork stoppers on the five continents. In 2008, it joined Green Cork, a project organised by Quercus and involving various partners, which triggered a global movement for reuse, recovery and recycling, also encouraging reforestation with autochthonous trees. Since 2008, Green Cork has collected over 500 tons of cork stoppers (30 tons in 2022) and planted over 1.4 million autochthonous trees (120,000 in 2022). A number of campaigns conducted throughout the year have contributed to these figures, including the Green Cork Schools/IPSS/Schoolchildren Campaign and the *Rolha a Rolha, Semeie a Recolha* (Stopper by Stopper, We Sow Collection) Campaign. The first campaign had Quercus, Missão Continente, Corticeira Amorim and BA Glass as partners, and involved about 500 entities and 75,000 students/users. The second campaign was a partnership between Quercus, Lipor, Maiambiente, Porto Ambiente and the Municipality of Vila do Conde which, with the support of BA Glass, Corticeira Amorim and Extruplás, created a door-to-door selective collection network, with more than 300 participating hotel and restaurant establishments and which aims, during the year 2023, to attain 1,000 participating establishments in this region.

Other initiatives have been implemented in various countries: Ecobouchon (France), Etico (Italy), Recork (North America), Cork Life (South Africa) and Cork2Cork (Belgium, Germany, Holland, Spain, France and Italy, in partnership with NH Hotels), generating enthusiasm and a large number of members. Located around the world, these initiatives have a significant impact on the community, combining and supporting reforestation actions, environmental education initiatives and social responsibility activities. More examples at <https://www.amorim.com/en/sustainability/environmental/recycling/4301/>

Recycled cork from the collected stoppers is used in a wide array of applications, from equipment for cars, buses, trains, boats and aeroplanes; components for satellites, rockets and space vehicles; design objects, footwear and clothing; sports materials, such as surfboards or kayaks; flooring for games, leisure and recreational areas; insulation products for residential, private and public buildings; and flooring for the construction sector, among others. An endless range of solutions that often result from combining the second life of this recycled cork, with waste from industries such as the automobile, footwear or bedding industries. Corticeira Amorim thereby helps save the planet's natural resources, reduces the costs associated with their disposal and offers the market various products that contribute to climate regulation.

Waste

	Reference	2022	2021	2020
Industrial waste (non-cork)				
Valued (t)	GRI 306-4	13,070	14,090	10,163
Eliminated (t)	GRI 306-5	1,642	1,060	1,095
Total (t)	GRI 306-3	14,712	15,151	11,257
Waste recovery rate (%)		89%	93%	90%
Industrial waste by sales volume (t/M€)		20.6	22.5	18.2

Industrial waste by sales volume: the indicator was adjusted and was calculated considering industrial waste compared to consolidated sales of the sustainability perimeter.

Corticeira Amorim does not consider any cork material to be waste (including virgin cork and other cork materials generated as a result of the Company's operations) where 100% of the cork is used in Corticeira Amorim's production process. Even the smallest cork granules are used as a source of energy, as noted in Chapter 3.3.2 Climate change/ Reduce the environmental impact of operations/ Energy consumption within the organisation.

With regard to non-cork waste, Corticeira Amorim respects the hierarchy of waste products, in order to avoid them, reuse them and recycle them, ensuring that they are not sent to landfill sites.

In 2022, 14,712 tons of industrial waste were generated, of which 11% were disposed of, including 9.2% to landfill and 89% to recovery, i.e. sent to waste management operators, where they are sorted and assigned the destination of either composting, recycling and energy recovery.

Hazardous waste, which represents 3.3% of industrial waste (479 tons), has its own labelling, storage, handling and transport processes and is duly transported and treated through authorised agents.

Within the framework of the Sustainable by nature programme, the aim is to achieve 100% waste recovery in 2030 in Portugal, with a target of maintaining a recovery rate of non-cork waste, above 90% in the 2021-2024 cycle.

Corticeira Amorim will therefore continue to work with different partners and invest in various initiatives to achieve this goal and support the circular economy, both in operations and in the value chain.

Project to increase efficiency

This project aims to make investments in different stages of the production process of cork stoppers, flooring, coverings and insulation products, to enable better use of the raw material and reduction of the amount of waste generated. The initiatives of this project include Recupera, Recork and Recupera Wise, with a total investment of €826,000, which has enabled, through micronisation, classification by homogeneous properties, the reuse of cork composite by-products created in the production of flooring. In 2022, this Amorim Cork Flooring project recovered 1,376 tons of materials for the production process.

3.3.4 GREEN PRODUCTS

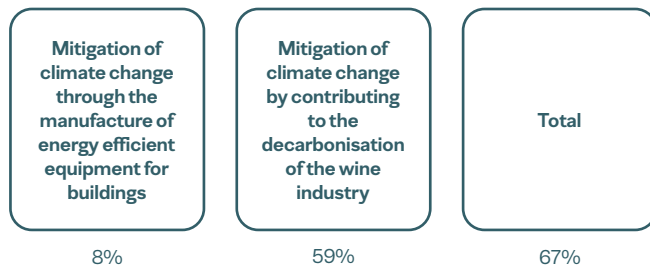
(SDG 9 and 13)

The demand for sustainable products has been growing in recent years. Corticeira Amorim's actions to ensure quality, based on the continuous improvement of processes, products and services provided and the search for innovative solutions supported by technological development, allow it to serve customers with sustainable, high-quality, differentiated solutions, adapted to needs and which help them attain their sustainability goals.

Cork is an excellent renewable and recyclable alternative to high-impact materials and, in a world where innovation and ecology go hand in hand, developing products based on this raw material enables Corticeira Amorim to leverage economic growth while making it possible to support the transition to the circular economy and contributing to mitigating climate change. In recent years, the company's action is guided by the following key principles:

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

Environmental benefit of the products



Percentage of consolidated sales within the financial perimeter (€1,021.4 million).

Corticeira Amorim considers that its activities related to the manufacture of insulation products and the production of cork stoppers have a positive impact on mitigating climate change.

The production of products with thermal, acoustic and anti-vibratic insulation properties can reduce noise in a room (footfall noise) and act as an acoustic barrier (impact noise), which makes their use extremely efficient. On the other hand, the natural thermal insulation properties of cork make it possible to reduce energy consumption, while providing a pleasant touch and an ideal temperature throughout the year, contributing to general comfort.

With regard to the production of cork stoppers, Corticeira Amorim considers that cork processing companies are a driving force in creating an economic interest for forest owners to maintain their estates. The cork oak forest is a carbon sink, since no cork oak tree is cut during the stripping process, the cork can be harvested every nine years without damaging the tree and the cork oak tree can live an average of 200 years - for every ton of cork produced, cork oak forests sequester up to 73 tons of CO₂; the carbon balance can attain -288 g CO₂eq, taking into account the carbon sequestration of cork oak forests and the emissions associated with the production of a Naturity stopper. In this context, Corticeira Amorim considers that the production of cork stoppers has a positive environmental impact and contributes towards Portugal's goal of becoming a low carbon economy. In addition, the production of cork stoppers corresponds to a packaging product, with low energy incorporation, which prolongs shelf life and reduces waste, being the best alternative for clients who want better quality and to contribute to climate regulation (Chapter 5.5 Voluntary disclosures).

Customer satisfaction

Corticeira Amorim's predominant business model is business to business (B2B), which is why customer engagement programmes are a fundamental aspect of quality management, aimed, on the one hand, at better understanding customer perceptions in relation to services and products and, on the other, at adopting measures to improve the business in order to satisfy all needs and expectations.

Committed to continuous improvement and with a view to standardising methodologies and criteria, Corticeira Amorim has been working on the implementation of a global customer satisfaction assessment programme through the application of a questionnaire and procedures common to all the Group's BUs.

Engagement with customers

Currently, the group's larger companies have already implemented customer engagement projects that, although they were carry out every two years, the poor adhesion and also constraints related to the pandemic, led to a reflection on the way this process was being developed. The BUs are therefore working on a new survey model in order to obtain a greater number of responses so that the results may effectively become a benchmark for continuous improvement.

Taking into account the latest surveys conducted by the Cork Stoppers BU and Floor and Wall Coverings BU, which represent 85% of the Group's turnover, it was concluded that the performance of these BUs was positively assessed by their customers, obtaining an overall average satisfaction rate of 83%.

Corticeira Amorim believes that safety, performance and sustainability will increase in importance for customers in the future, and therefore continuously strengthens its commitment to supplying high quality products that respond to the challenges of today's society, benefiting people, the planet and the sustained growth of organisations.

Maintain a proactive role in the vast scope of applications of cork

Green products			
Amorim Cork	Amorim Cork Flooring	Amorim Cork Composites	Amorim Cork Insulation
1st choice for customers who want better quality soppers and contribute to the mitigation of climate change.	100% floors & wall coverings with indoor air quality certification and contributions to sustainable construction certifications, LEED/BREEAM.	>500 applications for various sectors, allying innovation and circular economy practices.	0% additives in products that are simultaneously 100% natural, recyclable, reusable and long-lasting.

Sustainability is an important aspect in the development of the products and solutions offered by Corticeira Amorim. The company is concerned with the materials adopted and works in conjunction with partners to present cork-based products and solutions that support a circular economy and contribute to decarbonisation of the economy.

In keeping with the commitments of its Sustainable by nature programme, Corticeira Amorim seeks opportunities to increase the use of renewable and recycled materials as part of the transition to a more circular economy. Promoting efficiency in the use of materials, product safety and avoiding waste are also important aspects in the development of Corticeira Amorim's products.

Innovation in products and solutions

Innovation lies at the heart of Corticeira Amorim's strategy, whose vision is to extend the concept of innovation to all its BUs and improve areas such as portfolio diversification, process efficiency and quality and the circular economy. Currently, the average investment in R&D+i is around €11 million per year.

Each BU has its own R&D+i unit. However, there is a group-wide innovation structure: Amorim Cork Research and Amorim Cork Ventures (ACV). The latter is a business incubator that was launched in 2014. The Organisation currently supports the business development of two companies through ACV: Ecochic and TDCork. The former has a value proposition focused on the use of more environmentally friendly materials, in which cork-based soles play a differentiating role. TDCork is a pioneer in the production of cork-based rugs. Activity in this field is completed with Corkeen and Corkeen North America, Amorim Sports and Amorim Sports North America and Korko - Made by nature, which are *joint ventures* of the Composite Cork BU involving specialist partners in the segment of playground surfaces, leisure and recreational spaces, sports surfaces and toys, respectively. Further information on Corticeira Amorim's innovation activity can be found in Chapter 3.5.1 Community/Society and Innovation/Innovation and entrepreneurship).

Corticeira Amorim works together with clients, scientific and industrial partners in these fields. In 2022, the key interactions included:

- **Building Blocks:** Corticeira Amorim and HAPE, a world leader in the field of wooden toys, have joined forces in order to explore the market for cork toys. The first collection of these new cork-based toys is called Building Blocks and is based on the concept developed by the German specialist in early childhood education, Friedrich Froebel: the blocks give children an experience of feeling and experimenting, acting and representing, thinking and recognising. This collection also responds to a wider environmental concern shared by parents, educators and guardians who want to make children aware, from an early age, of the importance of using planet-friendly materials. At the same time, toys made from natural raw materials, such as cork, are more durable and resistant. They also promote children's creative development, playful learning and skills training. Produced at Amorim Cork Composites, the Building Blocks collection has driven the installation of new technologies, the development of new formulae and the implementation of new industrial processes to meet the needs of this market.
- **Spirit of Innovation:** this is the world's fastest all-electric aircraft, which uses agglomerated cork supplied by the Company in the insulating lining of its battery box. This project is the result of a long-term partnership between Rolls-Royce, a British car manufacturer, YASA, a British electric motor manufacturer, and Electroflight, a British specialist in energy storage for aviation and a client of Corticeira Amorim in this project. Electroflight designed the entire powertrain and integrated battery system for the Spirit of Innovation, using three YASA 750 R axial-flow electric motors and over 6000 Murata VTC6, 18650 NCA cylindrical cells. The company then needed a material for the battery box that was not only structurally robust, but also lightweight and extremely fire-resistant. Electroflight worked closely with Amorim Cork Composites to develop

a fireproof agglomerated cork solution for the interior lining of the battery casing. This unique invention, now patented, had the added benefit of being made from sustainable natural materials - a vital component given the overall objective of the UK government's ACCEL project: accelerating the decarbonisation of aviation.

- **Floating solar park structure:** EDP, Corticeira Amorim and Isigenere created a cork-based float for the solar park in the Alqueva dam, which resulted from the challenge of creating a cork composite to be incorporated in more than 11,000 panels and 25,000 floats. After intensive collaboration between Amorim Cork Composites and the Spanish manufacturer, Isigenere, it was possible to develop an innovative cork-based product, tested for the first time in a renewable energy production project. This new solution combines cork with recycled polymers and was developed in the i.Cork factory. The project stands out for its unprecedented use of cork in this type of application - cork replaced part of the virgin plastic used in conventional floats and made it possible to achieve a reduction in the carbon footprint of this pilot project. In addition to helping to raise the profile of cork in this application, in terms of sustainability, this project strengthens Corticeira Amorim's position in terms of its technological and innovation capacity in the energy sector.

Product quality and safety

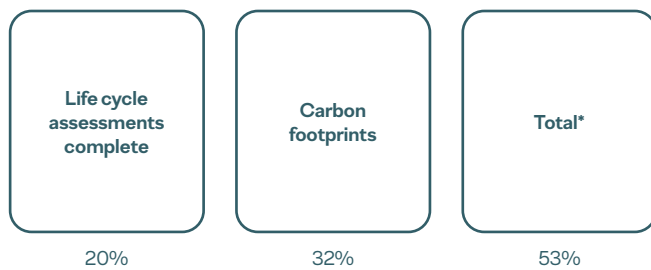
In order to ensure that operations and products comply with all quality, safety and hygiene requirements, Corticeira Amorim has a set of external certifications that attest to compliance with the specific requirements of different sectors and markets. These include the ISO 9001, ISO 22000, FSSC 22000, HACCP, IFS Standard PAC Secur, IFS Broker, BBEEE and BRC certifications.

Corticeira Amorim's products are also subjected to voluntary or compulsory tests and audits, which guarantee that high standards of quality and safety are maintained.

The production processes and the characteristics of the products are clearly communicated to all stakeholders, and Corticeira Amorim has systems in place to manage the relationship with the client and ensure protection of the respective integrity and confidentiality.

More detailed information can be found in Chapter 2.5 Management systems.

Life cycle assessments



*Percentagem das vendas consolidadas do perímetro financeiro (1 021,4 milhões de euros).

Corticeira Amorim has developed several studies in order to assess the environmental impacts/carbon footprint of its main products, focusing on different stages of the life cycle, using a *cradle-to-gate* approach, in particular: forestry activities; preparation of cork, including transportation from the forests, production, finishing and packaging. The assessment also included additional information on the carbon sequestration of cork oak forests.

These studies provide relevant information on the environmental contribution of cork products and provide Corticeira Amorim's 30,000 national and international clients with quantifiable information on how to reduce the carbon footprint of their products.

The complete life cycle assessments include the following impacts: 1) Resource use: abiotic depletion (fossil fuels, minerals), water depletion; 2) Ecological consequences: acidification, eutrophication, global warming, ozone depletion, photochemical ozone formation. Carbon footprints, on the other hand, include the impact on global warming.

These studies, which cover products and solutions whose sales exceed 50% of the Group's consolidated sales, concluded, without exception, that their carbon balance is negative, when considering the sequestration of cork oak forests and the emissions associated with their production.

At a time when carbon neutrality is one of society's challenges to ensure the preservation of planet Earth, these results illustrate the differentiating factor of cork in relation to other forest products and attest to the fact that Corticeira Amorim carries out a business activity that has a positive impact on climate regulation.

Amorim Cork
Still wines
- 288 g CO ₂ eq per Naturity stopper
- 392 g CO ₂ eq per Neutrocork stopper
- 297 g CO ₂ eq per Twin Top Evo stopper
- 322 g CO ₂ eq per Twin Top stopper
- 328 g CO ₂ eq per Advantec stopper
- 335 g CO ₂ eq per Acquamarck stopper
Spirits wines
- 96 g CO ₂ eq per natural cork with a wooden capsule
- 148 g CO ₂ eq per micro granulated stopper with a wooden capsule
- 87 g CO ₂ eq per natural stopper with a plastic capsule
- 138 g CO ₂ eq per micro granulated stopper with a plastic capsule
Sparkling wines
- 562 g CO ₂ eq per sparkling wine stopper with two discs
- 540 g CO ₂ eq per agglomerated sparkling wine stopper

Amorim Cork Flooring
- 101 kg CO ₂ eq per m ² of Amorim Wise cork Inspire 700 flooring
- 93 kg CO ₂ eq per m ² of Amorim Wise wood Inspire 700 SRT flooring
- 125 kg CO ₂ eq per m ² of flooring Amorim Wise Cork Pure PUPF 4mm
- 186 kg CO ₂ eq per m ² of flooring Amorim Wise cork pure PUPF 6mm
- 129 kg CO ₂ eq per m ² of Amorim Wise cork pure UV 4mm flooring
- 193 kg CO ₂ eq per m ² of floorings Amorim Wise Cork Pure UV 6mm

Amorim Cork Composites
- 39.3 kg CO ₂ eq per m ² of NRT [®] Top Layer 94
- 11.8 kg CO ₂ eq per m ² of NRT [®] 62 integrated Underlay
- 10.5 kg CO ₂ eq per m ² of integrated Underlay NRT [®] 62 BV
- 14.2 kg CO ₂ eq per m ² of Underlay Go4Cork Fusion
- 13.45 kg CO ₂ eq per m ² of Underlay Go4Cork Fusion BV
- 12.4 kg CO ₂ eq per m ² of Underlay Go4Cork Nature
- 12.0 kg CO ₂ eq per m ² of Underlay Go4Cork Nature BV
- 8.1 kg CO ₂ eq per m ² of Underlay Go4Cork Plus
- 7.8 kg CO ₂ eq per m ² of Underlay Go4Cork Plus BV
- 5.6 kg CO ₂ eq per m ² of Underlay Go4Cork Blend with Nike Grind BV
- 8.2 kg CO ₂ eq per m ² of Footcork [®] Evolution
- 102 kg CO ₂ eq per m ² of Corkeen
- 72.5 kg CO ₂ eq/kg of Amorim Sports Nature Infills
- 18.6 kg CO ₂ eq per m ² of Acousticork T10 Essence Underlay
- 18.0 kg CO ₂ eq per m ² of Acousticork T10 Essence BV Underlay
- 5.2 kg CO ₂ eq per m ² of Acousticork T56 Endurance Underlay
- 6.25 CO ₂ eq per kg CPC's CorkAl
- 6.37 CO ₂ eq per kg CPC's Floats

Carbon balance when considering the carbon sequestration of cork oak forests
Additional information available at <https://www.amorim.com/en/sustainability/studies/>

Packaging materials

	Reference	2022	2021	2020
Weight of packaging materials				
Renewable virgin (%)	GRI 301-1	83%	87%	75%
Non-renewable virgin (%)	GRI 301-1	16%	13%	25%
Recycled materials (%)	GRI 301-2	1.2%	0.0%	0.0%

In order to carry out its business activity, Corticeira Amorim consumes raw materials and packaging materials. From product design to responsible consumption, the choice of materials and their efficient use is a very important issue for Corticeira Amorim.

Corticeira Amorim does not use glass or metallic materials in its packaging.

Currently, the weight of non-renewable virgin packaging materials is 16%, a significant reduction from 25% in 2020.

Corticeira Amorim has an ongoing sustainable packaging project which aims to achieve 100% sustainable packaging by 2030 in its operations in Portugal, through the promotion of good environmental practices among suppliers and customers, encouraging responsible consumption and the circular economy through waste reduction, reducing the number of materials used, limiting packaging and favouring recycled and renewable materials, which are recyclable or compostable at their end of life.

Sustainable packaging project

With the participation of the executives in charge of logistics and sustainability in the BUs and support areas, the aim is to achieve 100% sustainable packaging in operations in Portugal, by promoting good environmental practices among suppliers and customers, encouraging responsible consumption and promoting the circular economy by reducing the quantities of raw materials used and waste generated, intervening in packaging and favouring renewable and recycled materials that are recyclable or compostable at their end of life.

This project currently has four axes of intervention and two goals:

- Recycle - ensure that all materials are recyclable after consumption; 100% post-consumer recyclable materials;
- Reduce - reduce the amount consumed by packaging;
- Rethink - use the best available alternative in terms of sustainable materials; 0% virgin non-renewable materials;
- Reuse/recondition - lessen the environmental impact of upstream and downstream transport.

In 2022, it is highlighted the initiatives in terms of use of stretch film, that is currently primarily comprised by plastic, which aimed to identify alternatives, in particular, in order to reduce thicknesses, incorporating recycled materials or made from alternative, renewable materials, such as paper. Several alternatives were tested, and several projects were implemented to reduce thicknesses and incorporate recycled materials, contributing to the result attained of a 1.2% weight of recycled packaging materials.

3.4 PROMOTE PEOPLE'S DEVELOPMENT, SAFETY AND WELL-BEING

Corticeira Amorim's activity has an impact on people. At the end of 2022, the total number of employees in the entities included in the financial perimeter was 4,999, 7.7% higher than the previous year, with no considerable change in the percentage share of the workforce in Portugal, which remained at 71%.

Corticeira Amorim has formalised and implemented a Human Resources Policy, aimed at promoting a safe and stimulating work environment, committing to the training and professional development of people and teams, encouraging innovation and development, promoting inclusion and diversity of gender, age, cultures, beliefs and nationalities. The Policy includes the Company's principles and commitments in the areas of respect for human and labour rights; working conditions; free employment; child labour; harassment at work; health, hygiene and safety protection; employment contracts; working time and pay; freedom of association and the right to collective bargaining; the principle of equal treatment and opportunities; diversity, inclusion and non-discrimination; professional fulfilment and development.

The Company reports environmental indicators in accordance with the sustainability perimeter, as noted in Chapter 6 References and scope of the report / Companies included in the consolidation of sustainability indicators. The organisational boundaries of these indicators have not changed compared to 2021 and correspond to 77% of the workforce, according to the consolidated financial statements.

The indicators presented in this chapter stand within the framework of the independent limited assurance review performed in accordance with the International Standard on Assurance Engagements (ISAE 3000, revised) and which is available in Chapter 10 Independent assurance report.

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

Human Resources Policy:

https://www.amorim.com/xms/files/Investidores/Estatutos_Politicar_Regulamentos/2021-12-06_Human_Resources.pdf

Certifications/Audits/Verifications

	Production Units	All Units
ISO 45001	15%	12%
SA 8000*	26%	21%
Internal SRMS	59%	67%
Total	100%	100%

* not included in ISO 45001
All units: 33 | Production units: 27

The Corticeira Amorim Group's companies have an IMS, which includes Social Responsibility Management Systems (SRMS). Due to the different characteristics of the various companies and activities, each implement the model that best suits the associated non-financial risks or the opportunities emerging in the markets in which they operate, which justifies the diversity of external certifications. The management systems are audited internally and externally, in accordance with the schedule defined for each system. In addition, an annual audit to verify compliance is also carried out. In all systems there are evaluation mechanisms and indicators defined for each one.

External certification of management systems is increasingly becoming a priority. Certification according to international standards of safety and hygiene at work / social responsibility, such as ISO 45001 and SA 8000, is implemented in 41% of the BUs and currently covers around 72% of employees.

Management systems - SA 8000

Aware that it is necessary to continually improve practices and strengthen efforts in the area of social responsibility, Amorim Cork has embarked on yet another change in its organisational culture by implementing the SA 8000 standard, guaranteeing compliance with all regulatory requirements, as well as with the international instruments inherent to each: child labour, forced or compulsory labour, health and safety, freedom of association and the right to collective bargaining, discrimination, disciplinary practices, working hours, remuneration and management systems.

The SA 8000 project aims to:

- Develop, maintain and apply socially acceptable practices in the workplace, that protect employees' basic rights and thereby increasing well-being at work;
- Increase employees' involvement in the company's continuous improvement
- Contribute towards an internationally recognised benchmark in the field of social responsibility
- Promote the credibility of the brand

Ensure positive differentiation from the competition
In 2022, over 95% of the employees had training in the SA 8000 standard and in the Code of Business Ethics and Professional Conduct, which includes the requirements of the SA 8000 standard, either through e-learning courses and/or face-to-face sessions, with a volume of 1,280 hours.

Employment Demographics

	Reference	2022	2021	2020
Employees				
Employees (Nr)		3,829	3,796	3,592
By type of contract				
Permanent (%)	GRI 2-7	79%	78%	79%
Fixed term (%)	GRI 2-7	12%	11%	13%
Temporary workers (%)	GRI 2-7	9%	10%	8%
By type of employment				
Full time (%)	GRI 2-7	99.8%	99.6%	99.6%
Part-time (%)	GRI 2-7	0.2%	0.4%	0.4%
By gender				
Women (%)	GRI 2-7	26%	25%	24%
Men (%)	GRI 2-7	74%	75%	76%
By age				
<30 (%)	GRI 2-7	20%	16%	15%
30-50 (%)	GRI 2-7	49%	55%	55%
>50 (%)	GRI 2-7	31%	29%	30%
By geography				
Portugal (%)	GRI 2-7	88%	87%	87%
Rest of the world (%)	GRI 2-7	12%	13%	13%

Number of employees concerns the sustainability perimeter; for the financial perimeter: 4,999 (2022); 4,642 (2021); 4,357 (2020)

The commitment to manage people with policies that favour stability and medium and long-term commitment is reflected in the labour relationship established: 79% through permanent employment contracts and without significant variations throughout the year, with some exceptions for reasons of greater demand in terms of the market. The exception is the cork harvesting activity and maintenance operations in the PUs, which may result in variations in the number of temporary employees.

In terms of age, the majority of employees belong to the 30-50 age group (49%), followed by the >50 age group (31%) and the under-30 age group (20%). The percentage of workers under-30 has increased in recent years, which has allowed the average age of employees to stabilise and rejuvenate the population. Most workers have qualification level 2 and/or 3, with an increase in the average qualification level in recent years.

Absenteeism has been on the rise in recent years, and 2022 was no exception. Following the trend of previous years, there is an increase in the absenteeism rate to 6.4% (2021: 5.8%), mainly linked to short-term illnesses, but also to other reasons in general. This increase is linked to a higher rotation of the workforce, to the post-pandemic period and also to some changes in the employee population. As the Company's productivity is highly impacted by this fact, this is a priority area for study and intervention.

3.4.1 DEVELOPMENT

(SDG 4, 5 and 8)

It is a source of pride to work with an extraordinary raw material such as cork, which, besides being natural and versatile, fosters a unique cultural, environmental and social heritage in the Mediterranean basin. But it is the company's employees, from all continents, and their determination to always achieve more, overcoming challenges, influencing by example and promoting the well-being of the communities that are closest to them, that underpin Corticeira Amorim's sustainable growth strategy. Corticeira Amorim's personnel management strategy follows the following fundamental principles:

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

Commitment not to tolerate any kind of discrimination or harassment

Corticeira Amorim does not tolerate any kind of harassment, discrimination, coercion, abuse, violence or exploitation at work within its sphere of influence. Workplace harassment is expressly prohibited at the company, in particular any verbal or physical conduct that denigrates, shows hostility to, actively harms or takes advantage of any individual, because of their ethnic or racial origin, territory of origin or language, gender, sexual orientation, disability, religious, political or ideological conviction, trade union membership or any other characteristic protected by law.

The Organisation recognises full legal protection of employees in the case of harassment in the workplace, and supports the victims of such harassment and condemns harassing conduct, emphasising that the members of corporate bodies and those exercising management and supervisory functions have a special duty of care to consider the possible effects of their behaviour, even if unintentional.

Corticeira Amorim has an internal reporting procedure, used to report incidents, that aims to prevent and detect improper and/or illicit behaviour within the framework of professional activity, and protecting those who, in good faith and with legitimate motives, report them, as well as the people and entities related to them. In 2022, Corticeira Amorim recorded zero reported incidents of discrimination and harassment.

Commitment to professional achievement and development

The Organisation strives to provide employees with an empowering and attractive work environment that offers high levels of job satisfaction and fulfilment, paying fair remuneration and ensuring a safe and healthy working environment.

The Organisation undertakes to promote the motivation, involvement, participation and accountability of its employees, in particular through training and qualification processes and incentive, recognition and/or compensation systems that take performance evaluation into consideration.

The Organisation also undertakes to foster the personal and socio-professional development of its employees, encouraging their involvement in improving their own capacities and skills.

Promote development for all

Corticeira Amorim focuses on promoting safe, healthy and physically, socially and psychologically balanced working environments, where employees feel stimulated to achieve high levels of performance, attaining levels of achievement and personal and professional development that meet their expectations. In the pursuit of these goals, Corticeira Amorim identifies initiatives, and actively engages with stakeholders to achieve commitments.

Freedom of association

	Reference	2022	2021	2020
Freedom of association				
Collective bargaining agreements (%)	GRI 2-30	94%	94%	94%
Associativism (%)	GRI 2-30	16%	17%	18%

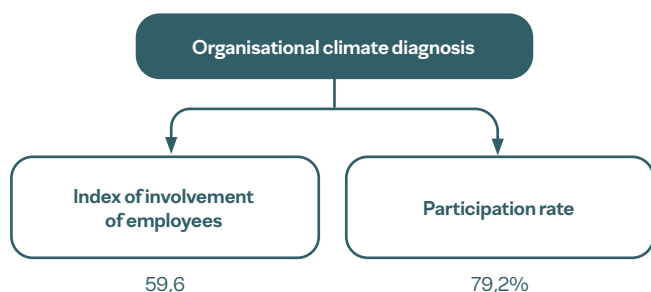
Percentage of employees (2022: 3,487; 2021: 3,412; 2020: 3,314).

Collective bargaining agreements cover 94% of the employees and include the regulation of employees' working conditions, which include, among other aspects, working hours, remuneration, access to training and career progression.

Depending on their size, the employees of each Group company elect structures for employee representation (employees' committees and trade union committees), mandated by them to represent them. In each company there are union delegates or committees, or employees' committees (each one with specific powers and mandates). On average, the BU's personnel and administrative departments meet twice a year, with these structures, to discuss the company's results and general and transversal issues concerning the management of the company and its employees, in particular restructuring, changes in working hours, changes in business activity and economic issues.

The employees' representatives are also elected to integrate another consultative body in each company - the Occupational Hygiene and Safety Committees, which are responsible for monitoring and advising on the companies' performance in terms of hygiene and safety at work.

Labour relations and social climate



Corticeira Amorim considers that it is important to carry out organisational climate surveys as tools for assessing employees' perception in areas and fields of work and the Company, which may influence their satisfaction and motivation at work, as well as their well-being, attachment and commitment to the Company.

Within this framework, measuring these perceptions, in a transversal and periodic manner throughout the Organisation, is a way to monitor and follow the evolution of important indicators, as well as a barometer of cultural evolution. Social climate surveys are carried out every two years, in addition to the definition and implementation of action plans consistent with the results achieved, as well as monitoring of their effectiveness.

Corticeira Amorim uses the survey produced by the National Human Resources Observatory (ONRH), which analyses different dimensions of the social climate: organisational context, workplace, recognition and reward, cooperation and

communication, policy and strategy, change and innovation, relations with supervisors and expectations. The results in these different dimensions make it possible to measure employee satisfaction, which in turn is linked to the degree of loyalty that determines the involvement of each employee.

In these surveys, all employees are invited to answer anonymous questionnaires, in line with the best international practices in this field. The data compiled (on employees' perceptions) makes it possible to analyse matters and themes for improvement, facilitating analysis both in overall terms and by age range, gender and professional category, wherein each BU is responsible for defining specific action plans in accordance with developments.

In 2022, Corticeira Amorim's companies conducted the survey in Portugal. In the case of Amorim Cork Composites and Amorim Cork Flooring, this survey covered all employees of companies located outside Portugal. The response rate to the questionnaire was 79.2%, higher than the global average of the ONRH, 72.1%. This reveals a strong commitment and degree of involvement. The level of satisfaction of Corticeira Amorim's professionals is 59.6 points (out of 100 points), very close to the average of all companies using this survey.

In order to evolve globally in all dimensions, but primarily in the indicators with lower scores, specific action plans are being prepared to be implemented in each company.

Attracting and retaining talent

	Reference	2022	2021	2020
Rate of new hirings and turnover				
Number of entries (Nr)	GRI 401-1	522	410	303
Number of turnover (Nr)	GRI 401-1	426	341	404
Rate of new hirings (%)	GRI 401-1	15%	12%	9%
Turnover rate (%)	GRI 401-1	12%	10%	12%

The priority in relation to attracting talent and retention is evident in Corticeira Amorim's following commitments:

- Provide employees with an empowering and attractive work environment that provides high levels of job satisfaction and fulfilment, paying fair remuneration and ensuring a safe and healthy working environment;
- Promote employee motivation, involvement, participation and accountability, in particular through training and qualification processes and incentives, recognition and/or compensation systems that take performance evaluation into consideration;
- Foster the personal and socio-professional development of its employees, encouraging their involvement in improving their own capacities and skills;
- Seek to balance work in the Company with employees' personal and family lives, promoting conciliation programmes aimed at achieving this goal;
- The rate of new hirings was 15% and was higher among female employees and in the under-30 age group. The turnover rate rose to 12% and was higher in the under-30 age group, similar for men and women (7.3 Social).

Recruiting and retaining, rejuvenating and renewing are priorities for Corticeira Amorim's companies. In this context, the recruitment of young people plays an important role. Employer Branding work, with relevant educational institutions was intensified, with Corticeira Amorim's institutional presence at various Employment Fairs and *Career Days*.

The curricular and professional internship programmes arising from collaborations and protocols with universities and higher education institutions, continue to be a vital source of talent recruitment. Each of the companies of the Corticeira Amorim Group develops internship programmes for young people, at the start of their careers. In particular, the Cork Potential and Cork Talent programmes have provided a wealth of skills and qualifications which, in the medium term, will underpin the workforce of the Group's companies.

The Mobilidade+ programme is aimed at internal recruitment and is both a way of attracting and retaining talent that, by making internal job vacancies available, aims to contribute to integrated personnel management, promoting new challenges and career development opportunities.

On the other hand, specific programmes for the retraining of professionals in the areas of maintenance and support to industrial operations have proved fundamental, aimed at re-qualifying and upgrading skills, due to the investments that have been made in technological evolution.

Young Talent Programmes: Cork Potential and Cork Talent

Corticeira Amorim has programmes aimed at young employees, in which it offers internship opportunities aimed at students and recent graduates, preferably with academic qualifications in the areas of Engineering (Mechanical, Industrial, Materials and Chemical Management), Marketing, International Relations, Management and Finance. By means of these programmes, students are given the opportunity to acquire knowledge and experience, implement academic concepts and develop activities integrated into the normal functioning of the Company, allowing both the consolidation of the training acquired and the acquisition of professional experience, while these young people also collaborate in the normal development of the Company's activity. The following key objectives should be highlighted:

- Identify talent that can strengthen the structure of Corticeira Amorim's companies;
- Enable the development of specific projects;
- Enable better evaluation and selection of candidates;
- Respond to recruitment processes underway in the Company.

Individual performance assessment

	Reference	2022	2021	2020
Employees with performance evaluation (%)	GRI 404-3	57%	55%	47%

Corticeira Amorim has implemented a performance management system that encompasses management by objectives, performance assessment and development of skills (professional development plans). It is a management tool with proven track records in promoting individual and organisational performance in companies. It covers all the Group's upper and middle management.

The Company is implementing a similarly sized system specific to operational functions, which covers direct and indirect industrial operators and also the administrative population. During 2022, Amorim Cork Flooring has moved forward with most of its population included in the system, and Amorim Cork Composites has ensured implementation in a significant part of the manufacturing population.

The general objective will be foreseen for 2023 and includes having all employees in Portugal covered by an integrated system of performance management in which the component of Management by Objectives and performance evaluation is added to a system of incentives.

Performance management system for all

For several years, the Company has been implementing a management by objectives system that covers the middle and senior management population. It is based on the *balanced scorecard* system, which operationalises the companies' strategy and directs the Company's objectives towards specific area and individual objectives. performance is monitored and there is an incentive system linked to attainment of objectives.

Under the same principles (management by objectives, performance assessment), specific systems have been created for direct and indirect industrial employees, as well as for administrative employees. In the first case, these are team objectives which are defined and monitored on a quarterly basis and which give rise to a quarterly bonus, corrected for individual attendance (objectives and attendance bonus). In the second case, it is an annual bonus based on the achievement of the objectives of the Company and team and individual assessment.

Alignment of these systems is fundamental. In this manner, the goal is to involve everyone in the company's results.

Training and education

	Reference	2022	2021	2020
Training				
Training hours (h)	GRI 404-1	74,792	67,094	56,870
Average hours of training (h)	GRI 404-1	20	18	16
Workers with training (%)	GRI 404-2	85%	79%	74%

Corticeira Amorim is committed to valuing its employees through training and development, thereby contributing to the success of its sustainability strategy.

Therefore, it provides all its employees with access to relevant and quality training, promoting learning opportunities and perfecting of skills, not only technical, but also managerial and behavioural skills.

By 2022, the number of training hours (h) rose to 74,792, equivalent to 11% growth in training volume. The average number of training hours also rose to 20 hours per employee. Taking into account the restrictions implemented as a result of the pandemic, which were still in force in the early part of 2022, this volume of training hours is even more significant. The professional categories with the highest average number of training hours maintained the tradition established in previous years: department heads (58 h), team supervisors (41 h), sales executives (40 h) and management support technicians (37 h). These numbers result from leadership training, in the development programmes for sales executives and also in the technical training provided to these groups.

2022 was a year of continuity in a series of medium-duration training programmes that began in 2021. Of note are Amorim Cork Composites' Leadership development programmes (Lead Up), Amorim Cork's, Champcork's and Top Series' Executive Coaching for Leaders programme, and Amorim Cork's Think Customer continuity programmes (covering sales, operations and support areas), as well as Knowledge For Growth (a partnership between Corticeira Amorim and the Católica Porto Business School). Of particular note is Amorim Cork Composites' new Young Talent programme (Cork UP), a modular training project with a broad scope and an expected 3-year duration, which began with identification of eight high-potential employees, and which the Company wishes to promote in a more intensive and targeted manner.

The focus on *e-learning* as a differentiating development methodology should also be highlighted. The availability of a specific platform, with more than 200 courses in English and Portuguese, permitted access to content related to management, behavioural area, micro-computing and languages. This platform aims to use digital tools in order to cover a wide range of employees and, at the same time, permits easy and flexible access to training content. In 2022, there were nearly 5,000 hours of *e-learning* training and the goal is for this number to rise rapidly over the near future.

Training was provided to 85% of the Company's staff. The Company aims to ensure that 95% of its workforce in Portugal will have annual training, by the end of 2024, and 100% by 2030.

In 2022, the succession plans for management positions in all Corticeira Amorim's companies were updated and action plans were defined, which include the development of employees for a programmed internal mobility.

Bark to Business Programme

The modular training programmes that explain the business and transformation processes are transversal to the Group and focus on training in raw materials, products and industrial processes, or on the 16 segments in which the Composite Cork BU operates.

In 2022, in the Cork Stoppers BU and Raw Materials BU, 31 employees completed 130 hours of theoretical and practical training that make up this benchmark course at Corticeira Amorim, characterised by e-learning components, synchronous online training, in class and in the field, involving the Bark to bottle initiative.

Leadership development programmes

Corticeira Amorim has leadership programmes aimed at enhancing quality and its direct impact on the results and performance of the Organisation, designed to develop, with a view to continuous improvement, the transversal principles of leadership, always respecting the individuality of each person and the various leadership styles, attending to the different organisational levels and the various functional areas, preparing leaders for the future, always taking into account the multiple internal realities, including remote team management, multiculturalism and generational diversity. Among the objectives, the following stand out:

- Create a culture of leadership in Corticeira Amorim's companies;
- Identify the leadership principles that should guide the actions of the Organisation's leaders;
- Clarify and ensure that each of the supervisors knows what is expected of them and integrates the behaviours of a leader into their daily practice;
- Transfer knowledge and leadership practices so that leaders are increasingly autonomous and efficient in their role.

In 2022, at Amorim Cork, more than 200 employees completed over 2,000 hours of theoretical and practical training in this programme, involving initiatives such as Coaching, Leader in the Field, Leadership Handbook, Annual Meetings, Cork Talent Retention, among others.

Equality and respect for diversity, inclusion and non-discrimination

Equal treatment and opportunities for employees is a principle that inspires the Human Resources policies. This principle is applied to hiring, training, career opportunities, salary levels, as well as other aspects of the work relationship, within the framework of an internal culture of excellence, responsibility and profitability.

The Company seeks to orient its labour policies and procedures towards:

- Respect the principle of equality between men and women and the right to privacy;
- Prevent discrimination and differential treatment on the basis of ethnic or social origin, gender, sexual orientation, age, creed, marital status, physical characteristics or disability, religious beliefs, political orientation, opinion, family situation, social class, birthplace, trade union membership, pregnancy or any other personal distinction.

Workforce by gender

	Reference	2022	2021	2020
Diversity				
Women workers (%)	GRI 2-7	26%	25%	24%
Women in management positions (%)	GRI 405-1	26%	25%	22%

For the third consecutive year, the objectives set three years ago in Portugal regarding the representation of women and their occupation in management positions have been achieved.

By 2022 the percentage of female employees in the organisation will have increased to 26%. Just as important is the fact that the number of women in management positions has kept pace with this increase. There has been an increase across practically all professional categories.

These results have been achieved mainly due to the focus on recruitment and awareness-raising actions for managers and the general workforce. This has made it possible to break down obstacles and paradigms regarding the hiring of women. One example was the hiring of female employees for jobs which, until now, had never been held by women, such as in Amorim Cork Insulation's industrial units in Silves and Vendas Novas.

During the year, commitments to equality, diversity and the promotion of measures against harassment were reiterated and strengthened, with the improvement and wider dissemination of a specific procedure for reporting non-compliance, formalising the role of the Nomination, Evaluation and Remuneration Committee in these processes. Similarly, the formalisation of Corticeira Amorim's policies, specifically the Human Rights Policy and the Human Resources Policy, strengthens the Company's commitment to principles and practices that foster non-discrimination and the creation of inclusive, balanced and fair working environments.

The Equality Plan, applied to companies in Portugal, was also renewed for the fourth consecutive year and formally extended to the dimensions of diversity and inclusion, with new, more demanding targets, in particular the one defining zero discrimination for 2030 - the objective of one third of female employees in the total number of employees and an equal percentage in management positions.

Human Rights Policy:

https://www.amorim.com/xms/files/Investidores/Estatutos_Politicar_Regulamentos/2021-12-06_Human_Rights_Policy.pdf

Human Resources Policy:

https://www.amorim.com/xms/files/Investidores/Estatutos_Politicar_Regulamentos/2021-12-06_Human_Resources.pdf

2023 Equality Plan:

https://www.amorim.com/xms/files/Investidores/Estatutos_Politicar_Regulamentos/Equality_Plan_2023.pdf

Programme for equality, diversity and inclusion

The scope of Corticeira Amorim's Plan for Equality was extended to the dimensions of diversity and inclusion and is leveraged on six fundamental axes:

- Internal and external commitment to issues of gender balance, definition of objectives, targets, action plans and respective monitoring;
- Awareness-raising, involvement and training of all employees on Gender Equality issues;
- Increase the representation of women amongst all Employees;;
- Evolution in ratios regarding the inclusion of people with disabilities;
- Create more equal and inclusive contexts and working conditions;
- Promote in a systematic, structured and appropriate manner, cascaded and extended debate in the Organisation on diverse and inclusive contexts, based on quantitative and qualitative indicators, in the dimensions of representativeness, equity and culture..

Intervention in this axis was materialised through a set of annual and pluri-annual initiatives, that focused not only on previously established objectives for gender equality, but also related to the hiring of young people, as well as intervention in workplaces, with a view to creating infrastructures that cater to employees with special needs.

Project equal access to employment and opportunities

The global objective of increasing the number of female employees in the total workforce is taken into account, in particular in recruitment actions, and all Human Resources departments in Portugal were recommended to guarantee the presence in any final recruitment of someone from the under-represented gender in that functional group. There were also internal training actions for Human Resources departments and recruitment technicians on unconscious biases in recruitment.

Diversity in the governing bodies

	Reference	2022	2021	2020
Women on the Board of Directors of Corticeira Amorim, S.G.P.S., S.A. (%)	GRI 405-1	40.0%	40.0%	33.3%

With regard to the governing bodies of Corticeira Amorim, S.G.P.S., S.A., a policy of diversity is advocated in the composition of its governing bodies, in particular the Board of Directors and the Audit Committee, as a means to:

- Promote diversity in the composition of the respective body;
- Enhance the performance of each body and each individual member of those bodies;
- Encourage wide-ranging, balanced and innovative analyses with a view to facilitating well-founded and agile decision-making and control processes; and
- Contribute to increased innovation and to the self-renewal of the Company, together with its sustained development and the creation of long-term value for its shareholders and other stakeholders.

Corticeira Amorim recognises the need to continuously promote diversity in its governing bodies, in particular in the Board of Directors and the Audit Committee. 40% of the members of the Board of Directors are currently women.

Salary gap

	Reference	2022	2021	2020
Ratio of salary of women to men	GRI 405-2	0.98	0.96	0.92
Ratio of remuneration of women to men	GRI 405-2	0.87	0.88	0.86

Corticeira Amorim recommends that the principle of equal treatment and opportunities should be applied, among other things, to career opportunities and salary levels. The *gap* in the fixed salary between male and female employees has generally shown a positive evolution over the last three years. The same applies to the remuneration *gap* (all salary components).

Despite this generally positive trend, a detailed analysis by functional group still reveals unfavourable trends due to a different level of recruitment by group, the inclusion of different profiles in the same functional area and the fact that the groups include a group of employees from different countries, with different average salary levels. These groups are also not homogeneous in the composition of the functions/genders represented and may generate some bias.

Corticeira Amorim has planned a set of procedures in order to collect information and apply possible corrective measures. Thus, in addition to maintaining regular monitoring of the ratio indicators of salary/remuneration between women and men by professional category, detailed analyses will be conducted, specifically including analysis of job functions and comparison of salaries. The company also plans to introduce, in the corporate climate surveys, questions on satisfaction with regard to equality aspects and suggestions for actions to be taken in this area, as well as to maintain the training actions for managers, aimed at identifying and preventing gender biases in Human Resources management processes (performance evaluation, professional and salary evolution).

3.4.2 SAFETY, HEALTH AND WELL-BEING (SDG 3 and 8)

Corticeira Amorim considers that working conditions are one of the fundamental factors underpinning the success of an organisation. In this context, it promotes and fosters a culture of safety among all employees, guaranteeing a working environment that preserves physical and psychological integrity, while also encouraging a healthy and sustainable lifestyle. Within the framework of Occupational Health and Safety (OHS), Corticeira Amorim is governed by the following lines of action:

- Compliance with all requirements, standards and legal procedures in the area of occupational health and safety including training for employees and service providers;
- Implementation of occupational health and safety programmes including health screenings, specific physical activity and labor gymnastics programs;
- Meetings and formal commissions with the participation of employees and/or their representatives to monitor performance;
- Sharing, debate and adoption of a set of best practices in all BU.

Commitment to health, hygiene and safety protection

Corticeira Amorim has formalised and implemented a policy that includes the protection of occupational health, hygiene and safety, which is aligned with the main applicable international frameworks, such as the principles of the 1948 Universal Declaration of Human Rights, the fundamental conventions of the International Labour Organisation, the guiding principles of the OECD for multinational companies, the ten principles of the United Nations Global Compact and the Charter of Principles of BCSD Portugal. The Company undertakes to:

- Guarantee health and safety conditions in the workplace, regularly checking, in particular, its facilities' compliance with current standards according to the specific associated risks;
- Ensure that its activities do not harm the health and safety of its employees and subcontractors, those involved in operations, neighbouring populations or users of its products;
- Ensure a safe and healthy working environment for Employees, subcontractors and those involved in operations, adopting all appropriate measures to prevent risks and accidents at work and ensuring access to drinking water and clean facilities, including lavatories;
- Comply with and respect regulations on the prevention of occupational risks and to provide the necessary means for Employees to carry out their professional activities with the appropriate safety and hygiene measures in order to safeguard their lives, health and physical and psychological integrity.
- Have a preventive approach to the health and safety of its Employees, providing them with regular training on health and safety in the workplace;
- Give priority to the safety, health and well-being of its Employees, ensuring the development of adequate occupational health and safety management systems, through qualified technicians in these areas and in environmental issues..

Human Resources Policy:

https://www.amorim.com/xms/files/Investidores/Estatutos_Politicis_Regulamentos/2021-12-06_HumanResources.pdf

UN Global Compact:

Corticeira Amorim, S.G.P.S., S.A. | UN Global Compact

Charter of Principles of BCSD Portugal:

https://bcsdportugal.org/wp-content/uploads/2022/11/Charter-of-Principles_BCSDPortugal_ENG.pdf

Risk assessment and investigation of incidents

The procedures of hazard identification and risk assessment apply to all tasks and processes developed in the Company, which imply a OHS risk. These include routine, occasional and emergency activities conducted by permanent, temporary or service providers on company premises.

The OSH departments are responsible for ensuring identification of hazards, assessing the risk and proposing/validating corrective, preventive or opportunity improvement measures.

Employees are involved and consulted, through seeking their point of view, within the framework of hazard identification and risk assessment, as well as the definition of control measures. Whenever there are substantial changes in the hazards that could alter the risk, the risk will then be reassessed. All the incidents that occur in the Company are analysed by a multidisciplinary team, which includes members of the OHS team, the person(s) in charge of the area in which the incident occurred and the support areas that may be relevant in analysing the occurrence, as well as the employees of the area, with a view to identifying the root cause of the incident and defining actions to eliminate or control the risk. The results of the incident analysis are disseminated within the Company.

Ensure the safety, health and well-being

Employee health is promoted through compliance with all legal requirements, standards and procedures in the area of OHS, in all countries where it operates, by applying good practices, in particular:

- Provision of occupational medicine and nursing services, curative medicine and health care in general;
- Risk and hazard assessments to identify what may cause incidents or accidents in the workplace;
- Prioritisation and integration of action plans with quantified targets for dealing with risks;
- Regulatory occupational medicine examinations for admission and periodic examinations;
- Availability of personal protective equipment;
- Health and safety training for employees and service providers adapted to the specific characteristics of each job;
- Health and safety committees, with the participation of employees and/or their representatives;
- Specific procedures for handling hazardous substances;
- Action plans prepared for emergency situations.
- Specific procedures to investigate work-related injuries, ill health, illness and incidents and forums to discuss best practice within the Group;
- Internal and external audits, in particular according to ISO 45001 and/or SA 8000 standards;
- More specific programmes, such as workplace exercise, aimed at preventing musculoskeletal injuries;
- Objectives and performance indicators to assess progress;
- Screening and training in the field of occupational health.

Each company has an OSH committee, made up of worker representatives, safety technicians and management representatives, which does the following:

- Request and assess suggestions from employees on health and safety issues;

- Visit workplaces to recognise health and safety risks and evaluate the preventive measures adopted;
- Propose initiatives within the framework of risk prevention for occupational health and safety, with a view to improving working conditions and correcting any shortcomings detected;
- Participate in the definition of measures to be included in the prevention plan;
- Analyse the available data on workplace accidents and occupational illnesses;
- Participate in the development of the department's annual OSH programme and follow up on it.

Additionally, indicators are monitored, more specific programmes are developed and multiple screenings and training actions are carried out.

Work-related injury or ill health

	Reference	2022	2021	2020
Recordable work-related injuries (n ²)	GRI 403-9	91	76	82
High-consequence work-related injuries (n ²)	GRI 403-9	7	2	2
Fatalities (n ²)	GRI 403-9	0	0	0
Work-related ill health (n ²)	GRI 403-9	73	65	35
Lost time injury frequency rate	GRI 403-9	14.3	12.4	13.9
Rate of high-consequence work-related injuries	GRI 403-9	1.1	0.3	0.3
Lost workday rate	GRI 403-9	784	554	551
Rate of fatalities as a result of work-related injury	GRI 403-9	0	0	0
Rate of work-related ill health	GRI 403-10	11.5	10.6	5.9

In 2022, there was a reversal in the downward trend in the number of workplace accidents registered in the previous four years. The results were not uniform across all group companies, so the negative result in two BUs led to an increase in the total number of accidents and, consequently, in the overall accident frequency index. Following this performance, which was well below expectations, an action plan was set in motion in order to return to the favourable evolution recorded in previous years, in pursuit of the goal of achieving zero accidents in the four-year cycle (2021-2024), in operations in Portugal.

The achievement of an integrated and solid safety culture requires a careful and continuous dynamic process. The Company, despite existing good practices, intends to strengthen its performance in this area and, in addition to that which has already been implemented and in progress, bring fresh dynamics and new approaches to this subject.

Occupational Safety Forum

Four times a year, this Forum is held with the participation of Health and Safety representatives, Human Resources Directors and the General Managers of all the BUs and is promoted by the Chairman of Corticeira Amorim. It is a dynamic initiative that has made it possible to maintain this issue as a priority, providing constant sharing and debate on best practices in this area, fostering very significant progress and transversal adoption of a set of practices. In mid-2022, this Forum was attended by all Industrial and Operations Directors, with the aim of aligning, involving and holding accountable the main promoters and drivers of good OHS practices.

OHS Training

Within the framework of OSH, special importance is given to training when welcoming new employees, as well as OSH training in the workplace, which is compulsory whenever an employee starts working in a new workplace. The content of OSH training is regularly revised in order to ensure the necessary knowledge updating and awareness of occupational health and safety issues. Increasingly, priority is given to the development of on-the-job OSH training to the detriment of classroom training, always with the objective of individualising the training and, in this way, foster a better transmission of knowledge about safety to employees. During 2022, more than 14,500 hours of training were provided in this field, an increase of about 14% compared to 2021.

Workplace gymnastics project

It has been observed that a large proportion of work-related accidents in companies are musculoskeletal. With the objectives of preventing work-related injuries, improving body posture, reducing absenteeism, improving the organisational climate, improving attention and concentration, promoting physical activity and a healthy lifestyle, an action plan was drawn up that involved restructuring the *layout* and processes, as well as promoting workplace exercise. The project begins with an analysis focused on ergonomic issues at the workstations and the individual physical condition of each worker. This is followed by initial training for internal facilitators, focusing on the most common work-related musculoskeletal disorders (WMSDs), risky postural behaviour, the preventive framework for exercise in the workplace, tools to guide workplace exercise sessions, exercises and their basics, teaching strategies and training on the exercise plan. This project also includes the development of improvement proposals both at the ergonomic level of the workplace and at the level of task standardisation, individual postural training for the development of work tasks with less risk of musculoskeletal injury, implementation of physical activity programmes and also active recovery programmes aimed at the treatment of specific pathologies, in groups. In 2022, employees from the Raw Materials BU and Composite Cork BU were involved in these programmes. Thus, the shifts begin (twice a day) with a daily Kaizen meeting followed by a short duration physical activity (5-10 minutes), guided by the sector manager. Given the positive results, the Cork Stoppers BU also intends to implement a similar project.

Wellness, benefits and protocols

Corticeira Amorim's employees benefit from several advantages, in particular the purchase of products and services (our own and those resulting from partnerships and protocols), salary bonuses and support that encourage conciliation between personal and family life and work, in particular

- Benefits in health services: hospitalisation insurance is provided in all companies in Portugal; in the larger units (or head offices), curative medicine appointments are organised twice a week; there are protocols with clinical analysis laboratories, which carry out collections in the companies, and with pharmacies that accept orders and deliver medication to the premises. Several screenings (ophthalmologic, hypertension, healthy habits) are conducted regularly in order to promote health. Each year, a flu vaccination campaign is carried out;
- Recognition and celebration benefits and initiatives throughout the year: Christmas hampers, seniority awards and various recognition awards;
- Online platform for access to hundreds of products (clothing, footwear, electrical appliances, telecommunications equipment) and services (insurance, travel, gyms, health and beauty care, among others) called Amorim Vantagens+, available to all employees in Portugal;
- Benefits to support daily life: access to Company canteens by the direct family members of employees, also allowing employees to buy meals to take home;
- Protection of parenthood: information on legislation on parenthood, support for the education of employees and their children, offer of toys for employees' children.

Parental protection

In order to guarantee the right of employees to take parental leave, the Company created and keeps updated a chapter in the internal network - Linkpeople - referring to the legislation on parenthood, which provides for 120 days for the mother and 20 working days, paid at 100%, for the father. Additionally, employees benefit from various services and support, with a view to strengthening the Company's action in these matters, in particular:

- Support in the education of employees and their children, with the attribution of school subsidies and merit-based scholarships for employees' children (currently more than 30 young people per year);
- Offer of toys to employees' children.

Health insurance

It was decided in 2022, the significant extension of coverage and insured capital of the Health Plan for employees, now with the possibility of extending it to their families. This initiative is intended to support employees in such an important and valued aspect.

3.5 PROMOTING R&D+I AND LEVERAGING ECONOMIC PERFORMANCE

Building resilient communities is vital to achieving sustainable development and companies play a key role in this construction. With 4,999 employees around the world, Corticeira Amorim recognises the importance of being an active agent in supporting communities to overcome the challenges that they face.

Having an impact on society in general and promoting its balance through active, long-term participation has been a concern of the Group throughout its more than 150 years of trading.

Corticeira Amorim's business activity generates economic value for the communities in which it is present, at international, national, regional and local levels, directly, indirectly and induced, in particular as a major employer, investor, taxpayer and business partner. Simultaneously, several complementary but quite important impacts on the economy and society stand out, which emphasise the relevance of the Company in promoting entrepreneurship, environmental sustainability and innovation. In particular, its activities have an important impact on other companies and sectors, at a national level, upstream. Among the main contributions, the Company's role stands out in terms of the following:

- As a benchmark for the Portuguese cork *cluster* and one of the best examples of how to economically develop a natural resource, combining best practices to maximise profitability with environmental and social responsibility;
- As a promoter of cork and the perception of the material as exclusive, high quality and sustainable, with a prosperous future ahead of it;
- As a leader in the implementation of circular economy principles in the cork industry.

The Policy towards Community/Society, includes the following commitments:

- Strengthen efforts to protect and safeguard cork oak forests;
- Act in full compliance with the laws and regulations in force in the regions where it operates, and to collaborate with the authorities as far as possible;
- Be part of a value chain that generates income in the places where it is established, respecting the local culture and communities and providing high quality products and a deep commitment to economic, social and environmental sustainability;
- Foster the ambition to continuously develop new cork solutions that add value to the market compared with conventional solutions, and that uniquely combine technical performance, a premium element and unmatched sustainability credentials;
- Minimise the negative impact that its activities have or may have on the communities where they are carried out, demonstrating openness and honesty, respecting local cultures and traditions, and supporting and promoting initiatives in relation to institutions, populations and local communities in general;

- Repay community support by contributing to the progress, economic development and well-being of communities, encouraging SMEs and future local entrepreneurs to achieve sustainable results and thus boost national entrepreneurship;
- Be sensitive to the needs of local communities, listening and seeking to respond to their concerns, in an inclusive manner, and ensuring that, within the Organisation's operations, everyone is heard, in order to understand how to minimise any possible negative impacts;
- Promote internal and external environmental awareness-raising activities..

Community/Society Policy:

https://www.amorim.com/xms/files/Investidores/Estatutos_Politiclas_Regulamentos/2021-12-06_CommunityPolicy.pdf

Economic, environmental and social impacts

A study conducted by EY on the environmental, economic and social impacts of Corticeira Amorim's operations in Portugal accounted for the value created and sustained in 2018.

Adopting an input-output methodology applied to the intersectoral data of the Portuguese economy, the study calculated the direct impacts and estimated the indirect impacts and induced impacts arising from household consumption, generated by Corticeira Amorim's operations. For environmental impacts, the following metrics were used: GHG emissions, water consumption, waste production, forest carbon sink. For the economic and social impacts, Corticeira Amorim's gross value added for its operations in Portugal was used.

The results show the relevant contribution of Corticeira Amorim, through the creation of value, the creation of employment and opportunities, product innovation and diversification and support for the promotion of responsible management of cork oak forests and use of natural resources. In numbers:

- **7x** - direct value of the activity in Portugal multiplier (includes impacts of cork oak forest's ecosystem services) (the total net value added when the environmental, social and cork oak forest ecosystem service impacts made viable are incorporated is 7x greater than the direct value added);
- **2.17x** - production multiplier in Portuguese economy (each euro of Corticeira Amorim's production generates, in total, 2.17 euros in national production);
- **93%** exports to over 100 countries;
- **75%** of the purchases made by the Portuguese subsidiaries are from Portuguese suppliers;
- **39%** contribution to total exports from the municipality of Santa Maria da Feira;
- **51%** of impact on employment in the forestry sector in Coruche and Ponte de Sor.

The study showed that the total impacts of Corticeira Amorim's activity exceed what is shown in the financial statements.

The Company has several examples of projects that enhance its effects in terms of innovation, entrepreneurship and the environment, and which have very important indirect impacts on the Portuguese economy and society.

3.5.1 COMMUNITY / SOCIETY AND INNOVATION
(SDG 8, 9 and 17)

Corticeira Amorim reinvests a significant part of the economic value generated in the various countries where it has operations. Management structures have the necessary processes and tools in place to recognise and manage impacts and understand the needs and interests of communities, as well as identify opportunities for long term investment in local communities.

Programmes generating positive long-term benefits are prioritised, in particular:

- Promote social balance, in particular well-being, respect for Human Rights and social inclusion of the people and local communities where Corticeira Amorim is present;
- Support culture and knowledge in favour of promoting the values of Biodiversity and Circular Economy and raising awareness of the impacts of Climate Change and the importance of caring for the planet;
- Strengthen entrepreneurship, creativity and innovation by providing the dissemination of knowledge and innovation in the cork sector to society.



Social balance

	Reference	2022	2021	2020
Economic value generated (K€)	GRI 201-1	1,034,630	842,171	748,287
Operating costs (K€)	GRI 201-1	690,303	548,884	474,396
Employees (K€)	GRI 201-1	182,950	146,098	138,054
Capital providers (K€)	GRI 201-1	46,715	39,580	28,550
State (K€)	GRI 201-1	23,581	19,729	15,321
Communities (K€)	GRI 201-1	361	225	381
Retained economic value (K€)	GRI 201-1	90,720	87,656	91,585

Corticeira Amorim develops an important role in building resilient communities with the fundamental objective of being an agent of change and value creation. Direct impacts include salaries paid to employees, investments in the community and payments to the State in the form of taxes, contributions and fees, which may be reinvested in social and economic programmes that benefit the communities and regions where Corticeira Amorim operates.

In 2022, Corticeira Amorim generated an economic value of €1,035 million, and distributed €944 million to its stakeholders.

Culture and knowledge

In 2022, Corticeira Amorim continued to design and develop various initiatives that placed important resources at the disposal of society: cork, in its most diverse forms, the overall expertise and technical expertise of the team, encouraging knowledge of the material and enabling the development of educational, research and artistic projects aimed at employees and their families, as well as the wider community.

In this way, and through multiple actions and partnerships in the area of education and culture - from student internships to protocols with academic institutions, from environmental education to cultural patronage - a positive impact is generated that is relevant to Corticeira Amorim's priority areas in terms of sustainable development.

Promote scientific and technological knowledge

With a view to raising the profile of both cork, strengthening its perception as an exceptional natural raw material, and Corticeira Amorim, as the leader of the sector, ensuring Portugal's world leadership and in line with the achievement of three of Corticeira Amorim's strategic objectives for sustainability - 1) cork oak forests, through preservation of cork oak forests and ecosystem services through increased knowledge 2) green products, by maintaining a proactive role in the vast scope of applications of cork; 3) innovation, by supporting research, development and innovation, and fostering sustainable solutions - in 2022, Corticeira Amorim supported the following projects:

- **The Amorim Academy - an international organisation created by Corticeira Amorim with the aim of encouraging research in oenology, knowledge about wine and innovation in winemaking practices** - promoted the conference "Climate Evolution and the Challenges for Vines and Wine". The meeting, which marked the Academy's 30th anniversary, was attended by renowned specialists from the world of wine, including Jocelyne Pérard, one of the great names in research into climatology and wine, professor at the University of Dijon (Burgundy - France) and creator of the UNESCO Chair in Culture and Traditions of Wine. During the event, the Grand Prix Sciences & Recherche was awarded to Charlotte Brault for her thesis *Optimisation of grape variety selection using genomic and phenomic prediction* and the Prix Coup de Coeur was awarded to Aurélien Nouvion, for her study on *Times and actors of vine and wine in the Middle Ages: a comparative study of Burgundy - Champagne (5th - 16th centuries)*. Over the past 30 years, the Amorim Academy has consolidated itself as a pool of talent and personalities and a permanent source of shared knowledge.
- **Corticeira Amorim's association to the school 42, as a corporate partner:** launched in Paris in 2013, 42 has over 15,000 students in 25 countries, and is recognised as one of the world's best programming schools. In 2022, it also began operating in Porto. Based on a method that promotes learning without the traditional classroom format, without teachers and without timetables, at 42 Porto students learn in a practical manner, developing projects among peers. In addition to technical skills, each student enhances their

communication skills, teamwork and problem solving, as well as their creativity, autonomy and resilience. The teaching is free, thanks to support from sponsors such as Corticeira Amorim.

- **Conference "Discovering Cork for the Architecture of Today and Tomorrow"**: organised by Amorim Cork Flooring Italia, held in Milan and aimed at architects, planners and designers, it fostered debate on the role of architecture as a tool for sustainability. A plan in which cork plays a leading role, thanks to its inherent natural characteristics, as a renewable, recyclable and reusable raw material.
- **8th International Cork Conference**, promoted by Amorim Cork Insulation, which brought together architects, business people and builders from almost two dozen countries and included a visit to the cork oak forest and to Amorim Cork Insulation's premises in Vendas Novas, as well as a seminar held at the Centro Cultural de Belém, in which cork's unique properties were once again highlighted.
- **Corticeira Amorim funds six scholarships in the area of Forest Engineering**. These scholarships provide 100% of the tuition fees for BSc degrees in the above area at the University of Trás-os-Montes and Alto Douro and the University of Porto (UTAD and UP), the Higher Institute of Agronomy (ISA) or the Coimbra Higher Agrarian School (ESAC). The Company thereby intends to stimulate the interest of potential students in an area of strategic importance for Portugal, increasing the availability of specialists in the forestry area to meet the growing demand from the job market.

As part of the **i-cork factory's** activities, the knowledge of cork and its experimentation by students in areas such as design, architecture and engineering is also promoted. Each year, workshops, classes and visits are developed, materials are provided and ambitious research projects are accompanied, of which the following are highlighted in 2022:

- Technical support and monitoring of the research project, Vertical Grounds, developed by students from University College London, Faculty of the Built Environment, Bartlett School of Architecture and the Faculty of Engineering Sciences, Department of Biochemical Engineering. This project was exhibited at the Lisbon Architecture Triennale;
- El Corcho workshop (virtual classes and cork transfer), developed for a class at the **Saint-Luc School**;
- Workshop and mentoring of two research projects by students at the **Dubai Institute of design and Innovation**;
- Design and lecture about cork given to a group of students from the **University of Aveiro, Master's degree in design, Materials Department**;
- Workshop, virtual class and visit of students from the **Polytechnic Institute of Viana do Castelo**;
- Workshop and visit by students from the School of Arts and Design, Master's Degree in Interior design.

Environmental education and action

Corticeira Amorim's environmental education programme was designed with the aim of supporting schools in environmental education and raising community awareness, in general, regarding the need to protect and value the forest, including the cork oak forest, and to promote cork recycling, aligned with three of Corticeira Amorim's strategic objectives for sustainability: 1) cork oak forests, by preserving cork oak forests and ecosystem services through increased knowledge; 2) circular economy, by applying circular economy principles; and 3) community/society, by boosting economic growth in a sustainable and inclusive manner.

As the COVID-19 pandemic situation imposed significant restrictions on some of the activities carried out, such as visits and environmental education activities for schools, which had to be temporarily suspended, these activities were prudently and progressively resumed, and new forms of interaction with the respective target audiences were also adopted, in particular visits to Corticeira Amorim's companies, in compliance with a carefully prepared and strictly implemented safety and hygiene plan to safeguard the health and safety of all visitors. Corticeira Amorim plans to develop a volunteer plan over the next two years, with emphasis, in the first phase, on the environmental education programme.

In 2022, it should be noted the collaboration with the Financial Education Project "No Poupar Está o Ganho" (A Penny Saved is a Penny Earned), promoted by Dr. António Cupertino de Miranda Foundation, which transmits knowledge of financial education to pre-school, primary and secondary school and vocational education students, so that they acquire skills to be able to make correct, conscious and informed decisions in the future, contributing to them becoming more responsible consumers. In 2022, over 13,000 students participated in this project.

The traditional annual tree planting exercise, carried out by Corticeira Amorim's volunteers, should also be highlighted. In the 2022 edition, as part of Amorim Cork's 100th anniversary celebrations, around 150 volunteers gathered at the Quinta Grande estate, in Coruche, to plant 3,000 cork oak trees. The initiative was conducted in close partnership with Quercus, as part of Green Cork, a programme promoted by the Portuguese environmental association, which promotes the recycling of cork stoppers and the planting of autochthonous trees. Corticeira Amorim employees have been involved in this activity since 2011 and to date they have contributed to the planting of 24,500 trees in Portugal.

Art and culture

An ambitious strategy is also being pursued to position cork at an outstanding level worldwide in the fields of architecture and design, promoting its use in the construction of more sustainable and resilient cities. In line with the strategic objectives of Green Products, Community/Society and Innovation, Corticeira Amorim has embraced a number of initiatives, ranging from the experimentation with cork by students from around the world, to its use by major figures in architecture, design and the arts, as well as its presentation on the world's biggest creative events:

- **Sponsorship for the Casa da Arquitectura**, contributing to the activities developed at the Casa da Arquitectura (archive, programming, study and documentation centre and educational service) and to the exhibition, FLASHBACK Carrilho da Graça.

The Casa da Arquitectura is a non-profit, cultural institution, whose purpose is the promotion and dissemination of architecture, in general, and of the collections and holdings it has acquired, in particular through exhibitions, conferences, workshops, thematic visits to spaces of architectural interest, or any activity of a recreational, cultural, touristic and social nature, which contributes to a better knowledge of the architectural heritage, at national and international level.

- Portuguese artist **Pedro Cabrita Reis** chose cork to create one of his most recent international projects, **The Three Graces, a work inspired by Classical Antiquity, exhibited in the Tuileries Garden in Paris**. Part of the 2022 France-Portugal Season, and the result of an invitation made by Laurence des Cars, president of the Louvre Museum, to the multifaceted artist, the original work, comprised by three monumental, autonomous elements, was entirely made of cork, in a new formulation specially designed by Amorim Cork Composites. Each of the sculptures, painted in a delicate ivory-white colour at the end of the creative process, weighed approximately 500 kg, was approximately 4.50 metres high and supported by an iron base weighing 400 kg (the total perimeter was nine metres in diameter).
- **Design with Nature, an installation with cork designed by the architect Mario Cucinella, presented at the Salone Del Mobile in Milan**. The 60th edition of this Salon offered *insights* for reflection on the future of design practice, exploring the themes of the circular economy, recycling and reuse, based on the idea of cities as possible reserves of both resources and raw materials. Design with Nature and thereby demonstrated different ways of creating products in harmony with nature, through the adoption of virtuous ecological practices and behaviour.
- Cork has become a permanent feature of the **Domaine de Boisbucbet**, one of the most renowned international centres for research in design and architecture, and was used as a sustainable material in the *Maison du Jardin*, a circular construction designed by the Belgian atelier, dmVA. The inauguration was included in the **opening programme of the 2022 edition of the French Design Week**. Since 2011, Corticeira Amorim has participated in and supported several workshops in the Domaine de Boisbucbet, workshops led by some of the most renowned professionals in the field, involving an eclectic international community of both established designers and architects and students seeking hands-on experience.
- **Micro/Macro, the temporary pavilion designed by the artist Ryoji Ikeda for Serralves Park**, and materialised in an ephemeral architecture project by Nuno Brandão Costa, integrated only eco-sustainable materials, including, in particular, cork, supplied by Amorim Cork Insulation.
- **Exhibition Toquem fusta! Disseny, fusta i sostenibilitat (knock on wood! Design, wood and sustainability) at the Museu del Disseny in Barcelona**, which presented a wide range of cork objects from the collections of Corticeira Amorim's various business units, as well as a house purpose-built in the museum, based on sustainable solutions in which cork solutions supplied by Amorim have played an important role, were used in the flooring (Wise

Cork Pure by Amorim Cork Flooring) and in the internal and external insulation of the home (MDFachada by Amorim Cork Insulation). The entire exhibition highlights cork as a key material serving human cultural evolution, sustainability, the planet and as the basis of the circular bioeconomy.

Innovation and entrepreneurship

Reference	2022	2021	2020
Average R&D+i investment (K€)	11,075	10,363	9,792

Innovation lies at the heart of Corticeira Amorim's strategy, extending to all its BUs, aimed at portfolio diversification, efficiency and quality of processes, as well as the circular economy. The average investment in R&D+i is currently around €11 million per year.

Information on Corticeira Amorim's innovation activity is available in Chapter 4 Innovation, research and product development of the Consolidated Management Report and in Chapter 3.3.4 Green products/ Maintain a proactive role in the vast scope of applications of cork/ Innovation in product and solutions).

Corticeira Amorim disseminates knowledge and innovation throughout society both directly (when the Company voluntarily grants access to knowledge and certain innovations) and indirectly, through the generation of positive externalities arising from its business activity, which include innovation projects in partnership with universities and specialised companies, purchasing products from local producers, inducing innovation in support industries, developing new applications for cork, communicating the benefits of cork and disseminating good circular economy practices.

The promotion of entrepreneurship is another element that has an impact on Corticeira Amorim's activity, which is generated by direct initiative, through the Amorim Cork Ventures, and has a significant result in promoting innovation in the sector, since this is the only incubator for cork-related companies, through which innovative ideas and businesses are stimulated and supported. In the same sense, the Group encourages the creation of companies by former employees, the appearance of new uses for cork and the emergence of support companies for the cork industry.

Amorim Cork Ventures (ACV)

Created in 2014, with the aim of supporting entrepreneurs with innovative products, solutions and applications for the cork sector. The ACV's main purpose is focused on fostering the launch, growth and expansion of cork-related businesses, mainly oriented towards foreign markets. A challenge that includes the development of new approaches, paths and formulae for cork in its natural state or combined with other materials. Since its creation, the ACV has analysed over 340 projects from 25 different countries and has organised five pre-acceleration programmes for *start-ups/entrepreneurs*. More than 20 projects have been supported (10 of which remain active) and eight applications for patents and utility models have been submitted. Currently, two *startups* remain in the Company's investment portfolio, with aggregate sales in 2022 of €3.76 million (21% increase compared to 2021), of which more than 82% outside Portugal.
<https://www.amorimcorkventures.com/about-us/>

i.cork factory

Built in 2018, it is fully dedicated to the research and development of new and innovative products that add value to cork, with the main mission of designing new materials, as well as testing and exploring the application of technologies not yet industrialised in the sector. The i.cork factory functions as a true hub of innovation and creativity for the development of new products and new formulae for manufacturing composite materials with cork, in which opportunities to incorporate materials from the circular economy are explored on a daily basis, aiming to design new materials and explore the application of technologies that haven't yet been industrialised in the sector. Given its proximity to the market, the innovation factory also functions as a platform for cooperation and collaborative work, from which synergies are developed with universities, research centres and customers, in search of *high-performance* and often disruptive. In addition to contributing to the culture of innovation found in Amorim Cork Composites' DNA, the i.cork factory also plays a fundamental role in expanding the product portfolio and training technicians, customers and distributors.
<https://amorimcorkcomposites.com/en/?>



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Corticeira Amorim is committed to developing more efficient processes and implementing technologies that continuously improve its environmental performance, while also promoting the preservation and enhancement of cork oak forests and providing a growing range of products with a low carbon footprint.

4– Sustainable finance

Corticeira Amorim is committed to carrying out its business activity, while applying ESG principles and best practices.

The Company believes that Green Finance Instruments are effective tools for channelling investments into projects that have demonstrated climate benefits. Through the issuance of Green Finance Instruments, Corticeira Amorim intends to continue supporting its Sustainable by nature programme.

In December 2020, Corticeira Amorim issued its first Green Bond, in the amount of €40 million, with a maturity of 5 years. In 2021, it completed a €20 million Sustainability Linked Commercial Paper Programme and a €11.6 million Green Commercial Paper Programme, with maturities of 3 and 5 years, respectively. In December 2022, two more Green Commercial Paper Programmes were signed for amounts of €20 million, scheduled to mature in 2027 and €35 million, scheduled to mature in 2029.

Further information:

<https://www.amorim.com/en/investors/market-information/>
<https://www.amorim.com/en/sustainability/reports/>

€126.6m of Green Finance Instruments				
€86.2m of Green Financing Allocated				
€40 M	€20 M	€11.6 M	€20 M	€35 M
Green Bonds	Sustainability Linked Commercial Paper Programme	Green Commercial Paper Programme	Green Commercial Paper Programme	Green Commercial Paper Programme
2020-2025	2021-2024	2021-2026	2022-2027	2022-2029

4.1 GREEN BONDS €40 MILLION - DECEMBER 2020

In 2020, under the Green Bond Framework - November 2020, Corticeira Amorim launched its first Green Bond issue, which was also the cork industry’s first Green Bond issue, representing an important milestone in its sustainability strategy, reaffirming its ongoing commitment to the application of ESG principles and best practices.

The organisation, assembly and subscription guarantee were provided by Banco BPI, S.A. (www.bancobpi.pt), which also acted as paying agent.

This loan was intended to refinance a diversified set of green investments, conducted in 2017, 2018, 2019 and the 1st half of 2020 by eight companies belonging to the five BUs of the Corticeira Amorim Group, in the following eligible green categories:

- Environmentally sustainable management of living natural resources and land use;
- Renewable, low-carbon, eco-efficient and/or circular economy adapted products, production technologies and processes;
- Waste management and resource efficiency;
- Renewable energy and waste to energy.

Through the allocation of the proceeds of the Green Bonds, Corticeira Amorim supports the pursuit of the UN SDGs, in particular SDG 7 Affordable and Clean Energy, SDG 8 Decent Work and Economic Growth, SDG 9 Industry, Innovation and Infrastructure, SDG 11 Sustainable Cities and Communities, SDG 12 Responsible Consumption and Production, SDG 13 Climate Action and SDG 15 Life on Land.

Sustainalytics (a specialist ESG research, ratings and information company - www.sustainalytics.com) has reviewed the Green Bond Framework - November 2020 and issued its Second Party Opinion (SPO), confirming its alignment with the Green Bond Principles specified on June 2018 by the International Capital Markets Association (ICMA).

The Allocation and Impact Reports for 2021 and 2022, respectively, were verified by ERNST & YOUNG AUDIT & ASSOCIADOS - SROC, S.A.

Further information:

https://www.amorim.com/xms/files/v1/Investidores/7_Comunicados/2020-12-03_-_CA_-_press_release_-_Ingles-.pdf
https://www.amorim.com/xms/files/v1/Investidores/7_Comunicados/Corticeira_Amorim_Green_Bond_40_M_2020-25_Framework_-_26-11-2020.pdf
https://www.amorim.com/xms/files/v1/Investidores/7_Comunicados/Corticeira_Amorim_Green_Bond_40_M_2020-25_Sustainalytics_SPO_-_27-11-2020.pdf

1 st Green Bonds in the cork industry		
Maturity 2025	Issued capital 40 M€	ISIN PTCOR0AE0006

100% Allocated to eligible projects under the Green Bond Framework - November 2020			
Environmentally sustainable management of living natural resources and land use	Renewable, low-carbon, eco-efficient and/or circular economy products, production technologies and processes	Waste management and resource efficiency	Renewable energy and waste to energy

4.2 SUSTAINABILITY LINKED COMMERCIAL PAPER PROGRAMME €20 MILLION - AUGUST 2021

In 2021, Corticeira Amorim completed the first Sustainability Linked Commercial Paper programme in the amount of €20 million, scheduled to mature in 2024.

The interest rate to be charged on the commercial paper issued under this programme is dependent on the evolution of the following two key performance indicators (KPI) for operations in Portugal:

- KPI1 - energy consumption from controlled renewable sources;
- KPI2 - Proportion of non-cork waste sent for recovery.

Sustainalytics has issued a professional opinion, confirming that Corticeira Amorim's Sustainability Linked Commercial Paper Issuance programme is aligned with the four components of the Loan Market Association's (LMA) 2020 Sustainability Linked Loan Principles.

Caixa - Banco de Investimento, S.A. (CaixaBI) was responsible for organising and setting up the programme and also acted as the paying agent and registering institution. Caixa Geral de Depósitos, S.A. (CGD) provided the subscription guarantee.

Corticeira Amorim publicly discloses the evolution of the KPIs associated with this funding in its annual Sustainability Report, which includes an Independent Verification Report, conducted by ERNST & YOUNG AUDIT & ASSOCIADOS - SROC, S.A.

Further information:

<https://www.amorim.com/xms/files/Investidores/Comunicados/20210805CorticeiraAmorimGCPP.pdf>
<https://www.amorim.com/en/sustainability/reports/GREEN>

4.3 COMMERCIAL PAPER PROGRAMME €11.6 MILLION - DECEMBER 2020

Corticeira Amorim implemented a Green Commercial Paper programme with a maximum nominal amount of €11.6 million and a maturity of up to 2026.

The Company is determined to increase the use of renewable energies. Thus, emissions under this programme are intended to finance the acquisition of photovoltaic panels by various companies in the Corticeira Amorim Group, in the period from 2021 to 2024, which will enable an additional 30 GWh to be generated, avoiding the emission of around 14,600 tCO₂eq.

Banco Bilbao Vizcaya Argentaria, S.A., the Portuguese branch, assumed the organisation, subscription guarantee and also the functions of paying agent, dealer bank and registering institution.

Corticeira Amorim publicly discloses the impacts associated with the acquisition of photovoltaic panels, as part of its annual Sustainability Report, which includes an Independent Assurance Report by ERNST & YOUNG AUDIT & ASSOCIADOS - SROC, S.A.

Further information:

https://www.amorim.com/xms/files/Investidores/Comunicados/20211220CorticeiraAmorimGreenCPP_EN.pdf
<https://www.amorim.com/en/sustainability/reports/>

4.4 GREEN COMERCIAL PAPER PROGRAMME €20 MILLION - DECEMBER 2022

Corticeira Amorim has agreed with CaixaBI and CGD on a €20 million Commercial Paper Programme (PPC), scheduled to mature in 2027, with CaixaBI acting as organiser, leader, paying agent and registering institution and CGD providing the subscription guarantee.

The capital issued under the PPC was fully allocated to the acquisition, by the subsidiary Herdade de Rio Frio, S.A., of a plot of land with 1,855 hectares, which includes a set of properties used for forestry operations, adjacent to the properties already owned by that subsidiary. Corticeira Amorim intends to improve the productivity of the agroforestry activity of Herdade de Rio Frio, in particular through implementation of densification in this unique cork oak forest, supporting the pursuit of SDG 11 Sustainable Cities and Communities, SDG 12 Responsible Consumption and Production and SDG 15 Life on Land.

The commercial paper issued under this programme qualifies as a Green Finance Instrument under the Green Finance Framework - November 2022 falling under the eligible category of environmentally sustainable management of living natural resources and land use.

KPMG & Associados - S.R.O.C., S.A. has confirmed, through the issuance of a limited assurance report, the alignment of the Green Finance Framework - November 2022 with the four components of the London Market Association's February 2021 Green Loan Principles and the International Capital Market Association's June 2021 Green Bond Principles (with Appendix 1 of June 2022).

ERNST & YOUNG AUDIT & ASSOCIADOS - SROC, S.A. was responsible for verifying the information in the Allocation and Impact Report, for the year 2022.

Further information:

https://www.amorim.com/xms/files/Investidores/Comunicados/2022-12-22_-_Press_Release_EN.pdf
https://www.amorim.com/xms/files/Investidores/Comunicados/2022_11_28_-_Green_Finance_Framework_nov2022.pdf
https://www.amorim.com/xms/files/Investidores/Comunicados/2022_11_30_-_Limited_Assurance_report___Amorims_Green_Finance_Framework.pdf

4.5 GREEN COMERCIAL PAPER PROGRAMME €35 MILLION - DECEMBER 2022

Corticeira Amorim signed with Banco de Sabadell, S.A. - Sucursal em Portugal (BSabadell) a Commercial Paper Programme (PPC) in the amount of €35 million, scheduled to mature in 2029.

The proceeds of this operation, in which the organisation, structuring and subscription guarantee were ensured by BSabadell, which assumed the service of paying agent, are unallocated and will be used to refinance the acquisition of Herdade de Rio Frio, S.A. (the company that owns a significant part of the Herdade de Rio Frio) and to finance investment in new cork oak plantations, supporting the pursuit of SDG 11 Sustainable Cities and Communities, SDG 12 Responsible Consumption and Production and SDG 15 Life on Land.

Commercial paper issued under this programme qualifies as a Green Finance Instrument under the Green Finance Framework - November 2022, falling under the eligible category of environmentally sustainable management of living natural resources and land use.

KPMG & Associados - S.R.O.C., S.A. has confirmed, through the issuance of a limited assurance report, the alignment of the Green Finance Framework - November 2022 with the four components of the London Market Association's February 2021 Green Loan Principles and the International Capital Market Association's June 2021 Green Bond Principles (with Appendix 1 of June 2022).

Further information:

https://www.amorim.com/xms/files/Investidores/Comunicados/20221219PressReleaseEN_PPC.pdf
https://www.amorim.com/xms/files/Investidores/Comunicados/2022_11_28_-_Green_Finance_Framework_nov2022.pdf
https://www.amorim.com/xms/files/Investidores/Comunicados/2022_11_30_-_Limited_Assurance_report___Amorims_Green_Finance_Framework.pdf

4.6 ALLOCATION AND IMPACT

SDG	Green financing instruments		Eligible projects	Maturity	Allocated proceeds (k€)	Environmental objective
SDG 11, 15	4.1	Green Bonds €40 million - December 2020	Herdade da Baliza	2020-2025	4,914	Promote the implementation of sustainable forest management and mobilise resources
SDG 11, 15	4.1	Green Bonds €40 million - December 2020	Herdade Venda Nova	2020-2025	1,210	Promote the implementation of sustainable forest management and mobilise resources
SDG 8, 9, 12 and 13	4.1	Green Bonds €40 million - December 2020	Eco-efficient products project	2020-2025	9,032	Strengthen resilience and adaptability to climate-related risks
SDG 8, 9, 12 and 13	4.1	Green Bonds €40 million - December 2020	Circular economy project	2020-2025	15,222	Strengthen resilience and adaptability to climate-related risks
SDG 12	4.1	Green Bonds €40 million - December 2020	Project to increase efficiency	2020-2025	6,077	Improve the efficiency of global resources, thereby achieving sustainable management
SDG 7	4.1	Green Bonds €40 million - December 2020	Renewable energy project (biomass)	2020-2025	3,462	Increase the use of renewable energy
SDG 7, 12	4.2	Sustainability Linked Commercial Paper programme €20 million - August 2021	NA	2021-2024	20,000	Increase the use of renewable energy and improve the efficiency of global resources, thereby achieving sustainable management
SDG 7	4.3	Green Commercial Paper programme €11.6 million - December 2020	Photovoltaic project	2021-2026	6,200	Increase the use of renewable energy
SDG 11, 15	4.4	Green Commercial Paper programme €20 million - December 2022	Herdade de Rio Frio (1855 ha)	2020-2027	20,000	Promote the implementation of sustainable forest management and mobilise resources
SDG 11, 15	4.5	Green Commercial Paper programme €35 million - December 2022	Herdade de Rio Frio (3250 ha)	2022-2029	0	Promote the implementation of sustainable forest management and mobilise resources

Framework	Eligible Category	Use of proceeds	KPI	Impact 2022	Accumulated Impact
Green Bond Framework – November 2020	Environmentally sustainable management of living natural resources and land use	Refinance the acquisition, plantation, maintenance and management of cork oak forests using new silviculture models based on drip irrigation	Intervened forest estates under management (ha)	130	130
			Cork oak trees planted (nr)	54,210	54,210
Green Bond Framework – November 2020	Environmentally sustainable management of living natural resources and land use	Refinance the acquisition, plantation, maintenance and management of cork oak forests using new silviculture models based on drip irrigation	Intervened forest estates under management (ha)	0	251
			Cork oak trees planted (nr)	0	100,400
Green Bond Framework – November 2020	Renewable, low carbon, eco-efficient and/or circular economy adapted products, production technologies and processes	Refinance equipment and infrastructures to increase the quantity and quality of production of renewable, low carbon, eco-efficient products with the purpose of replacing fossil-based and other non-renewable materials with bio-based alternatives and refinancing the research, development, equipment and infrastructures for the manufacture of circular economy products	Revenue of renewable, low carbon, eco-efficient and/or circular economy adapted products, production technologies and processes (K€)	41,059	81,280
Green Bond Framework – November 2020	Renewable, low carbon, eco-efficient and/or circular economy adapted products, production technologies and processes	Refinance equipment and infrastructures to increase the quantity and quality of production of renewable, low carbon, eco-efficient products with the purpose of replacing fossil-based and other non-renewable materials with bio-based alternatives and refinancing the research, development, equipment and infrastructures for the manufacture of circular economy products	Revenue of renewable, low carbon, eco-efficient and/or circular economy adapted products, production technologies and processes (K€)	160,286	341,397
Green Bond Framework – November 2020	Waste management and resource efficiency	Refinance equipment and infrastructures involved in resource efficiency and/or waste reduction, minimisation and reuse processes in operations	Industrial waste recovery (t)	6,949	15,184
Green Bond Framework – November 2020	Renewable energy and waste-to-energy	Refinance the maintenance and upgrading of equipment and infrastructures used to produce energy from biomass and waste products	GHG emissions avoided (tCO ₂ eq)	6,111	13,907
NA	NA	NA	Energy consumption from controlled renewable	69% controlled renewable energy	NA
	NA	NA	Proportion of non-cork waste sent for recovery (t)	96% waste recovery rate (non-cork)	NA
NA	NA	Financing the purchase of photovoltaic panels	Controlled renewable photovoltaic electrical energy (G.J)	12,672	13,172
Green Finance Framework – November 2022	Environmentally sustainable management of living natural resources and land use	Refinance the acquisition, plantation, maintenance and management of cork oak forests using new silviculture models based on drip irrigation	Intervened forest estates under management (ha)	0	0
			Cork oak trees planted (nr)	0	0
Green Finance Framework – November 2022	Environmentally sustainable management of living natural resources and land use	Refinance/ finance the acquisition, planting, maintenance and management of cork oak forests using new forestry models based on drip irrigation	Intervened forest estates under management (ha)	0	0
			Cork oak trees planted (nr)	0	0



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CorkNova é uma tecnologia de tratamento dos discos de cortiça natural aplicados em rolhas para vinhos efervescentes e tranquilos que permite atingir uma *performance* de TCA não detetável nestes produtos.

5 – European Union Taxonomy

The adaption of adoption of the European Green Deal in 2019, the European Union (EU) has set in motion the classification of more sustainable investments. The EU Environmental Taxonomy (Taxonomy) seeks to enlighten companies, capital markets and policy issuers about which economic activities make the biggest contribution to achieving the EU's environmental objectives, in order to improve the flow of funds to these activities. The goal is to achieve carbon neutrality in the EU by 2050.

The Taxonomy Regulation (2020/852¹) states that an economic activity, to be environmentally sustainable, must ¹⁾ contribute to at least one, of the six environmental objectives identified in that Regulation (climate change mitigation; climate change adaptation; sustainable use and protection of water and marine resources; transition to a circular economy; pollution prevention and control; protection and restoration of biodiversity and ecosystems); ²⁾ not significantly harm any of the other five objectives and ³⁾ comply with minimum social safeguards, on human rights, corruption, taxation and fair competition.

Only the technical assessment criteria for two of the six environmental objectives have been defined: climate change mitigation and climate change adaptation. The criteria are described in the Climate Delegated Act (2021/2139²), published in 2021, which was subsequently complemented by a Complementary Delegated Act (2022/1214³) on certain activities related to nuclear energy and gas. The criteria will be subject to periodic review.

The Taxonomy Regulation defines a set of key performance indicators (KPIs) associated with economic activities considered to be environmentally sustainable, which non-financial companies must disclose: the proportion of their turnover (turnover KPI), the proportion of their capital expenditure (Capex KPI) and the proportion of their operating expenditure (Opex KPI). The Article 8 Delegated Act, determines which contents, methodology and information must be disclosed by companies as defined by the EU Taxonomy.

In 2022, non-financial companies had to disclose only the proportion of eligible and non-eligible economic activities regarding those three indicators, as well as certain qualitative information. From 2023 onwards, non-financial companies will also have to report alignment for the same indicators. In other words, in addition to eligible activities, they must comply with technical criteria applicable to the environmental objective for which they are concurring; comply with the “Do no significant harm” criteria, which make it possible to assess whether the economic activity does not harm other environmental objectives and comply with minimum social safeguards.

Corticeira Amorim began to disclose its eligible activities in 2021, which, in 2022, were also assessed in terms of alignment with the EU Taxonomy.

5.1 ELIGIBILITY

For a given activity to be considered eligible under the EU Taxonomy it must appear in the Delegated Acts concerning environmental objectives (currently only climate objectives are regulated).

Corticeira Amorim is the world's largest cork processing group. Cork processing activity is not included in the Climate Delegated Act and is therefore currently considered to be ineligible for the EU Taxonomy. However, the Group develops the business activity of manufacturing insulation products, which is included in the Climate Delegated Act (activity 3.5) and presents a set of investments in other activities that are also referred in the Delegated Act.

Activity	Turnover	Capex and/or Opex
1.3 Forest management		X
3.5 Manufacture of energy efficient equipment for buildings	X	X
4.20 Cogeneration of heat/cool and power from bioenergy		X
4.24 Production of heat/cool from bioenergy		X
5.2 Renewal of water collection, treatment, and supply systems		X
5.4 Renewal of waste water collection and treatment		X
5.9 Material recovery from non-hazardous waste		X
6.5 Transport by motorbikes, passenger cars and light commercial vehicles		X
7.2 Renovation of existing buildings		X
7.3 Installation, maintenance and repair of energy efficiency equipment		X
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)		X
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling the energy performance of buildings		X
7.6 Installation, maintenance and repair of renewable energy technologies		X
7.7 Acquisition and ownership of buildings		X
9.1 Close to market research, development and innovation.		X

EU Taxonomy-eligible economic activities comply with the description according to Annexes I and II of the Delegated Act, which means they are eligible for both environmental objectives. However, calculation of the KPIs was attributed to climate change mitigation, since the contribution to climate change adaptation is less expressive.

In relation to the provisions of the Complementary Delegated Act concerning certain energy activities (nuclear and fossil gas), Corticeira Amorim has no economic activities that fall under this regulation.

1 Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a regime for the promotion of sustainable investment

2 Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021

3 Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022

5.2 ALIGNMENT

According to the EU Taxonomy, to be qualified as aligned, an economic activity must make a substantial contribution (SC) to at least one of the defined environmental objectives (mitigation and/or adaptation to climate change), and do no significant harm (DNSH) to the achievement of any of the other environmental objectives of the EU Taxonomy and occur in compliance with minimum social safeguards.

For each economic activity, Corticeira Amorim carried out a SC assessment. Once the activities make a substantial contribution to one of the environmental objectives identified, they should not harm any of the other objectives, and therefore the DNSH criteria were analysed. It should be noted that the DNSH criteria referring to the Appendices (A, B, C and D) were analysed taking into account criteria which are transversal to the entire Group, as well as the minimum social safeguards.

5.2.1 SUBSTANTIAL CONTRIBUTION AND NO SIGNIFICANT HARM

This section briefly describes the analysis of alignment to the SC and DNSH criteria identified in the Climate Delegated Act. These conclusions are based on the best knowledge available at the time of the analysis of these criteria.

Activity 1.3 - Forest management	Corticeira Amorim is the world's leading cork manufacturer and, for this reason, contributes to the exploration and maintenance of cork oak forests, which currently occupy a total area of 2,100,000 ha. The Company also owns an area of 8,181 ha, where it intends to promote and disseminate new planting techniques, which will enable more efficient and resilient management of the cork oak forest, to cope with the expected climate scenarios. This activity is considered eligible, although it has not yet been possible to assess its alignment. Within the scope of this activity, the Group considered in its Capex KPI the acquisition of forest land, as well as other investments supporting forest management, in particular cork harvesting machines and other equipment and land preparation.
Activity 3.5 - Cogeneration of heat/cool and power from bioenergy	Corticeira Amorim has a vast portfolio of products, aimed at different markets and objectives, produced using cork, in particular floor and wall covering materials, insulation and energy-efficient composite cork for use in structures and buildings. For the technical assessment of the SC criteria: i) insulating products with a lambda value equal to or lower than 0.06 W were considered to be aligned; ii) the remaining products, endowed with energy efficiency, were considered eligible, but not aligned. Regarding the DNSH criteria: i) For criteria relating to objectives 2, 3 and 6, see below justification of compliance with the criteria. For objective 4 (Transition towards a circular economy), compliance with the DNSH criteria is confirmed. The turnover associated with this activity corresponds to sales of eligible/aligned products. The Capex and Opex associated with this activity correspond to investments related to the production of eligible/aligned insulation products.
Activity 4.20 - Cogeneration of heat/cold and electricity from bioenergy	Corticeira Amorim uses biomass (mainly cork powder) as the main source of energy for the production of heat and electricity. Cork powder is generated endogenously in production. The Company considers that the forest biomass used meets the criteria set out in Article 29, paragraphs 6 and 7 of EU Directive 2018/2001, in that the risks of using forest biomass from non-sustainable production are minimised. The Company considers that, after analysis of the SC and DNSH criteria, the business activity is in line with Taxonomy. The Opex associated to this activity corresponds to the operating expenses related to maintenance and repair of turbines.
Activity 4.24 - Production of heat/cool from bioenergy	Corticeira Amorim uses biomass (mainly cork powder) as the main source of energy for heat production. The cork powder is generated endogenously in production. The Group owns several installations for producing energy in the form of heat/cold from biomass. The forest biomass used meets the criteria set out in Article 29, paragraphs 6 and 7 of Directive 2018/2001, in that the risks of using forest biomass from non-sustainable production are minimised. The Company considers that, after analysis of the SC and DNSH criteria, the business activity is in line with the EU Taxonomy. The Capex and Opex associated with this activity correspond to investments and operating expenses related to repairs and maintenance and improvement of equipment and technology.
Activity 5.2 - Renewal of water collection, treatment and supply systems	Most of the water used by Corticeira Amorim is sourced from groundwater, the rest is obtained from the third-party water. Therefore, the renewal of water collection, treatment and supply systems, including the renewal of water collection, treatment and distribution infrastructures to meet the Group's industrial needs is part of the Organisation's activity, and the renovation and optimisation of these systems allows an increase in their energy efficiency, reducing the system's net energy consumption. It has not yet been possible to confirm the alignment of the SC and DNSH technical criteria defined in the Delegated Act, so this activity is considered not aligned with the EU Taxonomy. The Opex associated to this activity corresponds to the operating expenses related to maintenance and repair actions of the capture systems.
Activity 5.4 - Renewal of waste water collection and treatment	In terms of treatment, the larger industrial facilities collect and treat wastewater in their own industrial water treatment plants (WWTP). Corticeira Amorim continuously invests in the optimisation of the WWTPs. This activity replaces the more GHG intensive treatment systems (such as septic tanks and anaerobic lagoons). By the technical assessment of the SC and DNSH criteria defined in the Delegated Act, this activity is considered to be aligned with the EU Taxonomy. The Capex associated with this activity corresponds to the works performed in the WWTPs, and the Opex to the costs associated with maintenance/repair.
Activity 5.9 - Material recovery from non-hazardous waste	In the industrial units licensed in the Portuguese territory for recycling materials, Corticeira Amorim receives cork stoppers and other end-of-life cork applications, as well as by-products from other industries (materials that result from industrial symbiosis), for treatment and grinding. After being transformed into granules, the material returns to the production process and is incorporated into products of the Composite Cork, Floor and Wall Coverings and/or Insulation Cork Business Units (BU), as appropriate. By the technical assessment of the SC and DNSH criteria defined in the Delegated Act, this activity was classified to be aligned with the EU Taxonomy. The Capex associated to this activity corresponds to investments in equipment, and Opex to maintenance and repair costs.
Activity 6.5 - Transport by motorbikes, passenger cars and light commercial vehicles	Corticeira Amorim makes use of car rental services to carry out its activities. This activity results from the renting vehicles and excludes right-of-use assets. It was not possible to assess the technical compliance with all the SC and DNSH criteria defined in the Delegated Act. Thus, the business activity was classified as eligible, but not aligned with the EU Taxonomy. In 2022, the operating expenses incurred with the lease of hybrid and/or electric vehicles were considered as Opex associated to this activity.

Activity 7.2 - Renovation of existing buildings	Corticeira Amorim made a significant set of investments (Capex) associated with the renovation of buildings and civil engineering works. The Company considered these investments as non-aligned, as it was not possible to assess the technical compliance with all the SC and DNSH criteria defined in the Delegated Act.
Activity 7.3 - Installation, maintenance and repair of energy efficiency equipment	Corticeira Amorim made a diverse range of investments (Capex) in air conditioning, lighting, windows and other energy efficient equipment. The Company considered these investments to be aligned with the EU Taxonomy.
Activity 7.4 - Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	The Organisation has its own electric vehicle charging stations on its premises, having made investments in this type of equipment during fiscal year 2022. This activity was considered to be aligned with the EU Taxonomy.
Activity 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	During fiscal year 2022, Corticeira Amorim made a set of investments (Capex) associated with energy management systems for buildings (SGEE) and energy management systems (SGE). The investments were considered to be aligned with the EU Taxonomy.
Activity 7.6 Installation, maintenance and repair of renewable energy technologies	The Capex reported for this activity is associated with investments made in projects for the installation of photovoltaic panels in the Company's different BUs, which were considered to be aligned with the EU Taxonomy.
Activity 7.7 Acquisition and ownership of buildings	The Opex reported for this activity is associated with operating expenses with real estate rentals. This activity was considered eligible, but not aligned, as it was not possible to assess the technical compliance with all the SC and DNSH criteria defined in the Delegated Act.
Activity 9.1 Close to market research, development and innovation	Corticeira Amorim has a solid commitment and significant investments in R&D+i (research, development and innovation) across all BUs. These investments are aimed at enhancing the value of cork in a competitive, innovative and sustainable way. During fiscal year 2022, the Company developed a set of projects and initiatives that contributed to the reduction of GHG emissions of its activities. Only some of the operating expenses related to R&D+i projects contributing to climate change mitigation were considered in the analysis of eligibility and alignment.

Application of the DNSH criteria related to the Appendices of Annex I to the Delegated Act Climate

Adaptation to climate change (Appendix A)

The Group conducted an analysis of different types of risk whose occurrence could have an impact on Corticeira Amorim's business in the future and analysed the climatic risks. The risk of forest fires and water stress were identified as the most relevant physical climate risks for the Group's activities. Corticeira Amorim already has an overview of the different physical risks, related to nature and climate, for each of the establishments and respective locations. Based on Appendix A of the Climate Delegated Act (Mitigation Annex), the Classification of Climate-Related Hazards table, an assessment of physical climate risks was carried out using the ThinkHazard! tool, which identifies the greatest physical hazards to which certain locations are exposed, classifying them by risk levels and also offering recommendations on solutions to adapt to them. Although we do not yet carry out an assessment of the impact of physical risks through climate scenarios, we plan to do so in the future in order to obtain a more rigorous evaluation.

Regarding adaptation solutions, Corticeira Amorim already develops several initiatives that promote the adaptation of its forests to the risks that threaten them. For example: the Forestry Intervention Project (FIP) aims to preserve cork oak trees and cork oak forest ecosystems, through programmes that promote their resistance to drought, pests and diseases and increase their survival rate. Further information on Corticeira Amorim's risk analysis (physical and transitional) can be found in chapters 2.3 Risks and opportunities and in Chapter 9 Alignment with the TCFD.

Sustainable use and protection of water and marine resources (Appendix B)

Water is essential for socio-economic development, the maintenance of healthy ecosystems, the sustainability of the planet and human survival. Aware of the need to preserve this fundamental resource for the planet, Corticeira Amorim has an approach based on three pillars: reduction of consumption, treatment and hydrological regulation. With regard to consumption, Corticeira Amorim has established for 2021-2024 the goal, in its activities in Portugal, of reducing the intensity of water consumption by 1%/year, through a set of actions to be implemented during this period. In 2021, it began an audit of all facilities in Portugal with a view to gauging a common methodology for determining water consumption. Additionally,

a list was drawn up with several actions, based on the best practices among the business units. Another example is the adoption of some good practices of ISO 46001 - Water Efficiency Management Systems, in particular the creation and monitoring of performance indicators for the main water consumers, and listing the variables that influence water consumption per process, especially in intensive consumption areas.

The identification and mitigation of the risks of environmental degradation, linked to the preservation of water quality and prevention of water stress, are processes incorporated into the Organisation's Environmental Management System. When applicable, due analyses are made to assess the chemical, ecological and quantitative status of the water bodies used. The Aqueduct Water Risk Atlas (wri.org) tool is used to characterise water stressed areas.

In Portugal, the legal regime for Environmental Impact Assessment (EIA) is defined by Decree-Law No. 152-B/2017, of 11 December, which transposes into national legal order Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment, now amended by Directive 2014/52/EU. The Water Law, which transposes the Water Framework Directive (Directive 2000/60/EC of the European Parliament and of the Council, of 23 October 2000) into national legislation, is established by Law 58/2005, of 29 December. Corticeira Amorim diligently complies with national legislation in all its activities and an assessment of legal compliance is carried out annually by external verifying entities. There were no significant cases of non-compliance with environmental laws and regulations during the reporting period (Chapter 8 Table GRI/ 2-27).

Prevention and control of pollution with regard to the use and presence of chemicals (Appendix C)

In order to ensure that Corticeira Amorim's operations and products meet all the guarantees of quality, safety and hygiene, the Group has a set of external certifications that attest to compliance with the specific requirements of different sectors and markets. These include the management system for cork stopper practices, quality, environment, energy, food safety, forest products and chain of custody, occupational health and safety and social responsibility (Chapter 2.5 Management Systems). Amorim Cork Insulation uses 0% additives in its insulation products, which are simultaneously 100% natural, recyclable, reusable and long-lasting, and 100% of its flooring and wall coverings are certified for indoor air quality and contribute towards sustainable construction certifications, LEED/BREEAM. It should also be noted that Corticeira Amorim's products are subject to tests, as well as voluntary and compulsory audits, which guarantee the maintenance of high standards of quality and safety. Corticeira Amorim does not use, manufacture or place on the market substances listed in Appendix C, except in cases where it considers them to be indispensable for the operation of the business activity and/or, to the best of its knowledge, there are no available products that are more acceptable from the environmental and health points of view than those currently used.

Protection and restoration of biodiversity and ecosystems (Appendix D)

Corticeira Amorim integrates the conservation of biodiversity into its management model and annually implements various actions to maintain and increase the areas of cork oak forest, taking care to promote the conservation of the respective natural and socio-cultural values. The Company promotes Forest Stewardship Council (FSC®) certification and maintains a medium to long-term partnership relationship with cork suppliers.

As part of its commitment to the conservation of biodiversity and nature, Corticeira Amorim joined act4nature Portugal, a business initiative, promoted by BCSD Portugal, in which member companies make common and individual commitments to the conservation of biodiversity and ecosystem services. In addition to implementing the ten common commitments of act4nature Portugal, Corticeira Amorim strengthens its commitment through a set of individual SMART commitments, including:

- Include biodiversity protection in the Code of Business Ethics and Professional Conduct;
- Develop actions for the promotion of cork oak forests, its biodiversity and ecosystem services;
- Expand knowledge about the environmental impact of cork products and the ecosystem they support;
- Promote biodiversity in the value chain;
- Encourage the integration of biodiversity in the production process; reduce impacts in the production process;
- Increase the efficient management of resources;
- Maintain a proactive role in developing the already vast field of application of cork in order to guarantee the sustainability of the cork oak forest and associated biodiversity; carry out initiatives to raise awareness among employees on the issue of biodiversity;

- Report publicly on the monitoring of commitments made.

The European Union's EIA directive (Directive 2011/92/EU) is implemented in Portugal by Decree-Law No. 152-B/2017, of 11 December, which assesses the effects of certain public and private projects on the environment. Corticeira Amorim diligently complies with national legislation and the requirements claimed in all its activities.

5.2.2 MINIMUM SAFEGUARDS

The definition of Minimum Safeguards, introduced by Article 18 of the Taxonomy Regulation, implies the alignment of a company with:

- OECD Guidelines for Multinational Enterprises,
- UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work,
- International Bill of Human Rights.

In other words, according to the EU Taxonomy, for an activity to be considered environmentally sustainable, an activity must also ensure that it safeguards social issues. As a way to support companies in understanding the requirements to meet this criterion, the European Commission's Sustainable Finance Platform on published the Final Report on Minimum Safeguards, which indicates how companies should address the issues of Human Rights, Corruption, Taxation and Fair Competition. Until the European Commission transmits the official requirements, the compliance with Minimum Safeguards is analysed based on Article 18 of the Taxonomy Regulation and the Final Report on Minimum Safeguards. In this context, it should be noted that Corticeira Amorim is governed by a solid set of internal regulations and policies which, associated with the Company's Articles of Association and Code of Business Ethics and Professional Conduct, reinforce Corticeira Amorim's position in relation to sustainable development.

Respect for Human Rights is assumed as a structural principle of all the Group's activity. This principle is embodied in the Human Rights Policy, in which the Company undertakes to build and foster a framework of respect for the fundamental values of Human Rights and Labour, of an imperative nature for the entire Company, but also progressive, in the sense that it is intended that these values should spread to the other stakeholders. In particular, the Group is against arbitrary detention, torture or execution and in favour of human dignity, non-discrimination, equal rights, safety and well-being, education, personal and professional development and freedoms of conscience, religion, organisation, association, opinion and expression. In 2022, under the training plan, 2,660 employees underwent training in the Code of Business Ethics and Professional Conduct, covering the referred topics. This training plan will continue to be implemented in 2023.

Recognising the impact that its supply chain can have, two fundamental instruments were developed: the Purchasing Policy and the Code of Ethics and Conduct for Suppliers. The Purchasing Policy defines a set of objectives to be followed in order to evaluate and select new suppliers based on economic, social, ethical and environmental criteria. The Code of Ethics and Conduct for Suppliers mirrors the culture of the Organisation and defines the appropriate behaviour with regard to ethical, social

and environmental conduct that Corticeira Amorim expects of its suppliers of goods and services. Corticeira Amorim favours contracting suppliers that adhere to the Code of Ethics and Conduct for Suppliers, and may terminate the relationship with suppliers that do not comply with internationally recognised Human Rights and/or allow any breach of those rights within their industrial and/or commercial operations.

In addition to these instruments, there are several procedures in the purchase of materials that guarantee the mitigation of potential impacts. Purchases of cork and cork products, where applicable, are made preferably from suppliers who follow the CIPR and 95% of cork purchases in 2022 were sourced locally: Portugal and Spain. These are also regions considered controlled origin, i.e. low risk for all five categories of unacceptable sources under the FSC® controlled wood system.

The acquisition of non-cork products includes pre-qualification, qualification and evaluation of suppliers. Suppliers are subject to an audit programme, which takes place annually, according to the following criteria: supplier performance in the previous year; criticality of the products or services supplied; in the case of new suppliers: quality, environmental and social aspects. After each audit, the suppliers' performance is evaluated in order to validate the criteria necessary for qualification and identification of non-conformities. When non-conformities are identified, an action plan is requested and, depending on the seriousness of the non-conformities, follow-up audits and verification of mitigation measures are carried out. There may be room to collaborate with the supplier in order to resolve the non-conformities or, as a last resort, to find alternatives to the supplier.

Also in this regard, Corticeira Amorim is developing an internal Human Rights Due Diligence process with the aim of strengthening its practices and commitments related to its operations.

Furthermore, Corticeira Amorim has an Internal Procedure for Reporting Irregularities and makes available on its website an Internal Communication Form, through which any person or entity may report an infraction within the scope of their professional/commercial relationship with the Company.

To manage Corruption issues, and as a complement to the Code of Business Ethics and Professional Conduct, the following instruments were developed: Plan for the Prevention of Risks of Corruption and Related Infractions and the Anti-Corruption Code of Conduct which, as a whole, define and regulate the behaviour and measures to be adopted by Corticeira Amorim and its stakeholders. The Risk Prevention Plan for Corruption and Related Infractions analyses and classifies, for each entity and area of the Group, the potential risks of corruption or associated infractions, systematises the measures already in place to prevent these risks, as well as the corrective measures to reduce the probability of occurrence and impact of the risks and situations identified. In 2022, specific training was given to managers on this subject. On taxation, the Tax Policy was formalised, in which a commitment is made to maintain procedures for the prevention and detection of illegal practices in financial and accounting matters, including money laundering or financing of terrorism, by employees or third parties, and in which a commitment is made to implement good practices in tax and social security matters, considering any form of fraud as reprehensible. To learn more about Corticeira Amorim's approach to tax, please see Chapter 2.9 Approach to tax.

Finally, regarding fair competition, the Company develops a dynamic and loyal competitive practice, respecting the competition legislation, in particular regarding the prohibition of restrictive practices and the discipline applicable to company mergers. Furthermore, the Company and its employees undertake both to respect competing companies and their representatives, refraining from any practice that promotes unfair competition and, in particular, to respect the confidentiality of information and the intellectual property of entities related to the Company and to refrain from abusing dominant positions in the negotiation and management of contracts.

During 2022, no convictions were identified in the four areas mentioned above. In summary, Corticeira Amorim, based on its internal codes, policies and procedures manages and prevents the different risks associated with the topics of Human Rights, Corruption, Taxation and Fair Competition.

5.3 KPI CALCULATION

In accordance with the requirements of the Climate Delegated Act article 8, companies must report KPIs in three separate tables, each referring to one indicator - turnover, Capex and Opex. A summary of the results is presented below:

KPI eligibility and alignment	Total (K€)	Eligible and aligned (%)	Eligible and non-aligned (%)	Not eligible (%)
Turnover	1,021,391	3.9%	4.1%	92.0%
Capital expenditure (capex)	98,953	9.3%	28.3%	62.4%
Operating expenditure (opex)	30,475	4.5%	1.3%	94.1%

5.3.1 TURNOVER

Economic activities	Code	Absolute turnover	Proportion of turnover	Criteria for substantial contribution						
				(1)	(2)	(3)	(4)	(5)	(6)	
				%	%	%	%	%	%	
		K€	%	%	%	%	%	%	%	
A. Taxonomy-eligible Activities										
A.1. Taxonomy-aligned activities										
3.5 Manufacture of energy efficient equipment for buildings	16.29	39,694	4%	100%						
Turnover from Taxonomy-aligned activities (A1)		39,694	4%	100%						
A.2 Taxonomy-eligible activities, but not Taxonomy-aligned activities (A2)										
3.5 Manufacture of energy efficient equipment for buildings	16.29	41,661	4%							
Taxonomy-eligible activities, but not Taxonomy-aligned activities (A2)		41,661	4%							
Total (A.1 + A.2)		81,355	8%							
B. Taxonomy non-eligible activities										
Turnover from Taxonomy non-eligible activities (B)		940,036	92%							
Total (A + B)		1,021,391	100%							

5.3.2 CAPEX

Economic activities	Code	Absolute Capex	Proportion of Capex	Criteria for substantial contribution						
				(1)	(2)	(3)	(4)	(5)	(6)	
				%	%	%	%	%	%	
		K€	%	%	%	%	%	%	%	
A. EU Taxonomy-Eligible Activities										
A.1. Taxonomy-aligned Activities										
3.5 Manufacture of energy efficient equipment for buildings	16.29	180	0%	100%						
4.24. Production of heat/cold from bioenergy	35.11	1,461	1%	100%						
5.4 Renewal of waste water collection and treatment	37	62	0%	100%						
5.9 Material recovery from non-hazardous waste	38.32	537	1%	100%						
7.3 Installation, maintenance and repair of energy efficient equipment	43.2	43	0%	100%						
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	27	22	0%	100%						
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	43	43	0%	100%						
7.6 Installation, maintenance and repair of renewable energy technologies	35.11	6,786	7%	100%						
9.1 Close to market research, development and innovation	72.1	73	0%	100%						
Capex of Taxonomy-aligned activities (A1)		9,207	9%							
A.2 Taxonomy-eligible activities, but not Taxonomy-aligned activities (A2)										
1.3 Forest management	02.30	23,654	24%							
3.5 Manufacture of energy efficient equipment for buildings	16.29	2,588	3%							
7.2 Renovation of existing buildings	43	1,551	2%							
9.1 Close to market research, development and innovation	72.1	251	0%							
Capex of Taxonomy-eligible activities but not Taxonomy-aligned activities (A2)		28,044	28%							
Total (A.1 + A.2)		37,250	38%							
B. Taxonomy non-eligible activities										
Capex of Taxonomy non-eligible activities (B)		61,703	62%							
Total (A + B)		98,953	100%							

5.3.1 TURNOVER

DNSH										
(1)	(2)	(3)	(4)	(5)	(6)	Minimum Safeguards	Turnover aligned to EU Taxonomy, year N	Turnover aligned to EU Taxonomy, year N-1	Category (enabling activity)	Category (transitional activity)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
	Y	Y	Y	Y	Y	Y	4%		E	
							4%		4%	

5.3.2 CAPEX

DNSH										
(1)	(2)	(3)	(4)	(5)	(6)	Minimum Safeguards	Proportion of Capex aligned to EU Taxonomy, year N	Proportion of Capex aligned to EU Taxonomy, year N-1	Category (enabling activity)	Category (transitional activity)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
	Y	Y	Y	Y	Y	Y	0%		C	
	Y	Y		Y	Y	Y	1%			
	Y	Y		Y	Y	Y	0%			
	Y				Y	Y	1%			
	Y			Y		Y	0%		C	
	Y					Y	0%		C	
	Y					Y	0%		C	
	Y					Y	7%		C	
	Y	Y	Y	Y	Y	Y	0%		C	
							9%		7%	

5.3.3 OPEX

Economic Activities	Code	Absolute Opex	Proportion of Opex	Criteria for substantial contribution					
				(1)	(2)	(3)	(4)	(5)	(6)
		K€	%	%	%	%	%	%	%
A. Taxonomy Eligible Activities									
A.1. Taxonomy-aligned Activities									
4.20. Cogeneration of heat/cool and power from bioenergy	35.11	37	0%	100%					
4.24. Production of heat/cold from bioenergy	35.11	889	3%	100%					
5.4. Renewal of waste water collection and treatment	37	17	0%	100%					
5.9. Material recovery from non-hazardous waste	38.32	268	1%	100%					
7.3. Installation, maintenance and repair of energy efficient equipment	43.2	37	0%	100%					
7.5. Installation, maintenance and repair of instruments and devices for measuring, regulating and monitoring the energy performance of buildings	43	31	0%	100%					
9.1. Close to market research, development and innovation	72.1	106	0%	100%					
Opex of Taxonomy-aligned activities (A1)		1,386	5%						
A.2 Taxonomy-eligible activities, but not Taxonomy-aligned activities (A2)									
5.2. Renewal of water collection, treatment and supply systems	37	41	0%						
6.5. Transport by motorbikes, passenger cars and light commercial vehicles	49	41	0%						
7.7. Acquisition and ownership of buildings	68	287	1%						
9.1. Close to market research, development and innovation	72.1	28	0%						
Opex of Taxonomy-eligible but not Taxonomy-aligned activities (A2)		397	1%						
Total (A.1 + A.2)		1,783	6%						
B. Taxonomy non-eligible activities									
Opex of Taxonomy non-eligible activities (B)		28,692	94%						
Total (A + B)		30,475	100%						

DNSH										
(1)	(2)	(3)	(4)	(5)	(6)	Minimum Safeguards	Proportion of Opex aligned to EU Taxonomy, year N	Proportion of Opex aligned to EU Taxonomy, year N-1	Category (enabling activity)	Category (transitional activity)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
	Y	Y		Y	Y	Y	0%			
	Y	Y		Y	Y	Y	3%			
	Y	Y		Y	Y	Y	0%			
	Y				Y	Y	1%			
	Y			Y		Y	0%		E	
	Y					Y	0%		E	
	Y	Y	Y	Y	Y	Y	0%		E	
							5%		1%	

Legend - Environmental Objectives

- (1) - Climate change mitigation
- (2) - Climate change adaptation
- (3) - The sustainable use and protection of water and marine resources
- (4) - The transition to a circular economy
- (5) - Pollution prevention and control
- (6) - The protection and restoration of biodiversity and ecosystems

5.4 DEFINITIONS AND ACCOUNTING POLICIES

5.4.1 TURNOVER

Definition and reconciliation

The proportion of turnover is calculated as the portion of annual net turnover derived from products or services, including intangibles, associated with Taxonomy-aligned economic activities (numerator) divided by net turnover (denominator) within the meaning of Article 2(5) of Directive 2013/34/EU. Net turnover includes income recognised in accordance with International Accounting Standard (IAS) 1, paragraph 82(a), as adopted by Commission Regulation (EC) 1126/2008. In 2022, the denominator of the turnover ratio consists of total sales and services rendered, as presented in the consolidated income statement, excluding construction income from concession assets. The denominator can be reconciled with the total revenue presented in Note 8 of the Notes to the consolidated financial statements, and the related accounting policies are detailed in Note 2 of the same notes. The numerator corresponds to the amount of the denominator resulting from Taxonomy-aligned economic activities, detailed above in Chapter 5.2. Alignment.

Additional information

Analysis of annual turnover only covers the economic activities associated to revenue from sales and services rendered to third parties, since intra-group transactions are eliminated when drawing up the consolidated accounts. The amounts included in the numerator are considered according to their contribution to environmental objective 1. climate change mitigation, and there are no additional amounts to be included in the numerator only according to environmental objective 2. climate change adaptation.

5.4.2 CAPEX

Definition and reconciliation

The proportion of capital expenditure is defined as Taxonomy-aligned Capex (numerator) divided by total Capex (denominator).

In accordance with the Delegated Act of Article 8 of the EU Taxonomy, total Capex consists of the value of additions to tangible and intangible assets during the year, prior to consideration of depreciation, amortisation and any re-measurements, in particular those resulting from revaluations and impairments, and excluding changes in fair value. Additions of property, plant and equipment (IAS 16), intangible assets (IAS 38), right-of-use assets (IFRS 16), investment property (IAS 40) and biological assets (IAS 41) are included. Goodwill additions are not included.

The numerator is the part of the capital expenditure included in the denominator that:

- Is related to assets or processes associated with Taxonomy-aligned economic activities;
- Is part of a plan to expand Taxonomy-aligned economic activities or to enable Taxonomy-eligible economic activities to become Taxonomy-aligned activities; or
- It is related to the acquisition of the output of Taxonomy-aligned economic activities and to individual measures enabling the transformation of the activities concerned to low-carbon activities, or leading to reductions in greenhouse gas emissions, provided that these measures are implemented and operational within 18 months.

In 2022, the denominator of the Capex KPI consists of the total annual additions to tangible and intangible fixed assets, including right-of-use assets. The denominator can be reconciled with the total additions presented in notes 9, 10 and 11 of the notes to the consolidated financial statements, and the respective accounting policies are detailed in note 2 of the same notes. In 2022, the numerator corresponds to the part of the denominator associated with Taxonomy-aligned economic activities, detailed above in Chapter 5.2 Alignment, including activities intended for internal consumption of the Group, and also the acquisition of the production of Taxonomy-aligned economic activities.

Additional information

In order to be included in the numerator, the values of the denominator are first analysed to ascertain whether they are associated with the Group's Taxonomy-aligned economic activities.

In case they do not qualify as aligned activities of the Group, the amounts are assessed individually to verify whether they result from acquisition of the output of another Taxonomy-aligned economic activity. In such cases, investments were analysed, for which the suppliers provided the necessary information, to identify whether the respective eligible economic activity is Taxonomy-aligned, including compliance with the DNSH criteria and minimum safeguards, or otherwise for which it was possible to assess directly was considered.

5.4.3 OPEX

Definition

The proportion of operating expenditure is defined as the Taxonomy-aligned Opex (numerator), divided by total Opex (denominator). In accordance with the Delegated Act under Article 8 of the EU Taxonomy, total Opex consists of the direct costs not capitalised during the year relating to research and development, building refurbishment measures, short-term leases, maintenance and repair, and other direct expenditure associated with day-to-day servicing of fixed assets necessary to ensure their functioning.

The numerator corresponds to the part of operating expenses included in the denominator that:

- Is related to assets or processes associated with Taxonomy-aligned economic activities, including training and other adaptation needs of human resources;
- Is part of a plan to expand Taxonomy-aligned economic activities or to enable Taxonomy-eligible economic activities to become Taxonomy-aligned; or
- Is related to the acquisition of the output from Taxonomy-aligned economic activities and to individual measures enabling the transformation of the respective activities to low-carbon activities or leading to reductions in greenhouse gas emissions, provided that these measures are implemented and operational within 18 months.

The amounts are included in the consolidated profit and loss statement under External Supplies and Services (note 28) of the notes to the consolidated financial statements). Amounts under personnel costs are not included since they do not incorporate expenses of a nature that meets the definition of total Opex of the EU Taxonomy.

In 2022, the numerator corresponds to the part of the denominator associated with Taxonomy-aligned economic activities, detailed above in Chapter 5.2 Alignment, including activities intended for internal consumption of the Group, and also the acquisition of production from Taxonomy-aligned economic activities. Training costs are not included in the Opex KPI, since it is not foreseen to include them in the denominator.

Additional information

In order to be included in the numerator, the denominator values are first analysed to determine whether they are associated with the Group's Taxonomy-aligned economic activities.

In case they do not qualify as Taxonomy-aligned activities of the Group, the amounts are assessed individually to determine whether they result from the acquisition of the output from an Taxonomy-aligned economic activity. In such cases, the alignment is assessed based on the information made available by the suppliers or is assessed directly.

5.5 VOLUNTARY DISCLOSURES

Portugal has set itself the target of becoming carbon neutral by 2050. In this context, the country recognises the importance of forests to achieve this goal, due to their role in carbon sequestration. Given that the cork oak forest is a carbon sink, the production of cork products has the capacity to offset carbon emissions. For every ton of cork produced, the cork oak forest sequesters up to 73 tons of CO₂. In the case of the Naturity cork stopper the carbon balance may reach -288 gCO₂eq, when considering the carbon sequestration of cork oak forests and the emissions associated with its production.

Cork processing companies are a driving force in creating economic interest for cork oak forest owners to continue harvesting cork. Additionally, cork is a naturally sustainable product, given that no cork oak tree is cut during the harvesting process, that cork can be removed from the trunk of the cork oak tree every nine years without damaging the tree and that the cork oak tree can live for an average of 200 years. Based on this context, Corticeira Amorim considers that the business activity of producing cork stoppers, including activities to improve efficiency in the use of this raw material and research and development associated with its manufacturing process, has a positive environmental impact and contributes to the goal of transforming Portugal into a low carbon economy. Corticeira Amorim has also conducted several studies on the life cycle assessments of cork stoppers in various segments (still wines, sparkling wines and spirits) and concluded that all these stoppers have a negative carbon balance when considering the sequestration of cork oak forests and the emissions associated with their production.

The future EU forest strategy will promote the management of forests for environmental, social and economic sustainability. Portugal has one of the highest forest fire risk ratings in Europe, mainly due to lack of forest management. In 2017, more than 500,000 hectares burned, setting a record for the country's burnt area. Poorly managed forests and forests with high volumes of residual biomass, which act as fuel in excessively dry climates, represent an increased risk for the occurrence of forest fires, which highlights the importance of sustainable forest management. To reduce the probability of forest fires, specialists suggest planting species that are more resistant to fire, such as the cork oak tree (an evergreen tree belonging to the Phagaceae family - *Quercus suber* L, which also includes the chestnut and oak tree). Given the cyclical nature of cork production without deforestation, the cork oak tree can live for 200 years on average and can grow with minimal or no use of fertilisers, pesticides or pruning. In this context, investment in the maintenance and management of cork oak forests and in increasing the availability of cork has the potential to contribute to reducing the risk of forest fires in Portugal.

Corticeira Amorim voluntarily conducted the exercise of calculating Taxonomy indicators with the inclusion of the production of cork stoppers. For this exercise, it was considered that around 100% of production corresponds to revenue-generating activities specifically related to packaging technologies with low energy incorporation, which extend shelf life and reduce waste, and constitute the best alternative for clients who are looking for better quality and who wish to contribute to climate regulation. Corticeira Amorim uses technologies, throughout its entire cork stopper portfolio, aimed at improving the quality of stoppers by removing detectable TCA (trichloroanisole) and other compounds. The Company assessed, on a voluntary basis, the incorporation of the cork stoppers production activity in activity 3.6 of the Climate Delegated Act (Manufacture of other low-carbon emitting technologies). The inclusion of the values of the production activity of cork stoppers in the assessment of KPIs related to the EU Taxonomy would have the following results:

KPI eligibility and alignment	Total (K€)	Eligible and aligned activities (%)	Eligible and non-aligned activities (%)	Not eligible activities (%)
Turnover	1,021,391	47.4%	19.4%	33.1%
Capital expenditure (Capex)	98,953	32.9%	36.7%	30.5%
Operating expenditure (Opex)	30,475	39.9%	1.3%	58.8%

5.6 NEXT STEPS

During 2023, Corticeira Amorim will continue to develop procedures and actions to ensure an adequate response to the Taxonomy alignment criteria. These activities include:

- Follow up on updates concerning the remaining four environmental objectives;
- Analysis of potential extensions of the Taxonomy regulations to other activities and implementation of guidelines that may have a significant impact on the Group's eligibility classification and alignment in the future;
- Development of a Human Rights Due Diligence process to robust its practices and commitments related to its operations;
- Monitoring of updates of the analysis of the physical risks of its business activities and continuation of research into existing risks for its raw materials, as well as risks associated with climate change, thereby continuing the evaluation of possible mitigation measures, with the respective strategic mapping and forest adaptation projects.

6 – References and scope of the report

The 2022 Sustainability Report refers to the period from January 1, 2022 to December 31, 2022 and is integrated in Corticeira Amorim's Consolidated Annual Report 2022.

The previous reporting of sustainability information was approved by the General Meeting of Corticeira Amorim and published on the Company's website in April 2022 and relates to the period from January 1, 2021 to December 31, 2021.

6.1 REPORT FORMAT

This report notes Corticeira Amorim's approach to sustainable development and performance in 2022, focusing on environmental, social and governance aspects of sustainability. It has been prepared in accordance with the Global Reporting Initiative, the GRI Standards (GRI).

Corticeira Amorim has applied the GRI Guidelines in its Sustainability Report since 2016. The Company believes that this standard is the best way to present sustainability reporting in a transparent, accurate and reliable manner, being guided through various internal and external processes, including risk management (Chapter 2.3 Risks and opportunities), materiality assessment (Chapter 2.4 Definition of strategy) and engagement with stakeholders (Chapter 1.4 stakeholders).

Corticeira Amorim's performance in relation to the sustainability metrics defined under the Sustainable by nature programme is also reported (Chapter 3 Sustainable by nature programme), which may include topics and metrics different from those of the GRI.

To ensure better readability, the figures are sometimes rounded to zero or one decimal place. However, the calculations have been made considering the actual performance figures. In addition, progress on commitments made on a year-on-year or cumulative basis against a baseline year is reported.

6.2 COMPANIES INCLUDED IN THE CONSOLIDATION OF SUSTAINABILITY INDICATORS

Company	Location	Country	2022	2021
Raw materials				
Amorim Florestal, S.A. (former Amorim Natural Cork, S.A)	Vale de Cortiças – Abrantes	PORTUGAL	100%	100%
Amorim Florestal, S.A.	Ponte de Sor	PORTUGAL	-	100%
Amorim Florestal III, S.A.	Ponte de Sor	PORTUGAL	100%	100%
Amorim Florestal España, S.L.	San Vicente Alcántara	SPAIN	100%	100%
Amorim Florestal Mediterráneo, S.L.	Cádiz	SPAIN	100%	100%
Amorim Tunisie, S.A.R.L.	Tabarka	TUNISIA	100%	100%
Comatral - C. de Maroc. de Transf. du Liège, S.A.	Skhirat	MOROCCO	100%	100%
Cosabe - Companhia Silvo-Agrícola da Beira S.A.	Lisboa	PORTUGAL	100%	100%
Société Nouvelle du Liège, S.A. (SNL)	Tabarka	TUNISIA	100%	100%
Société Tunisienne d'Industrie Bouchonnière	Tabarka	TUNISIA	55%	55%
Cork Stoppers				
Amorim Cork, S.G.P.S, S.A.	Santa Maria de Lamas	PORTUGAL	100%	100%
All Closures In, S.A.	Paços de Brandão	PORTUGAL	75%	75%
Amorim Cork, S.A.	Santa Maria de Lamas	PORTUGAL	100%	100%
Amorim Bartop, S.A.	Vergada	PORTUGAL	75%	75%
Amorim Champcork, S.A.	Santa Maria de Lamas	PORTUGAL	100%	100%
Amorim Top Series, S.A.	Vergada	PORTUGAL	75%	75%
Biocape - Importação e Exportação de Cápsulas, Lda.	Mozelos	PORTUGAL	60%	60%
Elfverson & Co AB	Paryd	SWEDEN	37.5%	75%
Francisco Oller, S.A.	Girona	SPAIN	98%	94%
Socori, S.A.	Rio Meão	PORTUGAL	100%	80%
Floor and Wall Coverings				
Amorim Cork Flooring, S.A.	S. Paio de Oleiros	PORTUGAL	100%	100%
Amorim Benelux, BV	Tholen	NETHERLANDS	100%	100%
Amorim Deutschland, GmbH	Delmenhorts	GERMANY	100%	100%
Amorim Subertech, S.A.	S. Paio de Oleiros	PORTUGAL	100%	100%
Amorim Flooring (Switzerland) AG	Zug	SWITZERLAND	100%	100%
Amorim Flooring North America Inc.	Hanover – Maryland	U.S.A.	100%	100%
Composite Cork				
Amorim Cork Composites, S.A.	Mozelos	PORTUGAL	100%	100%
Amorim Cork Composites, Inc.	Trevor – Wisconsin	U.S.A.	100%	100%
Amorim Sports, Lda.	Mozelos	PORTUGAL	70%	70%
Corkeen Europe	Mozelos	PORTUGAL	85%	85%
Insulation Cork				
Amorim Cork Insulation, S.A.	Vendas Novas	PORTUGAL	100%	100%
Holding Company				
Corticeira Amorim, S.G.P.S., S.A.	Mozelos	PORTUGAL	100%	100%
Amorim Cork Research, Lda.	Mozelos	PORTUGAL	100%	100%
Amorim Cork Services, Lda.	Mozelos	PORTUGAL	100%	100%
Amorim Cork Ventures, Lda.	Mozelos	PORTUGAL	100%	100%

Corticeira Amorim is a group of companies spread around the world and given the consequent difficulty in implementing uniform information gathering systems in smaller companies, the organisational boundaries of the consolidated sustainability statements (sustainability perimeter) differ from the organisational boundaries of the consolidated financial statements (financial perimeter).

In 2022, there were no changes in the universe of companies that make up the sustainability perimeter, whereas there were changes in the financial perimeter, as noted in Chapter 6 Companies, included in the consolidation of the Notes to the Consolidated Financial Statements.

Unless otherwise indicated, in 2022, the sustainability perimeter indicators represent, compared to the financial perimeter, 70% of consolidated sales, 77% of workers and 82% of the PU.

The environmental indicators of the agroforestry units (Cosabe, Amorim Florestal III and Herdade de Rio Frio) are not consolidated with the information included in this report, and separate information is being provided.

The organisational boundaries considered in the quantitative objectives for 2030 and the quantitative targets of the 2021-2024 plan, of the Sustainable by nature programme, are the Portuguese companies that are consolidated within the scope of this report (Portugal perimeter). These companies represent, compared to the financial perimeter: 63% of consolidated sales, 71% of workers and 64% of PU.

6.3 GHG EMISSIONS

Corticeira Amorim monitors its GHG emissions. To determine the categories to be monitored, the methodologies and assumptions to be applied, Corticeira Amorim regularly carries out an exhaustive corporate GHG inventory, using external experts. The last one was conducted in 2019 by EY, based on information from the year 2018, covered the activities developed in Portugal and was based on the GHG Protocol methodology (further information in the Sustainability Report 2018, available at <https://www.amorim.com/en/sustainability/reports/> and in Chapter 3.3.2 Climate Change).

Scope 1 and 2 emissions were calculated in accordance with the GHG Protocol, published by the WBCSD and World Resources Institute (WRI) and ISO 14064-1. Corticeira Amorim reports GHG emissions in CO₂eq and takes into consideration emissions from leaks from refrigeration systems and other electrical equipment.

To calculate CO₂eq emissions, the conversion factors used in audits under SGCIE, Order 17313/2008, were considered, as shown in the table below. The emissions associated with the burning of biomass are considered to be neutral, considering that there is reasonable confidence that the CO₂eq released (biogenic CO₂eq) was stored in the past by the product and is no more than a delayed emission.

The calculation of scope 1 GHG emissions includes fuel consumption in Corticeira Amorim's operations, in particular natural gas, propane gas, diesel, gasoline and biomass.

For scope 2 GHG emissions, Corticeira Amorim considers the electrical energy purchased using the market method and the location method. The energy consumed outside Portugal (around 7%) was assumed to be immaterial. Thus, the reference of the SGCIE was considered for the market method and the information available on the date of preparation of the report of the energy supplier(s) for the location method. The latter considers a weighted average of the first three quarters of the year 2022.

For scope 3 emissions, the GHG Protocol's "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" was used and had as requirements the ISO 14064-1 Greenhouse gases - Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals (2018).

The source of information of the emission factors was the factors published by GHG Protocol and Defra - Department for Environment, Food & Rural Affairs. When not available, it was used the factors considered in the GHG emissions inventory 2018, conducted by EY in 2019, and which had the "Ecoinvent database 3.5" as reference.

The Sustainability Report, including information on Corticeira Amorim's GHG emissions, has been independently reviewed for the limited assurance engagement, carried out in accordance with the International Standard on Assurance Engagements (ISAE 3000, revised) which was conducted by ERNST & YOUNG AUDIT & ASSOCIADOS - SROC, S.A., and the report is available in Chapter 10 Independent assurance report.

Energy conversion factors

	Unit measuring	Conversion factor
Natural gas	GJ/1000 m ³	37.9
Propane gas	GJ/t	46.65
Diesel	GJ/t	42.8
Gasoline	GJ/t	44.5
Biomass (cork powder)	GJ/t	15.7
Biomass (firewood)	GJ/t	11.6
Electrical energy (own production)	GJ/kWh	0.0036
Electrical energy (supplier - REC)	GJ/kWh	0.0036
Electrical energy (supplier)	GJ/kWh	0.0036

Emission factors

	Unit measuring	Emission factors
Natural Gas	kg CO ₂ /GJ	64.1
Propane Gas	kg CO ₂ /GJ	63
Diesel	kg CO ₂ /GJ	74
Gasoline	kg CO ₂ /GJ	69.2
Biomass (cork powder)	kg CO ₂ /GJ	0
Biomass (other)	kg CO ₂ /GJ	0
Electrical energy (own production)	kg CO ₂ /kWh	0
Electrical energy (supplier - REC)	kg CO ₂ /kWh	0
Electrical energy (supplier) - market method	kg CO ₂ /kWh	224.3
Electrical energy (supplier) - location method	kg CO ₂ /kWh	470.0

Biogenic emissions

In the production of energy from biomass, materials such as cork powder and other forest-based products can be used as an energy source, leading to a reduction in waste generation and indirect energy consumption in industrial processes. Given that, in its business activity, Corticeira Amorim reuses materials generated in its industrial processes for the production of energy through biomass, this process is within the borders analysed. Thus, the biogenic emissions that are generated by the incineration of the aforementioned materials in the biomass boiler for energy production were estimated and reported separately from the results of the GHG emissions inventory (Chapter 7 Consolidated sustainability indicators).

Carbon storage

Corticeira Amorim calculated the GHG removals associated with purchased forest-based materials that store carbon. The materials included in this analysis were only from external suppliers, to avoid double counting of materials, since one business unit may be the supplier of another business unit of Corticeira Amorim (Chapter 7 Consolidated sustainability indicators).

Carbon sequestration in cork oak forests

During the process of photosynthesis, atmospheric CO₂ is removed by trees. In most cases, the extraction process of forest-based products results in trees being felled. In a life cycle approach, carbon sequestration by these trees is considered to be temporary carbon storage, since carbon is only stored for a limited period (<100 years). The benefits of carbon sequestration by trees are therefore excluded. After extraction, a fraction of the carbon is temporarily stored in the product. This fraction is only considered to be permanent carbon storage if the biogenic carbon is released more than 100 years after it has been sequestered.

During cork harvesting, only the outer bark of the tree is removed. On the other hand, the cork extracted from the cork oak tree only represents 4% of the total sequestration of atmospheric CO₂ and has negligible impacts on the total carbon stored by the tree. The cork oak forest thereby acts as an important carbon sink, since cork oak trees are not felled during harvesting and can grow for more than 200 years.

Cork is the main raw material used by Corticeira Amorim in its production activities. Taking this context into consideration, Corticeira Amorim calculated the carbon sequestration of cork oak forests that can be indirectly attributed to the cork acquired by Corticeira Amorim, since the activities of the cork processing industry contribute to exploitation and maintenance of cork oak forests.

Carbon sequestration by cork oak forests varies according to various factors, such as tree density, soil and climate conditions. To account for the carbon sequestration potential of cork oak forests, data is collected on the cork acquired from external suppliers and an average carbon sequestration scenario, used in different corporate inventories of GHG emissions conducted by Corticeira Amorim, was used.

6.4 STANDARDISATION OF FACTORS

Except when mentioned, to standardise the environmental indicators, the consolidated sales of the sustainability perimeter were used and for the social indicators the number of employees was used. Values in euros can be presented in thousand euros (thousand euros = K euros = €000) or in million euros (million euros = M euros = €M).

	Reference	2022	2021	2020
Consolidated sales				
Sustainability perimeter (K€)	GRI 2-2	712,644	674,402	617,700
Financial perimeter (K€)	GRI 2-2	1,021,391	837,820	740,113
Sustainability perimeter (%)	GRI 2-2	70%	80%	83%

	Reference	2022	2021	2020
Employees				
Sustainability perimeter (Nr)	GRI 2-2	3,829	3,796	3,592
Financial perimeter (Nr)	GRI 2-2	4,999	4,642	4,357
Sustainability perimeter (%)	GRI 2-2	77%	82%	82%

6.5 INDEPENDENT VERIFICATION

External verification plays an important role in the reporting of sustainability information and provides stakeholders with assurance regarding Corticeira Amorim's performance. The Sustainability Report therefore has an independent limited assurance review, conducted in accordance with the International Standard on Assurance Engagements (ISAE 3000, revised) which was carried out by ERNST & YOUNG AUDIT & ASSOCIADOS - SROC, S.A., and the report is available in Chapter 10 Independent assurance report.

Different teams in the BUs and the support divisions, in particular the sustainability division, collect the information relating to the selected KPIs and prepare the report in accordance with GRI and other applicable benchmarks. The Board of Directors, the CECA and CESG supervise drawing up the Sustainability Report and are informed of the recommendations resulting from the independent verification work. The Board of Directors approves the approach and scope of external verification of the Sustainability Report.

6.6 ADDITIONAL INFORMATION

The 2022 Sustainability Report and other information - including statutes, regulations and policies, report archives, case studies, supported associations, useful links and sustainability contacts - can be found at: <https://www.amorim.com/en/>.

7 – Consolidated sustainability indicators

7.1 ECONOMIC AND VALUE CHAIN

	Reference	2022	2021	2020
Direct economic value generated and distributed				
Economic value generated (K€)	GRI 201-1	1,034,630	842,171	748,287
Operating costs (K€)	GRI 201-1	690,303	548,884	474,396
Employees (K€)	GRI 201-1	182,950	146,098	138,054
Capital providers (K€)	GRI 201-1	46,715	39,580	28,550
State (K€)	GRI 201-1	23,581	19,729	15,321
Communities (K€)	GRI 201-1	361	225	381
Retained economic value (K€)	GRI 201-1	90,720	87,656	91,585
Contributions to local social security schemes (K€)				
	GRI 201-3	28,172	22,722	22,321
Average R&D+i investment (K€)				
		11,075	10,363	9,792

Purchases of cork and cork products				
Portugal and Spain (K€)	GRI 204-1	314,171	277,206	231,153
North Africa (K€)	GRI 204-1	15,048	12,782	14,845
Other locations (K€)	GRI 204-1	1,470	1,588	591
Total (K€)	GRI 204-1	330,689	291,577	246,589

Forestry Intervention Project				
Forest estates under management (HA)	GRI 304-1	8,181	6,326	3,076
Intervened forest estates under management (HA)	GRI 304-3	381	251	251
Planted cork oak trees (Nr)	GRI 304-3	154,610	100,400	100,400

Accumulated values

Notes:

The values shown in the indicator of direct economic value generated and distributed refer to the total perimeter. Revenues corresponds to the sum of the following items: sales and services provided, supplementary income, operating subsidies, own works, other operating income, financial income and gains and capital gains from real state (after deducting capital losses). Operating costs do not include depreciation. Investment in the community includes only the value of cash donations and does not include contributions and donations in kind.

For the purposes of this report, local origin is considered to be the geographies of Portugal and Spain and controlled origin is considered to be low risk for all five categories of unacceptable sources under the FSC® Controlled Wood System, which also covers cork, i.e. the geographies of Portugal and Spain.

Except when mentioned, all monetary values are stated in thousand euros (Thousand euros = K euros = €000) or in million euros (Million euros = M euros = €M).

7.2 Environmental

	Reference	2022	2021	2020
Energy consumption				
Natural gas (GJ)	GRI 302-1	35,224	44,889	54,878
Propane gas (GJ)	GRI 302-1	12,458	6,163	8,309
Gasoline (GJ)	GRI 302-1	406	481	304
Diesel (GJ)	GRI 302-1	34,488	34,979	31,298
Biomass (GJ)	GRI 302-1	1,210,409	1,301,858	1,075,032
Electrical energy (GJ)	GRI 302-1	522,886	541,494	468,294
Total (GJ)	GRI 302-1	1,815,871	1,929,864	1,638,115
Energy Intensity (GJ / €M)	GRI 302-3	2,548	2,862	2,652
Renewable energy				
Controlled (self-generated) (GJ)	GRI 302-1	1,227,101	1,308,392	1,075,032
Biomass - cork powder (GJ)	GRI 302-1	1,103,378	1,159,905	937,375
Biomass - other (GJ)	GRI 302-1	107,031	141,953	137,658
Photovoltaic (GJ)	GRI 302-1	12,672	500	
Cogeneration (GJ)	GRI 302-1	4,019	6,034	
Purchased from (GJ)	GRI 302-1	165,123	207,021	289,484
REC (GJ)	GRI 302-1	0	0	0
Network mix (GJ)	GRI 302-1	165,123	207,021	289,484
Total (GJ)	GRI 302-1	1,392,224	1,515,412	1,364,516
Renewable energy (%)	GRI 302-1	77%	79%	83%
Controlled renewable energy (%)	GRI 302-1	68%	68%	66%
Electrical energy				
Renewable (GJ)	GRI 302-1	181,815	213,555	289,484
Photovoltaic (GJ)	GRI 302-1	12,672	500	
Cogeneration (GJ)	GRI 302-1	4,019	6,034	
REC (GJ)	GRI 302-1	0	0	0
Grid mix (GJ)	GRI 302-1	165,123	207,021	289,484
Non-renewable (GJ)	GRI 302-1	341,072	327,940	178,810
Grid mix (GJ)	GRI 302-1	341,072	327,940	178,810
Total (GJ)	GRI 302-1	522,886	541,494	468,294
Renewable electrical energy (%)	GRI 302-1	35%	39%	62%
Controlled renewable Electrical energy (%)	GRI 302-1	3.2%	1.2%	0.0%
Energy consumption by country				
Portugal (GJ)	GRI 302-1	1,717,584	1,826,681	1,570,140
Germany (GJ)	GRI 302-1	1,767	1,737	1,271
Morocco (GJ)	GRI 302-1	5,753	5,118	6,675
Netherlands (GJ)	GRI 302-1	1,314	1,363	1,583
Spain (GJ)	GRI 302-1	53,407	67,294	31,549
Sweden (GJ)	GRI 302-1	11,289	4,583	4,168
Switzerland (GJ)	GRI 302-1	21	16	25
Tunisia (GJ)	GRI 302-1	10,388	9,941	8,415
USA (GJ)	GRI 302-1	14,349	13,132	14,288
Total (GJ)	GRI 302-1	1,815,871	1,929,864	1,638,115
Energy efficiency				
Number of measures (Nr)	GRI 302-4	69	91	101
Investment (K€)	GRI 302-4	1,126	1,930	2,113
Energy saved (GJ)	GRI 302-4	49,946	72,625	56,182
Energy efficiency (%)	GRI 302-4	2.8%	3.8%	3.4%

	Reference	2022	2021	2020
Energy consumption				
Portugal				
Energy consumption (GJ)	GRI 302-1	1,717,584	1,826,681	1,570,140
Controlled renewable energy (%)	GRI 302-1	69%	69%	66%
Controlled renewable electrical energy (%)	GRI 302-1	3.4%	1.3%	0.0%
Energy efficiency (%)	GRI 302-4	2.9%	4.0%	3.6%
GHG emissions (scope 1 and 2)				
Direct emissions (scope 1) (tCO ₂ eq)	GRI 305-1	5,687	5,898	6,432
Indirect emissions (scope 2) (tCO ₂ eq)	GRI 305-2	31,534	38,397	26,958
Total (scopes 1 and 2) (tCO₂eq)		37,221	44,294	33,390
Carbon intensity (tCO₂eq/€M)	GRI 305-4	52.2	65.7	54.1
GHG emissions (scope 1)				
Natural gas (tCO ₂ eq)	GRI 305-1	2,258	2,877	3,518
Propane gas (tCO ₂ eq)	GRI 305-1	785	388	523
Gasoline (tCO ₂ eq)	GRI 305-1	28	33	21
Diesel (tCO ₂ eq)	GRI 305-1	2,552	2,588	2,316
Biomass (tCO ₂ eq)	GRI 305-1	0	0	0
Other (tCO ₂ eq)	GRI 305-1	64	10	54
Total (tCO₂eq)	GRI 305-1	5,687	5,898	6,432
GHG emissions (scope 2)				
Market Method (tCO ₂ eq)	GRI 305-2	31,534	38,397	26,958
Location method (tCO ₂ eq)	GRI 305-2	66,087	69,842	61,138
Biogenic emissions and stored carbon				
Biogenic emissions (tCO ₂ eq)		135,566	145,808	120,404
Stored carbon (tCO ₂ eq)		281,663	318,161	306,961
GHG emissions (scope 3)				
Purchase of goods and services (tCO ₂ eq)	GRI 305-3	129,885	145,114	119,451
Upstream transportation and distribution (tCO ₂ eq)	GRI 305-3	31,417	22,558	30,642
Downstream transportation and distribution (tCO ₂ eq)	GRI 305-3	42,034	39,834	45,011
Employees commuting (tCO ₂ eq)	GRI 305-3	2,697	3,231	2,602
Business travel (tCO ₂ eq)	GRI 305-3	344	307	360
Waste generated in operations (tCO ₂ eq)	GRI 305-3	270	288	235
Total (tCO₂eq)	GRI 305-3	206,646	211,332	198,301
Avoided GHG emissions				
Biomass (tCO ₂ eq)	GRI 305-5	77,587	83,449	68,910
Photovoltaic (tCO ₂ eq)	GRI 305-5	1,164	36	0
Cogeneration (tCO ₂ eq)	GRI 305-5	1,016	433	0
Efficiency measures (tCO ₂ eq)	GRI 305-5	1,675	2,193	2,464
Total (tCO₂eq)	GRI 305-5	81,442	86,111	71,374

Reference	2022	2021	2020	
	Scope 1	Scope 2*	Scope 3	
GHG by country				
Portugal (tCO ₂ eq)	4,055	29,218	183,931	
Germany (tCO ₂ eq)	88	24	0	
Morocco (tCO ₂ eq)	83	97	241	
Netherlands (tCO ₂ eq)	72	12	0	
Spain (tCO ₂ eq)	373	1,500	13,098	
Sweden (tCO ₂ eq)	0	276	2,550	
Switzerland (tCO ₂ eq)	0	1	0	
Tunisia (tCO ₂ eq)	384	125	1,150	
United States of America (tCO ₂ eq)	632	279	5,675	
Total (tCO₂eq)	5,687	31,534	206,646	
*Market method				
GHG emissions				
Direct emissions (scope 1) (tCO ₂ eq)	GRI 305-1	5,687	5,898	6,432
Indirect emissions (scope 2) * (tCO ₂ eq)	GRI 305-2	31,534	38,397	26,958
Indirect emissions (scope 3) (tCO ₂ eq)	GRI 305-3	206,646	211,332	198,301
Total (tCO₂eq)		243,866	255,627	231,692
* Market Method				
Atmospheric emissions				
Particles (t)	GRI 305-7	85	66	65
Nitrogen oxide (NOx) (t)	GRI 305-7	129	125	122
Volatile organic compounds (VOCs) (t)	GRI 305-7	55	56	59
Water withdrawal				
Groundwater (m ³)	GRI 303-3	580,597	604,289	724,140
Third-party water (m ³)	GRI 303-3	51,107	50,020	45,976
Total (m³)	GRI 303-3	631,704	654,309	770,116
Water discharges (effluent)				
Discharge with treatment (m ³)	GRI 303-4	115,135	122,125	108,754
Discharge to be reused internally (m ³)	GRI 303-4	1,358	0	0
Other destinations (m ³)	GRI 303-4	37,901	41,706	9,760
Total (m³)	GRI 303-4	154,394	163,831	118,514
Water consumption				
Water withdrawal (m ³)	GRI 303-3	631,704	654,309	770,116
Water discharges (effluent) (m ³)	GRI 303-4	154,394	163,831	118,514
Water consumption (m³)	GRI 303-5	477,470	490,846	651,983
Water consumption intensity (m³/€M)	GRI 303-5	670	728	1056
Water consumption in high-risk water stress area				
Withdrawal (m ³)	GRI 303-3	319,042	209,938	205,231
Discharges (m ³)	GRI 303-4	77,439	49,335	25,670
Water consumption in high-risk water stress area (m³)	GRI 303-5	241,762	160,603	179,561
Water consumption in high-risk water stress area	GRI 303-5	51%	33%	28%
Water consumption in low-risk water stress area				
Withdrawal (m ³)	GRI 303-3	312,662	444,371	564,885
Discharges (m ³)	GRI 303-4	76,955	114,496	92,844
Water consumption in low-risk water stress area (m³)	GRI 303-5	241,762	329,875	472,041
Water consumption in low-risk water stress area (%)	GRI 303-5	49%	67%	72%
Water consumption				
Portugal				
Water withdrawal (m ³)	GRI 303-3	577,413	594,284	720,364
Water discharges (effluent) (m ³)	GRI 303-4	128,163	132,354	100,164
Water consumption (m³)	GRI 303-5	449,410	462,298	620,581
Water consumption intensity (m³/€M)	GRI 303-5	698	749	1094

	Reference	2022	2021	2020
Weight of materials				
Renewable virgin materials (%)	GRI 301-1	82%	82%	81%
Non-renewable virgin materials (%)	GRI 301-1	12%	12%	13%
Recycled materials (%)	GRI 301-2	6.2%	6.3%	6.3%
Change in weight of non-renewable virgin materials (%)		-2.7%	-10.6%	-12.2%
Weight of materials				
Portugal				
Renewable virgin materials (%)	GRI 301-1	79%	79%	80%
Non-renewable virgin materials (%)	GRI 301-1	15%	15%	16%
Recycled materials (%)	GRI 301-2	4.8%	5.1%	3.0%
Change in weight of non-renewable virgin materials (%)		-1.2%	-5.9%	0.7%
Recycled cork incorporated into production				
Total (t)	GRI 301-3	1,052	801	736
By sales volume (t/€M)	GRI 301-3	1.5	1.2	1.2
Weight of packaging materials				
Renewable virgin materials (%)	GRI 301-1	83%	87%	75%
Non-renewable virgin materials (%)	GRI 301-1	16%	13%	25%
Recycled materials (%)	GRI 301-2	1.2%	0.0%	0.0%
Weight of packaging materials				
Portugal				
Renewable virgin materials (%)	GRI 301-1	86%	89%	77%
Non-renewable virgin materials (%)	GRI 301-1	13%	11%	23%
Recycled materials (%)	GRI 301-2	1.3%	0.0%	0.1%
Industrial waste				
Recovered (t)	GRI 306-4	13,070	14,090	10,163
Eliminated (t)	GRI 306-5	1,642	1,060	1,095
Total (t)	GRI 306-3	14,712	15,151	11,257
Waste recovery rate (%)	GRI 306-4	89%	93%	90%
Industrial waste by sales volume* (t/€M)		20.6	22.5	18.2
Hazardous industrial waste				
Recovered (t)	GRI 306-4	239	210	324
Eliminated (t)	GRI 306-5	240	142	181
Total (t)	GRI 306-3	479	352	506
Hazardous industrial waste (%)	GRI 306-3	3.3%	2.3%	4.5%
Non-hazardous industrial waste				
Recovered (t)	GRI 306-4	12,831	13,880	9,838
Eliminated (t)	GRI 306-5	1,402	919	913
Total (t)	GRI 306-3	14,233	14,799	10,751
Non-hazardous industrial waste (%)	GRI 306-3	97%	98%	96%
Industrial waste				
Portugal				
Recovered (t)	GRI 306-4	12,653	13,531	9,697
Eliminated (t)	GRI 306-5	581	532	634
Total (t)	GRI 306-3	13,233	14,063	10,331
Waste recovery rate (%)		96%	96%	94%

Notes

The formula for calculating energy intensity, carbon intensity, water consumption intensity, recycled cork incorporated into production per sales volume and industrial waste by sales volume was adjusted and considers the consolidated sales of the sustainability perimeter in the denominator; in the case of the Portugal indicators, the sales of the Portugal perimeter are used.

Energy efficiency is measured by the proportion of savings obtained with implemented measures in the total annual consumption.

When the unit of measurement used is GJ, to convert to MWh, the values should be divided by 3.6.

When the unit of measurement is m³ of water, to convert into megalitres (ML), the values should be divided by 1000.

For classification of water stressed areas within the scope of this report, the Aqueduct Water Risk Atlas tool (wri.org), updated in January 2023, was used.

Water consumption = Water withdrawal - water discharge +/- water storage

REC - Renewable Energy Certificate.



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Packaging of granulated cork.

7.3 Social

	Reference	2022	2021	2020
Workers				
Workers (Nr)	GRI 2-7	3,829	3,796	3,592
By type of contract				
Permanent (Nr)	GRI 2-7	79%	78%	79%
Fixed term (Nr)	GRI 2-7	12%	11%	13%
Temporary workers (Nr)	GRI 2-7	9%	10%	8%
By type of employment				
Full time (Nr)	GRI 2-7	99,8%	99,6%	99,6%
Part-time (Nr)	GRI 2-7	0,2%	0,4%	0,4%
By gender				
Women (Nr)	GRI 2-7	26%	25%	24%
Men (Nr)	GRI 2-7	74%	75%	76%
By age				
<30 (Nr)	GRI 2-7	20%	16%	15%
30-50 (Nr)	GRI 2-7	49%	55%	55%
>50 (Nr)	GRI 2-7	31%	29%	30%
By geography				
Portugal (Nr)	GRI 2-7	88%	87%	87%
Rest of the world (Nr)	GRI 2-7	12%	13%	13%
Collective bargaining agreements				
Portugal (Nr)	GRI 2-30	3,038	2,940	2,869
Rest of the World (Nr)	GRI 2-30	254	260	253
Total (Nr)	GRI 2-30	3,292	3,200	3,122
Associativism				
Portugal (Nr)	GRI 2-30	430	443	454
Rest of the World (Nr)	GRI 2-30	122	137	132
Total (Nr)	GRI 2-30	552	580	586
Rate of new hires				
Number of new hires (Nr)	GRI 401-1	522	410	303
By age				
<30 (Nr)	GRI 401-1	42%	35%	28%
30-50 (Nr)	GRI 401-1	13%	10%	8%
>50 (Nr)	GRI 401-1	5%	3%	2%
By gender				
Women (Nr)	GRI 401-1	20%	11%	8%
Men (Nr)	GRI 401-1	13%	12%	10%
By geography				
Portugal (Nr)	GRI 401-1	14%	11%	8%
Rest of the World (Nr)	GRI 401-1	23%	21%	15%
Rate of new hires (%)	GRI 401-1	15%	12%	9%

	Reference	2022	2021	2020
Turnover rate				
Number of turnover (Nr)	GRI 401-1	426	341	404
By age				
<30 (Nr)	GRI 401-1	24%	17%	19%
30 to 50 (Nr)	GRI 401-1	11%	9%	9%
>50 (Nr)	GRI 401-1	9%	9%	14%
By gender				
Women (Nr)	GRI 401-1	12%	12%	15%
Men (Nr)	GRI 401-1	12%	9%	11%
By geography				
Portugal (Nr)	GRI 401-1	10%	8%	11%
Rest of the World (Nr)	GRI 401-1	27%	20%	22%
Turnover rate (%)	GRI 401-1	12%	10%	12%
Employees with performance evaluation (%)	GRI 404-3	57%	55%	47%
Average hours of training				
By employment contract				
Employees (Nr)	GRI 404-1	18	15	13
Temporary workers (Nr)	GRI 404-1	40	38	45
By gender				
Women (Nr)	GRI 404-1	22	21	15
Men (Nr)	GRI 404-1	19	17	12
By geography				
Portugal (Nr)	GRI 404-1	20	19	17
Rest of the World (Nr)	GRI 404-1	13	12	6
By professional category				
Board members (Nr)	GRI 404-1	7	6	9
Directors (Nr)	GRI 404-1	33	28	25
Heads of department (Nr)	GRI 404-1	58	30	18
Sales staff (Nr)	GRI 404-1	40	32	20
Management support technicians (Nr)	GRI 404-1	37	34	29
Team leaders (Nr)	GRI 404-1	41	34	24
Administrative staff (Nr)	GRI 404-1	23	14	15
Maintenance, quality and logistics technicians (Nr)	GRI 404-1	17	19	14
Production operators (Nr)	GRI 404-1	14	14	9
Total (Nr)	GRI 404-1	20	18	16
Workers with training				
By employment contract				
Employees (%)	GRI 404-2	84%	74%	74%
Temporary workers (%)	GRI 404-2	89%	100%	71%
By gender				
Women (%)	GRI 404-2	79%	79%	74%
Men (%)	GRI 404-2	87%	79%	74%
By geography				
Portugal (%)	GRI 404-2	91%	85%	78%
Rest of the World (%)	GRI 404-2	43%	41%	43%
Total (%)	GRI 404-2	85%	79%	74%

	Age			Gender		Total
	< 30	30 - 50	>50	Women	Men	
Board members	0	2	20	3	19	22
Directors	0	56	37	13	80	93
Heads of department	15	61	23	39	60	99
Sales staff	7	41	28	18	58	76
Management support technicians	106	118	38	106	156	262
Team leaders	6	58	43	27	80	107
Administrative staff	38	127	82	157	90	247
Maintenance, quality, and logistics technicians	55	211	137	90	313	403
Production operators	534	1,218	768	560	1,960	2,520
Total 2020	535	1,972	1,085	879	2,713	3,592
Total 2021	598	2,081	1,117	940	2,856	3,796
Total 2022	761	1,892	1,176	1,013	2,816	3,829

	Reference	2022	2021	2020
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Composition of the Board of Directors of Corticeira Amorim, S.G.P.S., S.A.

By gender				
Women (Nr)	GRI 405-1	4	4	2
Men (Nr)	GRI 405-1	6	6	4
By age				
<30 (Nr)	GRI 405-1	0	0	0
30 e 50 (Nr)	GRI 405-1	1	1	2
> 50 (Nr)	GRI 405-1	9	9	4
By independence				
Independent (Nr)	GRI 405-1	4	4	0
Non-independent (Nr)	GRI 405-1	6	6	6
Total (Nr)	GRI 405-1	10	10	6

Management positions

Women (Nr)	GRI 405-1	82	75	63
Men (Nr)	GRI 405-1	239	230	229
Total (Nr)	GRI 405-1	321	305	292
Women (%)	GRI 405-1	26%	25%	22%

	Women		Men	
	Total	%	Total	%
STEM positions	26	25%	78	75%

Ratio of wages of women to men by professional category

Directors	GRI 405-2	0.70	0.77	0.95
Heads of department	GRI 405-2	0.93	0.94	0.96
Sales staff	GRI 405-2	0.61	0.53	0.55
Management support technicians	GRI 405-2	0.83	0.82	0.81
Team leaders	GRI 405-2	1.48	1.33	1.23
Administrative staff	GRI 405-2	1.15	1.13	1.08
Maintenance, quality, and logistics technicians	GRI 405-2	1.00	0.90	0.88
Production operators	GRI 405-2	0.97	1.02	1.03
Ratio of wages of women to men	GRI 405-2	0.98	0.96	0.92
Gender Pay Gap (wage)		0.02	0.04	0.08
Ratio of remuneration of women to men by professional category				
Directors	GRI 405-2	0.55	0.68	0.84
Heads of department	GRI 405-2	0.95	0.92	0.95
Sales staff	GRI 405-2	0.63	0.54	0.55
Management support technicians	GRI 405-2	0.77	0.85	0.82
Team leaders	GRI 405-2	1.35	1.22	1.17
Administrative staff	GRI 405-2	0.99	1.05	1.00
Maintenance, quality and logistics technicians	GRI 405-2	0.93	0.73	0.82
Production operators	GRI 405-2	0.90	0.93	0.94

	Reference	2022	2021	2020
Ratio of remuneration of women to men	GRI 405-2	0.87	0.88	0.86
Gender Pay Gap (remuneration)		0.13	0.12	0.14
Zero discrimination				
Portugal				
Women employees (%)	GRI 2-7	26%	24%	24%
Women in management positions (%)	GRI 405-1	26%	25%	22%
Recordable work-related injuries				
By employment contract				
Employees (Nr)	GRI 403-9	71	68	76
Temporary workers (Nr)	GRI 403-9	20	8	6
By gender				
Women (Nr)	GRI 403-9	12	10	15
Men (Nr)	GRI 403-9	79	66	67
By geography				
Portugal (Nr)	GRI 403-9	74	54	60
Rest of the world (Nr)	GRI 403-9	17	22	22
Total recordable work-related injuries (Nr)	GRI 403-9	91	76	82
Total fatalities as a result of work-related injury (Nr)	GRI 403-9	0	0	0
High-consequence work-related injuries				
By employment contract				
Employees (Nr)	GRI 403-9	7	2	2
Temporary workers (Nr)	GRI 403-9	0	0	0
By gender				
Women (Nr)	GRI 403-9	0	0	0
Men (Nr)	GRI 403-9	7	2	2
By geography				
Portugal (Nr)	GRI 403-9	7	0	2
Rest of the world (Nr)	GRI 403-9	0	2	0
Total high-consequence work-related injuries (Nr)	GRI 403-9	7	2	2
Lost time injury frequency rate (LTIFR)				
By employment contract				
Employees	GRI 403-9	12.4	12.3	13.7
Temporary workers	GRI 403-9	30.5	13.6	16.6
By gender				
Women	GRI 403-9	7.3	6.9	10.6
Men	GRI 403-9	16.7	14.1	14.9
By geography				
Portugal	GRI 403-9	13.4	10.0	12.0
Rest of the world	GRI 403-9	19.7	29.0	28.9
Lost time injury frequency rate	GRI 403-9	14.3	12.4	13.9
Rate of high-consequence work-related injuries				
By employment contract				
Employees	GRI 403-9	1.2	0.4	0.4
Temporary workers	GRI 403-9	0.0	0.0	0.0
By gender				
Women	GRI 403-9	0.0	0.0	0.0
Men	GRI 403-9	1.5	0.4	0.4
By geography				
Portugal	GRI 403-9	1.3	0.0	0.4
Rest of the world	GRI 403-9	0.0	0.0	0.0
Rate of high-consequence work-related injuries	GRI 403-9	1.1	0.3	0.3

	Reference	2022	2021	2020
Work-related ill health				
By employment contract				
Employees (Nr)	GRI 403-10	70	65	35
Temporary workers (Nr)	GRI 403-10	3	0	0
By gender				
Women (Nr)	GRI 403-10	19	34	22
Men (Nr)	GRI 403-10	54	31	13
By geography				
Portugal (Nr)	GRI 403-10	71	64	34
Rest of the world (Nr)	GRI 403-10	2	1	1
Total work-related ill health (Nr)	GRI 403-10	73	65	35
Total fatalities as a result of work-related ill health (Nr)	GRI 403-10	0.0	0.0	0.0
Rate of work-related ill health				
By employment contract				
Employees	GRI 403-10	12.3	11.7	6.3
Temporary workers	GRI 403-10	4.6	0.0	0.0
By gender				
Women	GRI 403-10	11.5	25.0	15.5
Men	GRI 403-10	11.4	6.6	2.9
By geography				
Portugal	GRI 403-10	12.9	13.0	6.6
Rest of the world	GRI 403-10	0.0	1.0	1.0
Rate of work-related ill health	GRI 403-10	11.5	10.6	5.9
Lost workday rate (LWD)				
By employment contract				
Employees	GRI 403-9	733	555	551
Temporary workers	GRI 403-9	1,227	545	560
By gender				
Women	GRI 403-9	862	555	551
Men	GRI 403-9	757	545	560
By geography				
Portugal	GRI 403-9	583	412	548
Rest of the world	GRI 403-9	2,065	1,561	573
Lost workday rate	GRI 403-9	784	554	551
Absenteeism rate				
By employment contract				
Employees (%)	GRI 403-9	6.3%	5.8%	5.0%
Temporary workers (%)	GRI 403-9	7.4%	4.0%	3.7%
By gender				
Women (%)	GRI 403-9	7.2%	6.7%	6.6%
Men (%)	GRI 403-9	6.1%	5.5%	4.4%
By geography				
Portugal (%)	GRI 403-9	6.7%	5.1%	5.4%
Rest of the world (%)	GRI 403-9	4.8%	10.2%	2.3%
Absenteeism rate (%)	GRI 403-9	6.4%	5.8%	5.0%

Notes

Turnover rate is calculated considering the number of departing employees in relation to the total number of employees.

Rate of new admissions is calculated considering the number of new employees in relation to the total number of employees.

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

- Lost time injury frequency rate = Number of recordable work related injuries / Number of hours worked x 1,000,000;
- Rate of high-consequence work-related injuries = Number of high-consequence work-related injuries (excluding fatalities) / Number of hours worked x 1,000,000;
- Lost workday rate (severity index) = Number of days lost / Hours worked x 1,000,000;
- Absenteeism rate = Days of absence / Potential days of work.

When calculating the potential days, public holidays are not taken into account. When calculating the lost time injury frequency rate, only accidents that result in lost days are taken into account. In calculating lost days, the number of working days is taken into account and starts to be counted from the day following that on which the accident occurred until the injured worker returns to work.



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Double Press Belt technology, which makes it possible to produce rolls of high-density cork, for incorporation into flooring.

8 – GRI Table

Statement of use	Corticeira Amorim reports in accordance with the GRI Standards for the period from January 1, 2022 to December 31, 2022		
GRI 1 used	GRI 1: Foundation 2021		
Applicable GRI Sector Standard(s)	Not applicable		
GRI Standard	Disclosure	Value/Location	SDGS
GRI 2: General Contents 2021	2-1 Organisational details	1 Corticeira Amorim	
	2-2 Entities included in the organisation's sustainability reporting	6.2 Companies included in the consolidation of sustainability indicators	
	2-3 Reporting period, frequency and contact point	6 References and scope of the report Corticeira Amorim publishes a Sustainability Report on an annual basis. The 2022 Sustainability Report refers to the period from January 1, 2022 to December 31, 2022 and is integrated in the Consolidated Annual Report of Corticeira Amorim. The previous Sustainability Information Report was approved by the General Meeting of Corticeira Amorim and published on the Company's website in April 2022 and relates to the period from January 1, 2022 until December 31, 2022. The 2022 Sustainability Report and other information - including statutes, regulations and policies, report archives, case studies, associations we support, useful links and contacts for the sustainability area - can be found at: www.amorim.com .	
	2-4 Restatements of information	In 2022, there were no changes in the universe of companies that make up the boundaries of the consolidation of sustainability indicators. The changes to the consolidation limits of the financial indicators are available in Chapter 6 Companies included in the consolidation in the Notes to the consolidated financial statements.	
	2-5 External assurance	The Sustainability Report has an independent limited assurance review, conducted in accordance with the International Standard on Assurance Engagements (ISAE 3000, revised), which was conducted by ERNST & YOUNG AUDIT & ASSOCIADOS - SROC, S.A, and the report is available in Chapter 10 Independent assurance report.	
	2-6 Activities, value chain and other business relationships	1.5 Characterization of the value chain	
	2-7 Employees	3.4 Promote the development, safety and well-being of staff/ Employment demographics 7 Consolidated sustainability indicators	
	2-8 Workers who are not employees	3.4 Promote the development, safety and well-being of staff/ Employment demographics 7 Consolidated sustainability indicators	
	2-9 Governance structure and composition	2 Ethics and governance of sustainability Corporate Governance Report / B. Corporate Boards and committees	
	2-10 Nomination and selection for the highest governance body	Corporate Governance Report / B. Corporate Boards and Committees	
	2-11 Chair of the highest governance body	Corporate Governance Report / B. Corporate Boards and Committees	
	2-12 Role of the highest governance body in overseeing the management of impacts	2.2 Management model	
	2-13 Delegation of responsibility for managing impacts	2.2 Management model	
	2-14 Role of the highest governance body in sustainability reporting	2.2 Management model	
	2-15 Conflicts of interest	Code of Business Ethics and Professional Conduct/ 3.2 - Conflict of interests: https://www.amorim.com/xms/files/Investidores/Estatutos_Politicass_Regulamentos/2022-02-23_Codigo_de_Etica_EN.pdf Anti-corruption Code of Conduct: https://www.amorim.com/xms/files/Investidores/Estatutos_Politicass_Regulamentos/Corticeira_Amorim_-_Codigo_de_Conduta_Anticorruptcao.pdf Regulation on Transactions with Related Parties: https://www.amorim.com/xms/files/Investidores/Estatutos_Politicass_Regulamentos/20210712Regulation_on_transactions_with_related_parties.pdf Board of Directors' Regulation/21. Conflicts of Interest: https://www.amorim.com/xms/files/Investidores/Estatutos_Politicass_Regulamentos/20220223_Regulamento_do_Conselho_de_Administracao_EN.pdf Board of Directors' Executive Committee Regulations/ article 12, paragraph 4: https://www.amorim.com/xms/files/Investidores/Estatutos_Politicass_Regulamentos/20220223_Regulamento_da_Comissao_Executiva_EN.pdf	

GRI Standard	Disclosure	Value/Location	SDGS
	2-16 Communication of critical concerns	2.10 Reporting of Irregularities Reporting of Irregularities procedure: https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/Internal-Reporting-Form : https://www.amorim.com/xms/files/Investidores/Estatutos_Políticas_Regulamentos/2022-02-23_Irregularities_internal_communication_form.pdf	
	2-17 Collective knowledge of the highest governance body	2.2 Management model	
	2-18 Evaluation of the performance of the highest governance body	2.6 Performance evaluation of the executive directors	
	2-19 Remuneration policies	Remuneration Policy: https://www.amorim.com/xms/files/Investidores/Estatutos_Políticas_Regulamentos/2022-04-28_Política_de_remuneracoes_EN.pdf	
	2-20 Process to determine remuneration	2.6 Performance evaluation of the executive directors Remuneration Policy: https://www.amorim.com/xms/files/Investidores/Estatutos_Políticas_Regulamentos/2022-04-28_Política_de_remuneracoes_EN.pdf	
	2-21 Annual total compensation ratio	Corporate Governance Report/ D - Remuneration: The annual compensation ratio is 18.4, taking into account the total compensation attributed to the Chairman and the average compensation of the Organisation.	
	2-22 Statement on sustainable development strategy	Message from the Chairman and Message from the Board Member and Chief Sustainability Officer.	
	2-23 Policy commitments	Corticeira Amorim is governed by a solid and cohesive set of internal rules, consisting of statutes, regulations and policies, which allow the alignment of its stakeholders' expectations, encourage balanced and prudent management, reinforce transparency and demonstrate the Company's commitments to develop its business activity in line with sustainable development: https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/ .	
	2-24 Embedding policy commitments	2 Ethics and governance of sustainability	
	2-25 Processes to remediate negative impacts	The processes are presented throughout the Sustainability Report. Each material topic describes the actions and initiatives developed to manage and remedy the impacts associated with the Company's activity. Since 2009, Corticeira Amorim has carried out a process of consultation and engagement with its stakeholders, seeking to promote their participation and contribution to the definition of the group's sustainability strategy and review of materiality (2.4 Definition of strategy). This procedure has enabled external developments and market expectations to be understood, as well as anticipating new opportunities and risks.	
	2-26 Mechanisms for seeking advice and raising concerns	The Company has developed and made available a procedure for reporting irregularities: https://www.amorim.com/xms/files/Investidores/Estatutos_Políticas_Regulamentos/2022-02-23_Irregularities_internal_reporting_procedure.pdf as well as an internal communication form: https://www.amorim.com/xms/files/Investidores/Estatutos_Políticas_Regulamentos/2022-02-23_Irregularities_internal_communication_form.pdf .	
	2-27 Compliance with laws and regulations	There are no significant cases of non-compliance with environmental and/or social laws and regulations during the reporting period, in particular no significant fines or non-monetary sanctions were applied. All detected non-conformities are monitored and a response and mitigation plan is implemented for future reoccurrences. These actions include detailed investigation of the occurrence, corrective actions to prevent reoccurrence and communication of lessons learned. A "Significant" fine or sanction means that it has an individual cost of more than €3,000 (or equivalent when converted from local currency). Although there is no information at corporate level of any non-compliance at the sustainability perimeter, this information was only confirmed at the Portugal perimeter. 6.2 Companies included in the consolidation of sustainability indicators	
	2-28 Membership associations	Voluntary commitments	
	2-29 Approach to stakeholder engagement	1.4 stakeholders	
	2-30 Collective bargaining agreements	3.4.1 Development/ Promote development for all/ Freedom of association	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	2.4 Definition of strategy/Materiality review	
	3-2 List of material topics	2.4 Definition of strategy/Materiality matrix	
	3-3 Management of material topics	Throughout this report, relevant impacts on the economy, environment and people, including Human Rights, are specified for each material topic. Actions taken to manage these impacts and the processes for monitoring them are also described. Stakeholders are involved in defining the Group's sustainability strategy and reviewing materiality (2.4 Definition of strategy).	

GRI Standard	Disclosure	Value/Location	SDGS		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	3.5.1 Community/Society and Innovation/ Social Balance	8, 17		
	201-2 Financial implications and other risks and opportunities due to climate change	2.3 Risks and opportunities	8,9,13,17		
		3.3.2 Climate change/ Climate related risks and opportunities			
		9 Alignment with the TCFD			
GRI 201-3 Defined benefit plan obligations and other retirement plans		In all countries where it operates, Corticeira Amorim contributes to local social security schemes, according to the terms of specific applicable legislation, which cover all of its employees. In 2022, the total amount was 28,172,000 euros (2021: 22,722,000 euros; 2020: 22,321,000 euros).	8,17		
		GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	1.5 Characterization of the value chain / Supply chain	8,12,17
			3.2.2 Value Chain / Procurement and supply of cork		
	7 Consolidated sustainability indicators				
GRI 207: Tax 2019	207-1 Approach to tax	2.9 Approach to tax			
	207-2 Tax governance, control, and risk management	2.9 Approach to tax / Governance, control and fiscal risk management			
	207-3 Stakeholder engagement and management of concerns related to tax	2.9 Approach to tax / Engaging stakeholder and managing their tax concerns			
GRI 301: Materials 2016	301-1 - Materials used by weight or volume	3.3.3 Circular economy/ Applying circular economy principles/ Materials	7 Consolidated sustainability indicators		
	301-2 Recycled input materials used	3.3.3 Circular economy/ Applying circular economy principles/ Materials			
	301-3 Reclaimed products and their packaging materials	3.3.3 Circular economy/ Apply the principles of circular economy/ Cork recycling			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	3.3.2 Climate change/ Reduce the environmental impact of operations/ Energy consumption within the organisation	7, 11, 13		
		7 Consolidated sustainability indicators			
	302-3 Energy intensity	3.3.2 Climate change/ Reduce the environmental impact of operations/ Energy consumption within the organisation	7, 11, 13		
		7 Consolidated sustainability indicators			
	302-4 Reduction of energy consumption	3.3.2 Climate change/ Reduce the environmental impact of operations/ Energy consumption within the organisation	7, 11, 13		
	7 Consolidated sustainability indicators				
	302-5 Reductions in energy requirements of products and services	3.3.4 Green products/ Environmental benefit of the products	7, 11, 9, 13		
		7 Consolidated sustainability indicators			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	3.3.2 Climate change/ Reduce the environmental impact of operations/ Water consumption	6		
		7 Consolidated sustainability indicators			
	303-2 Management of water discharge-related impacts	3.3.2 Climate change/ Reduce the environmental impact of operations/ Water consumption	6		
		7 Consolidated sustainability indicators			
	303-3 Water withdrawal	3.3.2 Climate change/ Reduce the environmental impact of operations/ Water consumption	6		
	7 Consolidated sustainability indicators				
	303-4 Water discharge	3.3.2 Climate change/ Reduce the environmental impact of operations/ Water consumption	6		
	7 Consolidated sustainability indicators				
	303-5 Water consumption	3.3.2 Climate change/ Reduce the environmental impact of operations/ Water consumption	6		
		7 Consolidated sustainability indicators			
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	3.3.1 Cork oak forest/ Preserve the cork oak forest	11, 12, 15		
		7 Consolidated sustainability indicators			
	304-2 Significant impacts of activities, products and services on biodiversity	3.3.4 Green products/ Environmental benefit of the products	11, 12, 15		
		7 Consolidated sustainability indicators			
	304-3 Habitats protected or restored	3.3.1 Cork oak forest/ Preserve the cork oak forest			
		7 Consolidated sustainability indicators			



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Amorim Florestal is developing mechanised loading tools, using tweezers and other instruments that eliminate the need for human intervention in the loading of trucks.

GRI Standard	Disclosure	Value/Location	SDGS
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	3.3.2 Climate change/ Reduce the environmental impact of operations/ Direct (scope 1) and indirect (scope 2) GHG emissions 7 Consolidated sustainability indicators	7, 11, 13
	305-2 Energy indirect (Scope 2) GHG emissions	3.3.2 Climate change/ Reduce the environmental impact of operations/ Direct (scope 1) and indirect (scope 2) GHG emissions 7 Consolidated sustainability indicators	7, 11, 13
	305-3 Other indirect (Scope 3) GHG emissions	3.3.2 Climate change/ Reduce the environmental impact of operations/ Other indirect emissions (scope 3) of GHG 7 Consolidated sustainability indicators	7, 11, 13
	305-4 GHG emissions intensity	3.3.2 Climate change/ Reduce the environmental impact of operations/ Direct (scope 1) and indirect (scope 2) GHG emissions 7 Consolidated sustainability indicators	7, 11, 13
	305-5 Reduction of GHG emissions	3.3.2 Climate change/ Reduce the environmental impact of operations/ Direct (scope 1) and indirect (scope 2) GHG emissions 7 Consolidated sustainability indicators	7, 11, 13
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.3.2 Climate change/ Reduce the environmental impact of operations/ Air quality and pollution 7 Consolidated sustainability indicators	
	GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	3.3.3 Circular economy/ Apply the principles of circular economy/ Waste 7 Consolidated sustainability indicators
306-2 Management of significant waste-related impacts		3.3.3 Circular economy/ Apply the principles of circular economy/ Waste 7 Consolidated sustainability indicators	8, 12
306-3 Waste generated		3.3.3 Circular economy/ Apply the principles of circular economy/ Waste 7 Consolidated sustainability indicators	
306-4 Waste diverted from disposal		3.3.3 Circular economy/ Apply the principles of circular economy/ Waste 7 Consolidated sustainability indicators	
306-5 Waste directed to disposal		3.3.3 Circular economy/ Apply the principles of circular economy/ Waste 7 Consolidated sustainability indicators	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	3.2.2 Value Chain	
	308-2 Negative environmental impacts in the supply chain and actions taken	1.5 Characterization of the value chain 3.2.2 Value Chain	8, 12, 17
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	3.4.1 Development/ Promote development for all/ Attracting and retaining talent 7 Consolidated sustainability indicators	5, 8
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Regulations with reference to prior notices relating to the workplace (in particular those that should govern any alterations) are complied with by Corticeira Amorim.	8
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	3.4.2 Safety, health and well-being	
	403-2 Hazard identification, risk assessment, and incident investigation	3.4.2 Safety, health and well-being / Risk assessment and investigation of incidents	3, 8
	403-3 Occupational health services	3.4.2 Safety, health and well-being	3, 8
	403-4 Worker participation, consultation, and communication on occupational health and safety	3.4.2 Safety, health and well-being	3, 8
	403-5 Worker training on occupational health and safety	3.4.2 Safety, health and well-being	3, 8
	403-6 Promotion of worker health	3.4.2 Safety, health and well-being	3, 8
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	The work carried out in the Corticeira Amorim supply chain takes place in accordance with institutional and legal structures. The working conditions in the Corticeira Amorim's chain of suppliers comply with the labour legislation in force in each geography where the business activity is carried out. Corticeira Amorim has a Code of Ethics and Conduct for Suppliers which favours contracting suppliers that adhere to this Code and may terminate the relationship with suppliers that do not comply with internationally recognised Human Rights and/or allow any violation of these rights within their industrial and/or commercial operations. Also in this regard, Corticeira Amorim is developing an internal Human Rights Due Diligence process with the aim of strengthening its practices and commitments related to its operations. Additionally, there are several procedures in place when purchasing materials to ensure the mitigation of potential negative impacts, in particular for purchases of cork, cork products and non-cork (3.2.2 Value Chain).	3, 8

GRI Standard	Disclosure	Value/Location	SDGS
	403-8 Workers covered by an occupational health and safety management system	The Company has implemented an OSH management system that covers all the activities carried out by its employees (employees and temporary employees) and subcontractors. The management system has an underlying policy and objectives to improve OSH performance, which are supported by an activity plan and is available in several languages. Additionally, around 41% of the BU, corresponding to 72% of the employees, are covered by systems certified according to international standard ISO 45001 or SA 8000. Information about management systems with external certifications is available in Chapter 2.5 Management systems and in Chapter 3.4.2 Safety, health and well-being/Ensure the safety, health and well-being / Work-related injury or ill health.	3, 8
	403-9 Work-related injuries	3.4.2 Safety, health and well-being / Ensure the safety, health and well-being/ Work-related injury or ill health.	3, 8
	403-10 Work-related ill health	3.4.2 Safety, health and well-being / Ensure the safety, health and well-being/ Work-related injury or ill health.	3, 8
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	3.4.1 Development/ Promote development for all/ Training and Education 7 Consolidated sustainability indicators	4, 5, 8
	404-2 Programs for upgrading employee skills and transition assistance programs	3.4.1 Development/ Promote development for all/ Attracting and retaining talent	
	404-3 Percentage of employees receiving regular performance and career development reviews	3.4.1 Development/ Promote development for all/ Individual performance assessment 7 Consolidated sustainability indicators	4, 5, 8
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	3.4.1 Development/ Equality and respect for diversity, inclusion and non-discrimination/ Workforce by gender and Diversity in governing bodies 7 Consolidated sustainability indicators	4, 5, 8
	405-2 Ratio of basic salary and remuneration of women to men	3.4.1 Development/ Promote development for all/ Salary gap 7 Consolidated sustainability indicators	4, 5, 8
GRI 406 Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	3.4.1 Development/ Commitment not to tolerate of any kind of discrimination or harassment	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	3.5.1 Community / Society and Innovation	
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	3.2.2 Value Chain	8, 12, 17
GRI 415: Public Policy 2016	415-1 Political contributions	Corticeira Amorim assumes itself to be a non-partisan and non-political organisation. It does not support financially or in kind, under any circumstances, political parties, organisations or individuals associated with these, whose mission is essentially political.	

9 – Alignment with the TCFD

The **Task Force on Climate-Related Financial Disclosures (TCFD)** on climate-related financial disclosures recommends a framework for disclosing climate-related risks and opportunities. The table below notes the alignment of Corticeira Amorim's disclosures with the TCFD's recommendations, making reference to where these issues are addressed in the Consolidated Annual Report.

Area	Recommended disclosures	Value/Location
Governance		
Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	Corporate Governance Report / C - Internal Organisation / III. Internal Control and Risk Management / 50. Individuals, boards or committees responsible for the internal audit and/or implementation of the internal control systems / 51. Details, even including organisational structure, of hierarchical and/or functional dependency in relation to other boards or committees of the Company / 52. Other functional areas responsible for risk control. Chapter 2 Ethics and governance of sustainability / Risks and opportunities.
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Corporate Governance Report / C - Internal Organisation / III. Internal Control and Risk Management / 52. Other functional areas responsible for risk control. Chapter 2 Ethics and governance of sustainability / Risks and opportunities.
Strategy		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Corporate Governance Report / C - Internal Organisation / III. Internal Control and Risk Management / 53. Details and description of the major economic, financial and legal risks to which the Company is exposed in pursuing its business activity / Climate change. Chapter 3.3.2 Climate Change/ Climate-related risks and opportunities.
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Corporate Governance Report/ C - Internal Organisation/ III. Internal Control and Risk Management Consolidated Management Report/ Chapter 2 Operating activities by BU.
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Corticeira Amorim is strengthening the process to identify, describe and quantify climate-related risks and opportunities, as well as the potential financial implications and associated costs of responding to those risks.
Risk management		
Disclose how the Organisation identifies, assesses and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks.	Corporate Governance Report/ C - Internal Organisation/ III. Internal Control and Risk Management / 53. Details and description of the major economic, financial and legal risks to which the Company is exposed in pursuing its business activity. Chapter 3.3.2 Climate Change/ Climate-related risks and opportunities.
	b) Describe the organization's processes for managing climate-related risks.	Chapter 3.3.2 Climate Change/ Climate-related risks and opportunities
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Chapter 3.3.2 Climate Change/ Climate-related risks and opportunities.
Metrics and targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities	a) Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.	Chapter 3.3.1 Cork oak forest; Chapter 3.3.2 Climate Change; Chapter 3.3.3 Circular Economy; Chapter 3.3.4 Green Products and Chapter 7 Consolidated sustainability indicators.
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Chapter 3.3.2 Climate Change / Direct (scope 1) and indirect (scope 2) GHG emissions/ Other indirect emissions (scope 3) of GHG
	c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.	3.1 Quantitative targets for 2030 and progress



Amorim Cork - Corticeira Amorim's cork stopper unit - produces 6.1 billion cork stoppers annually.

10 – Independent assurance report

(Translation from the original Portuguese language. In case of doubt, the Portuguese version prevails)

Independent Limited Assurance Report

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

Scope

We have been engaged by Corticeira Amorim, S.G.P.S., S.A. (“Corticeira Amorim”) to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, to report on the sustainability disclosures included in the Sustainability Report 2022, identified in the chapter “8. GRI Table”, which include the sustainability information included in the Consolidated Annual Report 2022 (the “Sustainability Information”), for the year ended 31 December 2022.

Criteria applied

Corticeira Amorim prepared the Sustainability Information in accordance with the sustainability reporting standards of the Global Reporting Initiative - GRI Standards and with the provisions of article 508.º-G of the Commercial Companies Code (*Código das Sociedades Comerciais*) and article 29.º-H, nº1, paragraph q) of the Securities Code (*Código dos Valores Mobiliários*) with respect to non-financial and diversity disclosures (together the “Criteria”).

Responsibilities of the Management

Corticeira Amorim’s management is responsible for selecting the Criteria, and for preparing the Sustainability Information in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining an appropriate internal control system, maintaining adequate records and making estimates that are relevant to the preparation of the Sustainability Information, such that it is free from material misstatement, whether due to fraud or error.

Responsibilities of the Auditor

Our responsibility is to examine the Sustainability Information prepared by Corticeira Amorim and to issue a limited assurance report based on the evidence obtained.

Our engagement was conducted in accordance with the International Standards for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information - ISAE 3000 (Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and other technical standards and recommendations issued by the Portuguese Institute of Statutory Auditors (*Ordem dos Revisores Oficiais de Contas*). These standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Sustainability Information is prepared in accordance with the Criteria.

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. In these circumstances, our independent review procedures comprised the following:

- ▶ Inquiries to management with the objective to understand the business context and the sustainability reporting process;
- ▶ Conducting interviews with personnel responsible for preparing the information in order to understand the processes for collecting, collating, reporting and validating of the Sustainability Information for the reporting period;

- ▶ Conducting analytical review procedures to support the reasonableness of the data;
- ▶ Execution, on a sample basis, of tests to the calculations carried out, as well as tests to prove the quantitative and qualitative information included in the report;
- ▶ Verification of the conformity of the Sustainability Information with the results of our work and with the Criteria applied.

We consider that the evidence obtained is sufficient and appropriate to provide the basis for our conclusion.

Quality and Independence

We apply the International Standard on Quality Control 1 and, accordingly, maintain a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the *Ordem dos Revisores Oficiais de Contas'* Code of ethics and of the International Code of Ethics for Professional Accountants (including international independence standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Conclusion

Based on our work and evidence obtained, nothing has come to our attention that cause us to believe that the Sustainability Information, for the year ended 31 December 2022, has not been prepared, in all material respects, in accordance with the Criteria.

Lisbon, 05 April 2023

Ernst & Young Audit & Associados - SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Represented by:

(signed)

Manuel Ladeiro de Carvalho Coelho da Mota - ROC nº 1410
Registered with the Portuguese Securities Market Commission under license nr. 20161020



Consolidated Financial Statements

06

Westminster Chapel is the latest iconic global project to install a flooring solution by Amorim Cork Flooring, achieving a perfect marriage between tradition, sustainability and exceptional comfort, with over 700 m².

Consolidated Statement of Financial Position

	Notes	December 31, 2022	December 31, 2021
Assets			
Tangible assets	9	392,588	283,990
Intangible assets	10	21,987	17,266
Right of use	11	4,564	6,173
Goodwill	10	18,874	9,843
Biological assets		913	62
Investment property	12	3,966	5,311
Investments in associates and joint ventures	13	32,083	42,401
Other financial assets	14	1,945	1,868
Deferred tax assets	15	13,235	12,131
Other debtors	18	2,509	3,238
Non-current assets		492,666	382,282
Inventories	16	405,229	340,167
Trade receivables	17	207,792	182,653
Income tax assets	15	12,370	10,398
Non-current assets held for sale		298	-
Other debtors	14	41,973	46,590
Other current assets	18	24,121	9,596
Cash and cash equivalents	19	84,867	109,604
Current assets		776,650	699,008
Total Assets		1,269,316	1,081,289
Equity			
Share capital	20	133,000	133,000
Other reserves	20	434,192	388,191
Net Income		98,395	74,755
Non-Controlling Interest	21	79,339	27,336
Total Equity		744,926	623,283
Liabilities			
Interest-bearing loans	22	104,869	87,573
Other financial liabilities	24	11,899	14,644
Provisions	25	4,473	3,698
Post-employment benefits	26	2,603	2,184
Deferred tax liabilities	15	44,014	51,041
Non-current liabilities		167,857	159,141
Interest-bearing loans	22	108,986	70,103
Trade payables	23	170,549	160,825
Other financial liabilities	24	46,871	45,816
Other liabilities	24	23,466	17,701
Income tax liabilities	15	6,661	4,421
Current liabilities		356,533	298,866
Total Liabilities and Equity		1,269,316	1,081,289

Values in thousand euros

(this statement should be read with the attached notes to the consolidated financial statements)

Consolidated income statement by nature

4Q22 (non audited)	4Q21 (non audited)		Notes	2022	2021
231,093	200,688	Sales	8	1,021,391	837,820
-128,643	-108,495	Costs of goods sold and materials consumed		-512,131	-410,354
8,906	7,628	Change in manufactured inventories		14,506	-11,649
-43,014	-41,963	Third party supplies and services	27	-186,475	-142,554
-43,469	-36,698	Staff costs	28	-182,950	-146,098
-38	139	Impairments of assets	29	-157	2,249
7,353	5,815	Other income and gains	30	20,936	11,915
607	-3,027	Other costs and losses	30	-11,166	-6,930
32,795	24,088	Operating profit before depreciation		163,954	134,399
-12,288	-9,692	Depreciation	9, 10, 11, 12	-48,640	-40,735
20,507	14,396	Operating profit		115,315	93,664
-2,951	-1,411	Non-recurrent results	31	-804	6,386
-1,401	-649	Financial costs	32	-3,375	-1,688
334	22	Financial income	32	590	102
3,403	186	Share of (loss)/profit of associates and joint-ventures	13	4,846	2,995
19,892	12,544	Profit before tax		116,571	101,459
17,457	5,138	Income tax	15	-5,939	-18,422
37,349	17,682	Profit after tax		110,632	83,036
3,114	958	Non-controlling Interest	21	12,238	8,281
34,235	16,724	Net Income attributable to the equity holders of Corticeira Amorim		98,395	74,755
0.257	0.126	Earnings per share - Basic (euros per share)		0.740	0.562
0.257	0.126	Earnings per share - Diluted (euros per share)		0.740	0.562

Values in thousand euros

(this statement should be read with the attached notes to the consolidated financial statements)

Consolidated income statement by nature

4Q22 (non audited)	4Q21 (non audited)		Notes	2022	2021
37,349	17,682	Net Income		110,632	83,036
Items that may be reclassified through income statement:					
2,584	73	Change in derivative financial instruments fair value	15	732	-540
2,552	323	Change in translation differences and other	15	2,148	665
-898	511	Share of other comprehensive income of investments accounted for using the equity method	15	1,238	1,704
525	-173	Other comprehensive income	15	246	-460
4,763	734	Other comprehensive income (net of tax)		4,363	1,369
42,112	18,417	Total Net comprehensive income		114,995	84,406
Attributable to:					
38,999	17,638	Corticeira Amorim Shareholders		102,484	77,147
3,113	779	Non-controlling Interest		12,511	7,259

Values in thousand euros

(this statement should be read with the attached notes to the consolidated financial statements)

(items in this Statement above are presented net of tax. The income tax relating to each component of other comprehensive income is disclosed in note 15)

Consolidated statement of cash flow

4Q22 (non audited)	4Q21 (non audited)	Notes	2022	2021
OPERATING ACTIVITIES				
267,599	227,586	Collections from customers	1,083,661	878,726
-214,625	-201,067	Payments to suppliers	-881,993	-631,305
-42,298	-37,201	Payments to employees	-173,044	-141,240
10,677	-10,682	Operational cash flow	28,625	106,181
3,587	-6,137	Payments/collections - income tax	-13,148	-18,545
9,567	23,904	Other collections/payments related with operational activities	77,407	69,995
23,831	7,085	CASH FLOW FROM OPERATING ACTIVITIES	92,884	157,631
INVESTMENT ACTIVITIES				
Collections due to:				
-10,368	194	Tangible assets	2,654	876
46	377	Intangible assets	292	377
72	25	Financial investments	137	44
-	130	Investment properties	4,750	-
284	-	Other assets	1,007	222
391	1,647	Interests and similar gains	549	84
175	-	Dividends	1,172	1,822
Payments due to:				
-23,360	-14,641	Tangible assets	-93,342	-36,017
18,851	4,932	Financial investments	-44,771	-15,514
-333	-1,307	Intangible assets	-3,760	-5,599
-	-	Other assets	-330	-
- 14,243	- 8,643	CASH FLOW FROM INVESTMENTS	- 131,643	- 53,705
FINANCIAL ACTIVITIES				
Collections due to:				
32,241	22,450	Loans	71,728	22,450
2,391	2,249	Government grants	4,227	5,632
-11,190	-150	Transactions with non-controlling interest	7,168	49
736	776	Others	3,191	2,598
Payments due to:				
-21,000	-5,832	Loans	-21,000	-41,509
-1,202	-453	Interests and similar expenses	-2,486	-1,588
-2,030	-1,817	Leasing	-2,875	-2,772
-	-5,000	Transactions with non-controlling interest	-5,000	-5,000
-11,970	-11,305	Dividends paid to company's shareholders	-38,570	-35,910
-444	-266	Dividends paid to non-controlling interest	-5,499	-2,232
-946	-1,391	Government grants	-2,681	-2,403
-282	-163	Others	-1,129	-531
- 13,696	- 903	CASH FLOW FROM FINANCING	7,074	- 61,216
-4,108	-2,461	Change in cash	-31,685	42,709
-402	47	Exchange rate effect	-34	42
39,851	69,474	Cash at beginning	67,060	24,309
35,341	67,060	Cash at end	35,341	67,060

Values in thousand euros

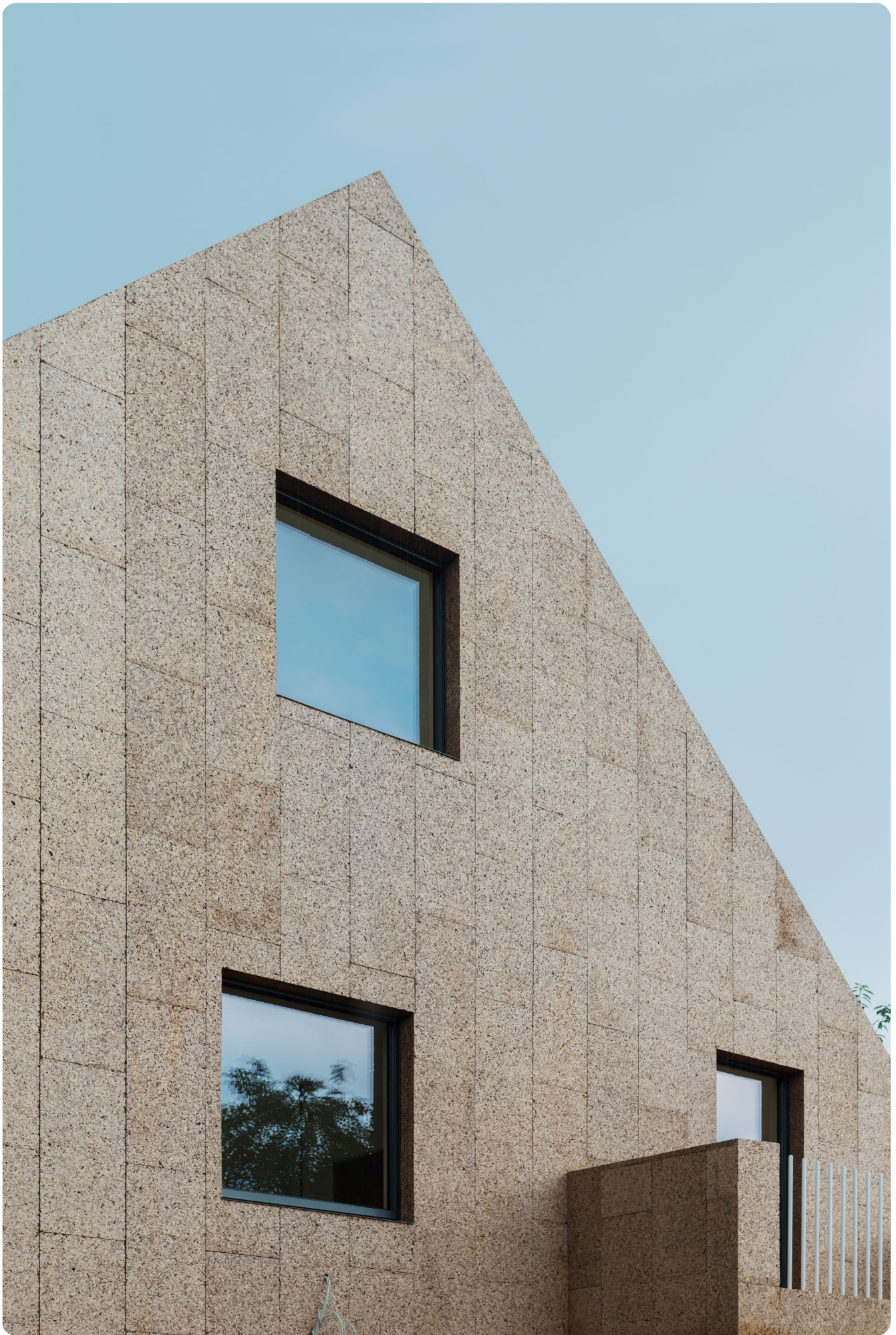
(this statement should be read with the attached notes to the consolidated financial statements)

Consolidated Statement of Changes in Equity

Attributable to owners of Corticeira Amorim, SGPS, S.A.										
	Notes	Share capital	Paid-in capital	Hedge accounting	Translation difference	Legal reserve	Other reserves	Net income	Non-controlling interests	Total Equity
Balance sheet as at January 1, 2021		133,000	38,893	431	-9,043	26,600	295,501	64,326	26,948	576,656
Profit for the year	20	-	-	-	-	-	64,326	-64,326	-	-
Dividends	20	-	-	-	-	-	-35,910	-	-2,232	-38,142
Perimeter variation	21	-	-	-	-	-	-	-	48	48
Changes in the percentage of interest retaining control	21	-	-	-	-	-	5,000	-	-4,687	313
Consolidated Net Income for the period	20 e 21	-	-	-	-	-	-	74,755	8,281	83,036
Change in derivative financial instruments fair value	3	-	-	-540	-	-	-	-	-	-540
Change in exchange differences	20 e 21	-	-	-	1,737	-	-	-	-1,072	665
Other comprehensive income of associates	13	-	-	-	53	-	1,651	-	-	1,704
Other comprehensive income		-	-	-	-	-	-510	-	50	-460
Total comprehensive income for the period		-	-	- 540	1,790	-	1,141	74,755	7,259	84,406
Balance sheet as at December 31, 2021		133,000	38,893	-109	-7,253	26,600	330,058	74,756	27,336	623,283
Balance sheet as at January 1, 2022		133,000	38,893	-109	-7,253	26,600	330,058	74,756	27,336	623,283
Profit for the year	20	-	-	-	-	-	74,755	-74,755	-	-
Dividends	20	-	-	-	-	-	-38,570	-	-5,499	-44,069
Perimeter variation	21	-	-	-	-	-	-406	-	45,815	45,409
Changes in the percentage of interest retaining control	21	-	-	-	-	-	6,132	-	-824	5,308
Consolidated Net Income for the period	20 e 21	-	-	-	-	-	-	98,395	12,238	110,632
Change in derivative financial instruments fair value	3	-	-	732	-	-	-	-	-	732
Change in exchange differences	20 e 21	-	-	-	1,872	-	-	-	276	2,148
Other comprehensive income of associates	13	-	-	-	1,195	-	43	-	-	1,238
Other comprehensive income		-	-	-	-	-	248	-	-2	246
Total comprehensive income for the period		-	-	732	3 067	-	291	98,395	12,511	114,995
Balance sheet as at December 31, 2022		133,000	38,893	623	-4,185	26,600	372,260	98,395	79,339	744,926

Values in thousand euros

(this statement should be read with the attached notes to the consolidated financial statements)



Notes to the Consolidated Financial Statements

07

Casa Quattro, a family residence in the town of Magnano, near Milan, which uses Amorim Cork Insulation's MD Facade cork panels as an insulation material.

1 – Introduction

At the beginning of 1991, Corticeira Amorim, S.G.P.S., S.A. was transformed into Corticeira Amorim, S.G.P.S., S.A., the holding company for the cork business sector of the Amorim Group. In this report, Corticeira Amorim will be the designation of Corticeira Amorim, S.G.P.S., S.A., and in some cases the designation of Corticeira Amorim, S.G.P.S. together with all of its subsidiaries.

Corticeira Amorim is mainly engaged in the acquisition and transformation of cork into a numerous set of cork and cork-related products, which are distributed worldwide through its network of sales companies.

Corticeira Amorim is a Portuguese company with its registered office in rua Comendador Américo Ferreira de Amorim, 380 in Mozelos, Santa Maria da Feira (Portugal). Its share capital amounts to 133 million euros, which are publicly traded in the Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A.

A sociedade Amorim – Investimentos e Participações, S.G.P.S., S.A. held, as of December 31, 2021 and December 31, 2022, 67,830,000 shares of Corticeira Amorim, corresponding to 51.00% of the share capital. Corticeira Amorim is included in the consolidation perimeter of Amorim – Investimentos e Participações, S.G.P.S., S.A., which is its controlling and parent company. Amorim – Investimentos e Participações, S.G.P.S., S.A. is 100% owned by the Amorim family.

These financial statements were approved in the Board Meeting of March 27, 2023. Shareholders have the capacity to modify these financial statements even after their release.

Except when mentioned, all monetary values are stated in thousand euros (Thousand euros = Keuros = K€).

As of January 1, 2022, Corticeira Amorim began to break down Other financial assets and Other assets in the Statement of financial position, consistent with the disclosure already made in note 35 of this report.

2 – Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented.

A. BASIS OF PREPARATION

Pursuant to Decree-Law No. 35/2005, dated 17 February, as subsequently amended by Decree-Law No. 98/2015 of 2 July, which transposed into Portuguese legislation the provisions of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, these consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB) and the Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC), adopted by the EU, effective as of 1 January 2022. Consolidated statements were prepared based on a going concern basis, based on historical cost, except in the case for financial instruments measured at fair value in accordance with IFRS 9. The financial statements are prepared using the records as stated in the companies' books included in the consolidation which adopted local general accepted accounting principles. Accounting adjustments were made in order to comply with the International Financial Reporting Standards (IFRS) as adopted in the European Union for periods beginning on January 1, 2022.

Changes in accounting policies and disclosures

The standards (new and amended) that became effective for the annual periods that started on January 1, 2022 are as follows:

- **IFRS 16 (amendment)**, 'Leases – COVID-19 related rent concessions beyond 30 June 2021'. This amendment extends the date of application of the IFRS 16 – 'Leases – COVID-19 related rent concessions' amendment from 30 June 2021 to 30 June 2022, allowing to recognise rent concessions related to COVID-19 as variable lease payments, and not as a modification to the lease. The conditions of application of the practical expedient remain, and the extension of the practical expedient can only be applied by the lessees who applied the previous practical expedient.
- **IAS 16 (amendment)**, 'Proceeds before intended use'. This amendment changes the accounting treatment of the proceeds obtained from the sale of products that resulted from the production test phase of property, plant, and equipment, prohibiting their deduction to the acquisition cost of assets. This amendment is applied retrospectively without restating comparatives.
- **IAS 37 (amendment)**, 'Onerous Contracts – Cost of Fulfilling a Contract'. This amendment specifies that when assessing whether a contract is onerous or not, only expenses directly related to the performance of the contract, such as incremental costs related to direct labour and materials and the allocation of other expenses directly related to the allocation of depreciation expenses

of tangible assets used to carry out the contract, can be considered. This amendment must be applied to contracts that, at the beginning of the first annual reporting period to which the amendment is applied, still include contractual obligations to be satisfied, without restating comparatives.

- **IFRS 3 (amendment)**, 'Reference to the Conceptual framework'. This amendment updates the references to the Conceptual Framework in the text of IFRS 3, without changing the accounting requirements for business combinations. This amendment also clarifies the accounting treatment to be given to contingent liabilities and liabilities under IAS 37 and IFRIC 21, incurred separately versus within a business combination. This amendment is applied prospectively.
- **Annual Improvements 2018 - 2020**. The 2018-2020 annual improvements impact: IFRS 1, IFRS 9, IFRS 16 and IAS 41.
- **IFRS 1**, 'Subsidiary as first-time IFRS adopter'. This improvement clarifies that when the subsidiary chooses to measure its assets and liabilities at the amounts included in the parent's consolidated financial statements, the measurement of the accumulated translation differences for all foreign operations can be made by the amount that would be included in the consolidated financial statements, based on the parent's date of transition to IFRS;
- **IFRS 9**, 'Derecognition of liabilities - costs incurred to be included in the 10% variation test'. This improvement clarifies that in the scope of derecognition tests carried out on renegotiated liabilities, in determining the net value between fees paid and fees received, a borrower includes only the fees paid or received between the borrower and the lender, including fees paid or received, by either party on other's behalf;
- **IFRS 16**, 'Leasing incentives'. This improvement refers to the amendment to Illustrative Example 13 that accompanies IFRS 16, to eliminate inconsistency in the accounting treatment of lease incentives, attributed by the lessor;
- **IAS 41**, 'Taxation and measurement of fair value'. This improvement eliminates the requirement to exclude taxation cash flows when measuring the fair value of biological assets, ensuring consistency with the principles of IFRS 13 - 'Fair value'.

These standards and amendments had no material impact on Corticeira Amorim's consolidated financial statements.

The published standards rules (new and amended), which are mandatory for annual periods beginning on or after 1 January 2023, already endorsed by the European Union are as follows:

- **IAS 1 (amendment)**, 'Disclosure of accounting policies' (effective for annual periods beginning on or after 1 January 2023). Amendment to the requirement to disclose the accounting policies based on "material" instead of "significant". The amendment specifies that an accounting policy information is expected to be material if, in its absence, the users of the financial statements would be unable to understand other material information in those same financial statements.

Immaterial accounting policy information need not be disclosed. The IFRS Practice Statement 2 was also amended to provide guidance for the application of the concept of "material" to accounting policy disclosures.

- **IAS 8 (amendment)**, 'Disclosure of accounting estimates' (effective for annual periods beginning on or after 1 January 2023). This amendment introduces the definition of accounting estimate and the way it is distinct from changes to accounting policies. The accounting estimates are defined as corresponding to monetary amounts that are subject to measurement uncertainty, used to achieve an accounting policy's objective(s).
- **IFRS 17 (new and amendment)**, 'Insurance contracts' (effective for annual periods beginning on or after 1 January 2023). This new standard replaces IFRS 4 and applies to all entities issuing insurance contracts, reinsurance contracts or investment contracts with discretionary participation in profit or loss if the entity issues insurance contracts. Under IFRS 17, insurers need to assess if a policy holder can benefit from a particular service as part of a claim or if the service is independent of the claim/risk event and do the unbundling of the non-insurance component. Under IFRS 17, the entities will need to identify portfolios of insurance contracts at initial recognition and divide them into a minimum of the following groups: i) contracts that are onerous at inception; ii) contracts that have no significant possibility of becoming onerous subsequently; and iii) remaining contracts in the portfolio. IFRS 17 requires a company to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty relating to insurance contracts. IFRS 17 requires a company to recognise profits as it delivers insurance services (rather than when it receives premiums), and to provide information about insurance contract profits the company expects to recognise in the future. IFRS 17 provides three measurement approaches for the accounting of different types of insurance contracts: i) General Measurement Model (GMM); ii) the Premium Allocation Approach (PAA), and iii) the Variable Fee Approach (VFA). IFRS 17 is applied retrospectively with some exemptions as at the transition date.
- **IFRS 17 (amendment)**, 'Initial Application of IFRS 17 and IFRS 9 – Comparative Information' (effective for annual periods beginning on or after 1 January 2023). This amendment relates only to insurers' transitioning to IFRS 17 and allows the adoption of a classification overlay to a financial asset for which the entity does not restate IFRS 9 comparative information. This amendment seeks to avoid temporary accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented, when applying IFRS 17 for the first time, providing for (i) the application on a financial asset-by-financial asset basis; (ii) the presentation of comparative information as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset, but without requiring an entity to apply the impairment requirements of IFRS 9; and (iii) the obligation to use reasonable and supported information available at the transition date, to determine how the entity expects that financial asset to be classified in accordance with IFRS 9.

- **IAS 12 (amendment)**, 'Deferred tax related to assets and liabilities arising from a single transaction' (effective for annual periods beginning on or after 1 January 2023). IAS 12 will require entities to recognise deferred tax on specific transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This applies to the recognition of i) right-of-use assets and lease liabilities; and ii) decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related asset, when not relevant for tax purposes. Such temporary differences are not in the scope of the initial recognition exemption for deferred taxes. This amendment is applied retrospectively.

No material impacts are estimated on the consolidated financial statements of Corticeira Amorim from the application of these standards and amendments.

The published standards (new and amended), which are mandatory for annual periods beginning on or after 1 January 2023, but which the European Union has not yet endorsed, are as follows:

- **IAS 1 (amendment)**, 'Non-current liabilities with covenants' (effective for annual periods beginning on or after 1 January 2024). This amendment is still subject to endorsement by the European Union. This amendment clarifies that liabilities are classified as either current or non-current balances depending on the rights that an entity must defer its settlement for at least 12 months after the reporting date. It clarifies also that the covenants that an entity is required to comply with, on or before the reporting date, affect the classification of a liability as current or non-current, even if the covenants are only assessed after the entity's reporting date. When an entity classifies liabilities arising from loan arrangements as non-current and those liabilities are subject to covenants, it is required to disclose information that enables investors to assess the risk that the liabilities could become repayable within 12 months, such as: a) the carrying amount of the liabilities; b) the nature of the covenants and the compliance date; and c) the facts and circumstances that indicate the entity may have difficulty complying with covenants when it is required to do so. This amendment is applied retrospectively.
- **IFRS 16 (amendment)**, 'Lease liability in a sale and leaseback' (effective for annual periods beginning on or after 1 January 2024). This amendment is still subject to endorsement by the European Union. The amendment introduces guidance for the subsequent measurement of lease liabilities, in the scope of sale and leaseback transactions that qualify as "sales" under IFRS 15, with higher impact when some or all the lease payments are variable lease payments that do not depend on an index or rate. Whilst subsequently measuring lease liabilities, seller-lessees determine "lease payments" and "revised lease payments" in a way that does not result in the seller-lessees recognizing any gains/(losses) relating with the right of use that they retain. This amendment is applied retrospectively.

Corticeira Amorim is evaluating the impact resulting from these changes and will apply these standards in the year in which they become effective, or in advance when permitted.

B. CONSOLIDATION

Group companies

The consolidated financial statements include, in reference to 31 December 2022, assets, liabilities, profit and loss of the companies in the Group, understood as the entirety of Corticeira Amorim and its subsidiaries, which are presented in Note 6.

An entity is classified as a subsidiary when it is controlled by the Group. Control exists only where the Group has, cumulatively:

- a. Power over the investee;
- b. Exposure to or rights over variable results derived from its relationship with the investee; and
- c. The ability to use its power over the investee to affect the amount of the results for investors.

Generally, it is assumed that there is control when the Group holds the majority of voting rights. In order to support this assumption and in cases where the Group does not hold the majority of voting rights in the investee, all relevant facts and circumstances are considered when determining the existence of power and control, such as:

- a. Any contractual agreements with other holders of voting rights;
- b. Any rights arising from other contractual agreements;
- c. Existing and potential voting rights.

The existence of control by the Group is re-evaluated whenever there is a change in any facts and circumstances that lead to changes in one of the three factors of control mentioned above.

Subsidiaries are included in the consolidation according to the full consolidation method, from the date when control is acquired until the date it effectively ends.

Intergroup balances and transactions, as well as any unrealized gains on transactions between companies in the Group, are eliminated. Unrealized losses are also eliminated, unless the transaction demonstrates impairment of a transferred asset.

The accounting policies of subsidiaries are changed whenever necessary to ensure consistency with the policies adopted by the Group.

A change in the participating interest in a subsidiary that does not entail loss of control is recorded as a transaction between shareholders. If the Group loses control over the subsidiary, the corresponding assets (including goodwill), liabilities, non-controlling interests and other equity components are derecognised and any gains or losses are recognised in the income statement. Investments retained are recognised at fair value at the time of the loss of control.

In situations where the Group has substantial control of entities created for a specific purpose, even if it has no direct shareholdings in these entities, they shall be consolidated using the full consolidation method.

Net assets of subsidiaries consolidated through the full consolidation method attributable to the equity stake or shares held by any third parties are recorded in the consolidated statement of financial position, in the line item non-controlling interest.

Interests held by any third parties over the net income of subsidiaries are identified and adjusted by deduction from the equity attributable to the Group shareholders and recorded in the consolidated income statement, in the line item non-controlling interest.

Financial holdings in associates and joint ventures

Associates are companies over which Corticeira Amorim exercises significant influence, understood as the power to participate in the financial and operating policy-making process, without, however, exercising control or joint control. Generally, it is assumed that there is a significant influence whenever the holding percentage exceeds 20%.

The classification of financial investments in joint ventures is determined based on the existence of shareholders' agreements that demonstrate and regulate joint control, which is understood to exist when decisions on activities relevant to the venture require a unanimous agreement between the parties.

The existence of significant influence or joint control is determined based on the same type of facts and circumstances applicable in the assessment of control over subsidiaries.

These holdings are consolidated by the equity method, this is, the consolidated financial statements include the Group's interest in the total recognised gains and losses of the associate/joint venture, from the date on which significant influence/control begins until the date on which it effectively ends. Dividends received from these companies are recorded as a reduction in the value of financial investments.

The Group's share of gains and losses in associates/joint ventures is recognised in the income statement, and its share of operations in post-acquisition reserves are recognised in reserves. The cumulative post-acquisition operations are adjusted according to the cumulative operations in the financial investment. When the Group's share of losses in an associate/joint venture equals or exceeds its investment in that entity, including any unsecured receipt transaction, the Group does not recognise any further losses, unless it has incurred obligations or made payments on behalf of the associate/joint venture.

Any excess of the cost of acquisition of a financial investment over the Group's share in the fair value of the assets, liabilities and contingent liabilities identified on the date of acquisition of the associate/joint venture is recognised as goodwill, which is included in the value of the financial holding and whose recovery is assessed annually as part of the financial investment. If the cost of acquisition is lower than the fair value of the net amount of the assets of the associate/joint venture, the difference is recorded directly in the consolidated income statement.

Unrealized gains from transactions between the Group and its associates/joint ventures are eliminated to the extent of the Group's share in the respective associates/joint ventures. Unrealized losses are also eliminated, unless the transaction demonstrates impairment of a transferred asset.

The accounting policies of associates/joint ventures are changed whenever necessary to ensure consistency with the policies adopted by the Group.

Following the application of the equity method, the Group assesses the existence of impairment indicators; should they exist, the Group calculates the recoverable amount of the investment and recognises an impairment loss if the recoverable amount is lower than the carrying amount of the investment, in the line item "Gains/losses in associates and joint ventures" of the income statement.

After the loss of significant influence or joint control (without maintenance of significant influence), the Group initially recognises the retained investment at fair value, and the difference between the carrying value and the fair value held plus the revenue from the sale, are recognised in the income statement.

Exchange rate effect

Euro is the currency of the country where Corticeira Amorim, S.G.P.S., S.A. has its registered office, and is the currency in which two thirds of its business is made and so Euro is considered to be its functional and presentation currency.

In euro subsidiaries, all assets and liabilities denominated in foreign currency are translated to euros using year-end exchange rates. Net exchange rate differences arising from the different rates used in transactions and the rate used in its settlements or balance sheet dates are recorded in the income statement. These differences are recognised in operating results because they are not financially significant.

Assets and liabilities from non-euro subsidiaries are translated at the balance sheet date exchange rate, being its costs and gains from the income statement translated at the average exchange rate for the period.

Exchange rate differences of this conversion are registered in an equity account "Exchange rate differences" which is part of the line "Other reserves".

Whenever a non-euro subsidiary is sold or liquidated, accumulated exchange rate conversion differences recorded in equity is registered as a gain or a loss in the consolidated income statement by nature.

Inflationary effects are recognised in the financial statements when the economy of the currency in which the Entity's transactions are recorded is considered hyperinflationary. In 2020, 2021 and 2022, Argentina is considered a hyperinflationary economy, so the subsidiary located in this country recognised the accumulated inflation adjustments. Regarding the associate located in this country, in 2022 the functional currency of the associate was changed, which became the Euro.

Business combinations and goodwill

The acquisition method is the method used to recognise the entry of subsidiaries in Corticeira Amorim upon their acquisition.

In the acquisition method, the difference between: (i) the consideration transferred along with the non-controlling interests and the fair value of the equity interests previously held, and (ii) the net amount of identifiable assets acquired and liabilities assumed, is recognised, on the date of acquisition, as goodwill, if positive, or as a gain, if negative.

The consideration transferred is measured at fair value, calculated as the aggregate amount of fair values, on the date of acquisition, of assets transferred, liabilities incurred and equity instruments issued by Corticeira Amorim. For the purpose of determining goodwill/gains resulting from the combination, the transferred consideration is removed from any part of the consideration that concerns another transaction (e.g. remuneration for the provision of future services or settlement of pre-existing relationships) whose margin is recognised separately in profit or loss.

The transferred consideration includes the fair value, on the date of acquisition, of any contingent consideration. Subsequent changes in this value are recognised: (i) as equity if the contingent consideration is classified as equity, (ii) as an expense or income in profit or loss or as other comprehensive income if the contingent consideration is classified as a financial asset or liability and (iii) as expenses, according to IAS 37 or other applicable standards, in remaining cases.

Expenses related to the acquisition are not part of the transferred consideration, so they do not affect the determination of goodwill/gains resulting from the acquisition and are recognised as expenses in the year they occur.

On the date of acquisition, the classification and designation of all assets acquired and liabilities transferred are reassessed in accordance with IFRS, with the exception of insurance contracts, which are classified and designated based on the contractual terms and conditions, on the commencement date.

Assets arising from contractual indemnities paid by the seller concerning the outcome of contingencies related, in whole or in part, to a specific liability of the combined entity, shall be recognised and measured using the same principles and assumptions of the related liabilities.

The determination of the fair value of assets acquired and liabilities assumed considers the fair value of contingent liabilities arising from a present obligation caused by a past event (if the fair value can be reliably measured), regardless of whether an outflow is expected or not.

For each acquisition, Corticeira Amorim can choose to measure “non-controlling interests” at their fair value or by their respective share in the fair value in the assets and liabilities transferred from the acquiree. The choice of a method influences the determination of the amount of goodwill to be recognised. When the business combination is achieved in stages, the fair value on the date of acquisition of the interests held is remeasured to the fair value on the date when control is obtained, by a contrary booking in the income for the period in which control is achieved, affecting the determination of goodwill.

Whenever a combination is not completed on the reporting date, the provisional amounts recognised on the date of acquisition shall be adjusted retrospectively, for a maximum period of one year from the date of acquisition and any additional assets and liabilities shall be recognised if new information is obtained on facts and circumstances existing on the date of acquisition which would result in the recognition of such assets and liabilities, should it have been known on that date.

When an entity under common control is acquired, the carrying amounts of the assets and liabilities of the acquisition are acquired, with the differences compared to the cost of acquisition of equity recorded.

Goodwill is considered to have an indefinite useful life and thus is not amortisable, being subject to annual impairment tests, regardless of whether or not there is any indication of impairment.

For the purpose of impairment testing, goodwill is allocated, on the date of acquisition, to each of the cash generating units expected to benefit from the business combination, regardless of the remaining assets and liabilities also associated with the cash-generating unit. When the operation, or part of it, associated with a cash generating unit is disposed of, the allocated goodwill is also derecognised and included in the balance of gains/losses of the disposal, calculated as the base for its relative value.

Goodwill related to investments in companies based abroad is recorded in those companies' reporting currency and translated into Euro at the exchange rate in force on the balance sheet date.

Agreement to acquire non-controlling interest

Corticeira Amorim chooses to treat multiple transactions in a business combination as separate acquisitions.

When the facts and circumstances indicate that Corticeira Amorim has no control over the shares subject to the agreement, Corticeira Amorim chooses the approach of full recognition of non-controlling interest, in which non-controlling interest continue to be recognised in equity until the moment when the subsequent agreement is implemented. The recognised value of non-controlling interest changes due to allocation of results, changes in other comprehensive income and dividends declared in the reporting period as referred to in note 2 letter b).

When there is an agreement to acquire an additional interest in a subsidiary, a financial liability is recorded. The financial liability for the agreement is accounted for under IFRS 9. On initial recognition, the corresponding debit is made to another component of “Equity” attributable to the parent company. Subsequent changes in the value of the financial liability that result from the remeasurement of the present value payable are recognised in the income statement attributable to the parent company.

When the agreement is realized, Corticeira Amorim accounts for an increase in its ownership interests. At the same time, the financial liability and recognises an offsetting credit in the same component of equity reduced on initial recognition.

C. TANGIBLE FIXED ASSETS

Tangible fixed assets are recorded at acquisition cost net of accumulated depreciation and impairment losses.

Subsequent costs are included in the carrying amount of the asset or recognised as separate assets when it is probable that future economic benefits that exceed the originally measured level of performance of the existing asset will flow to the enterprise and the cost of the asset to the enterprise can be measured with reliability. All other subsequent expenditures are recognised as an expense in the period in which they are incurred.

Financial charges related to financing for production/acquisition of assets are added to the cost of these assets.

Depreciation is calculated on the straight-line basis, over the following years, which represent a reasonable estimate of the useful lives:

	Number of years
Buildings	20 a 50
Basic equipment	4 a 10
Transportation equipment	4 a 7
Office equipment	4 a 8

Depreciation is charged since the beginning of the moment in which the asset is ready to use. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Current maintenance on repair expenses are charged to the actual income statement in which they occurred. Cost of operations that can extend the useful expected life of an asset, or from which are expected higher and significative future benefits, are capitalized.

In the event of impairment loss, the value of the tangible fixed asset is adjusted, with the respective adjustment considered a loss for the year.

Gains and losses and disposals are included in the income statement.

D. INTANGIBLE ASSETS

Intangible assets are initially measured at cost. Subsequently they are measured at cost less accumulated depreciation.

Research expenditures are recognised in the income statement as incurred.

Expenditure on project development will only be capitalized from the moment it is demonstrate its technical feasibility, the company has the intention and the ability to complete, use or sell it and that future economic benefits are expected from it.

Amortisation of the intangible assets is calculated by the straight-line method, and recorded as the asset qualifies for its required purpose:

	Number of years
Industrial property	10 a 20
Customer portfolio	5
Software	3 a 6

The estimated useful lives of assets are reviewed and adjusted when necessary, at the balance sheet date.

E. BIOLOGICAL ASSETS

Agricultural products at the point of harvest and live animals or plants used in agricultural activities are recognized as biological assets. Biological assets can be separated into production assets and consumable assets.

As production assets, live animals or plants used in agricultural activity, from which agricultural products are obtained, are recognized. Production biological assets are measured using the cost model. The cost value is deducted from the corresponding accumulated depreciation and, when justified, from accumulated impairment losses. Biological production assets, from the moment they are ready to be used, are subject to depreciation according to the straight-line method, in accordance with the estimated useful life of each group of assets.

Live animals or plants that are to be harvested as agricultural products or sold are recognized as consumable assets. Consumable assets are measured at fair value less estimated costs at the point of sale. Agricultural products are measured at their fair value less estimated costs at the point of sale at the time of harvest. A gain or loss arising from the initial recognition of a biological asset at fair value less estimated point-of-sale costs and from a change in fair value less estimated point-of-sale costs of a biological asset is included in net income for the year. of the period in which they arise.

F. INVESTMENT PROPERTY

Investment property includes land and buildings not used in production.

Investment property are initially registered at acquisition cost plus acquisition or production attributable costs, and when pertinent, financial costs during construction or installation. Subsequently they are measured at acquisition cost less cumulative depreciations and impairment, until the residual value.

Periods and methods of depreciation are those indicated in the note of tangible fixed assets.

Properties are derecognised when sold. When used in regular activity they are reclassified as a tangible fixed asset. When land and buildings are no longer assigned to the Group's activities, they will be reclassified from tangible fixed asset to an investment property.

G. NON-FINANCIAL ASSETS IMPAIRMENT

Intangible assets with indefinite useful lives are not amortised but are annually tested for impairment, or more frequently if there are events or changes in circumstances that indicate impairment.

Assets under depreciation are tested for impairment purposes whenever an event or change of circumstances indicates that its book value cannot be recovered.

For the estimate of impairments, assets are allocated to the lowest level for which there is separate identifiable cash flows (cash generating units).

In assessing impairment, both internal and external sources of information are considered. Tests are carried out if the level of profitability of cash-generating units is consistently below a minimum threshold, from which there is risk of impairment of assets. Impairment tests are also performed whenever management makes significant changes in operations (for example, total or partial discontinuation of the activity).

Impairment tests are performed internally. Whenever impairment tests are performed, future cash flows are discounted at a specific rate for the cash-generating unit, which includes the risk of the market where it operates.

The Group uses external experts (appraisers) only to determine the market value of land and buildings in situations of discontinuation of operations, where they are no longer recovered by use.

Impairment losses are recognised as the difference between its carrying amount and its recoverable amount. Recoverable corresponds to the higher of its fair value less sales expenses and its value for use.

Impairment losses, if any, are allocated specifically to the individual assets that are part of the cash flow generating unit.

Non-financial assets, which generated impairment losses are valued at each reporting date regarding reversals of that losses.

Regarding the impairment of goodwill, see note b).

H. FINANCIAL INSTRUMENT

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1) Financial assets

Initial recognition and measurement

Upon initial recognition, financial assets are classified and subsequently measured at amortised cost, at fair value through other comprehensive income (OCI), or at fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and Corticeira Amorim business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Corticeira Amorim has applied the practical expedient, Corticeira Amorim initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which Corticeira Amorim has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Corticeira Amorim business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, that is, the date that Corticeira Amorim commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

This category is the most relevant to Corticeira Amorim. Corticeira Amorim measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows;
- and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables and other debtors.

Financial assets at fair value through OCI (debt instruments)

Corticeira Amorim measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding it to collect the contractually-foreseen cash flows and the cash flow proceeding from its sale;
- and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

As of December 31, 2022, the Group does not have financial assets classified in this category.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, Corticeira Amorim can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when Corticeira Amorim benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

As of December 31, 2022, the Group does not have financial assets classified in this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

This category includes derivative instruments and, when applicable, listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: i) the economic characteristics and risks are not closely related to the host; ii) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; iii) and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired;
- or
- The Group transferred its contractual rights to receive cash flows arising from the financial asset or an obligation to pay the cash flows received in full in the short term, in the scope of an arrangement in which Corticeira Amorim (i) has no obligation to pay to the final recipient unless it receives equivalent amounts resulting from the original asset; (ii) is prohibited by the terms of the contract to sell or pledge the original asset other than as a guarantee to final recipient obligation to pay cash flows; and (iii) Corticeira Amorim has an obligation to remit any cash received on behalf of final recipients without significant delays; and
- Corticeira Amorim transferred substantially all the risks and benefits of the asset, or Corticeira Amorim not substantially transferred or retained all the assets and benefits of the asset but transferred control over the asset.

When Corticeira Amorim has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, Corticeira Amorim continues to recognise the transferred asset to the extent of its continuing involvement. In that case, Corticeira Amorim also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that Corticeira Amorim has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that Corticeira Amorim could be required to repay.

Impairment of financial assets

Corticeira Amorim recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that Corticeira Amorim expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, Corticeira Amorim applies a simplified approach in calculating ECLs.

Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, Corticeira Amorim applies the low credit risk simplification. At every reporting date, Corticeira Amorim evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, Corticeira Amorim reassesses the internal credit rating of the debt instrument.

Corticeira Amorim considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, Corticeira Amorim may also consider a financial asset to be in default when internal or external information indicates that Corticeira Amorim is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Corticeira Amorim financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, reimbursable grants and derivative financial instruments.

The Group contracts confirming operations with financial institutions, which will be classified as reverse factoring agreements. These agreements are not used to manage the liquidity needs of the group as long as the payment remains on the due date of the invoices (on that date the advance amounts are paid to the financial institution by the group). For this reason, and since they do not give rise to financial expenses for the group, the amounts of the invoices advanced to the suppliers that adhere to these contracts are kept in liabilities, in trade payables, and the payments at the due time are treated as operational payments. The supplier confirming operations are classified as operating in the Statement of Cash Flows.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

- Financial liabilities at amortized cost (Loans and borrowings)

This is the category most relevant to Corticeira Amorim. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and also including reimbursable grants at nil or below-market rate of interest.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



© Korko, 2022

"Building Blocks" is first collection of cork toys from Korko, a partnership between Corticeira Amorim and Hape (world leader in wooden toys). The collection was created, designed and produced at the i.cork factory.

4) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

Corticeira Amorim uses derivative financial instruments, such as forward currency contracts, currency swaps, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, Corticeira Amorim formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how Corticeira Amorim will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- i. There is 'an economic relationship' between the hedged item and the hedging instrument;
- ii. The effect of credit risk does not 'dominate the value changes' that result from that economic relationship; and
- iii. The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit or loss as other expense.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of Corticeira Amorim commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

Corticeira Amorim only designates the spot element of forward contracts as a hedging instrument. The forward element is recognised in OCI and accumulated in a separate component of equity under cost of hedging reserve.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

Hedges of a net investment in a foreign operation

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of profit or loss.

As of December 31, 2022, Corticeira Amorim had no hedging instruments for a net investment.

I. INVENTORIES

Inventories are valued at the lower of acquisition cost or production cost and net realisable value. Acquisition cost includes direct and indirect expenses incurred in order to have those inventories at its present condition and place. Production cost includes used raw material costs, direct labour, other direct costs and other general fixed production costs (using normal capacity utilisation).

Year-end quantities are determined based on the accounting records, which are confirmed by the physical inventory taking. Raw-materials, consumables and by-products are valued at weighted average cost, and finished goods and work-in-progress at the average production cost which includes direct costs and indirect costs incurred in production.

Where the net realisable value is lower than production cost, inventory impairment is registered. This adjustment will be reversed or reduced whenever the impairment situation no longer takes place. The raw materials usually present alternative use without significant loss of value (for example through changes in caliber, reprocessing or use as raw material in other units). In these cases, a specific analysis of impairment is made, being that impairment situations in this instance are reduced.

The intermediate and finished products are not as susceptible of alternative use. In these cases, the amount by which inventories are expected to be realised is influenced by the age of those inventories. Thus, in addition to the specific analysis (priority form of determination of net realisable value), the group applies a criteria based on the rotation to estimate the reduction of expected value of these materials in function of their ageing.

J. INCOME TAX – CURRENT AND DEFERRED

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where Corticeira Amorim operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in this account heading and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is calculated using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised, in each reporting date, in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

The provisions for ongoing tax contingencies related to income tax are classified under deferred taxes. In the case of tax legal proceedings, they are annually increased by calculating interest and penalties defined by law.

K. EMPLOYEES BENEFIT

Corticeira Amorim's Portuguese employees benefit exclusively from the national welfare plan. Employees from foreign subsidiaries are either covered exclusively by local national welfare plans or benefit from complementary contribution plans and defined benefit.

As for the defined contribution plans, contributions are recognised as employee benefit expense when they are due.

Corticeira Amorim operates defined benefit pension plans in the subsidiaries Amorim Cork Italia (Trattamento di Fine Rapporto) and Eflverson. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. The remeasures, comprising actuarial gains and losses, the effect of the asset ceiling, excluding the amounts included in net interest on the defined benefit net liability and the return on plan assets (excluding the amounts included in net interest on net liabilities), are recognised immediately in the statement of financial position with a debt or credit corresponding to retained earnings in the other comprehensive income in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods.

Corticeira Amorim recognises a liability and an expense for bonuses attributable to a large number of directors. These benefits are based on estimations that take in account the accomplishment of both individual goals and achievement by Corticeira Amorim with a pre-established level of profits.

L. PROVISIONS

Provisions are recognised when Corticeira Amorim has a present legal or constructive obligation as a result of past events, when it is more likely than not an outflow of resources will be required to settle the obligation and when a reliable estimation is possible.

Provisions are not recognised for future operating losses. Restructuring provisions are recognised with a formal detail plan and when third parties affected are informed.

The main items of provisions were recorded based on their nominal value. Provisions for ongoing proceedings are annually increased by the calculation of interest and fines, as defined by law. In all other cases, given the uncertainty regarding the timing of the outflow of resources to cover liability, it is not possible to reliably estimate the effect of the discount, which is estimated to be not material.

When there is a present obligation, resulting from a past event, but it is not probable that an outflow of resources will be required, or this cannot be estimated reliably, the obligation is treated as a contingent liability. This will be disclosed in the financial statements, unless the probability of a cash outflow is remote.

Contingent assets are not recognised in the financial statements but disclosed when it is probable the existence of an economic future inflow of resources.

M. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recorded when the control of goods and services is transferred to customers for an amount corresponding to the compensation that Corticeira Amorim expects to receive in exchange for such goods or services.

Corticeira Amorim generally acts as the "principal" in its agreements with customers, because Corticeira Amorim typically controls the goods and services before transferring them to customers.

The most significant judgments, estimates and assumptions related to the revenue from contracts with customers are disclosed in Note 4.

Revenue from the sale of products is recognised at the time when the control over the goods is transferred to the customer, which usually happens when the product is delivered. The average day's collection varies, not overcoming 90 days, after billing.

For each contract, Corticeira Amorim assesses whether there are other commitments in the contract that are distinct performance obligations and for which a portion of the transaction price should be allocated. In determining the price of the transaction, Corticeira Amorim takes into account possible variable remuneration, the existence or otherwise of a significant component of financing, non-monetary consideration receivable and the possibility of payment to the customer.

If the consideration provided for in a contract includes a variable component, Corticeira Amorim estimates the amount it considers to be entitled to receive in exchange for the transfer of the goods to the customer. The variable component is estimated at the inception of the contract and is restricted in the event of uncertainty until it is highly probable that a significant reversal of the recognised revenue will not occur when the uncertainty associated with the variable compensation component is finally dissipated.

Some contracts give the customer the right to return goods and volume rebates. The return rights and the volume discounts give rise to a variable return.

- **Right of return**
Some contracts give the customer the right to return the products within a certain period. The Group uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability is recognised for the inventories that are expected to be returned. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from the customer.
- **Quantity discount**
Corticeira Amorim provides retrospective discounts on volumes to some customers when a certain amount of purchases in a given period exceeds a certain limit established in the agreement. Discounts are recorded on the credit of the customer's account receivable. To estimate the variable remuneration associated with the expected value of quantity discounts granted, Corticeira Amorim is based on the client's history.

The requirements of IFRS 15 to restrict the amounts of estimated variable remuneration are also applicable, and Corticeira Amorim records a liability related to the amount to be granted for discounts.

Using the practical expedient provided for in IFRS 15, Corticeira Amorim does not adjust the amount of the consideration for the financial effect when, it is initially expected, that the period between the transfer of the good or service to the customer and the time at which the customer pays the good or the service is less than a year.

The same happens when Corticeira Amorim receives short-term advances from its clients - in this case, the value of the compensation is not adjusted by the financial effect.

The Floor and Wall Coverings BU offers guarantees of proper operation of its products for certain types of contracts. These quality guarantees are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

N. GOVERNMENT GRANTS

Grants received are related generally with fixed assets expenditure. No-repayable grants are present in the balance sheet as deferred income, and recognised as income on a systematic basis over the useful life of the related asset. Repayable grants are presented as other financial liabilities following the recognition and measurement principles of IFRS 9.

Reimbursable grants with "out of market" interest rates are measured at fair value when they are initially recognised. For each grant, the fair value determination at the initial time corresponds to the present value of the future payments associated with the grant, discounted at the company's financing rate at the date of recognition, for loans with similar maturities.

Difference between nominal and fair value at initial recognition is included in "refundable grants", at other financial liabilities, being afterwards recognised in net result as "Other income and gains" over the estimated useful life of the related asset. Subsequently these grants are measured at amortised cost.

The grants received are classified as a financial activity in the Statement of Cash Flows.

Right of use and leasing

Corticeira Amorim assesses, at the commencement date of the contract, whether it is or contains a lease. That is, if the contract transfers the right to control the use of an identified asset for a period of time in exchange for consideration.

Corticeira Amorim applies a unique recognition and measurement approach to all leases, except for short-term and low-value asset leases. Corticeira Amorim recognises lease liabilities corresponding to payments made and right-of-use assets that represent the right to use the underlying assets.

O. RIGHT OF USE

As a lessee, Corticeira Amorim recognises the right of use assets on the lease start date (that is, the date on which the underlying asset is available for use). The right of use assets is measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of the right of use assets includes the amount of recognised lease liabilities, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are depreciated using the straight-line method over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Number of years
Lands	60
Buildings	3 a 10
Vehicles	3 a 5

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are also subject to impairment, in accordance with the policy presented in note g) Impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, Corticeira Amorim recognises lease liabilities measured at the present value of the payments to be made over the term of the contract. Lease payments include fixed payments less any incentives receivables, variable lease payments that depend on an index or rate and amounts you expect to pay related to residual value guarantees. Lease payments also include the exercise price of a purchase option, if it is reasonably expected to be exercised by Corticeira Amorim and payments of penalties for terminating the lease, if the lease term reflects the Corticeira Amorim exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, Corticeira Amorim uses an incremental borrowing rate on the lease start date, because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Corticeira Amorim's lease liabilities are included in interest-bearing debt.

Short-term lease and lease of low-value assets

Corticeira Amorim applies the short-term lease recognition exemption, i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

Corticeira Amorim as a lessor

Leases in which Corticeira Amorim does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

As of December 31, 2022, Corticeira Amorim has no assets as a lessor.

P. EQUITY.

Ordinary shares are included in equity.

When Corticeira Amorim acquires own shares, the acquisition value is recognised in equity to be deducted from its amount, in the entry "Treasury Stock".

Corticeira Amorim recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of Corticeira Amorim. As per the applicable corporate laws, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Q. NON-RECURRING RESULTS

Non-recurring operating results, which, due to their materiality or nature, may distort Corticeira Amorim's financial performance, as well as their comparability, are presented on a separate line in the Consolidated Income Statement by Nature. These results include, among others, restructuring costs, goodwill impairment, transaction costs for the acquisition of subsidiaries, disinvestment costs in certain markets and significant capital gains from the relocation of premises.

R. CASH AND CASH EQUIVALENTS

The account heading "cash and cash equivalents" includes cash, deposits and cash investments with short maturities that are readily available without significant risk of change in value.

For the purposes of the statement of cash flows, the account heading "Cash and cash equivalents" also includes bank overdrafts included in the account heading "Bank loans" and financial assets held for trading.

S. LOAN EXPENSES

The Group capitalises the borrowing expenses (interest and other costs incurred due to borrowings of funds) that are directly attributable to the acquisition, construction or production of an asset that qualifies as part of the cost of that asset, that is, an asset that necessarily takes a substantial amount of time to get ready for its intended use or for sale. All other borrowing costs must be accounted for as an expense in the period in which they are incurred.

T. SUBSEQUENT EVENTS

Corticeira Amorim recognises in the financial statements the events that, after the balance sheet date, provide additional information on the conditions that existed on the balance sheet date, including the estimates inherent in the preparation of the financial statements. The group does not recognise events that, after the balance sheet date, provide information on conditions that occur after the balance sheet date.



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Produced with cork, a 100% natural, recyclable and renewable raw material, the innovative Corkeen flooring combines safety, accessibility and sustainability credentials, allying the concepts of Community, Nature and Planet.

3 – Financial Risk Management

Corticeira Amorim's activities expose it to a variety of financial risks: market risks (including currency risk, interest rate risk and raw material price risk), credit risk, liquidity risk and capital risk. The spread of the COVID-19 pandemic and the measures taken to contain it had a significant impact on the financial risks to which Corticeira Amorim may be submitted, requiring the reinforcement of its monitoring and control.

Market Risk

Regarding market risk, although impacted by the pandemic (exchange rate risk, interest rate and price of raw materials), they were not significantly affected by the current context, maintaining the monitoring procedures reported on December 31, 2022. The volatility of the international markets requires rigorous compliance with the procedures that were already defined, in order to avoid the possible impact of adverse events.

A. EXCHANGE RATE RISK

Exchange rate risk management policy established by Corticeira Amorim Board points out to a total hedging of the assets deriving from sales in the most important currencies and from USD acquisitions. If the exchange rate hedging policy did not exist, the 1% increase in the USD exchange rate, keeping all other variables constant, would lead to earnings before tax result of 1.5 M€. As for book orders up to 90 days, each Business Unit responsible will decide according to exchange rate evolution. Book orders, considered relevant, due after 90 days, will be presented by the Business Unit responsible to the Corticeira Amorim Board.

As of December 31, 2022, taking into account the relationship between the amount of the group's exposure to financial assets and liabilities in foreign currency and the notional number of hedges contracted, exchange rates different from the Euro currency (particularly USD), would have no material effect in the consolidated results of the group. As for hedge book orders any effect would be registered in Equity. As for non-euro net investments in subsidiaries/ associate, any exchange rate effect would be registered in Equity, because Corticeira Amorim does not hedge this type of assets. The amount recorded under Exchange rate differences, including the effect of not covering these investments, reached the amount of -4,185 K€ as of December 31, 2022 (2021: -7,253 K€).

B. INTEREST RATE RISK

As of 31 December 2022, of the total interest-bearing debt, 86,3 M€ had interest at a fixed rate, of which 15 M€ will be due in 2024 and 35 M€ in 2025 and 20 M€ in 2027. As of December 31, 2021, the value was 62,3 M€.

Interest rate risk results, essentially, from non-current bank financing obtained at a variable rate and from emissions under the commercial paper programme.

As of December 31, 2022, if interest rates were 0.1 percentage points higher, with the remaining variables remaining constant, the pre-tax result would be lower by around 128 thousand euros (95 thousand euros in 2021) as a result of the increase in financial costs with variable rate debt

C. RAW MATERIAL PRICE RISK

In view of the critical nature of this factor, the procurement, storage and preparation management of the only variable common to all Corticeira Amorim activities, which is the raw material (cork), is assembled in an autonomous BU, which, among other objectives, makes it possible to prepare, discuss and decide within the Board of Directors the orientation or the multiannual supply policy to be developed.

The Group's cork procurement team is made up of a group of highly specialised staff, mainly in Portugal, Spain and North Africa. The objective of the buyer's team is to maximise the price / quality ratio of the purchased cork and simultaneously ensure the purchase of sufficient quantity for the desired level of production.

The cork market is an open market where price is determined by the supply and demand law. The price offered by Corticeira Amorim is determined business by business, and depends essentially on the estimated quality of cork. Corticeira Amorim does not have the ability to set the purchase price of the campaign, and this is a result of the operation of the market.

The purchase is concentrated in a certain period of the year, in which the raw material supply is guaranteed for the whole of the following year, the sales prices of the finished products and margins of the business are defined taking into account the cost of acquiring the raw material and estimated availability for the annual campaign.

Credit Risk

Credit risk is due, mainly, to receivables from customers related to trade sales. The credit risk results, essentially, from the accounts receivable from customers resulting from commercial transactions. In the context of the pandemic, in the management of credit risk there have been no significant changes in the procedures adopted, having reinforced the collection measures that existed previously. Corticeira Amorim is attentive to the issue of collection of accounts receivable, but in a universe of almost 30,000 customers around the world, the risk is significantly distributed. The credit risk is naturally reduced in face of the dispersion of sales by a very high number of clients, spread across all continents, none representing more than 2% of total sales.

Credit risk is monitored by the operating companies Financial Departments, taking in consideration its history of trade relations, financial situation as well as other types of information that Corticeira Amorim business network has available related with each trading partner. Credit limits are analysed and revised, if necessary, on a regular basis.

Normally no guarantees are due from customers. Corticeira Amorim in non-recurring situations use credit insurance.

Credit risk derives also from cash and cash equivalents balances and from financial derivative instruments. Corticeira Amorim previously analysis the ratings of the financial institutions so that it can minimise the failure of the counterparts.

The maximum credit risk is the one that results from the failure to receive all financial assets (December 2022: 337 million euros and December 2021: 341 million euros).

Corticeira Amorim's Cash and equivalents is spread across more than 100 subsidiaries. In terms of the quality of credit risk associated with Cash and equivalents, as at 31 December 2022, Corticeira Amorim selected financial institutions whose rating does not risk the realisation of these assets. It should be noted that, of the total cash and cash equivalents (85 M€): around 27 M€ are deposited in a financial institution (private capital) with the following ratings: Moody's Baa2 / P-2; Fitch: BBB / F2.

Liquidity Risk

Corticeira Amorim financial department regularly analyses future cash flows so that it can deliver enough liquidity for the group to provide operating needs, and also to comply with credit lines payments. Excess of cash is invested in interest bearing short-term deposits. This strategy offers the necessary flexibility to conduct its business.

Financial liabilities' estimated non-discounted cash flows by contractual maturities are as follows:

	Up to 1 year	1 to 2 years	2 to 4 years	More than 4 years	Total
Interest-bearing loans (note 22)	70,103	7,577	75,403	4,593	157,677
Other financial liabilities (note 24)	45,883	3,592	9,121	1,931	60,527
Trade payables (note 23)	160,825				160,825
Total as of December 31, 2021	276,811	11,169	84,524	6,524	379,028
Interest-bearing loans (note 22)	108,986	38,284	45,200	21,385	213,855
Other financial liabilities (note 24)	46,871	7,690	4,026	182	58,770
Trade payables (note 23)	170,549				170,549
Total as of December 31, 2022	326,406	45,974	49,226	21,567	443,173

Values in thousand euros

Liquidity risk coverage is done, essentially, by the existence of a set of credit lines and commercial paper emission programmes immediately available, and, eventually, by the existence of bank deposits. Corticeira Amorim ended the year with unused credit lines and programmes for issuing commercial paper totalling €220.1 million (at December 31, 2021 the comparable figure was €206.2 million). If we add Cash and Equivalents, the Liquidity Reserve at the end of 2022 was €305.1 M (€315.8 M at December 31, 2021).

Based on estimated cash flows, 2023 liquidity reserve, composed mainly by non-used credit lines, will be as follows.

	2023
Opening balance	305
Operating cash-flow	103
Capex	-78
Interest and dividends	-39
Income tax	-15
Financial cash-flow (including bank debt payments)	-2
Final balance	274

Values in millions euros

Note: includes dividends to be approved in the April 28, shareholders meeting

The financial cash-flow assumes that at the end of 2023, the level of unused credit lines (220.1 M€) is equal to that of the beginning of the year and cash and cash equivalents will be approximately 85 M€.

Capital Risk

Corticeira Amorim's key objective is to assure business continuity, delivering a proper return to its shareholders and the correspondent benefits to its remaining stakeholders. A careful management of the capital employed in the business, using the proper combination of capital in order to reduce its costs, makes it possible to fulfil this objective. Corticeira Amorim is a solid company with an appropriate and balanced capital structure, responsible for an activity which is fundamental for the sustainability of the whole cork industry. Without the cork stoppers produced by Corticeira Amorim,

thousands of wineries and bottlers would not be able to operate in the most varied geographical areas.

In order to achieve the proper combination of capital employed, the Board can obtain from the General Shareholders Meeting the approval of the necessary measures, namely adjusting the dividend pay-out ratio, the treasury stock, raising capital through new shares issue, sale of assets or other type of measures. The key indicator for the said combination is the Equity/Assets ratio. Corticeira Amorim establishes as a target a level of not less than 40% of Equity/Assets ratio attending the company features and of the economic sector that she belongs.

The ratio register was:

	December 31, 2022	December 31, 2021	December 31, 2020
Equity	744,926	623,283	576,656
Assets	1,269,316	1,081,289	1,005,684
Equity/Assets	58.7%	57.6%	57.3%

Values in thousand euros

Financial assets and liabilities fair value

The Group measures part of its financial assets and liabilities at fair value at the reference date of the financial statements. Derivative financial instruments are included in the categories mentioned above. The derivatives used by Corticeira Amorim have no public quotation because they are not traded in an open market (over the counter derivatives).

According to the accounting standards, a fair value hierarchy is established that classifies three levels of data to be used in measurement techniques at fair value of financial assets and liabilities:

Level 1 data – public quotation (non-adjusted) in liquid markets for comparable assets or liabilities;

Level 2 data – different data of public quotation observable for the asset or the liability, directly or indirectly;

Level 3 data – non observable data for the assets or the liability. During the year, there were no transfers between the levels mentioned above.

As of December 31, 2022, derivative financial instruments recognised as assets in the consolidated statement of financial position were 1,141 K€ as assets (31/12/2021: 1,154 K€) and 2 K€ as liabilities (31/12/2021: 1,126 K€), as stated in notes 14 and 24.

Corticeira Amorim uses forward outright and options to hedge exchange rate risk, as shown below. Evaluating exchange rate hedge instruments requires the utilisation of observable inputs (level 2). Fair value is calculated using a proprietary model of Corticeira Amorim, developed by Reuters, using discounted cash flows method for forwards outright. As for options, it is used the Black & Scholes model.

Summary of the derivative financial instruments' fair value:

Nature	Hierarchy	Type	2022		2021	
			Notional	Fair Value	Notional	Fair Value
		Cash flow hedge	48,107	1,193	7,820	109
		Fair value hedge	33,508	108	20,903	563
		Trading derivatives	-	- 161	-	481
		Level 2 Total	81,614	1,141	28,724	1,154
		Total assets	81,614	1,141	28,724	1,154
		Cash flow hedge	32	- 0	17,267	177
		Fair value hedge	151	- 2	29,213	909
		Trading derivatives	-	- 0	-	41
		Level 2 Total	183	- 2	46,481	1,126
		Agreement for the acquisition of additional ownership interest in a subsidiary	-	-	5,000	4,962
		Level 3 Total	-	-	5,000	4,962
		Total liabilities	183	- 2	51,481	6,088

Values in thousand euros

The main inputs used in valuation are forward exchange rate curves and estimates of currency volatility.

The change in level 3 liabilities results from the payment of the nominal amount owed, as explained in note 24.

Exchange rate contracts

As of December 31, 2022, options contracts and forward outright related with sales currencies were as follows:

	2022		2021	
USD	51,532	94%	44,258	92%
ZAR	2,992	5%	3,631	8%
GBP	116	0%	-	0%
JPY	70	0%	-	0%
HUF	-	0%	170	0%
Forward - long positions	54,710	100%	48,059	100%
USD	499	100%	439	100%
HUF	-	0%	-	0%
Forward - short positions	499	100%	439	100%
USD	26,588	100%	24,483	100%
Options - long positions	26,588	100%	24,483	100%
USD	-	0%	2,222	100%
Options - short positions	-	0%	2,222	100%

Values in thousand euros

It is expected that hedged highly probable transactions in foreign currencies occur during the first half of 2023. The corresponded value recognised in equity as hedge accounting will be recorded in income statement in that same period.

The amount recognised in comprehensive income statement as change in derivative financial instruments' fair value reached 732 K€ (2021: -540 K€).

In relation with fair value hedging, during 2022 a loss of 2,724 K€ was recorded in the hedging instruments (2021: gain of 1,778 K€) and a gain of 871 K€ was recorded in the hedged items (2021: loss of 1,983 K€).



© Nasa Gallery

Since the 1960s, Corticeira Amorim has been Portugal's main technological partner in supplying insulation solutions for NASA and the European Space Agency (ESA) because cork, due to its extraordinary performance as a thermal insulator, is considered a fundamental component of ablation systems.

4 – Critical Estimates and Judgements

The preparation of consolidated financial statements requires the Group's management to make judgments and estimates that affect the statement of financial position and the reported results. These estimates are based on the best information and knowledge about past and/or present events and on the operations that the Company considers it may implement in the future. However, at the date of completion of such operations, their results may differ from these estimates.

Changes to these estimates that occur after the date of approval of the consolidated financial statements will be corrected in the income statement in a prospective manner, in accordance with IAS 8 – "Accounting Policies, Changes in Accounting Estimates and Errors".

The estimates and assumptions that imply a greater risk of giving rise to a material adjustment in assets and liabilities are described below:

▪ Entities included in the consolidation perimeter

To determine the entities to be included in the consolidation perimeter, the Group assesses the extent to which it is exposed, or has rights, to variability in return from its involvement with that entity and can take possession of them through the power it holds over this entity.

The decision that an entity must be consolidated by the Group requires the use of judgment, estimates, and assumptions to determine the extent to which the Group is exposed to return variability and the ability to take possession of them through its power.

Other assumptions and estimates could lead to the Group's consolidation perimeter being different, with direct impact on the consolidated financial statements.

▪ Impairment of non-current assets, excluding goodwill

The determination of a possible impairment loss can be triggered by the occurrence of various events, such as the availability of future financing, the cost of capital or other market, economic and legal changes or changes with an adverse effect on the technological environment, many of which are beyond the Group's control. The identification and assessment of impairment indicators, the estimation of future cash flows, and the calculation of the recoverable value of assets involve a high degree of judgment by the Board.

▪ Impairment of goodwill

Goodwill is annually subjected to impairment tests or whenever there are indications of a possible loss of value in accordance with the criteria described in Note 2b). The recoverable values of the cash-generating units to which goodwill is allocated are determined based on the calculation of current use values. These calculations require the use of estimates by management.

▪ Intangible and tangible assets

The life of an asset is the period during which the Company expects that an asset will be available for use and this should be reviewed at least at the end of each financial year. The determination of the useful lives of assets, the amortisation/depreciation method to be applied, and the estimated losses resulting from the replacement of equipment before the end of its useful life due to technological obsolescence is crucial in determining the amount of amortisation/depreciation to be recognised in the consolidated income statement each period.

These three parameters are defined using management's best estimates for the assets and businesses concerned, and taking account of the practices adopted by companies in the sectors in which Corticeira Amorim operates.

▪ Provisions

The Group periodically reviews any obligations arising from past events, which should be recognised or disclosed. The subjectivity involved in determining the probability and amount of internal resources required to meet obligations may give rise to significant adjustments, either due to changes in the assumptions made, or due to the future recognition of provisions previously disclosed as contingent liabilities.

▪ Deferred income tax assets

Deferred income tax assets are recognised only when there is strong assurance that there will be future taxable income available to use the temporary differences or when there are deferred tax liabilities whose reversal is expected in the same period in which the deferred tax assets are reversed. The assessment of deferred income tax assets is undertaken by management at the end of each period taking account of the expected future performance of the Group.

▪ Expected credit loss

The credit risk on the balances of accounts receivable is assessed at each reporting date, through the use of a collection matrix, which is based on the history of past collections adjusted for the future expectation of evolution of collections, to determine the non-receipt rate. Expected credit losses on accounts receivable are adjusted by the evaluation made, which may differ from the actual risk incurred in the future.

▪ Fair value of financial assets and liabilities

When the fair value of a financial asset or liability is calculated, on an active market, the respective market price is used. When there is no active market, which is the case with some of Corticeira Amorim's financial assets and liabilities, valuation techniques generally accepted in the market, based on market assumptions, are used.

The Group applies evaluation techniques for unlisted financial instruments, such as derivatives, financial instruments at fair value and instruments measured at amortised cost. The most frequently used valorisation models are models of discounted cash flows and option models, which incorporate, for example, interest rate and market volatility curves.

For certain types of more complex derivatives, more advanced valuation models are used containing assumptions and data that are not directly observable in the market, for which the Group uses the proprietary model specified in Note 3.

▪ Revenue - return rights / quantity discounts

Some contracts give the customer the right to return goods and volume rebates. The right of return and volume discounts give rise to variable remuneration. When estimating the variable consideration, Corticeira Amorim determined that the use of a combination of the most probable quantity method and the value method expected is most appropriate. Before including any amount of variable consideration in the transaction price, Corticeira Amorim considers whether the amount of the variable consideration is restricted. Corticeira Amorim determined that the variable compensation estimates are not limited based on their historical experience, forecast of business and economic conditions. In addition, uncertainty over variable consideration will be resolved in a short period of time.

5 – Accounts Preparation Process

The description of the main elements of the internal control system and risk management of the group, in relation to the process of the consolidated accounts, is as follows:

The financial information preparation process is dependent on the people in the registration process of operations and support systems. In the group there is an Internal Control Procedures Manual and Accounting Manual, implemented at the level of the Corticeira Amorim Group. These manuals contain a set of rules and policies to ensure that in the financial information preparation process homogeneous principles are followed, and to ensure the quality and reliability of financial information.

The implementation of accounting policies and internal control procedures relating to the preparation of financial information is subject to the evaluation by the internal and external audit.

Every quarter, the consolidated financial information by business unit is assessed, validated and approved by the management of each of the group's business units.

Before its release, the consolidated financial information of Corticeira Amorim is approved by the Board of Directors and the Audit Committee.

6 – Companies included in the Consolidated Statements

Company		Head Office	Country	2022	2021
Raw Materials					
Amorim Florestal, S.A. (ex Amorim Natural Cork, S.A)	(f)(g)	Vale de Cortiças - Abrantes	PORTUGAL	100%	100%
Amorim Florestal, S.A.	(f)	Ponte de Sor		-	100%
Amorim Agroflorestal, S.A.	(h)	Ponte de Sor	PORTUGAL	100%	100%
Amorim Florestal III, S.A.		Ponte de Sor	PORTUGAL	100%	100%
Amorim Florestal España, S.L.		San Vicente Alcántara	SPAIN	100%	100%
Amorim Florestal Mediterrâneo, S.L.		Cádiz	SPAIN	100%	100%
Amorim Tunisie, S.A.R.L.		Tabarka	TUNISIA	100%	100%
Herdade de Rio Frio, S.A.	(e) (j)	Ponte de Sor		100%	50%
Comatral - C. de Maroc. de Transf. du Liège, S.A.		Skhirat	MOROCCO	100%	100%
Cosabe - Companhia Silvo-Agrícola da Beira S.A.		Lisboa	PORTUGAL	100%	100%
SIBL - Société Industrielle Bois Liège		Jijel	ALGERIA	51%	51%
Société Nouvelle du Liège, S.A. (SNL)		Tabarka	TUNISIA	100%	100%
Société Tunisienne d'Industrie Bouchonnière		Tabarka	TUNISIA	55%	55%
Vatrya - Serviços de Consultadoria, Lda.		Funchal - Madeira	PORTUGAL	100%	100%
Cork Stoppers					
Amorim Cork, SGPS, S.A.		Santa Maria Lamas	PORTUGAL	100%	100%
ACIC USA, LLC		Califórnia	U. S. AMERICA	100%	100%
Agglotap, S.A.		Girona	SPAIN	91%	91%
All Closures In, S.A.		Paços de Brandão	PORTUGAL	75%	75%
Amorim Cork, S.A.		Santa Maria Lamas	PORTUGAL	100%	100%
Amorim Australasia Pty Ltd.		Adelaide	AUSTRALIA	100%	100%
Amorim Bartop, S.A.		Vergada	PORTUGAL	75%	75%
Amorim Champcork, S.A.		Santa Maria Lamas	PORTUGAL	100%	100%
Amorim Cork América, Inc.		Califórnia	U. S. AMERICA	100%	100%
Amorim Cork Beijing Ltd.		Beijing	CHINA	100%	100%
Amorim Cork Bulgaria EOOD		Plovdiv	BULGARIA	100%	100%
Amorim Cork Deutschland GmbH & Co KG		Mainzer	GERMANY	100%	100%
Amorim Cork España, S.L.		San Vicente Alcántara	SPAIN	100%	100%
Amorim Cork Hungary Zrt.		Budapeste	HUNGARY	100%	100%
Amorim Cork Itália, SPA		Conegliano	ITALY	100%	100%
Amorim Cork South Africa (Pty) Ltd.		Cape Town	SOUTH AFRICA	100%	100%
Amorim France, S.A.S.		Champfleury	FRANCE	100%	100%
Amorim Top Series France, S.A.S.		Merpins	FRANCE	100%	100%
Amorim Top Series, S.A.		Vergada	PORTUGAL	75%	75%
Amorim Top Series Scotland, Ltd		Dundee	SCOTLAND	75%	75%
Biocape - Importação e Exportação de Cápsulas, Lda.		Mozelos	PORTUGAL	60%	60%
Bouchons Prioux		Epernay	FRANCE	91%	91%
Bozales ICAS HITE Argentina	(b) (c)	Mendoza	ARGENTINA	26%	-
Chapuis, S.L.		Girona	SPAIN	100%	100%
Corchera Gomez Barris	(b)	Santiago	CHILE	50%	50%
Corchos de Argentina, S.A.	(a)	Mendoza	ARGENTINA	50%	50%
Bourrassé Chile	(e) (k)	Santiago	CHILE	100%	90%
Elfverson & Co. AB		Paryd	SWEDEN	38%	75%
Elfverson I.P., S.A.	(d)	Vergada	PORTUGAL	38%	-
Elfverson Portugal, SA	(d)	Santa Maria Lamas		38%	-
S.A.S. Ets Christian Bourassé	(e)	Tosse	FRANCE	100%	90%
FP Cork, Inc.		Califórnia	U. S. AMERICA	100%	100%
Francisco Oller, S.A.	(e)	Girona	SPAIN	98%	94%
HITE, S.A. - Hispano Italiana Trenzados Especiales, S.A.	(b) (c)	Barcelona	SPAIN	25%	-

Company		Head Office	Country	2022	2021
Cork Stoppers					
HdP S.P.A.	(b) (c)	Ivrea	ITALY	50%	-
I.C.A.S. S.p.A.	(b) (c)	Ivrea	ITALY	50%	-
ICAS Brasil Ltda.	(b) (c)	Garibaldi (RS)	BRAZIL	25%	-
ICAS France S.a.r.l.	(b) (c)	Reims	FRANCE	50%	-
ICAS HITE Australasia		Adelaide	AUSTRALIA	37%	50%
Indústria Corchera, S.A.	(b)	Santiago	CHILE	50%	50%
Kapselabrik, GmbH	(b) (c)	Bad Kreuznach	GERMANY	50%	-
Korken Schiesser Ges.M.B.H.		Viena	AUSTRIA	69%	69%
Olimpiadas Barcelona 92, S.L.		Girona	SPAIN	100%	100%
Pfefferkorn & Co. GmbH	(b) (c)	Simmern	GERMANY	50%	-
Pfefferkorn & Reiter GmbH	(b) (c)	Simmern	GERMANY	50%	-
Portocork América, Inc.		California	U. S. AMERICA	100%	100%
Portocork France, S.A.S.		Bordéus	FRANCE	100%	100%
Portocork Itália, s.r.l		Milão	ITALY	100%	100%
Prats & Bonay S.A.	(b) (c)	Reims	FRANCE	37%	-
Relvas II Rolhas de Champanhe S.A.	(b) (c)	Montemor-o-Novo	PORTUGAL	50%	-
Sarl Relvas France	(b) (c)	Reims	FRANCE	37%	-
SACI S.r.l.	(b) (c)	Ivrea	ITALY	50%	-
Sagrera et Cie		Reims	FRANCE	91%	91%
S.A. Oller et Cie	(e)	Reims	FRANCE	98%	94%
San Bernardo Tappi Spumante S.r.l	(b) (c)	Ivrea	ITALY	50%	-
Schneider (Mainsee 1407. V V) GmbH	(b) (c)	Bad Kreuznach	GERMANY	50%	-
S.C.I. Friedland		Céret	FRANCE	100%	100%
S.C.I. Prioux		Epernay	FRANCE	91%	91%
Socori, S.A.	(e)	Rio Meão	PORTUGAL	100%	90%
Socori Forestal, S.L.	(e)	Cáceres	SPAIN	100%	90%
Société Nouvelle des Bouchons Trescases	(a)	Perpignan	FRANCE	50%	50%
Sumois S.A	(b) (c)	Sant Sadurni D'Anoia		25%	-
Tango S.S	(b) (c)	Ivrea		37%	-
Trefinos Australia		Adelaide	AUSTRALIA	-	91%
Trefinos Italia, s.r.l		Treviso	ITALY	91%	91%
Trefinos USA, LLC		Fairfield, CA	U. S. AMERICA	91%	91%
Trefinos, S.L.		Girona	SPAIN	91%	91%
Victor y Amorim, S.L.	(b)	Navarrete - La Rioja	SPAIN	50%	50%
Vinolok a.s	(a)	Jablonec nad Nisou	CZECH REP.	50%	50%
Wine Packaging & Logistic, S.A.	(a)	Santiago	CHILE	16%	16%
Floor & Wall Coverings					
Amorim Cork Flooring, S.A.		S. Paio de Oleiros	PORTUGAL	100%	100%
Amorim Benelux, BV		Tholen	NETHERLANDS	100%	100%
Amorim Deutschland, GmbH		Delmenhorts	GERMANY	100%	100%
Amorim Subertech, S.A.		S. Paio de Oleiros	PORTUGAL	100%	100%
Amorim Flooring (Switzerland) AG		Zug	SWITZERLAND	100%	100%
Amorim Flooring Austria GesmbH		Viena	AUSTRIA	100%	100%
Amorim Flooring Canada, Inc.		Vancouver	CANADA	100%	100%
Amorim Flooring Investments, Inc.		Hanover - Maryland	U. S. AMERICA	100%	100%
Amorim Flooring North America Inc.		Hanover - Maryland	U. S. AMERICA	100%	100%
Amorim Flooring Rus, LLC		Moscovo	RUSSIA	100%	100%
Amorim Flooring Sweden AB		Möln dal	SWEDEN	84%	84%
Amorim Flooring UK, Ltd.		Manchester	UN. KINGDOM	100%	100%
Amorim Japan Corporation	(i)	Tóquio	JAPAN	-	100%
Cortex Korkvertriebs, GmbH		Fürth	GERMANY	100%	100%
Dom Korkowy, Sp. Zo. O.	(b)	Kraków	POLAND	50%	50%
Korkkitrio Oy	(e)	Tampere	FINLAND	78%	51%
Timberman Denmark A/S		Hadsund	DENMARK	100%	100%
Composite Cork					
Amorim Cork Composites, S.A.		Mozelos	PORTUGAL	100%	100%
Amorim (UK), Ltd.		Horsham West Sussex	UN. KINGDOM	100%	100%
Amorim Cork Composites, LLC		São Petersburgo	RUSSIA	100%	100%

Company	Head Office	Country	2022	2021
Cork Stoppers				
Amorim Cork Composites, GmbH	Delmenhorts	GERMANY	100%	100%
Amorim Cork Composites, Inc.	Trevor - Wisconsin	U. S. AMERICA	100%	100%
Amorim Deutschland, GmbH	Delmenhorts	GERMANY	100%	100%
Amorim Industrial Solutions - Imobiliária, S.A.	Corroios	PORTUGAL	100%	100%
Amorim Sports, Lda.	Mozelos	PORTUGAL	70%	70%
Amorim Sports North America, Inc.	Madison - Wisconsin		90%	90%
Amosealtex Cork Co., Ltd.	(a) Xangai	CHINA	50%	50%
Chinamate (Shaanxi) Natural Products Co., Ltd.	Shaanxi	CHINA	100%	100%
Chinamate Development Co. Ltd.	Hong Kong	CHINA	100%	100%
Compruss – Investimentos e Participações, Lda.	Mozelos	PORTUGAL	100%	100%
Corkeen Europe	Mozelos	PORTUGAL	85%	85%
Corkeen Global	Mozelos	PORTUGAL	100%	100%
Corkeen North America, Ltd.	Madison - Wisconsin		90%	90%
Corticeira Amorim - France, SAS	Lavardac	FRANCE	100%	100%
Florconsult – Consultoria e Gestão, Lda.	Mozelos	PORTUGAL	-	100%
Korko - Made By Nature, Lda	(a) Mozelos		50%	50%
Postya - Serviços de Consultadoria, Lda.	Funchal - Madeira	PORTUGAL	100%	100%
Insulation Cork				
Amorim Cork Insulation, S.A.	Vendas Novas	PORTUGAL	100%	100%
Holding				
Corticeira Amorim, SGPS, S.A.	Mozelos	PORTUGAL	100%	100%
Ginpar, S.A. (Générale d' Invest. et Participation)	Skhirat	MOROCCO	100%	100%
Amorim Cork Research, Lda.	Mozelos	PORTUGAL	100%	100%
Amorim Cork Services, Lda.	Mozelos	PORTUGAL	100%	100%
Amorim Cork Ventures, Lda.	Mozelos	PORTUGAL	100%	100%
Corecochic - Corking Shoes Investments, Lda.	(a) Mozelos	PORTUGAL	50%	50%
TDCork - Tapetes Decorativos com Cortiça, Lda.	(a) Mozelos	PORTUGAL	25%	25%
Soc. Portuguesa de Aglomerados de Cortiça, Lda.	Montijo	PORTUGAL	100%	100%
OSI - Sistemas Informáticos e Electrotécnicos, Lda	(c) Mozelos	PORTUGAL	100%	0%

- (a) Equity method consolidation.
(b) CORTICEIRA AMORIM directly or indirectly controls the relevant activities – line-by-line consolidation method.
(c) Company acquired in 2022.
(d) Company set-up in 2022.
(e) Increased interest percentage.
(f) Amorim Florestal, S.A. merged into Amorim Natural Cork, S.A.
(g) Change of company name, former Amorim Natural Cork, S.A.
(h) Change of company name, former Amorim Florestal II, S.A.
(i) Company dissolved in 2022.
(j) Change of company name, former Cold River's Homestead, SA.
(k) Change of company name, former Corpack Bourrasse, S.A.

The percentages indicated are the percentages of interests and not of control.

For entities consolidated by the full consolidation method, the percentage of voting rights held by “Non-Controlling Interests” is equal to the percentage of share capital held

Acquisition of SACI Group

As communicated to the market authorities on January 11, 2022, Corticeira Amorim, through its subsidiary Amorim Cork, SGPS, S.A. reached agreement over the acquisition of 50% of the share capital of SACI S.r.l. (“SACI Group”), headquartered in Ivrea (near Turin) for the amount of €48.7 million. The SACI group was held, in equal shares, by the Getto (Italy) and Perlich (Germany) families. Made up of 17 companies acting in different sectors, the main SACI group activity involves the production and commercialisation of muselets, counting on a team of around 340 staff and a presence in over 30 countries.

Corticeira Amorim considers that it controls the Saci Group in keeping with its holding of 50% of the voting rights. This evaluation derives from Corticeira Amorim deploying the responsibilities attributed that enable the management of the relevant activities of the Saci Group. These activities include, among others, the supply chain, the distribution networks and management reporting. This capacity to manage key activities extends to setting the operating and capital budgets and the nomination of managers and major service providers.

The group opted to measure the interests that it does not control by the respective stake held in the assets and liabilities thereby acquired. These companies were incorporated into the consolidated perimeter on January 1, 2022.

No transaction costs were incurred in the acquisition of the SACI group.

Assets and liabilities of the acquired group

The fair values of the assets and liabilities identified within the scope of this transaction are shown in the table below:

Fair value recognized on the acquisition date	
Tangible assets	25.7
Customers	5.5
Intangible assets	0.6
Other financial assets	8.7
Other Assets	3.0
Inventories	28.8
Trade Receivables	28.0
Cash and equivalents	17.6
Total Assets	117.9
Non-controlling interest	6.3
Interest bearing debt	7.5
Trade payables	15.8
Other liabilities	6.5
Deferred tax liabilities	1.5
Income tax	1.2
Total Liabilities	38.7
Net Assets	79.2
50% of identifiable net assets	39.6
Goodwill	9.1
Non-controlling Interest at the acquisition date	39.6

Values in millions euros

By reference to the acquisition date (January 11, 2022), the main difference between the fair value of the identified assets and liabilities and the respective book value relates to the accounting of an asset related to the customer portfolio. Regardless of whether they are cancelable or not, customer order histories meet the contractual-legal criteria for asset identification and registration. Even in the absence of contracts, the Saci Group will seek to take advantage of previous interactions with customers to sell them products and services in the future. The differences registered were concentrated into the fair value of the financial assets, the fair value of the assets of the Schneider subsidiary and a provision registered in the accounts of a subsidiary of the SACI Group. The final analysis of the fair value of the assets and liability will be completed twelve months after the date of acquisition. The goodwill presented, with a value of €9.1 million, represents the remaining value it was possible to identify in the acquired entity and corresponds to the synergies complementary to the activities of Corticeira Amorim. It is not foreseeable that the goodwill recognised in the accounts becomes deductible for fiscal purposes.

The contribution of the Saci group to the results of Corticeira Amorim was the following: sale: €117.5 million, EBITDA: €22.1 million and EBIT: €16.3 million.

Acquisition of the remaining 50% of Herdade de Rio Frio, S.A. (former Cold River's Homestead, S.A.)

On June 24, 2021, Corticeira Amorim, through its holding Amorim Agroflorestal, S.A. (former Amorim Florestal II, S.A.), reached agreement with Banco Comercial Português for the acquisition of 50% of the company Cold River's Homestead, SA, which holds a set of assets (moveable and immovable assets) attributed to agro-forestry operations, which includes a section (3,300 hectares) of that known as Herdade do Rio Frio, located in the district of Setúbal, for the total amount of 14.5 million euros.

On June 15, 2022, Corticeira Amorim, through its holding Amorim Agroflorestal, S.A., acquired the 50% stake in the company Herdade de Rio Frio, S.A. owned by Parvalorem, S.A. In the wake of this acquisition, for a total amount of 14.6 million euros, Corticeira Amorim took over complete ownership of Herdade de Rio Frio, S.A.

This began to be consolidated according to the integral method as from June 30, 2022.

Transaction costs amounting to 250 K€ were incurred in the acquisition of the company. These costs are recognized under non-recurring results.

Assets and liabilities of the acquired company

The fair values of the assets and liabilities identified within the scope of this transaction are shown in the table below:

The acquisition cost of the stake was 29.1 million euros.

Fair value recognized on the acquisition date	
Tangible assets	26.9
Biological assets	1.0
Other Assets	0.3
Cash and equivalents	1.0
Total Assets	29.2
Liabilities	0.1
Net Assets	29.1
100% of identifiable net assets	29.1
Goodwill	0.0

Values in millions euros

By reference to the acquisition date no significant differences were identified between the fair value of the assets and liabilities and their respective accountancy value. The fair values of the assets and liabilities identified within the scope of this transaction essentially include the Herdade do Rio Frio property. Hence, the value of the transactions was attributed to the tangible assets acquired, with no goodwill or negative goodwill having been preliminarily determined. The final analysis of fair value of the assets and liabilities will be completed after a period of 12 months as from the date of acquisition.

This entity's contribution to Corticeira Amorim's results was as follows: 0.8 M€, EBITDA: 1.7 M€ and EBIT: 0.8 M€.

On August 4, 2023, the date after the concentration of business activity, Herdade de Rio Frio acquired a land of 1855 hectares owned by Novo Banco, for the amount of 22.3 million euros.

Acquisition of OSI

The fair values of the assets and liabilities identified are essentially tangible assets (0.9 M€), intangibles (0.6 M€) and debts to suppliers (0.8 M€).

In accordance with the accounting policies adopted by Corticeira Amorim, the difference (0.4 M€) between the value of the consideration transferred and the fair value of assets and liabilities was recorded in other reserves.



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The cork stopper of the future will be one that has all the benefits of a natural cork stopper combined with advances in technology, research and creativity. "Not even the moon is the limit" for Amorim Top Series.



© Mazda, 2021

As a result of continuous investment in R&D+, cork is now used in structural elements (such as interior and exterior panels, flooring and seating) and also in the interior components of various means of transport. Although not always visible, cork can be found in cars, buses and high-speed trains, as well as in ships and aeroplanes. The revolution underway in the mobility sector is made of cork.

7 – Exchange Rates used in Consolidation

Exchange rates		December 31, 2022	Average 2022	Average 2021	December 31, 2021
Argentine Peso	ARS	189.147	137.082	112.348	116.727
Australian Dollar	AUD	1.569	1.517	1.575	1.562
Lev	BGN	1.956	1.956	1.956	1.956
Brazilian Real	BRL	5.639	5.440	6.378	6.310
Canadian Dollar	CAD	1.444	1.370	1.483	1.439
Swiss Franc	CHF	0.985	1.005	1.081	1.033
Chilean Peso	CLP	907.320	916.718	897.723	967.530
Yuan Renminbi	CNY	7.358	7.079	7.628	7.195
Czech Koruny	CZK	24.116	24.566	25.640	24.858
Danish Krona	DKK	7.437	7.440	7.437	7.436
Algerian Dinar	DZD	146.678	149.143	159.140	157.009
Euro	EUR	1.000	1.000	1.000	1.000
Pound Sterling	GBP	0.887	0.853	0.860	0.840
Hong Kong Dollar	HKD	8.358	8.246	9.191	8.862
Forint	HUF	400.870	391.287	358.516	369.190
Yen	JPY	140.660	138.027	129.877	130.380
Moroccan Dirham	MAD	11.162	10.681	10.626	10.514
Zloty	PLN	4.681	4.686	4.565	4.597
Ruble	RUB	75.655	72.447	87.153	85.300
Swedish Krona	SEK	11.122	10.630	10.146	10.250
Tunisian Dinar	TND	3.317	3.241	3.280	3.263
Turkish Lira	TRL	19.965	17.409	10.512	15.234
US Dollar	USD	1.067	1.053	1.183	1.133
Rand	ZAR	18.099	17.209	17.477	18.063

8 – Segment Report

Corticeira Amorim is organised in the following Business Units (BU): Raw Materials, Cork Stoppers, Floor and Wall Coverings, Composite Cork and Insulation Cork.

There are no differences between the measurement of profit and loss and assets and liabilities of the reportable segments, associated to differences in accounting policies or centrally allocated cost allocation policies or jointly used assets and liabilities.

For purposes of this Report, the Business approach was selected as the primary segment. This is consistent with the formal organisation and evaluation of business. Business Units correspond to the operating segments of the company and the segment report is presented the same way they are analysed for management purposes by the board of Corticeira Amorim.

The following table shows the main indicators of the business units, and, whenever possible, the reconciliation with the consolidated indicators:

2022	Raw Materials	Cork Stoppers	Floor & Wall Coverings	Composite Cork	Insulation Cork	Holding	Adjustm.	Consolidated
Trade Sales	14,428	743,102	127,200	122,137	14,262	261	-	1,021,391
Other BU Sales	190,011	10,891	4,775	2,436	1,709	6,067	- 215,889	-
Total Sales	204,440	753,993	131,975	124,573	15,971	6,328	- 215,889	1,021,391
EBITDA (current)	21,637	126,256	- 1,694	21,699	872	- 1,622	- 3,193	163,954
Assets (non-current)	94,227	273,011	36,684	53,536	6,874	862	27,472	492,666
Assets (current)	185,474	455,979	64,091	56,078	10,932	13,712	- 9,615	776,650
Liabilities	50,459	180,136	37,779	34,081	4,233	16,924	200,776	524,390
Capex	31,870	48,488	5,932	9,548	2,455	660	-	98,953
Year Depreciation	- 5,294	- 31,620	- 5,982	- 4,977	- 580	- 187	-	- 48,640
Gains/Losses in associated companies	- 294	5,113	-	- 21	-	47	-	4,846
2021	Raw Materials	Cork Stoppers	Floor & Wall Coverings	Composite Cork	Insulation Cork	Holding	Adjustm.	Consolidated
Trade Sales	10,459	582,653	117,746	114,334	12,495	133	-	837,820
Other BU Sales	180,994	10,664	5,468	2,366	2,052	4,788	- 206,332	-
Total Sales	191,453	593,317	123,214	116,700	14,546	4,920	-206,332	837,820
EBITDA (current)	19,432	101,203	2,813	9,992	2,064	- 1,722	617	134,399
Assets (non-current)	55,388	210,063	36,677	49,053	4,909	708	25,484	382,282
Assets (current)	149,402	323,839	77,014	58,109	7,196	79,893	3,556	699,008
Liabilities	49,993	173,637	47,533	35,289	2,987	10,932	137,635	458,006
Capex	5,873	24,440	5,541	5,946	895	867	-	43,563
Year Depreciation	- 4,721	- 24,712	- 5,951	- 4,600	- 579	- 171	-	- 40,735
Gains/Losses in associated companies	300	2,697	1	- 16	-	13	-	2,995

Values in thousand euros

Adjustments = eliminations inter-BU and amounts not allocated to BU.

EBITDA = Profit before net financing costs, depreciation, non-controlling interests, income tax and non-recurring results.

Provisions and asset impairments were considered the only relevant non-cash material cost.

The decision to report EBITDA figures allows a better comparison of the different BU performances, disregarding the different financial situations of each BU. This is also coherent with the existing Corporate Departments, as the Financial Department is responsible for the bank negotiations, being the tax function the responsibility of the Holding Company.

Cork Stoppers BU main product is the different types of existing cork stoppers. The main markets are the bottling countries, from the traditional ones like France, Italy, Germany, Spain and Portugal, to the new markets like USA, Australia, Chile, South Africa and Argentina.

Raw Materials BU is, by far, the most integrated in the production cycle of Corticeira Amorim, with 90% of its sales to others BU, in particular the sale of cork boards and disks to the Cork Stoppers BU.

The remaining Business Units produce and sell a wide range of products that use the raw material left over from the production of stoppers, as well as the cork raw material that is not susceptible to be used in the production of stoppers. Main products are cork floor tiles, cork rubber for the automotive industry and anti-vibration systems, expanded agglomerates for insulation and acoustic purposes, technical agglomerates for civil construction and shoe industry, as well as granulates for agglomerated, technical and champagne cork stoppers.

Major markets for flooring and insulation products are in Europe and for composite products in the USA. Major production sites are in Portugal, where most of the invested capital is located. Products are distributed in practically all major markets through a fully owned network of sales companies. About 70% of total consolidated sales are achieved through these companies.

Capex was concentrated in Portugal. Assets in foreign subsidiaries totalise 365 M€, and are mostly composed by inventories (164 M€) and trade receivables (144 M€).

In non-current assets, it is important to note the 293 M€ (2021: 214 M€) of tangible fixed assets, 4 M€ (2021: 5.3 M€) of property investment, and 13.4 M€ (2021: 12.8 M€) of intangible assets, located in Portugal.

Sales distribution by market

Markets	2022		2021	
European Union	715,936	70.1%	561,102	67.0%
From which: Portugal	76,703	7.5%	59,748	7.1%
Other European countries	24,766	2.4%	29,783	3.6%
EUA	149,571	14.6%	141,312	16.9%
Other American countries	71,108	7.0%	57,760	6.9%
Australasia	45,586	4.5%	36,422	4.3%
Africa	14,425	1.4%	11,442	1.4%
TOTAL	1,021,391	100%	837,820	100%

Values in thousand euros

The value of sales relates in its entirety, as in 2021, to contracts covered by IFRS 15 - Revenue from contracts with customers.

9 – Tangible Assets

	Land and Buildings	Machinery	Other	Tangible Fixed Assets in Progress	Total Tangible Assets
Gross Value	291,734	485,471	38,207	26,536	841,948
Depreciation and impairments	- 173,640	- 355,176	- 31,456	-	- 560,272
Opening balance (Jan 1, 2021)	118,094	130,296	6,751	26,536	281,676
Increase	4,949	20,286	2,596	7,113	36,070
Period deprec. and impairments	- 6,258	- 26,601	- 1,929	-	- 34,788
Sales and other decreases	- 602	- 178	30	341	- 409
Transfers and reclassifications	- 390	14,305	- 277	- 12,955	683
Translation differences	793	128	33	- 196	758
Gross Value	296,569	519,249	38,960	20,838	876,743
Depreciation and impairments	- 179,984	- 381,013	- 31,756	0	- 592,753
Closing balance (Dec 31, 2021)	116,586	138,236	7,204	20,838	283,990
Gross Value	296,569	519,249	38,960	20,838	876,743
Depreciation and impairments	- 179,984	- 381,013	- 31,756	0	- 592,753
Opening balance (Jan 1, 2022)	116,586	138,236	7,204	20,838	283,990
Perimeter entry	35,961	12,365	3,181	1,548	53,055
Increase	33,035	20,814	2,796	38,735	95,379
Period deprec. and impairments	- 7,321	- 30,402	- 3,175	-	- 40,898
Sales and other decreases	355	- 321	- 139	- 759	- 769
Transfers and reclassifications	4,160	6,333	- 845	- 8,290	1,357
Translation differences	772	- 18	- 191	117	641
Gross Value	380,562	593,792	53,776	52,189	1,081,334
Depreciation and impairments	- 197,015	- 446,786	- 44,945	-	- 688,745
Closing balance (Dec 31, 2022)	183,547	147,006	8,832	52,189	392,588

Values in thousand euros

Impairment losses recognised in 2021 and 2022 were recognised on the “Depreciation/Amortisation” line in the consolidated income statement by nature.

Expenses to place the assets in the required location and condition related with tangible fixed assets had no impact.

No interest was capitalised during the period.

10 – Intangible Assets and Goodwill

	Intangible Assets	Goodwill
Gross Value	25,934	13,849
Depreciation and impairments	- 9,764	- 103
OPENING BALANCE (Jan 1, 2021)	16,170	13,746
Increase	5,599	-
Period deprec. and impairments	- 2,951	-
Sales and other decreases	- 763	- 3,903
Transfers and reclassifications	- 865	-
Translation differences	75	-
Gross Value	30,239	9,946
Depreciation and impairments	- 12,974	- 103
CLOSING BALANCE (Dec 31, 2021)	17,266	9,843
Gross Value	30,239	9,946
Depreciation and impairments	- 12,974	- 103
OPENING BALANCE (Jan 1, 2022)	17,266	9,843
Perimeter entry	7,289	9,125
Increase	3,545	-
Period deprec. and impairments	- 5,258	0
Sales and other decreases	- 290	0
Transfers and reclassifications	- 662	0
Translation differences	97	- 94
Gross Value	44,551	28,856
Depreciation and impairments	- 22,564	- 9,982
CLOSING BALANCE (Dec 31, 2022)	21,987	18,874

Values in thousand euros

Intangible Assets essentially include software, autonomous product development projects and innovative solutions.

With the exception of goodwill, there are no intangible assets of indefinite life.

Detail of goodwill according to the following table:

2021	Opening balance	Increase	Decrease	Reclassification	Translation differences	End balance
Bourrassé	9,745		- 1,314			8,431
Elfverson	3,903		- 2,589			1,314
Korkkitrio	98					98
Goodwill	13,746	-	- 3,903	-	-	9,843

Values in thousand euros

2022	Opening balance	Increase	Decrease	Reclassification	Translation differences	End balance
Bourrassé	8,431					8,431
Grupo Saci	-	9,125			- 94	9,031
Elfverson	1,314					1,314
Korkkitrio	98					98
Goodwill	9,843	9,125	-	-	- 94	18,874

Values in thousand euros

As stated in note 2 b), impairment tests are carried out annually. In the case of Bourrassé and Elfverson, cash flows were projected, based on the budget and plans approved by management. The growth assumptions took into account the expected growth for the wine, champagne and sparkling wine market, as well as the evolution of the market share of the subsidiaries in this business. In the case of Bourrassé, the tests used operational cash-flow growth rates of 67% for the period 2023-2025 and 1.4% for the following years. The growth rate of operating cash-flows forecast at the end of the previous year was 10%, with the increase in growth rates for 2022, the reflection of strategic decisions in companies with a direct impact on the evolution of their activity. In the case of Elfverson, the tests used operational cash-flow growth rates of 40% for the period 2023-2025 and 2% for the years.

For the SACI impairment test, growth in cash flows in the period from 2023 to 2025 was not considered. The discount rate used in the tests described above was 7.53%. Sensitivity analyzes (adjustment of the discount rate by 10% more and the perpetuity growth rate by 20%) would not imply the recording of an impairment in the accounts, for the three cash-generating units under analysis.

11 – Right of Use

	Right of use
Gross Value	11,531
Depreciation and impairments	- 5,289
Opening balance (Jan 1, 2021)	6,241
Increase	1,913
Period deprec. and impairments	- 2,451
Sales and other decreases	- 42
Transfers and reclassifications	510
Translation differences	1
Gross Value	13,114
Depreciation and impairments	- 6,941
Closing balance (Dec 31, 2021)	6,173
Gross Value	13,114
Depreciation and impairments	- 6,941
Opening balance (Jan 1, 2022)	6,173
Increase	1,343
Period Deprec. And Impairments	- 2,221
Sales And Other Decreases	- 39
Transfers And Reclassifications	- 692
Translation Differences	1
Gross Value	12,610
Depreciation and impairments	-8,045
Closing balance (Dec 31, 2022)	4,564

Values in thousand euros

12 – Investment Property

	Investment Property
Gross Value	22,121
Depreciation and impairments	- 16,718
Opening balance (Jan 1, 2021)	5,403
Increase	-
Period deprec. and impairments	- 92
Sales and other decreases	-
Transfers and reclassifications	-
Translation differences	-
Gross Value	22,121
Depreciation and impairments	- 16,810
Closing balance (Dec 31, 2021)	5,311
Gross Value	22,121
Depreciation and impairments	- 16,810
Opening balance (Jan 1, 2022)	5,311
Perimeter entry	-
Increase	-
Period deprec. and impairments	- 39
Sales and other decreases	- 2,038
Transfers and reclassifications	731
Translation differences	-
Gross Value	13,936
Depreciation and impairments	- 9,970
Closing balance (Dec 31, 2022)	3,966

Values in thousand euros

The amount of 3,966 K€ in Investment Property (December 2021: 5,311 K€), is mainly related to land and buildings that are not used in production.

The fair value of the Investment Property related to the lands and buildings of Corroios (determined on the basis of an independent evaluation) corresponds to the amount recorded in the accounts.

At the end of the year, management analyzed these assessments and considered that they were still up to date. These properties are not generating income and conservation and repair costs are insignificant.



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Acoustic insulation, thermal comfort and improved air quality are just some of the properties of Amorim Cork Flooring. Walking comfort, impact resistance and high performance complete the range of benefits provided by cork flooring. Sustainable and energy efficient solutions based on circular economy principles.

13 – Investments in Associates and Joint-Ventures

	2022	2021
Opening Balance	42,401	24,046
In / Out	- 15,262	15,403
Results	4,846	2,995
Dividends	- 1,140	- 1,822
Exchange Differences	1,195	53
Other	43	1,726
End Balance	32,083	42,401
Equity method	4,846	2,995
Share of (loss)/profit of associates and joint-ventures	4,846	2,995

Values in thousand euros

The associates and joint-ventures are entities through which the group operates in the markets in which they are based, acting as distribution channels of products.

The book values are described by subsidiary:

2022	Share in net assets	Goodwill	Total	Contribution to net income
Trescases	6,093	1,715	7,808	962
Wine Packaging & Logistic	1,214	-	1,214	-
Corchos Argentina	6,182	-	6,182	1,320
Vinolok	16,329	-	16,329	2,832
Cold River's Homestead	0	-	0	- 291
Others	550	-	550	24
End Balance	30,368	1,715	32,083	4,846

Values in thousand euros

2021	Share in net assets	Goodwill	Total	Contribution to net income
Trescases	5,481	1,715	7,196	791
Wine Packaging & Logistic	1,138	-	1,138	-
Corchos Argentina	4,174	-	4,174	- 577
Vinolok	13,768	-	13,768	2,483
Cold River's Homestead	15,553	-	15,553	300
Others	572	-	572	- 3
End Balance	40,686	1,715	42,401	2,995

Values in thousand euros

As a result of the assessment that the associate Corchos de Argentina, S.A. made on the functional currency in which it operates, in 2022 the functional currency was changed to the Euro. In this way, the result of operations started to be determined in accordance with this assumption.

A summary of the respective financial information is presented below:

2022	Trescases (50%)	Corchos Argentina (50%)	Vinolok (50%)	Wine Packaging & Logistic (50%)
	K €	K €	K CZK	K CLP
Current assets	21,783	11,823	361,397	1,053,395
Non-current assets	1,425	1,385	577,958	6,006,542
Assets	23,207	13,208	939,354	7,059,937
Equity	13,549	12,363	787,413	3,451,659
Current liabilities	9,327	845	113,950	815,924
Non-current liabilities	-	-	37,990	2,792,354
Sales	42,629	16,857	554,068	2,629,064
Operating profit	2,900	3,138	377,660	82,256
Net income	2,173	2,709	139,133	108,285
Comprehensive income	2,173	2,709	139,133	108,285

2021	Trescases (50%)	Corchos Argentina (50%)	Vinolok (50%)	Wine Packaging & Logistic (50%)	Cold River (50%)
	K €	K ARS	K CZK	K CLP	K €
Current assets	19,795	ND	346,012	990,876	1,699
Non-current assets	1,376	ND	518,619	6,261,922	29,079
Assets	21,171	ND	864,631	7,252,798	30,778
Equity	12,076	981,476	687,281	3,343,374	30,680
Current liabilities	9,095	ND	127,351	729,192	98
Non-current liabilities	-	ND	49,999	3,180,232	-
Sales	39,132	ND	515,658	2,298,474	1,253
Operating profit	1,762	ND	157,354	12,606	- 166
Net income	1 279	- 125,831	127,324	7,173	- 168
Comprehensive income	1 279	- 125,831	127,324	7,173	- 168

In addition to the above, the Group has significant influence on a set of other individually immaterial associates.

14 – Other Financial Assets

	2022	2021
Hedge accounting assets	1,141	1,154
VAT	23,639	23,585
Stamp tax/VAT - special payment (PERES)	2,051	2,051
Stamp tax/VAT - special payment (PERES) impairment	- 2,051	- 2,051
Investments in funds, capitalization insurance and similar	8,396	-
Others	8,798	21,851
Other debtors	41,973	46,590

Values in thousand euros

Investments in funds, capitalization insurance and similar essentially refer to SACI Group's capitalization insurance. These insurance policies (insurance policies associated with investment funds) are short-term investments, which can be sold when necessary without any particular constraint.

Assets included in other non-current financial assets (December 31, 2022: 1,945 K€, December 31, 2021: 1,868 K€) refer to financial assets at fair value through profit or loss, including essentially equity instruments. They are measured at fair value and when it is estimated that there are no significant differences in relation to the cost this is maintained. The assets were acquired with the main purpose of sale or resale, as appropriate, and in certain cases ensuring the maintenance and survival of entities that Corticeira Amorim considers partners for its business. The effective management of the underlying operations and assets continues to be exclusively provided by the partners, serving the financial participation as a mere "guarantee" of the investment made.

As of December 31, 2022, and 2021, there were no overdue amounts of VAT.

15 – Deferred Tax / Income Tax

▪ Deferred tax and income tax

The difference between the tax due for the current period and prior periods and the tax already paid or to be paid of said periods is booked as deferred income tax in the consolidated income statement and amounts to +5,125 K€ (31/12/2021: -2,617 K€).

On the consolidated statement of financial position this effect, excluding tax contingencies, amounts to 13,235 K€ (31/12/2021: 12,131 K€) as asset, and to 44,014 K€ (31/12/2021: 51,041 K€) as liability.

Deferred tax related with items directly registered in equity was -127 K€ (debt balance) and relates to hedge accounting. No other deferred tax values related with other equity movements were booked.

It is conviction of the Board that, according to its business plan, the amounts registered in deferred tax assets will be recovered as for the tax carry forward losses.

	2022	2021
Related with Inventories and third parties	8,540	6,860
Related with tax losses carry forward	1,412	1,450
Related with Fixed Tangible Assets / Intang. / Inv. Prop	386	981
Related with other deductible temporary differences	2,897	2,841
Deferred Tax Assets	13,235	12,131
Related with Fixed Tangible Assets	2,927	4,190
Related with other taxable temporary differences	4,915	3,205
Tax contingencies	36,172	43,646
Deferred Tax Liabilities	44,014	51,041
Current Income Tax	- 19,899	- 15,805
Deferred Income Tax	13,960	- 2,617
Income Tax	- 5,939	- 18,422

Values in thousand euros

The difference between the variation in the financial position (net of + 8,132 K€) and the value recognised in income statement (+ 13,960 K€) is justified by the recognition of an asset receivable arising from the reversal of the provision for tax contingencies in the amount of 3.2 M€, not classified under deferred tax headings, due to perimeter variations, the exchange rate effect on the balance sheets of subsidiaries non-euro and by the variation in the amount of deferred taxes relating to other comprehensive income.

Accounting effective tax rate

Following chart explains the effective income tax rate, starting from the original income tax rate of most of Portuguese companies:

Income Tax Reconciliation	2022	2021
Income Tax - Legal	21.0%	21.0%
Effect of additional tax rates over base rate (Portugal)	3.7%	3.4%
Effect of tax benefits	-9.0%	-7.8%
Effect of provisions for contingencies	-9.8%	0.3%
Effect of non-taxable gains and losses	0.1%	0.1%
Effect of different tax rates (foreign subsidiaries)	0.7%	2.0%
Effect of recognising/non-recognising of differed taxes (foreign subs.)	-0.1%	0.0%
Equity method	-0.9%	-0.6%
Effect of tax benefit related to subsidiaries issued shares	-0.0%	0.0%
Effect of excess tax estimate and others	-0.5%	-0.3%
Income tax – effective tax rate (1)	5.1%	18.2%

(1) Income Tax / Pre-tax Profit

Contributing to the reduction of the effective rate was the judgment of the North Administrative Central Court in the 2007 IRC case which implied the cancellation of the provision in the amount of 8.2 M€ and the recognition of an asset received from the State (mainly due to payments of Peres and receipt of interest) in the amount of 3.2 M€. It should be remembered that in the previous year the effective rate was affected by the capital gains of the property in Chile, and the rate of taxation of Chile was higher than the average of Corticeira Amorim in 2020.

The effect of the calculation of tax benefits for investment (SIFIDE - System of Tax Incentives for Business R&D and RFAI - Tax Regime for Investment Support), in comparison with the provisions reversed related to this benefit (Corticeira Amorim maintaining the recognition policy conditioned to the future achievement of objectives), had practically no impact on the result.

During the year, the amount of 12.1 M€ (2021: 18.6 M€) for income tax was paid. Of this amount, the amount of 0.7 M€ was paid in Portugal in The R.E.T.G.S. (in 2021 there was a payment of 9.4 M€).

Corticeira Amorim and a large group of its Portuguese subsidiaries are taxed since January 1, 2001, as a group special regime for tax purposes (RETGS), as according to article 69, of the income tax code (CIRC). The option for this special regime is renewable every year.

According to law, tax declarations for Corticeira Amorim and its Portuguese subsidiaries are subject of revision and possible correction from tax authorities generally during the next four years, except in specific situations provided for by law.

No material effects in the financial statements, are expected by the Board of Corticeira Amorim and subsidiaries from the revisions of tax declarations that will be held by the tax authorities.

The tax rate applicable to Portuguese subsidiaries is 21%, plus municipal and state surcharges.

The activity of the subsidiaries of the Group located outside Portugal is subject to the general tax regime in the respective countries and states. During the year 2022 there were no significant changes in the tax rate applicable to subsidiaries in countries where the Group has significant operations.

The only deferred tax amount related to items credited / debited directly in equity is related to the fair value of hedging instruments and amounts to -127 K€ (-94 K€ in 2021).

The amount of deferred taxes, excluding tax contingencies, is essentially related to temporary differences that can be realised in the short term. The recovery of tax assets is based on future forecasts for normal rates of return for companies and growth in line with those of Business Units.

Tax losses carried forward are related with foreign subsidiaries. Total amounts to 9.4 M€, of which around 3.8 M€ are considered to be utilised. This report has a term of use beyond 2024.

Tax relating to components of other comprehensive income is as follows:

2022	Before Tax	Tax	After Tax
Items that could be reclassified through income statement:			
Change in derivative financial instruments fair value	859	- 127	732
Change in translation differences	2,148	-	2,148
Share of other comprehensive income of investments accounted for using the equity method	1,238	-	1,238
Other comprehensive income	246	-	246
Other comprehensive income	4,490	- 127	4,363

Values in thousand euros

2021	Before Tax	Tax	After Tax
Items that could be reclassified through income statement:			
Change in derivative financial instruments fair value	- 446	- 94	- 540
Change in translation differences	665	-	665
Share of other comprehensive income of investments accounted for using the equity method	1,704	-	1,704
Other comprehensive income	- 459	-	- 459
Other comprehensive income	1,464	- 94	1,370

Values in thousand euros

Provisions for tax contingencies

Provisions for tax contingencies related to income tax ended with a value of 36.2 M€ (31.12.2021: 43.6 M€). During the year, the provisions in the statement of financial position decreased by 7.5 K€. As previously mentioned, the judgment of the North Central Administrative Court in the 2007 IRC case entailed the cancellation of the provision in the amount of 8.2 M€ and reversal of impairments accounted for in previous years in relation to amounts receivable on account of payments made within the scope of the regularization plan called PERES, plus indemnity interest, in the amount of 3.2 M€. It should be remembered that this process originated basically, in matters related to the provision of unpaid guarantees between group companies, in loans between group companies (Stamp Tax), with the deductibility of interest of holding companies (SGPS), with the non-acceptance of expenses such as tax expenses and losses related to liquidation of subsidiaries.

This way, Corticeira Amorim's claims are pending, both in the judicial phase and in the non-contentious phase, and which may adversely affect Corticeira Amorim, refer to the financial year 2015. The most recent fiscal year analysed by Portuguese tax authorities was 2020.

At the end of each year, an analysis of the tax cases is made. The procedural development of each case is important to decide new provisions, or reverse or reinforce existing provisions. Provisions correspond to situations that, for its procedural development or for doctrine and jurisprudence newly issued, indicate a probability of an unfavorable outcome for Corticeira Amorim and, if that happens, a cash outflow can be reasonably estimated. Note that during the year there were no developments worthy of note in the processes mentioned above.

The value of tax processes to date for the 2022 accounts amounted to 51 k€, being fully provisioned and with seniority.

In addition to the tax provisions referred to above, Corticeira Amorim has recorded a provision to cover the tax benefits to apply for 2022 and applied in previous years. The certification requirement by ANI of SIFIDE projects, the requirement for maintenance of jobs over five years in RFAI projects as well as other constraints to the realisation of benefits, has led Corticeira Amorim to record provisions in order to take account of future breaches of such requirements. It should be noted that the determination of the tax benefits cannot be concluded, since its constraints extend over several years, in particular as regards the maintenance of jobs. The main increase in the provision for tax contingencies is related to the provision to cover the tax benefits mentioned, having increased by 8.6 M€. The reduction in the provision for tax benefits for the year was 8.1 M€. This provision at the end of 2022 has a value of 34.2 M€.

The provision related to a Spanish subsidiary, which at the end of the year totaled 1.5 M€, still remains in the accounts, due to the uncertainty of the tax authorities' acceptance of the existing tax carry forward.

There are no tax proceedings that have not been provisioned, thus, contingent liabilities are zero.

Corticeira Amorim's has a number of processes underlying the claim of tax amounts with the Tax Authority, namely payments relating to autonomous taxation, inspection fees and tax benefits. The value of these processes amounts to 0.8 M€, which is not recorded as part of its assets. Total contingent assets amount to 8.1 M€ (including amounts paid under the RERD and PERES).

Income tax – statement of financial position

	2022	2021
Incometax-minimumadvances	4	167
Incometax-advances/toberecovered	10,109	9,943
Incometax-withholding	40	288
Incometax-special payment (RERD)	2,093	2,093
Incometax-special payment (RERD) impairment	- 2,093	- 2,093
Incometax-special payment (PERES)	5,330	5,330
Incometax-special payment (PERES) impairment	- 3 113	- 5,330
Incometax(assets)	12,370	10,398
Incometax-Estimation and others	6,661	4,421
Incometax(liabilities)	6,661	4,421

Values in thousand euros

In 2013, Corticeira Amorim made the payment instituted by DL 151-A / 2013 (RERD) in the amount of 4.3 M€, a payment that does not imply the abandonment by Corticeira Amorim of defending the respective processes. In 2016, a final decision was made on one of the paid processes relating to stamp taxes, which was partially won by Corticeira Amorim, which received 1.2 M€ of the amount paid of 1.7 M€. In 2019, the final decision of another process was won by Corticeira Amorim, which implied the receipt of 0.5 M€. In this way, the amount that remains open for ongoing proceedings paid under the RERD is 2.1 M€.

At the end of 2016, a special Plan for the Reduction of Indebtedness to the State (PERES) was approved by Decree-Law no. Corticeira Amorim decided to adhere to part of the eventual fiscal responsibilities to that measure. In December, approximately 7.4 M€ were paid in respect of Stamp Tax / VAT (2 M€) and Income Tax (IRC) in the amount of 5.4 M€. Of the amount paid, an amount of less than 100 K€ was received due to legal proceedings won by Corticeira Amorim. In the financial year, the impairment of 2.2 M€ relating to PERES, resulting from the judgment of the North Central Administrative Court mentioned above, was reversed. The remaining payments remain open.

To be noted that Corticeira Amorim had no outstanding debts to the social security and tax authorities, wherein the amounts in question concern those subject to court litigation. The processes that were chosen for adhesion to the special plan were old cases, wherein the amounts of interest due on late payments and fines to be paid, would be high in the event of losing the litigation.

RERD and PERES allowed for the payment of the capital without any payment regarding late payment interests and other costs. Due to the fact that adhesion to RERD and PERES does not imply a mandatory abandonment of the court cases and those procesedings are still in court, Corticeira Amorim will continue to fight for its rights.

The liability amount under this account heading includes the estimate of income tax payable by some foreign subsidiaries when the tax return for the year 2022 is presented.

16 – Inventories

	2022	2021
Goods	25,022	21,320
Raw materials	225,144	183,653
Finished and semi-finished goods	145,267	117,900
Work in progress	20,177	25,172
Finished and semi-finished goods impairments	- 8,080	- 5,876
Raw materials impairments	- 2,300	- 2,002
Inventories	405,229	340,167

Values in thousand euros

Impairment losses	2022	2021
Initial Balance	7,879	8,390
Increases	3,260	1,873
Decreases	759	2,385
End Balance	10,380	7,879

Values in thousand euros

Raw materials essentially include reproduction cork (“amadia” cork) and virgin cork from pruning the tree (“falca” cork) (Raw Material BU), products and work in progress essentially include boiled cork and discs (Raw Materials BU) and finished products essentially include a variety of types of cork stoppers (Cork Stoppers BU), coverings (Floor and Wall Coverings BU) and composite products (Composite Cork BU).

17 – Trade Receivables

	2022	2021
Gross amount	216,821	192,320
Impairments	- 9,029	- 9,668
Trade receivables	207,792	182,653

Impairment losses	2022	2021
Initial Balance	9,668	12,174
Increases	3,741	1,654
Decreases	- 4,097	- 3,984
Others	- 283	- 176
End Balance	9,029	9,668

Values in thousand euros

Increases and decreases were recognised under the account heading, impairment of assets, in the income statement.

At the end of each period, Trade receivables credit quality is analysed. As a result of the adoption of IFRS 9 to the balances up to 90 days, an expected credit loss is recognised. From 90 to 120 days a 30% impairment register is considered and from 120 to 180 days 60%. Over 180 days as well as all doubtful balances are fully impaired. These rules do not overlap the need for analysis of specific cases.

Due and past due balances are as follows:

	2022	2021
Due	164	141
Past due between 0 and 90 days	45	40
Past due between 90 and 120 days	3	2
Past due between 120 and 180 days	2	2
Doubtful and past due over 180 days	4	7
	217	192

Values in thousand euros

18 – Other Assets

	2022	2021
Accrued income	1,218	478
Advances to suppliers	18,923	7,107
Deferred costs	3,979	2,011
Other assets	24,121	9,596

Values in thousand euros

Other non-current debtors include advances to suppliers (2,509 K€), which will only take place over 12 months.



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Lisbon Cruise Terminal, designed by the architect Carrilho da Graça, inaugurated a new type of lightweight structural white concrete, with granulated cork. The solution, developed by Amorim Cork Composites, made it possible to reduce the terminal's overall weight, since it has 40 per cent less mass than ordinary concrete. The project won the Valmor Prize, awarded by Lisbon City Council and the Architecture Triennale.



© Magnus Dennis, 2019

The Cork House was built entirely from a single material: expanded cork agglomerate. The innovative construction, with monolithic walls and ceilings supported on beams, is composed of 1268 solid MDFachada blocks, supplied by Amorim Cork Insulation. Winner of the 2019 Stephen Lawrence Award granted by the Royal College of British Architects.

19 – Cash and Cash Equivalents

	2022	2021
Cash	395	924
Bank Balances	76,326	105,948
Term deposits	6,109	2,706
Others	2,038	26
Cash and cash equivalents as for stament of financial position	84,867	109,604
Overdrafts	- 49,527	- 42,544
Cash and cash equivalents as for cash flow statement	35,341	67,060

20 – Capital and Reserves

▪ Share Capital

In the year end, the share capital is represented by 133,000,000 ordinary registered shares, conferring dividends, with a par value of 1 Euro.

The Board of Directors may decide to increase the share capital, on one or more occasions, in the modalities permitted by law, up to the amount of 250,000,000 Euros.

▪ Treasury stock

As of December 31, 2022, Corticeira Amorim held no treasury stock. No transactions were registered during 2022.

▪ Legal reserve and share premium

Legal reserve and share premium are under the legal reserve rule and can only be used for (art. 296 CSC -Portuguese commercial law):

- Offset losses in the financial position that cannot be offset by the use of other reserves;
- Offset losses of prior year that cannot be offset by the profit of the year nor the use of other reserves;
- Incorporation in share capital.

The amounts specified in the account headings of legal reserve and share premium derive from Corticeira Amorim, S.G.P.S., S.A..

▪ Other reserves

Value is composed from other reserves account and prior year's results of Corticeira Amorim, S.G.P.S., S.A. books, as well as non-distributed cumulative results of Corticeira Amorim, S.G.P.S., S.A. subsidiaries.

▪ Dividends

	2022	2021
Approved dividends	38,570	35,910
Dividends paid	38,570	35,910

Values in thousand euros

At the General Meetings of Corticeira Amorim, held on 2022 (28 April 2022 and 5 December 2022), distributions of dividends equivalent to 0.29 euros per share (0.2 euros and 0.09 euros, respectively), were approved. Payments were made on May 13, 2022 and December 20, 2022.

▪ Results per share

As of December 31, 2022 and 2021, there are no dilutive effects on the number of shares outstanding.

21 – Non-Controlling Interest

	2022	2021
Initial Balance	27,336	26,948
In	51,369	48
Out	-6,378	-4,687
Results	12,238	8,281
Dividends	- 5,499	- 2,232
Exchange Differences	276	- 1,072
Others	- 2	50
End Balance	79,339	27,336

Values in thousand euros

The amount of dividends corresponds to the amounts paid by the entities to non-controlling interests.

Non-controlling interest increased, reflecting the entry into the perimeter of the SACI group.

	2022			2021		
	Balance Sheet	Net Income	Dividends paid	Balance Sheet	Net Income	Dividends paid
Amorim Bartop	2,797	326	1,088	2,058	- 979	950
Amorim Top Series	3,603	2,680	-	2,423	2,111	-
Ets. Christian Bourrassé	-	-	-	4,693	159	-
Francisco Oller	887	20	-	1,578	7	-
Industria Corchera	9,242	1,087	2,896	10,326	4,869	303
Elfverson	4,544	191	-	- 1,069	76	-
Trefinos	2,413	672	182	1,923	526	364
Victor y Amorim	1,207	513	-	1,094	420	330
SACI Group	50,689	5,810	610	-	-	-
Outros	3,958	939	723	4,311	1,091	285
End Balance	79,339	12,238	5,499	27,336	8,281	2,232

Values in thousand euros

The main financial indicators as they result from the statutory accounts are as follows:

2022	Grupo SACI	Trefinos	Francisco Oller	Elfverson	Amorim Bartop	Amorim Top Series	Industria Corchera	Victory Amorim
	K €	K €	K €	K SEK	K €	K €	K CLP	K €
Current assets	91,774	27,395	14,514	36,131	1,719	35,876	14,353,698	3,740
Non-current assets	40,670	16,670	23,481	26,651	12,111	6,476	8,517,307	873
Assets	132,445	43,112	37,994	62,782	13,829	42,352	22,871,005	4,614
Total Equity	95,043	26,920	25,953	24,786	13,829	20,016	16,735,345	2,415
Current liabilities	35,136	15,161	7,870	12,148	1	20,834	4,886,217	2,045
Non-current liabilities	2,266	1,984	4,171	25,848	0	1,502	1,249,444	154
Sales	117,488	60,103	27,839	78,103	-	63,398	18,357,396	10,386
Operating profit	22,069	9,888	934	5,897	5,988	14,573	1,817,780	1,366
Net Income	9,686	7,394	758	1,446	5,991	11,587	1,973,096	1,026
Comprehensive income	9,686	7,394	758	1,446	5,991	11,587	1,973,096	1,026
Cash flow from operating activities	11,609	6,103	1,033	13,796	- 12	9,927	8,812,889	959
Cash flow from investing activities	- 4,674	- 2,821	- 2,407	- 8,542	6,863	- 2,819	- 3,598,520	- 113
Cash flow from financing activities	10,889	- 2,014	- 834	- 205	- 6,875	- 4,208	- 5,082,458	- 801
Net cash flow	17,824	1,268	- 2,209	5,049	- 23	2,901	131,912	45

2021	Bourrasé	Socori	Trefinos	Francisco Oller	Elfverson	Amorim Bartop	Amorim Top Series	Industria Corchera	Victory Amorim
	K €	K €	K €	K €	K SEK	K €	K €	K CLP	K €
Current assets	15,490	39,000	21,331	14,338	33,190	2,033	25,498	25,946,167	3,367
Non-current assets	13,536	15,485	15,750	21,578	21,169	12,061	4,609	5,125,308	874
Assets	29,026	54,485	37,081	35,916	54,359	14,094	30,107	31,071,475	4,241
Total Equity	20,513	35,608	21,458	25,114	23,434	12,188	14,341	19,961,461	2,189
Current liabilities	8,294	13,767	13,546	8,794	10,053	655	14,571	10,036,587	1,900
Non-current liabilities	219	5,110	2,077	2,008	20,872	1,251	1,195	1,073,427	152
Sales	46,577	49,111	50,862	24,775	63,573	-	47,665	18,433,622	9,335
Operating profit	1,636	1,182	7,534	115	6,335	4,999	10,455	1,494,317	1,117
Net Income	1,112	838	5,749	84	3,101	4,985	8,259	8,795,345	840
Comprehensive income	1,112	838	5,749	84	3,101	4,985	8,259	8,795,345	840
Cash flow from operating activities	7,508	8,810	6,473	603	11,068	25	7,770	546,646	700
Cash flow from investing activities	- 295	- 2,749	- 1,910	- 1,989	- 5,365	5,011	- 1,197	- 1,253,606	- 87
Cash flow from financing activities	- 256	2,336	- 3,659	- 1,998	- 211	- 5,094	- 6,372	446,296	- 678
Net cash flow	6,957	8,397	904	- 3,384	5,492	- 58	201	- 260,664	- 65

22 – Interest Bearing Debt

At year-end, current interest-bearing loans was as follows:

	2022	2021
Overdrafts and bank loans	67,177	62,863
Leasing	1,809	1,779
Factoring	-	5,462
Commercial paper	40,000	-
Interest-bearing loans - current	108,986	70,103

Values in thousand euros

Loans were denominated in euros, except 7% (Dec. 2021: 28%).

Non-current interest-bearing loans was as follows:

	2022	2021
Bank loans	16,217	21,190
Leasing	2,452	4,015
Commercial paper	46,200	22,450
Bond loans	40,000	39,918
Interest-bearing loans - non-current	104,869	87,573

Values in thousand euros

At the end of the period, 95% of loans were denominated in euros (Dec. 2021: 98%).

As of December 31, 2022, maturity of non-current interest-bearing debt was as follows:

Between 01/01/2024 and 31/12/2024	38,284
Between 01/01/2025 and 31/12/2025	37,765
Between 01/01/2026 and 31/12/2026	7,435
After 01/01/2027	21,385
Total	104,869

Values in thousand euros

From non-current and current interest-bearing debt, 127.6 M€ carries floating interest rates. Remaining 86.3 M€ carries fixed interest rate. Average cost, during 2022, for all the credit utilised was 1.18% (2021: 0.89%).

On March 5, 2015, Corticeira Amorim entered into a loan agreement with the EIB in the amount of 35 M€, ten years, with a four-year grace period. This loan allowed Corticeira Amorim to expand substantially its maturity curve at a competitive price.

On 3 December 2020, Corticeira Amorim launched its first Green Bond issue, in the amount of € 40 M, by private subscription, without guarantees and for a period of 5 years, earning interest at a fixed rate every six months and with staggered repayment (25% at the end of the 4th year and 75% at maturity). This issue was an important milestone in its sustainability strategy, reaffirming its ongoing commitment to the application of ESG (Environmental, Social and Governance).

On August 3, 2021, Corticeira Amorim reformulated a program for the issuance of commercial paper of 20 M€, transforming it into Sustainability Linked through the introduction of two KPIs: (i) consumption of energy from renewable sources and (ii) non-renewable waste, valued cork; that will influence the interest rate on issues if the respective target levels are not reached. This program will expire on August 3, 2024.

Corticeira Amorim's 3rd ESG operation - a program for the issuance of green commercial paper of 11.6 M€ was carried out on 17 December 2021 and will expire on 22 December 2026, intended to finance the investment in photovoltaic panels by some companies from the different Business Units of Corticeira Amorim.

During 2022, Corticeira Amorim completed 2 more ESG operations: (i) a 35 M€ green commercial paper issue program maturing on 26 November 2029 and (ii) a green commercial paper issue program of 20 M€ maturing on 20 June 2027; both under the Corticeira Amorim Green Finance Framework – November 2022. Issuances carried out within the scope of said programs are intended to refinance the acquisition of the company Herdade de Rio Frio, S.A., the acquisition of a land of 1,855 hectares and the financing of investment in new plantations of cork oaks, all within the scope of the Intervention Project Corticeira Amorim Forestry.

As of December 2022, Corticeira Amorim had credit lines with contractual clauses that include covenants generally used in these types of contracts, namely: cross-default, pari-passu and in some cases negative pledge.

As of December 31, 2022, one foreign subsidiary was not using a credit facility covered by a loan mortgage guarantee on assets. These assets are booked on Statement of financial position of those subsidiaries.

Corticeira Amorim and two foreign subsidiaries used financing as at 31 December 2022 (a total of around 50 M€) to which financial covenants were associated. These consisted, essentially, in the fulfillment of ratios that allow monitoring the financial situation of companies, namely:

- Asset coverage ratio;
- Fixed charge coverage ratio;
- Net income; and
- Net debt/ EBITDA (Interest-bearing loans and equivalent)/ total cash-flow

The above ratios are not restrictive and the requirements contained in the contracts that formalised the referred financing were largely and fully complied with. In the event of non-compliance, there would be a possibility that this would lead to the early repayment of the debts.

In addition, it is important to inform that the capacity to ensure debt service was further enhanced by the existence, as of December 31, 2022, of 220.1 M€ of credit lines approved, but not used.

23 – Trade Payables

	2022	2021
Trade payables - current account	81,362	72,036
Trade payables - confirming	67,407	72,752
Trade payables -invoices pending	21,780	16,036
Trade payables	170,549	160,825

From the total values, 62% comes from Cork Stoppers BU (2021: 53%) and 20% from Raw Materials BU (2021: 22%).

24 – Other Financial Liabilities and Other Liabilities

Other financial liabilities

	2022	2021
Repayable grants	11,412	14,527
Other	487	117
Other financial liabilities - non current	11,899	14,644
Repayable grants	2,915	2,870
Agreement to acquire non-controlling interests	0	4,962
Accrued costs - supplies and services	4,545	5,789
Accrued costs - others	8,633	7,777
VAT	6,812	6,271
State and social security - withholding and others	7,961	7,605
Other	16,005	10,541
Other financial liabilities - current	46,871	45,816

Values in thousand euros

In Other financial liabilities is included a value of 2,306 K€ (2021: 1,126 K€), which refers to exchange rate hedge derivatives.

In the amount of 16 005 K€ of Other – current, includes 2 M€ payable in July 2023 referring to the acquisition of the SACI Group and the variation compared to the same period of the previous year is considerably justified with the incorporation of the companies of the SACI Group that represent more than 3.5 M€.

In Other financial liabilities – non-current (11,899 K€), maturity is as follows: from 1 to 2 years (7,690 K€), from 2 to 4 years (4,026 K€) and more than 4 years (182 K€).

The agreement to acquire non-controlling interests results from the purchase of S.A.S. ETS CHRISTIAN BOURRASSE, in which 60% of the share capital was first acquired, for the amount of 29 M €. The agreement provides for the subsequent acquisition by 2022 of the remaining 40% (“agreement for acquisition of non-controlling interests”) at a price which, based on the value already paid for the first 60%, will also depend on the evolution of BOURRASSE’s performance in next years. The first tranche of 10% was acquired during the month of July, in June 2020 the second tranche and in June 2021 the third tranche. In July 2022 the fourth and final tranche corresponding to 10% of BOURRASSE was acquired.

▪ Other liabilities

	2022	2021
Non-repayable grants	6,998	4,326
Accrued income	1,130	68
Accrued costs - staff costs	15,338	13,308
Other liabilities - current	23,466	17,701

Values in thousand euros

The balances related to grants had the following variation:

Non-repayable grants	2022	2021
Opening Balance	4,326	3,116
Transfer to gains	- 2,620	- 2,487
Received during the year	2,656	1,245
Reclassifications/Transfers	2,637	2,452
Closing Balance	6,998	4,326

Values in thousand euros

Repayable grants	2022	2021
Opening Balance	17,397	17,985
Paid during the year	- 2,681	- 2,403
Received during the year	1,571	4,390
Reclassifications/Transfers	- 1,960	- 2,574
Closing Balance	14,327	17,397

Values in thousand euros

Transfers is due largely to repayable benefits that were in the meantime, in some subsidiaries, converted into non-repayable and to the recognition of interest through measurement at amortised cost.

Most of the grants received by Corticeira Amorim is intended for investments aimed at increasing the production capacity and modernisation of industrial facilities, improving the quality of manufactured products, or improving energy and utilising its main raw material (cork).

Most of the projects that gave rise to grants classified as repayable; these are normally subject to evaluation, already at cruising stage, and if agreed targets are met, part or even all of the subsidy is converted into non-refundable.

There are no unpaid amounts associated with grants classified as non-repayable, nor are there conditions that are not yet to be met for recognition.

25 – Provisions

	2022	2021
Tax contingencies	125	122
Guarantees to customers	983	677
Others	3,365	2,900
Provisions	4,473	3,698

Values in thousand euros

		Tax Contingencies		Customer Guarantees	Others	
		Stamp tax	Others			
Opening balance 2021		62	550	475	2,262	3,349
Recognition	Other costs - Note 30				623	623
	Sales			202		202
Reversal	Other gains - Note 30				- 58	- 58
Translation differences					59	59
Reclassification			- 490			- 490
Direct allocation					13	13
Ending balance 2021		62	60	677	2,900	3,698

Values in thousand euros

		Tax Contingencies		Customer Guarantees	Others	
		Stamp tax	Others			
Opening balance 2022		62	60	677	2,900	3,698
Recognition	Other costs - Note 30		-		598	598
	Sales			306		306
	Income tax		13			13
	Others				445	445
Reversal	Other gains - Note 30				- 568	- 568
	Others				- 466	- 466
Translation differences			- 10		- 17	- 27
Perimeter variation					503	503
Direct allocation					- 30	- 30
Ending balance 2022		62	63	983	3,366	4,473

Values in thousand euros

In the year ended December 31, 2022, the item customer guarantees (which are essentially from the Floor and Wall Coverings business unit) increased by 306 K€, and are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Claims by the tax authorities are related with stamp tax and marginally VAT.

Other contingencies

Other contingencies essentially include provisions for termination of employment (1.3 M€) and ongoing processes (0.6 M€).

26 – Post-Employment Benefits

Post-employment benefits	
Opening balance 2021	2,068
Others	116
Recognition Reversal	
Non-current costs	
Other gains - Note 30	
Translation differences	
Perimeter variation	
Direct allocation	
Ending balance 2021	2,184

Post-employment benefits	
Opening balance 2022	2,184
Others	-115
Recognition Reversal	
Non-current costs	
Other gains - Note 30	
Perimeter variation	533
Direct allocation	
Ending balance 2022	2,603

Values in thousand euros

At the Elfverson subsidiary, the company provides a defined benefit pension plan for administrative employees born in 1978 or earlier. The plan is managed by the PRI Pensionsgaranti. In order to estimate its liabilities for the payment of these benefits, the procedure for calculating the actuarial liabilities was determined in accordance with the “Projected Unit Credit Method”, in accordance with IFRS.

The main assumptions assumed were as follows: discount rate 1.0%, salary increase 1.9%; median life expectancy: DUS 14 (as determined by the Actuarial Research Board). The total number of employees benefiting from the plan is 27. The estimated responsibility for the end of the year is 997 K€ (2021: 970 K€).

Amorim Cork Italia has responsibilities regarding TFR (trattamento di fine rapporto). This is due by the company to the employee when the contractual relationship ends, whether the company or the employee to terminate the connection or at the time of retirement. This amount equals about 1 month / year of work. Amorim Cork Italia has accrued this amount, following the update rules defined by the government (a law is issued annually with the revaluation percentage of amounts from previous years). The value of the liabilities is approximately 667 K€ (2021: 780 K€).

Remaining amounts related mainly to the liabilities of the Bourrassé (227 K€), ICAS SpA (532 K€) and Korken Schiesser (175 K€).

27 – Third Party Supplies and Services

	2022	2021
Communications	1,567	1,302
Data systems	10,308	9,402
Insurance	4,785	3,992
Subcontractors	5,971	3,451
Energy	39,944	26,181
Security	1,461	1,209
Professional Fees	1,036	1,165
Tools	3,329	2,221
Oil and gas	3,841	2,296
Royalties	743	1,018
Rentals	6,270	4,755
Transports	39,390	33,749
Representation expenses	1,113	502
Travel	5,487	2,826
Commissions	13,116	9,196
Specialized Services	11,830	10,931
Advertising	8,427	5,066
Maintenance	15,984	13,323
Others	11,873	9,970
Third party supplies and services	186,475	142,554

Values in thousand euros

28 – Staff Costs

	2022	2021
Board remuneration	1,281	858
Employees remuneration	141,871	114,551
Social Security and other	28,172	22,722
Severance costs	1,266	510
Post-employment benefits	753	546
Other	9,810	6,953
Capitalized Costs	-204	- 41
Staff costs	182,950	146,098
Average number of employees	5,073	4,502
Final number of employees	4,999	4,642

Values in thousand euros

Board's remuneration includes Corticeira Amorim, S.G.P.S., SA and any of its subsidiaries. Includes also General Meeting board members expenses.

29 – Impairments of assets

	2022	2021
Receivables	- 432	- 2,184
Tangible, intangible assets and others	589	- 64
Impairments of assets and non-current costs	157	- 2,249

Values in thousand euros

Receivables impairments include customers and other debtors.

30 – Other income and Gains / Other Costs and Losses

	2022	2021
Exchange rate hedging: exchange differences (note 3a))	-	1,778
Exchange rate hedging: var. derivative fair value (note 3a))	871	-
Gain in fixed assets and p. investment disposals	500	- 116
Provisions reversals	568	58
Operating subsidies	1,515	403
Investment subsidies	2,620	2,487
Supplementary income	2,575	2,470
Building revenues	519	287
Own works	1,940	-
Other	9,829	4,549
Other income and gains	20,936	11,915

Values in thousand euros

	2022	2021
Exchange rate hedging: exchange differences (note 3a))	2,724	-
Exchange rate hedging: var. derivative fair value (note 3a))	-	1,983
Taxes (other than income)	2,408	1,887
Provisions	598	623
Loss in fixed assets and p. investment disposals	102	198
Bank charges	1,131	533
Bad debts	1,033	791
Loss in inventory differences	365	106
Donations and fees	939	664
Other	1,866	145
Other costs and losses	11,166	6,930

Values in thousand euros

31 – Non-Recurring Results

Non-recurring results include the sale of an investment property (Interchampanhe), the constitution of impairments (inventories and customers) to reflect a prudent approach to exposure to Russia, Ukraine and Belarus, and restructuring costs, mainly resulting from indemnities paid in the BU Stoppers and Floor and Wall Coverings.

	2022	2021
Restructuring costs	- 1,240	- 1,007
Goodwill impairment	-	- 3,903
Disposal of Indústria Corchera	-	11,296
Disposal of investment properties	3,206	-
Impairments Exposure to Russia	- 1,042	-
Transaction expenses of business combinations	- 250	-
Bonus	- 1,479	-
Non-current results	- 804	6,386

Values in thousand euros



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Álvaro Siza Vieira's design object, Stool, was one of the proposals of Metamorphosis, a project developed by Corticeira Amorim, in partnership with experimentadesign.



© Pedro Sadio & Maria Rita, 2013

Eduardo Souto Moura's Door Handle and Handrail was another of the proposals within the framework of the Metamorphosis project.

32 – Financial Costs and Financial Income

	2022	2021
Interest costs - bank loans	1,167	811
Interest costs - other entities	1,202	401
Stamp tax	161	123
Interest costs - other	845	354
	3,375	1,688
Interest gains - bank deposits	58	7
Interest gains - other loans	361	72
Interest gains - delayed payments	43	15
Interest gains - other	127	8
	590	102
Net financial costs	2,785	1,586

Values in thousand euros

Interest costs – other entities includes 96 K€ (2021: 39 K€) is included to apply the amortised cost.

33 – Related-Party Transactions

Corticeira Amorim consolidates directly in AMORIM – INVESTIMENTOS E PARTICIPAÇÕES, S.G.P.S., S.A. with its registered office at Mozelos (Santa Maria da Feira, Portugal), the Amorim Group holding company.

As of December 31, 2022, the financial stake of AMORIM – INVESTIMENTOS E PARTICIPAÇÕES, S.G.P.S., S.A. in Corticeira Amorim was 51%, corresponding to 51% of voting rights.

Corticeira Amorim 's transactions with related companies are, in general, due to the rendering of services through some of AMORIM – INVESTIMENTOS E PARTICIPAÇÕES, S.G.P.S. subsidiaries (Amorim Serviços e Gestão, S.A., Amorim Viagens e Turismo, S.A., OSI – Sistemas Informáticos e Electrotécnicos, Lda.). Total revenue of these subsidiaries to the remaining Corticeira Amorim companies was of 11,664 K€ (2021: 11,855 K€).

Additionally, at the end of the year, company OSI – Sistemas Informáticos e Electrotécnicos, Lda. Was acquired for 2.8 M€ from a related party. The amount of the transaction was calculated according to an independent appraiser.

Sales from Quinta Nova, S.A., AMORIM - INVESTIMENTOS E PARTICIPAÇÕES, S.G.P.S., S.A. subsidiary to Corticeira Amorim subsidiaries was 21 K€ (2021: 13 K€). Purchases totalled 241 K€ (2021: 41 K€).

Cork acquired during 2022, from companies held by the main indirect shareholders of Corticeira Amorim, amounted to 1,321 K€ (2021: 450 K€). This corresponds to less than 2% of total acquisitions of that cork raw-material.

Balances at year-end 2022 and 2021 are those resulting from the usual payment terms (from 30 to 60 days) and so are considered to be immaterial.

Services are usually traded with related parties on a “cost plus” basis in the range of 2% to 5%.

The total short-term remuneration of key personnel (including the executive committee of the SGPS and general managers of the Business Units) at Corticeira Amorim reached the value of 3,504 K€ (2021: 3,164 K€). The value of post-employment benefits, other long-term benefits, termination benefits and share-based payments is nil.

34 – Auditor’s Fees

EY auditor’s remuneration for the group of subsidiaries and for Corticeira Amorim was 479 K€ (2021: 357 K€) and detailed as follows:

Nature of service			Audit	Review of interim financial information and other assurance engagements	Other services	TOTAL
EY SROC	Corticeira Amorim	Value	46,650	26,450	-	73,100
		%	64%	36%	0%	100%
	Entities that integrate the group	Value	206,793	19,100	13,800	239,693
		%	86%	8%	6%	100%
	Total	Value	253,443	45,550	13,800	312,793
		%	81%	15%	4%	100%
EY global network companies	Corticeira Amorim	Value	0	0	0	0
		%	0%	0%	0%	0%
	Entities that integrate the group	Value	161,800	-	4,000	165,800
		%	98%	0%	2%	100%
	Total	Value	161,800	0	4,000	165,800
		%	98%	0%	2%	100%
Total	Corticeira Amorim	Value	46,650	26,450	0	73,100
		%	64%	36%	0%	100%
	Entities that integrate the group	Value	368,593	19,100	17,800	405,493
		%	91%	5%	4%	100%
	Total	Value	415,243	45,550	17,800	478,593
		%	87%	10%	4%	100%

Values in thousand euros

The item Review of interim financial information and other assurance services includes the limited review of the consolidated financial statements for the six-month period ended June 30, 2022, independent review of the sustainability report, Independent review of the obligations report greens and certification of combined financial statements and execution of procedures for validating applications within the scope of the RRP (“Recovery and Resilience Plan”).

The Other services item includes the carrying out of life cycle studies and/or carbon footprint analysis of various products of the Cork Stoppers Business Units and technical support for applications within the scope of the RRP.

In 2022, fees in the amount of 379 K€ were paid for Audit services provided by other Audit firms.

35 – Other Information

a. Net profit per share calculation used the average number of issued shares deducted by the number of average owned shares. The non-existence of potential voting rights justifies the same net profit per share for basic and diluted shares

	2022	2021
Total issued shares	133,000,000	133,000,000
Average nr. of treasury shares	-	-
Average nr. of outstanding shares	133,000,000	133,000,000
Net Profit (thousand euros)	98,395	74,755
Net Profit per share (euros)	0.740	0.562

b. Guarantees

In the course of its operational activity, CORTICEIRA AMORIM issued guarantees to third parties amounting to 267 K€ on 12/31/2022 (Dec. 2021: 283 K€).

Beneficiary	Amount	Purpose
Government agencies	77	Investment support
Other	190	Other
TOTAL	267	

Values in thousand euros

Commitments relating to the purchase of cork amount to 71,471 K€ (2023: 62,688 K€; 2024: 2,110 K€, 2025: 2,561 K€ and 2026 and onwards 4,112 K€).

c. Financial assets and liabilities

Financial assets are mainly registered in the loans and other receivables account heading. As for financial liabilities they are included in the amortised cost liability.

Detail of financial assets and liabilities:

	Financial assets at amortized cost	Financial assets at fair value	Derivatives as hedging	Total
Trade receivables (note 17)	182,653			182,653
Other financial assets (note 14)	45,436	1,868	1,154	48,458
Cash and cash equivalents (note 19)	109,604			109,604
Total as of December 31, 2021	337,693	1,868	1,154	340,715
Trade receivables (note 17)	207,792			207,792
Other financial assets (note 14)	32,437	10,341	1,141	43,918
Cash and cash equivalents (note 19)	84,867			84,867
Total as of December 31, 2022	325,096	10,341	1,141	336,578

Values in thousand euros

	Loans and payables	Accounts payable	Agreement to acquire non-controlling interests	Derivatives as hedging	Derivatives not designated as hedging	Total
Interest-bearing loans (note 22)	157,676					157,676
Trade payables (note 23)		160,825				160,825
Other financial liabilities (note 24)	17,397	37,042	4,962	1,086	41	60,527
Total as of December 31, 2021	175,073	197,866	4,962	1,086	41	379,028
Interest-bearing loans (note 22)	213,855					213,855
Trade payables (note 23)		170,549				170,549
Other financial liabilities (note 24)	14,327	44,441	0	2		58,770
Total as of December 31, 2022	228,182	210,027	0	2	-	443,174

Values in thousand euros

Customers balances are denominated in USD (7.6%), CLP (4.4%), GBP (2.3%), AUD (0.9%), DKK (0.7%) and ZAR (0.6%) and the remainder is almost totally euro based. Exchange rate differences are due, mainly, to non-euro based customer's balances, as well as foreign currency loans used as a hedge accounting instrument.

Corticeira Amorim understands that the fair value of the classes of financial instruments presented does not differ significantly from its book value, taking into account the contractual conditions of each of these financial instruments.

Current assets and liabilities, given their short-term nature, have an accounting value similar to fair value.

The non-current net debt at a fixed rate includes a part that was contracted during 2015. As there were no significant variations in the reference interest rates, the rate negotiated at the time does

not differ substantially from current market conditions, so the fair value does not differ significantly from the book value. The remaining non-current debt at a fixed rate corresponds to the Green Bonds.

In the case of Other Financial Liabilities (essentially grants with no interest bearing measured at fair value at initial recognition), given the magnitude of the initial adjustment difference to be recognized in the income statement, the maturities and current interest rate levels, the difference between the book value and fair value is not significant.

d. Reconciliation of Alternative Performance Measures

According to the guidelines of the ESMA (European Sales and Marketing Association) of October 2015 on Alternative Performance Measures (APM), Corticeira Amorim presents below a table to reconcile APMs that are not directly readable in the primary financial statements.

Management report	Consolidated financial statements
Gross margin	Sales - Cost of goods sold and materials consumed + Change in manufactured inventories
Gross margin %	Gross margin / (Sales + Change in manufactured inventories)
Operational costs	Third party supplies and services + Staff costs + Impairments of assets - Other income and gains + Other costs and losses + Depreciation
Working capital	Inventories + trade receivables - trade payables + other operating assets - other operating liabilities
Invested capital	Goodwill + tangible fixed assets + intangible assets + right of use + working capital + investment properties + Investments in associates and joint ventures + other operating assets / (liabilities)
Net interest-bearing debt / consolidated debt	Current and non-current Interest-bearing loans - cash and cash equivalents
Financial autonomy	Equity / Total assets

e. War in Ukraine

The war that started in 2022 in Ukraine launched unprecedented uncertainty in Europe, with an impact on the Group's activity. Corticeira Amorim complied with the restrictive measures imposed by the European Union, with the main target being Russia and the Ukrainian regions under Russian control.

After the outbreak of war, the two subsidiaries that Corticeira Amorim has in the Russian market were conditioned in terms of activity and financial movements outside the Russian Federation. With regard to these subsidiaries, which have a small number of employees, an impairment was recognized on the residual assets that remain on the market.

In 2021, sales by companies that consolidate in Corticeira Amorim to Russia and Belarus represented 1.2% of total sales, while in 2022 they represented just 0.5% of total sales (conducted in compliance with contracts entered into before entering into force of restrictive measures).

For this reason, we consider that the risk of losing business in these markets was not, and is not, significant, being easily offset in other markets.



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Launch of the MATERIA - Cork by Amorim collection in 2011, as part of Fuorisalone in Milan, considered to be the world's most important design event, launched implementation of a broader strategy of involving notable creative talent to conquer new territories for cork.



Amorim Cork Composites, through the Go4Cork brand, has developed a collection of objects designed to facilitate the practice of Yoga, while at the same time strengthening our connection with nature.

36 – Subsequent Events

On February 2, 2023, the judgment of the North Central Administrative Court was issued, which considered the appeal filed by the Tax Authority in the process related to the 2007 IRC to be unfounded. subsequent and adjustable, the effects of this judgment were reflected in the 2022 financial statements.

At the date of issuance of this report, there were no other material events that could materially affect the financial position and future results of Corticeira Amorim and all subsidiaries included in the consolidation.

Mozelos, March 27, 2023
The Board of
CORTICEIRA AMORIM, S.G.P.S., S.A.

Chairman:
António Rios de Amorim

Vice-Chairman
Nuno Filipe Vilela Barroca de Oliveira

Members:
Fernando José de Araújo dos Santos Almeida
Cristina Rios de Amorim Baptista
Luisa Alexandra Ramos Amorim
Juan Ginesta Viñas
José Pereira Alves
Marta Parreira Coelho Pinto Ribeiro
Cristina Galhardo Vilão
António Lopes Seabra



Report and Opinions of the Supervisory and Auditing Bodies Órgãos

08

Since 2011, Corticeira Amorim's employees have participated in Green Cork, a programme promoted by Quercus which promotes the recycling of cork stoppers and planting of native trees. It has contributed to the planting of tens of thousands of cork oak trees in Portugal.

CORTICEIRA AMORIM, S.G.P.S., SA

Report and Opinion of the Audit Committee - 2022 Financial Year

Dear Shareholders,

Pursuant to the Law and the mandate given to us, we hereby submit our Report on our supervisory business activity and issue our Opinion on the Management Report and Individual and Consolidated Financial Statements presented by the Board of Directors of Corticeira Amorim, S.G.P.S., S.A. (Corticeira Amorim or Company) for the financial year ended 31 December 2022.

I - Activity Carried Out

The Audit Committee of Corticeira Amorim was elected at the General Meeting of Shareholders of 23 April 2021. At the same General Meeting, the Anglo-Saxon management and supervisory model was adopted. This includes the Board of Directors, as administration bodies, and the Audit Committee and Statutory Auditor as supervisory and control bodies. The Audit Committee was preceded, in its role as a supervisory body, by a Supervisory Board in office until that date. On 3 May 2021, the Board of Directors appointed an Executive Committee, delegating to it the implementation of the Board of Directors' decisions and the day-to-day management of Corticeira Amorim and also, through the issuing of binding instructions, the day-to-day management of its direct and indirect subsidiaries.

The Audit Committee regularly monitored the activities of the Company and its main subsidiaries and oversaw compliance with the law and the Company's Articles of Association. It supervised the Company's administration, the effectiveness of internal control systems, including risk management, compliance and internal audit functions and the preparation and disclosure of individual and consolidated financial information. In addition, the Board monitored the accuracy of the accounting records, of the individual and consolidated financial statements and of the accounting policies and valuation criteria adopted by the company. It also appraised the reasonableness of the Management's estimates and judgements in matters that presuppose a higher level of subjectivity, in order to verify if they adequately reflect the company's assets and its individual and consolidated results and cash flows.

In this financial year, the meetings and other work that are part of the functions of the Audit Committee were held either in person or by telematic means. The necessary meetings and discussions with other partners of the Audit Committee were held with the required regularity and to adequate depth, regardless of the form in which the meetings were held. The members of the Committee were also present, likewise in person or by telematic means, at the meetings of the Board of Directors held during the 2022 financial year. The Audit Committee members, except for its chairperson, also led specialised committees of the Board of Directors on matters of importance for the Company's life. The chairman of the Audit Committee was appointed by the non-executive directors as Independent Lead Director for the current term of office (2021-2023).

In carrying out its duties, the Audit Committee met regularly with representatives of the Statutory Auditor, in order to monitor the auditing work carried out, from the planning stage to the respect conclusions of the final audit, and also verified its independence. In this regard, the Audit Committee analysed the proposals presented to it for the provision of services, other than auditing services, by the Statutory Auditor Firm, and approved those that respected permitted services that would not affect the independence of the Statutory Auditor Firm and fulfilled other legal requirements. The Audit Committee monitored the functioning of the system for reporting irregularities and transactions with related parties, as is its remit. It concluded that these transactions were carried out in the interests of the Company, within the scope of the normal business activity of the Company or of its subsidiaries, and under normal market conditions.

The Committee met with the departmental representatives with responsibility for preparing the individual and consolidated accounts, as well as with the Internal Auditor, the heads of the Legal and Tax Departments and the head of the Compliance area, and it received full collaboration from them. The Audit Committee also met with members of the Board of Directors and the Executive Committee, who answered all the questions raised and explained the plans and objectives of the Company. During the 2022 financial year, monitoring of the impacts of the COVID-19 pandemic on Corticeira Amorim's activities continued to be of particular importance, in addition, in this financial year, to monitoring the effects resulting from the war in Ukraine, as well as the measures adopted to mitigate such impacts and effects, whether in protecting the health of all employees in face-to-face activities, or in the continuity of the Group's industrial and commercial operations.

The Audit Committee analysed the Statutory and Auditor's Report on the Individual and Consolidated Financial Statements for the financial year of 2022, which comprise the Consolidated and Individual Statements of the Financial Position on 31 December 2022, the Individual and Consolidated Income Statements by Nature of Expense, the Individual and Consolidated Statements of Comprehensive Income, the Individual and Consolidated Statements of Changes in Equity and the Individual and Consolidated Statements of Cash Flows and the notes to

the Individual and Consolidated Financial Statements. No reservations were raised in relation to any of these documents. The Audit Committee also analysed (1) the Confirmation of Independence and (2) the Additional Report sent to it by the Statutory Auditor Firm, both sent on the date of completion of the auditing work.

The Audit Committee also analysed the Corporate Governance Report, being only responsible for certifying if it includes all the elements stipulated in Article 29-H of the Portuguese Securities Code, which the Audit Committee verified.

II - Opinion

It is hereby stated, within the scope of the duties of the Audit Committee, that, to the best of our knowledge and belief, the aforementioned financial statements have been prepared in accordance with applicable accounting standards and they give a true and fair view of the assets and liabilities, financial position and results of CORTICEIRA AMORIM, S.G.P.S., S.A. and the Group led by it. Also, that the annual report faithfully presents the business evolution, performance and financial position of the Group, and contains an adequate description of the main risks and uncertainties faced by the Group. The Board also certifies that the Corporate Governance Report includes all elements stipulated in article 29-H of the Securities Code.

Under these terms, and taking into account the steps taken, the opinions and the information received from the Board of Directors, the Company services, the Statutory Auditor and the External Auditor, the Audit Committee is of the opinion that:

1. The Individual and Consolidated Management Report for the financial year of 2022 should be approved;
2. The Individual and Consolidated Financial Statements for the financial year of 2022 should be approved;
3. The results appropriation proposal presented by the Board of Directors, which is duly substantiated, should be approved.

Mozelos, 05 April 2023

The Audit Committee

José Pereira Alves – Chairperson

Marta Parreira Coelho Pinto Ribeiro – Board member

Maria Cristina Galhardo Vilão – Board member

António Lopes Seabra – Board member



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Double Press Belt technology - which makes it possible to produce high-density cork rolls for incorporation into flooring solutions.

(Translation from the original Portuguese language. In case of doubt, the Portuguese version prevails.)

Statutory and Auditor's Report

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Corticeira Amorim, SGPS, S.A. (the Group), which comprise the Consolidated Statement of Financial Position as at 31 December 2022 (showing a total of 1.269.316 thousand euros and a total equity of 744.926 thousand euros, including a net profit for the year attributable to the equity holders of the Group of 98.395 thousand euros), the Consolidated Statement of Income by Nature, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Corticeira Amorim, SGPS, S.A. as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and guidelines as issued by the Institute of Statutory Auditors. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. We are independent of the entities comprising the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Institute of Statutory Auditors' code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters in the current year audit are the following:

1. Inventories

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>As at 31 December 2022, Inventories amount to 405.229 thousand euros, net of impairment losses of 10.380 thousand euros, and represent around 32% of total assets.</p> <p>They are comprised of cork, cork stoppers and other cork derived processed products, which are spread across several locations.</p>	<p>Our audit approach included the performance of the following procedures:</p> <ul style="list-style-type: none"> ▶ We obtained an understanding of the inventories process and identified the controls implemented related to the existence and valuation of inventories in the relevant subsidiaries; ▶ We attended the physical counts of inventories in all relevant subsidiaries and geographies, carried at or near year-end,

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>As disclosed in Note 2 i) of the notes to the consolidated financial statements, inventories are valued at the lower of cost and net realizable value. The Group applies a criteria based on rotation to record impairment losses on inventories. This methodology is based on assumptions made by the Board of Directors to determine appropriate percentages to provide for impairment losses for each category of inventories.</p>	<p>with the focus on the identification of indicators of impairment of inventories due to obsolescence or damage as well as evaluating their correct classification;</p> <ul style="list-style-type: none"> ▶ We verified the underlying contractual terms for an extended sample of contracts with suppliers of the main raw material; ▶ We performed analytical review procedures on the valuation of finished goods and work in progress and tested in detail the inventories cost accounting process by selecting a representative sample of bill of materials; ▶ We tested the underlying assumptions in the determination of impairment losses on inventories, in the light of available information on rotation of inventories, obsolete inventories and consumptions/sales; and ▶ We evaluated the consistency of the criteria utilized in comparison with prior years. <p>We also considered the adequacy of the applicable disclosures (IAS 2), included in Notes 2 i) and 16 of the notes to the consolidated financial statements.</p>

2. Provisions and contingencies

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>As disclosed in notes 15 and 25 of the notes to the consolidated financial statements, the Group has identified several tax and legal contingencies. Provisions for tax and legal contingencies are accounted for whenever the Group considers that an unfavourable outcome is probable, in accordance with IAS 37 and, in the case of contingencies related to income tax, in accordance with IFRIC 23. The assessment of the likelihood of the outcome is supported by the opinion of legal and tax advisors.</p> <p>As at 31 December 2022, liabilities from tax contingencies related to income tax amount to 36.172 thousand euros (Note 15) and provisions for tax contingencies amount to 4.473 thousand euros (Note 25). The estimate of the potential outflow of resources requires a high degree of judgement by the Board of Directors and it is therefore considered a key matter.</p>	<p>Our audit approach included the performance of the following procedures:</p> <ul style="list-style-type: none"> ▶ Understanding and evaluating the monitoring processes for tax contingencies and reviewing all existing documentation; ▶ Performing an analysis of pending tax claims, as well as potential tax contingencies, with the support of our tax specialists; ▶ Making inquiries to the Board of Directors and to the Directors of the legal and tax departments regarding the basis for their estimates and judgements; ▶ Analysing the replies to the information requests made to the external lawyers; and ▶ Evaluating the consistency of the criteria utilized in comparison with the prior years, considering the provisions of IFRIC 23. <p>We also considered the adequacy of the applicable disclosures, included in Notes 2 j), 2 l), 15 and 25 of the notes to the consolidated financial statements.</p>

3. Acquisition of SACI Group

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>In January 2022, the Group acquired 50% of the share capital of SACI, S.r.l. ("SACI Group"), for a total amount of 48.658 thousand euros.</p> <p>This acquisition was material to the Group, given the size of SACI Group, and its accounting involved judgement by the Board of Directors to conclude on the acquisition of control over SACI Group and to allocate the transaction price to the fair value of the identifiable assets acquired and liabilities assumed, and which resulted in goodwill amounting to 9.125 thousand euros.</p>	<p>Our audit approach included the performance of the following procedures:</p> <ul style="list-style-type: none"> ▶ Reviewing the acquisition agreement and confirming the payment of the consideration; ▶ Assessing the judgments by the Board of Directors about control, in light of the provisions of IFRS 10 – Consolidated financial statements; ▶ Testing the initial recognition at fair value of the identifiable assets acquired and liabilities assumed, in light of the provisions of IFRS 3 – Business combinations, including analysing the independent appraisal of the fair value of the existing customer relationship; ▶ Testing the inclusion of SACI Group in the consolidated financial statements from the acquisition date, reviewing the correct homogenization of accounting policies and criteria with the ones applied by Corticeira Amorim; ▶ Meeting and obtaining the conclusions from the auditors of the major subsidiary, ICAS, SpA, on the balances considered by reference to the acquisition date and as at 31 December 2022; and ▶ Evaluating the assumptions utilized in the valuation models approved by the Board of Directors and which formed the basis for the goodwill impairment test, namely the cash flow projections, the discount rate, the inflation rate, the perpetual growth rate and the sensitivity analysis. <p>We also considered the adequacy of the applicable disclosures (IFRS 3), included in Notes 2 b) and 6 of the notes to the consolidated financial statements.</p>

Responsibilities of management and the supervisory board for the consolidated financial statements

Management is responsible for:

- ▶ the preparation of consolidated financial statements that present a true and fair view of the Group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union;
- ▶ the preparation of the Consolidated Management Report, the Corporate Governance Report, the consolidated statement of non-financial information and the remunerations report, in accordance with applicable laws and regulations;
- ▶ designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ▶ the adoption of accounting policies and principles appropriate in the circumstances; and

- ▶ assessing the Group's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern that may cast significant doubt on the Group's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- ▶ obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion;

- ▶ communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- ▶ from the matters communicated with those charged with governance, including the supervisory body, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter; and
- ▶ we also provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Our responsibility includes the verification of the consistency of the Consolidated Management Report with the consolidated financial statements, and the verification under nr. 4 and nr. 5 of article 451 of the Commercial

Companies Code regarding corporate governance matters, and the verification that the consolidated statement of non-financial information and the remunerations report were presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the Consolidated Management Report

Pursuant to article 451, nr. 3, paragraph e) of the Commercial Companies Code, it is our opinion that the Consolidated Management Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited consolidated financial statements and, having regard to our knowledge and assessment of the Group, we have not identified any material misstatement.

On the Corporate Governance Report

Pursuant to article 451, nr. 4, of the Commercial Companies Code, it is our opinion that the Corporate Governance Report includes the information required of the Group in accordance with article 29-H of the Securities Code, and we have not identified any material misstatements of the information provided therein in compliance with paragraphs c), d), f), h), i) and l) of nr. 1 of the said article.

On the consolidated statement of non-financial information

Pursuant to article 451, nr. 6, of the Commercial Companies Code, we inform that the Group has included in its Sustainability Report the consolidated statement of non-financial information as per article 508-G of the Commercial Companies Code, which has been disclosed together with the Management Report.

On the remunerations report

Pursuant to article 26-G, nr. 6, of the Securities Code, we inform that the Group has included in the Corporate Governance Report, on a separate chapter, the information required in the nr. 2 of the said article.

On additional items set out in article 10 of the Regulation (EU) nr. 537/2014

Pursuant to article 10 of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and in addition to the key audit matters mentioned above, we also report the following:

- ▶ We were appointed as auditors of Corticeira Amorim, SGPS, S.A. (the Group's parent company) for the first time in the shareholders' general meeting held on 7 April 2017 for a mandate from 2017 to 2019. In the shareholders' general meeting held on 23 April 2021 we were appointed for a new mandate from 2021 to 2023;
- ▶ Management has confirmed that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the consolidated financial statements. In planning and executing our audit in accordance with ISAs we maintained professional skepticism and we designed audit procedures to respond to the possibility of material misstatement in the consolidated financial statements due to fraud. As a result of our work we have not identified any material misstatement in the consolidated financial statements due to fraud;
- ▶ We confirm that our audit opinion is consistent with the additional report that we have prepared and delivered to the supervisory body of the Group as of today; and
- ▶ We declare that we have not provided any prohibited services as described in article 5 of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and that we have remained independent of the Group in conducting the audit.

European Single Electronic Format (ESEF)

The accompanying consolidated financial statements of Corticeira Amorim, SGPS, S.A. for the year ended 31 December 2022 must comply with the applicable requirements set out in the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (ESEF Regulation).

Management is responsible for preparing and disclosing the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements, included in the annual report, are presented in accordance with the requirements set out in the ESEF Regulation.

Our procedures considered the OROC Technical Application Guide (GAT 20) on report in ESEF and included, among others:

- ▶ obtaining an understanding of the financial reporting process, including the submission of the annual report in valid XHTML format; and
- ▶ the identification and evaluation of the risks of material distortion associated with the marking-up of the information of the financial statements, in XBRL format using iXBRL technology. This evaluation was based on the understanding of the process implemented by the Group to mark-up the information.

In our opinion, the accompanying consolidated financial statements included in the annual report are presented, in all material respects, in accordance with the requirements set out in the ESEF Regulation.

Oporto, 5 April 2023

Ernst & Young Audit & Associados – SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Represented by:

(Signed)

Rui Manuel da Cunha Vieira - ROC nr. 1154
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Since 1963, Corticeira Amorim has been using the by-products of its industrial processes to develop new products, solutions and applications.

Consolidated Annual Report

2022

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