

# CONSOLIDATED ANNUAL REPORT

Non-compliant ESEF

CORTICEIRA AMORIM

# 2021



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Non-compliant ESEF

CORTICEIRA AMORIM

2021

Unofficial and unaudited version (pdf) of the Annual Report of Corticeira Amorim, S.G.P.S., S.A. – fiscal year 2021.

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,

The world economy experienced major fluctuations in 2021, caused by the impact and management of the SARS-CoV-2 pandemic. The multiple waves of contagion, public health measures and mobility restrictions implemented over the course of the year continued to affect business evolution. Clear signs of economic recovery were nonetheless recorded. Vaccination led to a lower spread of serious infections, which in turn enabled economic agents to recover confidence, as the overall context became more favourable for the conduct of economic activity.

The global economic context posed a series of obstacles, some of which were unexpected, such as the disruption of logistics chains and the escalation of the costs of several productive factors. These challenges were overcome or managed with apparent success, albeit with increased costs, which made it possible to recover the general output levels that prevailed in 2019.

In this demanding framework, Corticeira Amorim has continued to develop its business activity in a resilient and committed manner and attained a remarkable level of consolidated sales in 2021 - €837.8 million, 13.2% higher than the previous year - for which all Business Units contributed. In operational terms, the company's performance was marked by the effect of the exchange rate volatility and increasing inflationary pressures, especially the prices of non-cork raw materials, transport costs and energy. Through rigorous and prospective management of these factors, it was possible to end the year with a remarkable record level of consolidated net income: €74.8 million, 16.2% higher than in 2020.

We ended the year with confidence. We have a vast team of Men and Women who are prepared, determined and passionate about our business activity. Investment in R&D+i has delivered distinctive technological advances, in terms of processes, product quality and reliability and a vast and expanding portfolio of solutions and applications. We also assume our responsibility for the promotion and development of the cork oak tree: we support fundamental scientific research related to the cork oak tree and design and test new methods, systems and technologies for the development of this unique forest, promoting its profitability, biodiversity and sustainability.

We are committed to securing higher growth, while guaranteeing everyone's safety and well-being, the development of our People, efficient resource management, protection of the balance of ecosystems and the circularity of processes and the economy. We are increasingly contributing to attaining a sustainable development model and a more cohesive and conscious society, prepared to face the multiple challenges that lie ahead, with ambition, perseverance and tenacity.

We view the situation in Eastern Europe with great concern, aware that peace is absolutely essential for the development of Humanity.

We therefore hope that 2022 may still be a year of peace and prosperity for all.

**Antonio 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 DIRECTORS<sup>1</sup>

**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

## EXECUTIVE COMMITTEE

**José Pereira Alves**  
Chairman

**Marta Parreira Coelho Pinto Ribeiro**  
Member

**Maria Cristina Galhardo Vilão**  
Member

## AUDIT COMMITTEE

**José Pereira Alves**  
Chairman

**Marta Parreira Coelho Pinto Ribeiro**  
Member

**Maria Cristina Galhardo Vilão**  
Member

**Maria Cristina Galhardo Vilão**  
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



56 DISTRIBUTION COMPANIES  
12 JOINT-VENTURES  
17 INDUSTRIAL UNITS  
10 RAW MATERIAL PREPARATION UNITS



### Geographic distribution of companies

Country	A	B	C	D	Country	A	B	C	D	Country	A	B	C	D	Country	A	B	C	D
Algeria	.	.	.	1	Canada	1	.	.	.	France	11	1	.	.	Portugal	4	3	13	4
South Africa	1	.	.	.	Chile	3	3	.	.	Netherlands	1	.	.	.	United Kingdom	2	.	.	.
Germany	4	.	.	.	China	2	1	.	.	Hungary	1	.	.	.	Czech Rep.	.	1	.	.
Argentina	1	1	.	.	Denmark	1	.	.	.	Italy	3	.	.	.	Russia	2	.	.	.
Australia	1	.	.	.	Spain	3	1	2	3	Morocco	.	.	.	1	Sweden	1	.	.	.
Austria	2	.	.	.	USA	7	.	1	.	Moldavia	1	.	.	.	Switzerland	1	.	.	.
Bulgaria	1	.	.	.	Finland	1	.	.	.	Poland	1	1	.	.	Tunisia	.	.	.	1

- A Distribution Companies
- B Joint-Ventures
- C Industrial Units
- D Raw Material Preparation Units



# ORGANISATIONAL CHART



**RAW MATERIALS**

Amorim Florestal, S. A.

**CORK STOPPERS**

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

**1 Amorim Florestal, S.A.**  
Ponte de Sôr – Portugal**2 Amorim Florestal, S.A.**  
Coruche – Portugal**3 Amorim Florestal, S.A.**  
Abrantes – Portugal**4 Amorim Florestal, S.A.**  
**Unid. Ind. Salteiros**  
Ponte de Sôr – Portugal**5 Cosabe – Companhia**  
**Silvo – Agrícola da Beira, S.A**  
Lisboa – Portugal**6 Cold River's**  
**Homestead, S.A.**  
Lisboa – Portugal**7 S.I.B.L. – S.A.R.L.**  
Iijel – Algeria**8 Amorim Florestal**  
**España, S.L**  
Algeciras – Spain**9 Amorim Florestal**  
**España, S.L.**  
San Vicente de Alcántara  
– Spain**10 Amorim Florestal**  
**Mediterrâneo, S.L.**  
San Vicente de Alcántara  
– Spain**11 Comatral – Compagnie**  
**Marocaine de**  
**Transformation**  
**du Liège, S.A.**  
Skhirat – Morocco**12 S.N.L. – Société Nouvelle**  
**du Liège, S.A.**  
Tabarka – Tunisia**13 Société Tunisienne**  
**d'Industrie Bouchonnière**  
Tabarka – Tunisia**Production****14 Amorim Cork, S.A.**  
Santa Maria de Lamas  
– Portugal**15 Amorim Cork, S.A. Unid.**  
**Ind. Portocork**  
Santa Maria de Lamas  
– Portugal**16 Amorim Cork, S.A. Unid.**  
**Ind. Valada**  
Valada – Portugal**17 Amorim Cork, S.A. Unid.**  
**Ind. Coruche**  
Coruche – Portugal**18 Amorim Cork, S.A. Unid.**  
**Ind. De Sousa**  
Paços de Brandão – Portugal**19 Amorim Top Series, S.A.**  
Argoncilhe – Portugal**20 Amorim Champcork, S.A.**  
Santa Maria de Lamas  
– Portugal**21 Biocape – Importação**  
**e Exportação**  
**de Cápsulas, Lda.**  
Mozelos – Portugal**22 Socori, S.A.**  
Rio Meão – Portugal**23 Francisco Oller, S.A.**  
Girona – Spain**24 Trefinos, S.L.**  
Girona – Spain**25 Elfverson & Co. AB**  
Påryd – Sweden**Distribution****26 Amorim Cork, S.A.**  
**– Unid. Distribuição**  
Santa Maria de Lamas  
– Portugal**27 Amorim Cork**  
**South Africa (PTY) Ltd.**  
Cape Town – South Africa**28 Amorim Cork**  
**Deutschland, GmbH**  
Bingen am Rhein  
– Germany**29 Corchos de Argentina, S.A.**  
Mendoza – Argentina**30 Amorim**  
**Australasia PTY Ltd.**  
Adelaide – Australia**31 Korken Schiesser, GmbH**  
Viena – Austria**32 Amorim Cork**  
**Bulgaria, EOOD**  
Sofia – Bulgaria**33 Corchera Gomez Barris, S.A.**  
Santiago – Chile**34 Corpack ACI S.A.**  
Santiago – Chile**35 Wine Packaging &**  
**Logistic, S.A.**  
Santiago – Chile**36 Industria Corchera, S.A.**  
Santiago – Chile**37 Amorim Cork Beijing, Ltd.**  
Beijin – China**38 Agglotap S.A.**  
Girona – Spain**39 Victor y Amorim, S.L.**  
Navarrete (La Rioja)  
– Spain**40 Amorim Cork España S.L.**  
San Vicente de Alcántara  
– Spain**41 ACIC – USA LLC**  
Napa Valley, CA – USA**Distribution (cont.)****42 Portocork America, Inc.**  
Napa Valley, CA – USA**43 Trefinos USA LLC**  
Fairfield, CA – USA**44 Amorim Cork**  
**America, Inc.**  
Napa Valley, CA – USA**45 Amorim France, S.A.S.**  
Eysines, Bordeaux – France**46 Amorim France S.A.S.**  
**Unid. Champfleury**  
Champfleury – France**47 Bouchons Prioux S.A.R.L.**  
Epernay – France**48 Amorim Top**  
**Series France S.A.S.**  
Merpins – France**49 S.A.S. Ets Christian**  
**Bourasse**  
Tosse – France**50 Sagrera et Cie**  
Reims – France**51 S.A. Oller et Cie**  
Reims – France**52 Société Nouvelle des**  
**Bouchons Trescasses, S.A.**  
Le Boulou – France**53 Portocork France, S.A.S.**  
Bordéus – France**54 Hungarokork Amorim, Rt.**  
Veresegyház – Hungary**55 Portocork Italia, SRL**  
Milão – Italy**56 Trefinos Italia SRL**  
Treviso – Italy**57 Amorim Cork Italia, S.p.A.**  
Conegliano – Italy**58 Amorim Top Series**  
**Scotland, Ltd.**  
Dundee – United Kingdom

<b>R&amp;D, INNOVATION</b>	<b>COMPOSITE CORK</b> Amorim Cork Composites, S.A.	<b>FLOOR &amp; WALL COVERINGS</b> Amorim Cork Flooring, S.A.	<b>INSULATION CORK</b> Amorim Cork Insulation, S.A.
<b>59 Amorim Cork Research, Lda.</b> Mozelos – Portugal	<b>62 Amorim Cork Composites, S.A.</b> Mozelos – Portugal	<b>75 Amorim Cork Flooring, S.A.</b> S. Paio de Oleiros – Portugal	<b>89 Amorim Cork Insulation, S.A.</b> Mozelos – Portugal
<b>60 Amorim Cork Services, Lda.</b> Mozelos – Portugal	<b>63 Amorim Industrial Solutions Imobiliária, S.A.</b> Corroios – Portugal	<b>76 Amorim Cork Flooring, S.A.</b> Lourosa – Portugal	<b>90 Amorim Cork Insulation, S.A.</b> Silves – Portugal
<b>61 Amorim Cork Ventures, Lda.</b> Mozelos – Portugal	<b>64 Amorim Sports, Lda.</b> Mozelos – Portugal	<b>77 Amorim Deutschland GmbH</b> Delmenhorst – Germany	<b>91 Amorim Cork Insulation, S.A.</b> Vendas Novas – Portugal
	<b>65 Korko - made by nature, Lda</b> Mozelos – Portugal	<b>78 Cortex Korkvertriebs GmbH</b> Nürnberg – Germany	
	<b>66 Amorim Cork Composites GmbH</b> Delmenhorst – Germany	<b>79 Amorim Flooring Austria GmbH</b> Viena – Austria	
	<b>67 Chinamate (Xi'an) Natural Products Co. Ltd.</b> Xi'an – China	<b>80 Timberman Denmark A/S</b> Hadsund – Denmark	
	<b>68 Amosealtex Cork Co., Ltd</b> Shangai – China	<b>81 Amorim Flooring North America, Inc.</b> Hanover, MD – USA	
	<b>69 Amorim Cork Composites, Inc.</b> Trevor, WI – USA	<b>82 Amorim Benelux B.V.</b> Tholen – Netherlands	
	<b>70 Corkeen North America, Inc.</b> Trevor, WI – USA	<b>83 Dom Korkowy, Sp. Zo.o</b> Krakow – Poland	
	<b>71 Amorim Sports North America, Inc.</b> Trevor, WI – USA	<b>84 Amorim Flooring Rus, LLC</b> Moscow – Russia	
	<b>72 Corticeira Amorim France, S.A.S.</b> Lavardac – France	<b>85 Amorim Flooring Sweden AB</b> Mölnadal – Sweden	
	<b>73 Amorim (UK) Limited</b> West Sussex – United Kingdom	<b>86 Amorim Flooring (Switzerland) AG</b> Zug – Switzerland	
	<b>74 Amorim Cork Composite, LLC</b> Moscow – Russia	<b>87 Korkkitrio Oy.</b> Tampere – Finland	
		<b>88 Amorim Flooring Canada</b> Toronto – Canada	



# MAIN EVENTS

## 01

Nine years later - a time period equivalent to the natural growth cycle of cork - the Serpentine Summer Pavilion 2020/21 once again presented cork as its chosen material, in a project designed by the South African architecture studio Counterspace.

## Naturity and Xpür: the world's most innovative, ecological and efficient anti-TCA technologies

Corticeira Amorim launched Naturity and Xpür – the world's most innovative, ecological and efficient anti-TCA technologies. The company thereby extended its non-detectable TCA performance to natural and technical cork stoppers. After making significant financial investments, extensive research and development, and major resilience, dedication and time, Corticeira Amorim kicked off the new decade with a profound sense of accomplishment, redefining the future of the cork industry. Naturity is based on the principles of thermal desorption, using a proprietary, non-sequential combination of pressure, temperature, purified water and time. Xpür improves on the decades-old conventional application of supercritical CO<sub>2</sub>, and has updated, reshaped and restructured the concept with 21st century technology.

## Amorim Cork Composites takes cork to Mars

NASA's Perseverance probe landed on Mars in February 2021, with cork from Amorim in its luggage - specifically, composite cork supplied by Amorim Cork Composites' North American unit. NASA's space mission aims to collect samples from the red planet and bring them back to Earth in 2031. To achieve this goal, it counts on support from this incredible material – cork - which lines the TPS capsule and will have to endure the challenging conditions of the return trip to Earth. This space trip is nothing new for either cork or Corticeira Amorim, since the company has been developing projects and solutions in the area of aerospace technologies for over 60 years.

## Corticeira Amorim launches a new corporate website ([www.amorim.com](http://www.amorim.com))

Keeping pace with the ongoing worldwide accelerated digital transformation, Corticeira Amorim's renewed website offers an easy, intuitive and immediate user experience. Optimised for different devices - desktop, tablet and mobile – the website is oriented to respond to the needs and expectations of different stakeholders - such as customers, partners, suppliers, investors and journalists. Totally redesigned to provide prompt responses to the most distinct challenges currently posed by the digitisation of business activity, the new website has an impactful look & feel, enriched by original images, graphics, illustrations, animations and *inline* videos. These characteristics are further reinforced by a strong editorial component, that combines innovation, nature and people.

## ASPORTUGUESAS launches augmented reality app

ASPORTUGUESAS - a footwear concept that uses cork as its core production raw material – has launched the AR try-on application. The technology, which reinforces the 100% Portuguese brand's presence in the digital universe, enables customers to try on all products using Augmented Reality. The IOS application thereby intends to offer consumers a real, effective and on-time experience, while reducing the differences between online and offline purchases.



Corticeira Amorim has extended non-detectable TCA performance to both its natural and technical cork stoppers.



Corticeira Amorim has been developing solutions for the aerospace industry for 60 years.



Amorim Cork Insulation's MDFacade Solution covers the Portuguese pavilion at a horticulture exhibition in China.

© EdReeve, 2021



Amorim Cork's cork stoppers have a negative carbon balance certificate.



## **Amorim Cork Flooring achieves an Investors in People certification**

After achieving the Investors in People standard accreditation in 2020, Amorim Cork Flooring proudly announced that its Business Sales Units around the world were also granted this accreditation in 2021. The distinction is a milestone both in terms of the company's history and the process of internal transformation, that puts people first. The Investors in People: We Invest in People accreditation confirms that the company has a high-performance workplace, in addition to highlighting its clear commitment to sustainability.

## **Amorim Top Series distinguished in the Luxury Packaging Awards**

Amorim Top Series won the Sustainable Supplier of the Year award at the Luxury Packaging Awards. In recognition of the company's strong commitment and practices consistent with sustainability principles, corroborated by rigorous independent studies on its products' carbon balance, the selection committee stated that Amorim Top Series is "increasingly valued by spirits producers as a trustworthy partner in order to meet stringent CO<sub>2</sub> targets". Inclusively because by incorporating Top Series stoppers, spirits producers can mitigate the carbon emissions from other components of their value chain, such as glass bottles or metal packaging components.

## **Amorim Cork nominated for The Golden Vines Innovation Award**

This nomination validates the revolutionary innovations that the company has launched over recent years, as well as its historic commitment to R&D and sustainability. The Golden Vines Awards, which are voted on by more than 150 internationally renowned experts and sommeliers, are attributed to leading members of the wine industry.

## **Corkeen installed in Monsanto Natural Park**

Monsanto Forestry Park, in Lisbon, was the first venue in Portugal to receive the Corkeen system - a revolutionary impact-absorbing surface for play, leisure and recreation spaces. Made from cork - a 100% natural, recyclable and renewable raw material - Corkeen's innovative flooring solution combines safety, accessibility and sustainability credentials, harmoniously combining the concepts of Community, Nature and Planet. Installation of the Corkeen system, as part of the ecological reformulation of the Children's Playground of Monsanto Interpretation Centre, was integrated within the programme of Lisbon 2020 European Green Capital.

## **Portuguese Pavilion made of cork in the Yangzhou International Horticulture Expo**

More than 230 m<sup>2</sup> of cork supplied by Amorim Cork Insulation covered the Portuguese pavilion in the 2021 Yangzhou International Horticulture Exhibition. Dedicated to the theme "Live Green, Live Better", the event focused on people's relationship with nature and the importance of preserving the environment, in order to achieve sustainable economic growth. In addition to the cork pavilion, the Portuguese pavilion also had a garden, which celebrated the best of Portuguese creativity and design and highlighted the green economy.

## **Corticeira Amorim is the most attractive company to work for in Portugal in the industrial sector**

Corticeira Amorim was voted the most attractive company to work for in Portugal in the industrial sector. The distinction resulted from the "Employer Brand Research 2021", the Randstad study that, in Portugal, involved over 5,000 people. In addition to securing first place in the industrial sector, Corticeira Amorim was ranked amongst the top 20 most attractive companies to work for in Portugal, classified in 13th position. "Employer Brand Research" is an independent study conducted worldwide that provides valuable information to help employers shape their brands. The results of the 2021 edition involved the participation of more than 190,000 people, in 34 markets, in a sample that included employed and unemployed people and students.

## **Amorim Cork's products have a certified negative CO<sub>2</sub> balance**

All Amorim Cork product families currently provide a statement of their negative CO<sub>2</sub> balance, offering a significant competitive advantage over the competition. The first CO<sub>2</sub> operation certificates, which provide customers with information on the carbon balance of cork stoppers purchased from Amorim Cork, were issued six years ago, as an unprecedented initiative in the industry, initially restricted to the best customers of natural cork stoppers.

## **Amorim Cork Flooring expands into Canada with new offices in Toronto**

Amorim Cork Flooring celebrated the creation of Amorim Flooring Canada (AFCAN), its most recent business unit, located in Mississauga, on the shores of Lake Ontario. Reflecting the parent company's sustainability values, AFCAN makes a firm commitment to the Amorim Wise product range, Amorim Cork Flooring's green brand, which provides sustainable, PVC-free solutions for cork flooring, with a negative carbon balance. The company is also reintroducing its Wicanders brand in this market, focusing on a renewed image and practical solutions for everyday life.



## Amorim Cork wins a KAIZEN Award

Amorim Cork was distinguished with the Excellence in Innovation award in the 10th edition of the KAIZEN awards. Since 2011, the KAIZEN awards have distinguished Portuguese entities that stand out in terms of the implementation of continuous improvement processes, that have delivered results and gains in profitability and growth. The evaluation committee is comprised by members of either the Kaizen Institute or partner institutions.

## Portuguese Pavilion in the Venice Architecture Biennale uses cork from Amorim

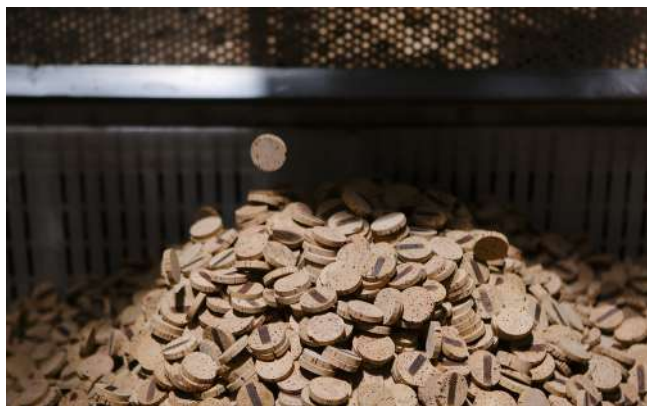
Corticeira Amorim supported the Portuguese representation in the Venice Architecture Biennale. The project *In Conflict*, proposed by the Porto collective depA Architects, was chosen to lead the curatorship of the Portuguese Pavilion (Palazzo Giustinian Lolin, by Fondazione Ugo and Olga Levi) in the 17th edition of the Italian event. The pavilion's structure supports approximately 100 linear metres of technical agglomerated cork. Corticeira Amorim and cork thereby returned to the City of Canals, after previous successful passages in 2013, 2017 and 2019.

## SUBER Design by Michele Lucchi

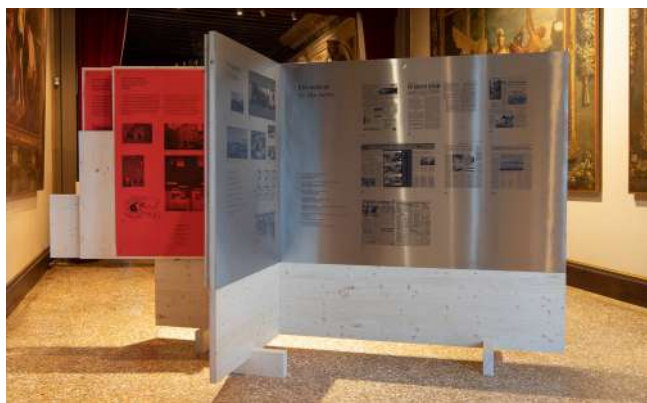
The 17th Venice Architecture Biennale was the venue for presentation of the most recent works produced within the framework of the SUBER Design collection - an initiative launched by Amorim Cork Italia that since 2019 has been offering recycled cork stoppers a second life, initially transforming them into small granules which, after being combined with other materials, are used to create new objects such as lighting systems, tables, benches, umbrella holders or clothes hangers. On this occasion, the creativity of the renowned Italian architect, Michele Lucchi, resulted in the production of 16 benches with a distinctive design.

## Corticeira Amorim supported Forest for Change – The Global Goals Pavilion at the London Design Biennale 2021

Corticeira Amorim was the official Material Partner of the Forest for Change – The Global Goals Pavilion at the London Design Biennale 2021. Created by the British designer Es Devlin OBE and promoted by the non-profit agency Project Everyone, the pavilion's central core was entirely built from cork. The pavilion hosted an interactive installation where visitors could learn about the UN Sustainable Development Goals (SDGs). Jack Headford, associate designer at Es Devlin Studio explained that cork was chosen because: “during the project's development, it became obvious that we needed to work with materials that convey empathy and robustness within the forest. Cork seemed the obvious choice, due to its wooden tones, smooth texture and inherent sustainable nature, as a renewable and biodegradable material. Cork also provided a safe and sturdy flooring solution that blends well with the forest floor, which allows visitors to wander freely through the trees”. The London Design Biennale 2021 invited the most imaginative curators, designers and artists from around the world, whose creative proposals sought to respond to the theme of Resonance.



Amorim Cork implements continuous improvement processes with a view to delivering profitability gains.



After successful participations in 2013, 2017 and 2019, Corticeira Amorim once again took part in the Venice Architecture Biennale.



Benches designed by the Italian architect Michele Lucchi using recycled cork stoppers.



The central core of The Global Goals Pavilion was entirely made of cork, in a project conceived by the British designer, Es Devlin OBE.

© Ed Reeve, 2021



The Herdade de Rio Frio estate, in the district of Setúbal, has thousands of hectares of cork oak forest.



Corticeira Amorim provided material to the Porto Design Biennale that resulted from circular economy practices across all its business units.



© Iwan Bann, 2021

The cork used in the Serpentine Summer Pavilion responded to the challenge posed to Counterspace studio to build a temporary installation with a notable ecological character.



© Juliette Bayen, 2021

Brainless Figure in Cork, a sculptural self-portrait by the Chinese activist, Ai Weiwei.

## Corticeira Amorim acquired 50% of Cold River's Homestead, S.A.

Corticeira Amorim acquired 50% of Cold River's Homestead, S.A., which owns a set of agroforestry assets, including part (3300 hectares) of the Herdade de Rio Frio estate, in the district of Setúbal. The company aims to improve the estate's agroforestry productivity, in particular by increasing the density of the cork oak forest, using processes that have been tested in other estates. Corticeira Amorim also has an agreement with Parvalorem, S.A. for the acquisition of the remaining 50% of Cold River's Homestead, S.A., subject to the verification of certain requirements.

## Corticeira Amorim: associated brand of Porto Design Biennale 2021

The partnership resulted in the provision of material resulting from circular economy practices, a policy that Corticeira Amorim has implemented since the 1960s. Promoted by the municipalities of Porto and Matosinhos, the Porto Design Biennale 2021, dedicated to the theme *Alter-Realities: Designing the Present*, included showcases, exhibitions, conferences, workshops and publications.

## Serpentine Summer Pavilion 2020/21 once again presents cork as its chosen material

Supplied by Corticeira Amorim, cork, a genuinely Portuguese raw material, once again assumed centre-stage in one of the world's leading architecture showcases. The 200 m<sup>2</sup> cork installation responded to the challenge made to the South African studio Counterspace to build an installation that focuses on sustainability. Sumayya Vally (2021 TIME100 Next List), the youngest architect ever chosen to lead the iconic Serpentine architecture programme commented: "Cork was chosen because of its mouldability, malleability and flexibility, making it possible to recreate different spaces inside the pavilion, aligned with its objective of recovering and reconfiguring the local and material context." Based on this assumption, and the fact that cork stands because of its unique sustainability credentials - as a 100% natural, ecological, renewable, recyclable and reusable raw material - the construction of the pavilion uses other green materials, including recycled steel for its structural elements.

## Ai Weiwei uses cork from Amorim to create original works

Cork was one of the materials chosen by the Chinese artist Ai Weiwei to create original works in Portugal. Supplied by Corticeira Amorim, the raw material embodied the activist's sculptural self-portrait, *Brainless Figure in Cork*. The work - produced by Amorim Cork Composites using high-density agglomerate cork - was part of the *Ai Weiwei - Rapture* exhibition, on display at the Cordoaria Nacional, in Lisbon. It should be noted that this is the second time that Ai Weiwei - one of the world's most influential contemporary artists - has used cork supplied by Corticeira Amorim. The first occasion was within the framework of the Serpentine Summer Pavilion 2012 - designed by the Chinese artist and the Swiss architects, Herzog & de Meuron.



## Cork from Amorim in the award-winning Bay Window Tower House

The octagonal building designed by the Japanese architects, Takaaki Fuji and Yuko Fuji, lined with a cork solution developed by Amorim Cork Insulation, featured on all award lists, in particular the Paris Design Awards 2021. This environmentally friendly material created the ideal insulation conditions, while giving the house, located in Tokyo, a differentiating aesthetic.

## Corticeira Amorim joins the Business Roundtable Portugal Association

A group consisting of the 42 leaders of the largest private companies operating in Portugal has joined forces to create the Business Roundtable Portugal Association (BRP), which aims to help Portugal to achieve stronger growth, valuing and qualifying Portuguese citizens, supporting the creation, development and scale of Portuguese companies, and improving the performance of the State. Corticeira Amorim's Chairman and CEO, António Rios de Amorim, is one of the association's vice presidents.

## Google's first physical store uses cork furniture

Cork is used in Google's first physical store in the world. The new store, which opened in New York in the summer of 2021, includes cork furniture created exclusively by the American designer, Daniel Michalik, in a project by the architectural firm Reddymade. Cork is one of the most sustainable materials on earth, and has unique characteristics in terms of CO<sub>2</sub> retention, produced in accordance with circular economy principles. Daniel Michalik explains that this made cork a "natural choice". But the decision wasn't just influenced by cork's sustainability credentials. It was also based on its beauty, human character and the fact that cork resembles "a blank sheet", upon which "customers can project their ideas or experiences of the material, interacting with it, in a unique space".

## Corticeira Amorim distinguished for the third consecutive year in the World Finance magazine's Sustainability Awards

Corticeira Amorim was the big winner in the "Wine products industry" category of the World Finance magazine's Sustainability Awards. Distinguished for the third consecutive year, the company was recognised for its implementation of circular economy principles, preservation of cork oak forests and associated ecosystem services, the promotion of training, safety, well-being, personal, social and professional development of its employees and promotion, support and investment in Research & Development + Innovation, as well as its ambitious medium- and long-term goals and commitments that promote its continuous evolution and ensure sustained economic growth. These assumptions have resulted in a vast portfolio of products, solutions and technologies that deliver higher technical performance, always combined with unparalleled sustainability credentials.



© Masato Nishikawa, s.d.

Housing project in Tokyo, that uses a cork solution, was distinguished in the Paris Design Awards 2021.



© Paul Warchole © Daniel Michalik, s.d.

Cork furniture created exclusively by the North American designer Daniel Michalik for the Google Store in New York.



British designer Tom Dixon has expanded his Cork Collection with a set of new items.



© MAZDA, 2021

MAZDA's MX-30 incorporates cork components in its interior.

## **Alma Gémea presents a renewed product line**

Alma Gémea, the home decor brand that fuses cork and ceramics, has launched a new line of products. The renewal of the product range - which results from the close partnership, signed in 2009, between Amorim Cork Composites and Matcerâmica - is called the 5th Element - the Perfect Balance, and introduces new colours, new references and four exclusive items. The Alma Gémea catalogue now has a total of 54 items. The innovative, exclusive and distinctive combination of cork and ceramic - two raw materials that have a strong traditional nature - results in a contemporary, aesthetically appealing and conceptually useful collection. The warmth of cork and the cold of ceramics delivers real added value for the consumer goods sector for the home.

## **Corticeira Amorim develops a photovoltaic float with cork**

EDP's new solar energy project in Alqueva, a structure of more than 11,000 panels based on 25,000 floats, includes floats made from a new composite that combines cork with recycled polymers - an innovative material developed in partnership with Corticeira Amorim and the Spanish manufacturer, Isigenere. The solution, that was perfected over 12 months in intense collaborative work between the three companies, aims to achieve a neutral carbon footprint, combining innovation, technology and sustainability - three key concepts in the ongoing energy transition. António Rios de Amorim explained that "the medium-term goal is to make this sector - from solar and wind energy to electric mobility - one of Corticeira Amorim's main pillars of growth in the area of composite materials".

## **Corticeira Amorim signs climate manifesto promoted by BCSD**

Corticeira Amorim was one of the 82 Portuguese organisations that signed the "Towards COP26" Manifesto, promoted by BCSD Portugal (Business Council for Sustainable Development) based on 11 goals to stop climate change. Signing the manifesto reinforces the company's commitment to the UN Agenda 2030, recognising the urgency of the transition to a low carbon economy and the importance of adaptation measures that take into account protection of people and ecosystems. Corticeira Amorim's strategy is aligned with 12 of the 17 UN Sustainable Development Goals, including a commitment to reducing the environmental impact of its operations through adoption of renewable, affordable and efficient solutions.

## **Corticeira Amorim is a founding member of the Sustainable Wine Roundtable**

Global, independent and self-sufficient, the newly created structure aims to establish a universal sustainability standard for wine. This goal relies on the collaboration of representatives from various sectors of the wine industry's supply chain.

## **Tom Dixon presents Cork Collection in the London Design Festival 2021**

British designer Tom Dixon continues to explore the almost limitless potential of cork, which he describes as a "dream material". He recently developed a few more items of furniture from his Cork Collection that were shown at the London Design Festival 2021. With their organic shapes, the new objects highlighted the versatility of cork, while appealing to nature, circularity and sustainability, overriding realities in today's society. The natural beauty of cork is effortlessly expressed through contemporary features, rounded silhouettes and smooth contours.

## **Amorim's Rebranding project distinguished in the USA Graphis Design Awards**

Corticeira Amorim's rebranding project, developed by Studio Eduardo Aires, won the silver prize in the prestigious USA Graphis Design Annual 2020. Eduardo Aires, founder of Studio Porto, explained that the award had a special meaning "because it concerns a leading business group, that represents Portugal at a global scale". Corticeira Amorim's Chairman and CEO, António Rios de Amorim, added that "the new logo reflects the values of a company that is profoundly committed to present-day challenges and guided by an ambition for the future".

## **SUG-HERO Metaforme exhibition: cork as a metamorphic hero**

Cork as a metamorphic "hero" was the theme of the SUG-HERO - Metaforme exhibition, promoted by Amorim Cork Italia that told a story of innovation, technology and sustainability. The route through the exhibition's various rooms, installed in a historic building in the centre of Conegliano, in the Veneto region, in Italy, began by demystifying the raw material through a multisensory path through the cork oak forest. This was followed by cork's journey through the world of wine. The exhibition progressively assumed a multidisciplinary character, demonstrating the potential to use cork in areas such as design, architecture, fashion, mobility and sport.

## **MAZDA's new 100% electric car uses cork**

After the successful partnership with the Japanese brand that included cork inside its most recent electric car, MAZDA brought a vast international media entourage to Portugal to get a closer look at Corticeira Amorim's business reality. During the 3-day visit, more than 40 journalists from different countries, such as Belgium, France, Italy, Austria, Germany, Netherlands, Czech Republic, England, Slovakia, Finland, Norway and Romania visited the company's premises, learned about the industrial processes and the unique characteristics of cork, becoming familiar with the multiple applications of our unique material. The journalists thereby became true ambassadors of the bark from the cork oak tree (*Quercus suber*) which is used in the covering of the console of the MX-30. Mazda chose cork because it is a natural, sustainable and biodegradable raw material, and thereby helps reduce the environmental footprint of the Japanese brand's new model.



## Corkeen has a negative carbon balance

The Corkeen system - a revolutionary solution for impact-absorbing surfaces for play, leisure and recreational spaces – has a negative carbon balance of  $-102\text{kg CO}_2\text{eq/m}^2$ . This means that the Corkeen system fosters carbon sequestration in the cork oak forest that exceeds the  $\text{CO}_2$  emissions from its production. The environmental footprint study conducted by the consultancy EY, using a life cycle assessment, also considers the carbon sequestration of the cork oak forest, based on the cradle-to-gate approach, that contemplates the environmental impacts of all the associated activities, from extraction of the raw material, extending through the production of all components up to the factory gate, and also included the shipping and installation phases (bearing in mind that the Corkeen system is installed in situ as a two-layer system).



The Corkeen system - a revolutionary solution for impact-absorbing surfaces for playground, leisure and recreation spaces - has recently been installed in Portugal.

## António Rios de Amorim elected CEO of the Year

Corticeira Amorim's Chairman and CEO, António Rios de Amorim, won the CEO Award in the 33rd edition of the Investor Relations and Governance Awards (IRGAwards). The initiative is organised by Deloitte. The latter explains that the IRGAwards “seek to recognise and encourage good practices in the development of the capital market and to distinguish companies, managers and employees, or other personalities, which, each year, have contributed more and better to making the capital market more efficient, transparent, socially responsible and useful to the Portuguese economy and society”. With the theme “Connect for impact with a human focus”, the 2021 edition of the IRGAwards also included nominations of Cristina Rios de Amorim, in the *CFO in Investor Relations* category, and Ana Matos, in the *Investor Relations Officer* category.



The 33rd edition of the Investor Relations and Governance Awards (IRGAwards) paid tribute to Corticeira Amorim's CEO.

## Amorim Top Series wins top prize in the Pentawards

Amorim Top Series won the Diamond Award 2021, the Pentawards' highest distinction. The award was given to the packaging design of Eminente Reserva Rum - a famous rum from Ron de Cuba/Moët Hennessy - whose luxurious Wood Top stopper was developed and produced by Amorim Top Series.



The luxurious Wood Top stopper supplied by Amorim Top Series formed part of the distinctive packaging design of Eminente Reserva Rum.

## MINI Strip uses cork from Amorim in its interior

Cork supplied by Corticeira Amorim is used inside the new MINI Strip. Integrated into the dashboard top, sun visors and doors, cork is a natural raw material, which helps reduce the environmental footprint of the German manufacturer's custom-made one-off car, created by the British designer, Paul Smith.



Cork helps reduce the environmental footprint of the new MINI model, designed by British designer Paul Smith.

© BMW Group, 2021



The implementation of the SA 8000 Standard at Amorim Cork results in the reinforcement of the culture of responsibility of all company employees.

## Amorim Cork implements the Social Responsibility standard (SA 8000)

Aware that People are the cornerstone of growth and strengthening of leadership, Amorim Cork is committed to implementing the SA 8000 Standard, ensuring conformity and compliance with all its requirements. This is a reference that will help systematise management of Social Responsibility, through voluntary integration of social concerns in the interaction with all stakeholders: employees, customers, suppliers, partners and the surrounding community. This reinforces the organisation's culture of responsibility, that relies on everyone's vital involvement and commitment.



The annual planting of cork oaks always brings together more than a hundred employees of Corticeira Amorim.

## Corticeira Amorim employees plant thousands of native trees

Corticeira Amorim brought together hundreds of employees, who planted another 2,100 cork oak trees. The initiative, conducted in close partnership with Quercus, occurred within the framework of the Green Cork programme promoted by the Portuguese environmental association that promotes the recycling of cork stoppers and the planting of native trees. Since 2011, the company's employees have collaborated in this activity, and to date have helped plant tens of thousands of trees in Portugal.

## Recycle to Reforest: a new cork stopper collection campaign

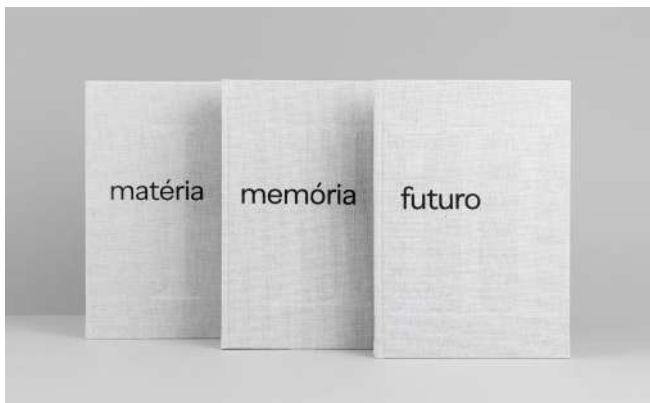
Corticeira Amorim, the environmental association Quercus and Missão Continente joined forces to launch a new cork stopper collection campaign, Reciclar para Reflorestar (Recycle to Reforest). Aimed at schools, scouting organisations and Portuguese Private Social Solidarity Institutions (IPSS), the initiative collected cork stoppers, which were sent for recycling, in order to promote the raw material, disseminate the 3R's policy and finance reforestation initiatives in Portugal, through the Quercus Common Forest project. The Recycle to Reforest campaign is organised under the umbrella of Green Cork, that was launched by Quercus in 2008, considered to be Portugal's first structured cork stopper recycling programme, which has always been supported by Corticeira Amorim.



Green Cork was the first structured cork stopper recycling programme in Portugal.

## 1870 AMORIM 2020: Memory, Material, Future

Corticeira Amorim published "1870 AMORIM 2020" dedicated to the 150 years of business history of the Amorim family. Divided into three volumes – "Material", "Memory" and "Future" – the work traces the path of projects, challenges and achievements of the family's four generations. Following the motto "not a single market, not a single customer, not a single currency, not a single product", the Amorim Group has overcome geographical barriers, economic crises, political regimes, social upheavals and industrial constraints, to become one of the biggest players in Portugal's business ecosystem, with relevant international projection. This position has currently been consolidated through dozens of companies across five continents, which export various products to more than 100 countries, making Amorim the global leader of the cork sector. The raw material unites more than 4,400 employees around the world on a daily basis.



Corticeira Amorim launched a three-volume publication on its 150-year history.







# CONSOLIDATED MANAGEMENT REPORT

## 02

Corticeira Amorim is introducing a new cutting machine, that offers millimetric precision, within the cork harvesting operation. It makes it possible to extract the cork more quickly, without harming the inner bark of the cork oak tree, and also guarantees less physical wear and tear for the person removing the cork.

# 1 – ECONOMIC TRENDS IN 2021

## 1.1. THE WORLD ECONOMY

The impact of the SARS-CoV-2 pandemic and the measures implemented to contain the crisis resulted in sharp fluctuations in the global economy in 2021. Growth was affected by different waves of COVID-19, public health measures and restrictions on mobility. The overall trend, however, was one of recovery. While not globally comprehensive, vaccination programmes helped to reduce the spread of infection, increase the confidence of economic agents and improve the climate for business activity. The world economy is estimated to have recovered from a contraction of 3.1% in 2020 to growth of about 5.9% in 2021. The year was characterised by continuing public support for the economy, as well as for the most vulnerable sectors and families. Measures for mitigating the risks created by the pandemic included continuing extraordinary monetary stimuli and “healing the wounds” caused by the virus. The world economy was hit by interruptions in the functioning of international trade and economic relations that led to shortages of intermediary goods, persistent delays in logistics chains, product unavailability, increased international shipping costs and general price rises, particularly in relation to energy and intermediary goods. The bottlenecks in the world production chain that began in 2020, reflecting the sharp increase in demand for goods, continued and, in some cases, increased. Overall, a global imbalance between demand and supply penalised growth and increased prices. The world economic climate in 2021 can be characterised as a sequence of obstacles, some of which were unexpected. They were overcome or, at least, managed, with apparent success, albeit with increased costs. In global terms, this resulted in a return to output levels similar to those prevailing in 2019. The recovery, however, was not uniform: China, the US and a number of smaller economies returned to output levels approaching those of the last quarter of 2019. Most countries, however, are still trying to reach that level. Overall, international trade is estimated to have expanded at a robust pace, registering growth of about 9.3%. This reflects the combined impact of trade constraints, expansionary economic measures, the constant efforts of businesses to adapt and a high level of demand.

**Developed economies** are projected to have expanded by an average of about 5.0%. The **Eurozone** is expected to have registered growth close to 5.2%, compared with a 6.5% contraction in 2020, the year in which the European Union was deeply affected by the pandemic. Europe’s overall expansion nevertheless hid a significant degree of diversity among its leading economies. **France** became the main engine of the European recovery with strong growth of about 6.7%, while **Germany**, more dependent on industry and supply chains, registered surprisingly weak growth of about 2.7%. After registering one of the sharpest contractions in 2020, the **UK** economy expanded robustly in its first post-Brexit year with growth of about 7.2%, the highest rate among G7 economies. Much of the value lost in 2020 was recovered in 2021, but the UK economy is not yet estimated to have returned to the output levels equal to those of 2019. **Sweden**, a markedly open economy, is projected to have registered growth of 4.0%, while in Eastern Europe, the **Czech Republic** expanded by about 3.8%.

The US economy is projected to have grown by about 5.6% after a contraction of 3.4% in 2020 due to the impact of the pandemic. The US labour market recovered to a level compatible with full employment (thus generating wage dynamics), while inflationary pressures have gradually increased and grown less transitory (the year ended with inflation at a 40-year high of 7.0% against a background of supply chain disruption – particularly severe in the US – port and onshore logistics congestion and high goods demand. The economy benefited from significant, though temporary, fiscal support, which was withdrawn as the year progressed.

**Japan’s** economy is estimated to have grown 1.6%, a faster pace of expansion than expected and even more significant when its exposure to integrated production chains and its management of the COVID-19 pandemic is taken into account. **Australia** is expected to have registered growth of about 3.5%. **Emerging and Developing Economies** expanded at a rate of about 6.5% in 2021. **China’s** economy is projected to have grown 8.1%. This significant increase, however, mainly reflects a reaction to the economic shock of 2020 and a change in China’s growth pattern following a collapse in activity at the beginning of the year. The impact of COVID-19, an unknown phenomenon in terms of treatment and mitigation, increased uncertainty until activity resumed at an accelerated pace that reflected China’s productive specialisation, which other economies sought to emulate. As a result, China’s successive increases in growth in 2021 became increasingly smaller (growth in 2021 was characterised, above all, by an excellent first quarter), reflecting a number of obstacles including China’s strict measures for containing COVID-19 cases, imbalances in the country’s real estate market, interruptions in industrial production caused by power outages, as well as unexpected regulatory measures and structural reforms. **India** was projected to have registered a robust growth rate of about 9.0%. Overall growth in **Latin America** was estimated at 6.8%, with **Brazil** recovering at a rate of 4.7%, while **Mexico** is projected to have grown by about 5.3%. **Chile**, which is undergoing a process of political and constitutional change, is gauged to have recovered robustly at a growth rate of 11%, exceeding the 7.5% growth rate reported for **Argentina**. **South Africa**, faced with social protests in mid-2021, is estimated to have registered economic growth of about 4.6%. **Russia**, benefiting from its energy-focused export profile, was projected to have recovered at a growth rate of 4.5%. **Hungary**, another emerging economy, is expected to have registered growth of 7.6% in 2021, the country’s fastest rate of expansion in three decades.

After the normalisation of monetary policy was reversed in 2019, giving way to gradual and carefully planned management, monetary conditions became hyper expansionary in 2020 as a result of the pandemic. In 2021, especially from June onwards as signs of price pressures increased, the US Federal Reserve changed its stance. Rate normalisation and the reversal of unorthodox monetary measures began to dominate the way central banks thought. This led to changes in their approach and, in some regions, especially emerging economies, the implementation of monetary measures accelerated. Concerns nevertheless continue as to whether the late reversal of policies whose applicability and rationale were heavily dependent on the exceptional nature of the pandemic generated potential imbalances and exaggerations.

## 1.2. PORTUGAL

Portugal is estimated to have recorded growth of about 4.9% in 2021, recovering a little more than half of the output it lost in the sharp contraction of 2020. The economic climate was characterised by the impact of the pandemic as the different paces at which the disease spread and successive waves of infection led to the implementation of a range of different public health measures that affected mobility, business and consumer confidence and, ultimately, the rate of economic growth. The second and third quarters were the most favourable in terms of growth as private consumption (supported by pent-up demand) and exports increased. Investment and goods exports are estimated to have already returned to pre-pandemic levels. Service exports (specifically tourism) recovered sharply in the second half of the year, but remained below 2019 levels due to restrictions on international travel that were still in place at the end of 2021. The evolution of Portugal's public accounts reflected the impact of the pandemic and related support and public health measures (estimated at 2.6% of GDP, a higher percentage than in 2020) as well as economic recovery. The budget deficit was projected to have decreased to 4.3% of GDP (5.8% in 2020) and public debt to have fallen to 127.5% of GDP (135% in 2020). The current and capital account as a percentage of GDP was positive at the end of the year, reversing the worrying evolution recorded in 2020, and reflecting a strengthening of financing capacity. As the year progressed, signs of a moderately upward trend in consumer prices appeared. Inflation (HICP) was forecast at about 0.9% in 2021, the highest rate since 2018. In terms of energy, households were relatively protected from electricity price increases due to regulatory changes and market practices, but production prices reflected the sharp increase in energy costs, which, in turn, generated significant downstream effects. Unemployment was projected to have continued along the downward trend that began at the end of 2020, ending 2021 at 6.6%. Employment evolved favourably, increasing by an estimated 2.5% and exceeding pre-pandemic levels in the second quarter of 2021.



The cork oak tree blossoms in the spring and it produces fruit until July. The tree's fruit, the acorn - known in Portuguese as landes, bolotas or boletas - matures until the end of the year. The cork oak tree naturally regenerates in areas that are reasonably favourable to it, even in fairly adverse occasions, through its acorns germinating in the soil.

## 2 – NEW GOVERNANCE MODEL

In 2021, the Board of Directors proposed to the Shareholders General Meeting that Corticeira Amorim adopt a corporate governance model that embodies the best international practices, one that is more modern, participatory and, therefore, more suitable for the continued development of the company and for the challenges it will face in the future. The proposed model aims at increasing the Group's long-term growth and profitability in harmony with the best interests of all its stakeholders.

The Shareholders General Meeting held on April 23, 2021 approved, on the proposal of the Board of Directors, the adoption of an Anglo-Saxon-style corporate governance model based on an enlarged Board of Directors that includes an Audit Committee and the assurance of double oversight by both the Audit Commission (supervision) and the Statutory Auditor (financial audit).

Specialised internal committees were also set up, chaired by independent directors and composed mainly of company board members, to which corporate functions were assigned and formalised through the Group's respective internal regulations<sup>1</sup>, to advise the Board of Directors in the areas in which the committees specialise, namely:

**Risk Committee:** following up and monitoring Corticeira Amorim's risk management activities;

**Environmental, Social & Governance Committee:** monitoring, supervising, and providing Corticeira Amorim with strategic guidance in the field of corporate governance, social responsibility, environmental and ethics matters;

**Appointments, Evaluation and Remuneration Committee:** preparing succession plans and profile recommendations for Corticeira Amorim's corporate body members; assessing the overall performance of the Board of Directors, its executive members, the Audit Committee, and internal committees; and monitoring and supporting the appointment of Corticeira Amorim's main executive officers.

The independent directors also elected their Independent Lead Director in line with international best practices.

With the active participation and advice of the above-mentioned committees, an important step was taken to formalise the corporate and professional culture of the Company and of its employees by translating it into policies and regulations. These were duly considered by the Committees for the respective areas, approved by the Board of Directors, published by the Corticeira Amorim and made publicly available on the corporate website (<https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>)

The highlights are:

- Revision of the Code of Business Ethics and Professional Conduct;
- Improved Whistle-blowing Procedures;
- Updated Regulations on Transactions with Related Parties;
- Equality Plan for 2022;
- The formalisation of corporate policies: General Sustainability Policy; Human Rights Policy; Energy, Environment and Biodiversity Policy; Purchasing Policy; Community/Society Policy; Tax Policy; Anti-Corruption Policy; Consumer Safety Policy; Human Resources Policy; Privacy Policy for Managers and Employees; Company Privacy Policy;
- Work leading to the approval at the beginning of 2022 of the formalisation of the following corporate policies: Risk Management Policy; General Cybersecurity Policy; Diversity Policy for Managers and Employees; Appointments Policy.

This model, fully implemented, provides:

- Increased agility, proximity and monitoring and, therefore, greater effectiveness and efficiency for the Company's management and internal supervision functions due to the integration of the Audit Committee with the Board of Directors;
- Greater diversity (academic training, skills, gender, ages, professional experiences) within the Board of Directors and on the specialised internal committees and, above all, independent views with the ability to appreciate the business from new perspectives, thus contributing to Corticeira Amorim's value creation and sustainability.

By the end of 2021, a notable improvement could be observed in governance policies and practices in line with the Recommendations of the Corporate Governance Code of the Portuguese Institute of Corporate Governance (the code used by Corticeira Amorim as a reference for the formal annual reporting of its corporate governance) and with what the company's different stakeholders, in particular its shareholders, investors and ESG rating companies, believe to be the best governance practices.

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<sup>1</sup> Available for consultation at: <https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>

## 3 – OPERATING ACTIVITIES BY BUSINESS UNIT (BU)

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 2021.

### 3.1. RAW MATERIALS

The Raw Materials BU recorded EBITDA of €19.4 million in 2021, an increase of 25% compared with the previous year. Sales increased €11.5 million, mainly due to increased granulation activity, which required the activation of the Corks or grinding plant in May.

The BU's gross margin rose from 22% in 2020 to 25% in 2021. The improvement resulted from a reduction in the purchase price of amadia cork in the 2020 purchasing campaign, a reduction in the adjudication price for purchasing cork in Morocco in 2021, stability in the waste cork purchasing campaign (compared with previous years) and the impact of new technology, especially in disc manufacture, the led to reduction in the consumption of thin raw materials.

Personnel and ESF costs evolved less favourably in 2021, increasing €4.0 million (an increase of 18% compared with an increase in activity of 6%) due, essentially, to two factors:

- The unexpected impact of an increase in electricity prices in the second half (€1.4 million); and
- A €0.7 million increase in maintenance and repair costs as a consequence of the start-up of Corks or, the equipment of which had some limitations, and the modernisation of disc preparation and production processes, which required introducing more automated operations, and an increase in the number of operations required, especially for treating disks. The increased cost of maintenance materials (electronic components, screens and iron) also contributed to the increase, albeit to a lesser extent.

The BU's 2021 results also benefited from a €0.7 million contribution resulting from favourable opinion awarded by AICEP-Portugal Global, Portugal's foreign investment and internationalisation agency, to Amorim Florestal's 2015 expansion project, which included technological innovations in terms of equipment and implementation. The equipment made it possible to increase production capacity at lower production costs (greater automation), to improve product quality and increase production efficiency.

In terms of operations, the Raw Materials BU's notable ability to continuously supply the Group's value chain ensured not only the reliable delivery of cork for producing natural stoppers, but also the supply of discs, granulates and cork for grinding. A consolidation of new disc manufacturing projects and automatic sorting lines at the Salteiros and Coruche industrial units also represented important steps in the modernisation of the BU's operations.

Treatment of 100% of discs in a mixed system (Corknova+Greenhouses) was also consolidated in 2021. This had a very positive impact on the eradication of sensory problems from

champagne and twin top discs, resulting in performance levels of close to 100%. Improvements in grading resulted in a significant reduction in disc defects in 2021, helping to prevent cork stoppers from bursting.

The goals for the 2021 amadia cork purchasing campaign in the Iberian peninsula were fully achieved with the acquisition of quantities above the initial target and a slight reduction in prices.

In this campaign, it is also worth highlighting the innovative processes implemented, maintaining the focus on the extraction machine and the use of presses to optimize the operations of extracting and transporting cork, which generated a good receptivity from forestry producers and from operating teams. A new model for loading and transporting cork was also introduced in 2021, by using a gripper that allows for mechanized handling of low-quality cork planks.

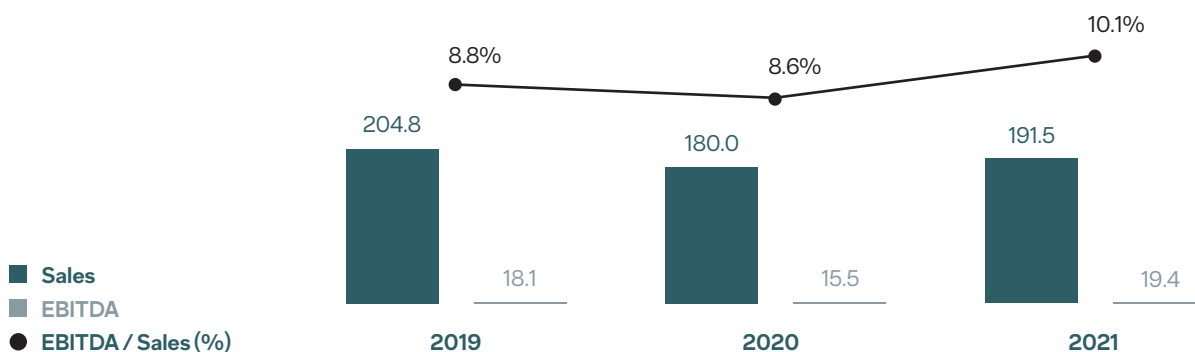
Cork purchases in North Africa returned to normal in 2021, leading to the recovery of adjudications that had not been awarded in 2020 because of the COVID-19 pandemic. Purchases in 2021 made it possible for these units to return to normal activity levels, as well as to the improvement of EBITDA and to reduce in Morocco's cork purchase price.

The BU remained strongly committed to its Forest Intervention Project in 2021, maintaining the three main lines of development described in point 3 of this report. In the area of forest management, the company acquired 50% of Cold River's Homestead, which owns part of Herdade de Rio Frio, and an agreement was signed for the acquisition of the remaining 50%, which, it is hoped, will soon be completed.

Herdade de Rio Frio is richly forested, with an area of cork oak forest covering about 80% of its total area. As part of the BU's strategic goal of increasing its own cork production by means of assisted irrigation, the project to be installed on this estate will seek to maintain the ecological characteristics of the cork oak species and increase the estate's profitability by planting trees more densely in the existing cork oak area.

The best way to increase profitability and production is to improve the success and viability of plantations, helping them withstand critical periods caused by the increasingly evident changes in the climate through the installation of drip irrigation. Introducing this system will also accelerate economic returns, making it possible to make first cork extractions earlier, while respecting existing regulations relating to first extractions and without damaging the trees. Subsequent extraction cycles will also respect the limits set out in the current legislation.

## Raw Materials BU Sales & EBITDA



### 3.2 CORK STOPPERS

World wine production in 2021 is estimated to have fallen to between 247.1 million and 253.5 million hectolitres, an extremely low figure, only slightly above the historically low volume produced in 2017.

Projected volume production in 2021 was down 4% on 2020, which was already a below-average year, and 7% lower than the annual average of the past 20 years. The drop was caused by unfavourable weather conditions that significantly affected Europe's main wine-growing countries. The southern hemisphere and the US appear to have been exceptions in the negative global picture, helping to compensate for the fall in volume production in the EU. Undoubtedly, 2021 was a good year for the US wine industry.

It was the third consecutive year world wine production fell below average. The impact of the reduction on the global wine sector, however, is difficult to assess, given that the COVID-19 pandemic continues to generate a relatively high degree of volatility and uncertainty.

Weather conditions did not favour grape growers in the EU: in 2021, wine production is estimated to have totalled 145 million hectolitres, down 13% on 2020. It was a particularly difficult year for the EU's three largest wine-producing countries (Italy, Spain and France), which together represent 45% of world wine production and 79% of EU production. Late frosts in early April were the main cause. The other EU wine-producing countries forecast growth compared with 2020. Germany, Europe's fourth largest wine producer, increased production by a projected 4% compared with 2020 to 8.8 million hectolitres, despite the late frost that significantly affected some neighbouring countries. Portugal was estimated to have produced 6.5 million hectolitres, a slight increase on 2020 (+1%).

In the southern hemisphere, where the harvest ended in the first quarter of 2021, volume production increased significantly after a sharp drop in wine production the previous year caused by bad weather. Overall, wine production in this region totalled a record 59 million hectolitres in 2021, up 19% on 2020.

In an interesting year for the wine industry, consumption increased by about 9% in 2021 compared with the previous year. This increase was important for the cork stopper industry and, in particular, Corticeira Amorim. One of the bright spots of 2020-2021 was the

industry's substantial and rapid shift to e-commerce in response to the COVID-19 pandemic. While wine has only a 14% share of the global beverage market, it accounts for 40% of online sales. Another positive factor in 2021 was the recovery of global wine tourism: numbers are rapidly returning to normal after falling 70% during the first year of the pandemic.

The wine industry is emerging from another chaotic business year buffeted by the global pandemic, catastrophic weather events (including wildfires in California, devastating April frosts in France and Italy and floods in western Germany), disruptions to the global supply chain and the growing threat of price inflation. In fact, instability has often been the only constant.

Future market trends include:

- **Supply chain and price inflation.** Wine professionals in all sectors of the industry are unanimous in thinking that supply chain issues will continue to affect all aspects of trade in 2022, causing inevitable price inflation and shortages of well-known brands and products. These issues have already affected the champagne market in the same way that other industries have been impacted by supply chain difficulties, leading to adjustments in the end price paid by consumers as early as the beginning of 2022. We are likely to see the beginning of an interesting period in terms of cost management and margin structures as consumers facing rising prices and delays in shipping limited stocks are forced to look beyond the usual tried-and-true options.
- **E-commerce, a new challenge and opportunity.** Online wine sales remained strong even after the world reopened. However, the future of e-commerce in the industry faces an important challenge: how to find creative ways to drive digital engagement and retain a newly acquired customer base. What is the key to maintaining this growth? Convincing customers that buying wine online can be as rewarding as seeking out recommendations from a trusted neighbourhood wine merchant. Digital platforms enjoy a distinct advantage: a treasure trove of data to personalise the consumer experience. Capitalising on this capacity and possibility will be the future motivation for



e-commerce. In this area, the real winners over the next five to 10 years will be the ones who focus strongly on personalisation.

- **Sustainability in every sense.** Sustainability is likely to be one of the biggest wine industry trends in 2022. A proactive sense of responsibility has grown in the field of sustainability, not only on the part of producers, but also of consumers. More than ever, wine consumers are choosing to support brands that share their values - from what they wear to the products they use on their bodies - and this will increasingly become a collective change, rather than mere isolated acts. Corticeira Amorim, by virtue of its products and practices, is aligned with and shares in this virtuous movement. Buying wine is becoming more personal and selective. This is expected to increase interest in brands and companies that are environmentally conscious and that invest in the well-being of their employees and the sustainability of their products and processes.
- **Prioritising Innovation.** Brands will become more innovative and the wine industry will seek to reach a younger audience, especially as wine loses market share to spirits and non-alcoholic alternatives. Winemakers will update their approach to reaching the younger wine consumer through delivery options, online platforms, marketing and more.
- **Sparkling wine has finally become a basic, day-to-day item.** Off-premises sales of sparkling wines have grown more than 13% over the past two years - an upward momentum that shows no sign of slowing. Champagne dominates the premium sector of the sparkling wine market, with sales up 12% from 2020. However, value-based options have fuelled much of this category's rise in popularity: as consumers gravitate towards these more accessible forms of "effervescence", they are finally taking sparkling wine out of the category of "holidays and special occasions" and making the bubbles part of their daily drinks repertoire.
- **Red wine – evolution.** Sales of red wine are expected to continue their moderate decline in favour of white, sparkling and rosé wines. Behaviours adopted during the pandemic will continue, as will the interest in "effervescence" and moments of celebration. In this context, the consumption of effervescent wines will continue to grow strongly. We will also see consumers drinking rosé and white wines throughout the year. 2022 is certain to be a great year for sparkling, rosé and white wines.

In 2020, the Cork Stopper BU considered that "time was of the essence" in combating the immediate impact of COVID-19 and, simultaneously, "laying the foundations for a robust future". That moment has passed. Faced with another period of uncertainty and disruption, the BU's approach to its market, sources of supply and production factors, has to change and adapt to a new world that is still under construction.

The fundamental strategic rules still apply, but the Cork Stoppers BU has not underestimated the power of making bold moves as it seeks innovation and growth. Resilience, perhaps the dominant attitude and word in 2021, enabled the BU to respond to the challenges of that year, at different speeds and with a lack of visibility on the demand side, in the different regions where it operates.

The beginning of 2021 was characterised by a decline in activity compared with 2020, but then by sharp growth from the second quarter onwards, which continued to the end of the year. This growth, in all markets and product segments, reflected both the increase in post-pandemic consumption and the return of customer stock levels to normal.

Although confidence remained below pre-pandemic levels, the BU recorded strong business growth in 2021. It is nevertheless important to highlight some of the trends that characterised the environment and the organisation:

- Despite the diminished impact of the pandemic, teleworking and videoconferencing - the new normal - were important challenges to the normal functioning of the BU and its relationship with customers. Organising work on the shop floor, crucial to ensuring supplies reach the market, required constant adaptations and gap-filling. The BU's responsible, hands-on and attentive response was crucial to ensuring strong growth in demand;
- Digital Transformation, implemented at a good pace and now in the stabilisation phase, ensured timely control over business processes and proved fundamental in supporting decision-making and making the activities of the BU's different teams fully operational. We are confident that huge qualitative leap was made in this area;
- Strong growth and opportunities for partnerships posed challenges in terms of the company's reorganisation and its decision-making structures.
- It was a year in which work on sensory issues was consolidated and the BU took on new strategic challenges in terms of growth and value.

Environmental and sustainability issues became of decisive importance as part of a general move towards collective change, earning a place on the BU's strategic agenda as priorities that would determine the continuity of the business.

The most significant events in 2021 included:

- Consolidation of the Xpür and Naturity processes, which are now part of the BU's product portfolio;
- SAP roll-out to companies outside Portugal, with emphasis on the implementation at Francisco Oller (Catalonia). Important for the homogenisation of business processes, management and information;
- Important evolution in clarifying product segmentation in line with customer needs;
- Strong commitments to and working in partnership with customers, developed in a sustained and systematic way. Although it seems contradictory, 2021 was a year of greater proximity with customers in a partnership relationship that went far beyond traditional commercial ties;
- With improved digital skills, we continued to strengthen and take advantage of our communication with the market, providing the entire business chain with more and better information on products, processes and new developments;

- Disruption of the logistics chain, which had a strong impact on market services levels and the amount of capital invested in the BU's distribution companies. Longer transit times put heavy pressure on the distribution and production structure. Significant impact in terms of transport costs, exacerbated by the use of air and express transport;
- Sharp increase in the cost of non-cork materials, particularly chemical products used in production processes;
- High volatility in energy prices throughout the year, involving large cost increases that had a direct impact on the price of products. Because this development was relatively unexpected, it led to energy efficiency projects being brought forward, with medium and long-term impacts;
- Investment decision on and large-scale implementation of photovoltaic energy, in line with the BU's commitment to sustainability and operational efficiency;
- Strong commitment to improving invested capital indicators, mainly relating to customers and stocks, with better-than-expected results in terms of free cash flow.

After a year dominated by the pandemic, the BU registered a strong increase in sales in 2021 (+12.5%), an increase of €66 million compared with 2020, and sold 516 million more units (+9.7%). The BU strengthened its production structure, according to its strategic plan, and, through teamwork, adjusted its production capacity to meet the sharp increase in demand.

All markets performed positively, particularly France, which represented 31% of the total growth in value. The Italian market accounted for 25.5% of growth and the Spanish market for 8%.

There was no growth in the US, the BU's third largest market, where sales were penalised by the exchange rate (the negative impact of the exchange rate on sales was €3.6 million).

Sales by the **still wine segment** rose 5.6%, representing 29% of the BU's total increase. It was a year of consolidating the Xpür and Naturity processes and of strengthening competitive advantages. Sales made significant gains in France, Italy, Spain, Portugal, Argentina and Chile. Sales fell in Australia (for political reasons related to China) and in the US due to exchange rate issues. A change in the product mix to improve value and quality should also be noted. The 3.4% growth in sales of natural cork stoppers increased the BU's focus on a high-end segment, in line with the needs of leading customers in the world wine market. The Xpür and Naturity processing advances were decisive for the growth of this segment.

After the fear and uncertainty of 2020, people returned to socialising in bars and restaurants and to enjoying simple celebrations in 2021. Sales in the **spirits segment** increased 31.8% in value (after falling 5% in 2020). In addition to the increase in demand, customers replenished supply chain stock levels as the lifting of the 2020 COVID-19 restrictions raised sales expectations. France, the US and UK, the BU's traditional markets, returned to normal, representing 75% of growth in this segment.

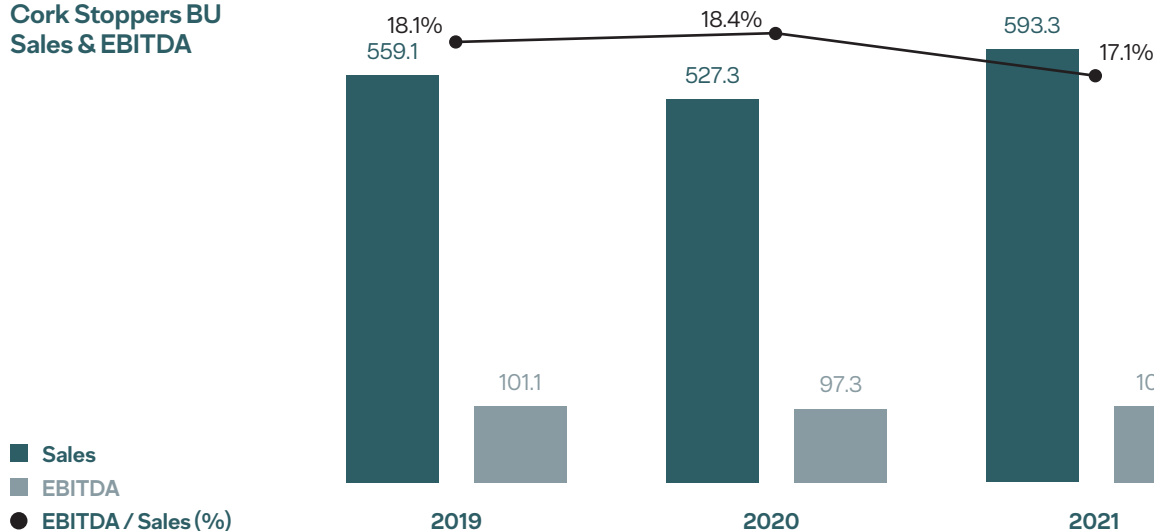
In the **sparkling wine segment**, sales increased 19% in value. In addition to the return of celebrations, sparkling wines became part of daily consumption habits. Corticeira Amorim's strong presence in the world market, based on service and product availability and quality, led to strong sales growth in Italy, France and Spain.

Gross profit increased 7.8% year-on-year, lower than the growth in volume sales. The cost of chemical products had a strong negative impact, representing 71% of the drop in the gross margin percentage. The change in the product mix led to alterations in the granulate production process, incurring a loss of income that accounts for the remaining decrease in the gross margin percentage.

Operating costs rose 10% year-on-year, mainly driven by a €6.2 million increase in energy costs, of which €5.4 million represented price increases. Due to disruptions of the logistics chain, transport costs rose by about €1.7 million. Despite these cost increases, productivity improved by €3.8 million.

EBITDA increased by 4.1% to €101.2 million. The BU, however, recorded a drop in the EBITDA-sales ratio (17.1% versus 18.4% in 2020), which was heavily impacted by cost increases for non-cork raw-materials, transport and energy.

### Cork Stoppers BU Sales & EBITDA



### 3.3. FLOOR AND WALL COVERINGS

Sales by the Floor and Wall Coverings BU increased 10% in 2021 compared with 2020, led by strong growth in trade product sales. The Amorim WISE product range contributed significantly to the increase in sales following an important technical upgrade in 2021 that capitalises on the line's negative carbon balance, accounting for 17% of the BU's sales of manufactured products. Additionally, the successful launch of an entry line in the SPC product category helped expand coverage of the most price-sensitive market segments, resulting in a considerable additional sales.

While 2020 was marked by uncertainty over the pandemic, it was more the economic consequences of COVID-19 that impacted 2021, particularly supply chain difficulties, which fuelled inflationary pressures on raw material and transport costs. The EU responded to the crisis with NextGeneration funds to support economic recovery, helping to lift confidence and stimulate growth.

In Europe, the beginning of 2021 continued to be penalised by COVID-19 lockdowns, especially in Germany. Recovery was slow and differed in pace from region to region, in line with the spread of successive waves of infection, restrictive measures and vaccination coverage. Scandinavia, particularly Denmark, recorded historic sales levels for trade products, with increases of more than 30% in 2021.

Outside Europe, lockdown had a negative impact on the Russian market, affecting the retail segment, where the BU's local presence is strongest. The US market stood out on the positive side with notable sales growth in 2021, helped by an approach focused on developing points-of-sale. A new company was launched in Canada in response to the need for a physical presence in the market to leverage the prescription segments.

In terms of marketing, the BU adapted to the new climate by using digital channels as a way of promoting interaction with customers and attracting consumers, rather than using traditional forms of physical contact at the point of sale. The "Walking on Amazing" program, known as "Mars", was launched to promote cork, focusing on design, comfort and sensations. This campaign revolutionises the presentation of cork as a flooring solution, inviting consumers to experience how it differs from other products and highlighting all the advantages of cork flooring.

The BU definitively consolidated its use of customer relationship management in 2021, improving business integration, sales monitoring, customer segmentation and communication through its e-business platform and B2B portal.

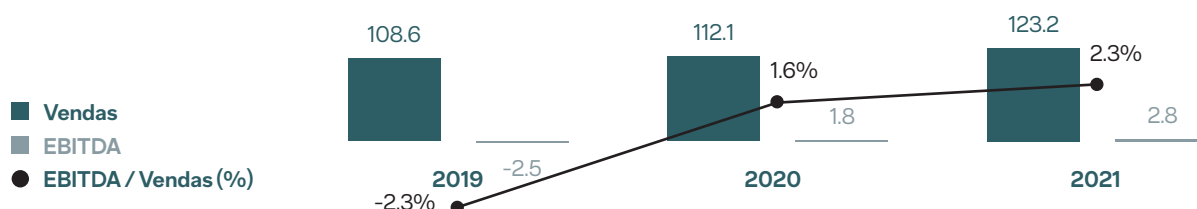
At the industrial level, there was a clear improvement in the rejection rate and a strong focus on product quality, with particular emphasis on the new Hydrocork Plus product and the upgrade to Amorim WISE 2.0. Certification of quality, environmental and energy systems stood out as one of the highlights of the BU's efforts to achieve operational excellence. Resizing manufacturing batches, due to a change in the stock supply model, and rationalising the product portfolio, delivered significant improvements in productivity.

In regard to information systems, the BU launched a digital transformation programme aimed at improving interaction with customers and controlling supply chain flows.

The BU's ambition is based on the concept of "green" products, promoting plastic-free items and the use of advanced digital printing techniques to position this category of products in premium segments.

Despite the strong negative impact of increased raw material, transport and energy costs, as well as delays in receiving raw materials that led to contractual penalties, EBITDA increased by more than 50% as the BU continued to improve its profitability.

## Floor and Wall Coverings BU Sales & EBITDA



### 3.4. COMPOSITE CORK

In 2021, the Composite Cork BU recorded an EBITDA of €10.0 million, a 20% increase compared with the previous year.

Significant growth in turnover was the main driver of performance, increasing 23% compared with 2020 to €116.7 million. The increase in sales mainly reflected volume, with a relatively small positive contribution from prices. The exchange rate climate of 2021 penalised sales by about €1.4 million.

The gross margin percentage decreased compared with 2020. In addition to the aforementioned negative exchange rate effect, a significant increase in the cost of acquiring the main non-cork raw materials used by the BU (especially binders) contributed to the decrease, as these impacts were not passed on to the market in the same magnitude.

Operating costs also rose significantly, due mainly to the increase in activity, but also to a significant increase in electricity in the second half of the year and transport costs. Depreciation also increased substantially, due to the large investments the BU has made in recent years.

In regard to business activity and strategic execution, 2021 was characterised by the continuation and extension of what had been projected for 2020, but could not fully implemented due to restrictions and other effects of the COVID-19 pandemic.

As a result, the portfolio of strategic initiatives and projects was largely composed of items carried over from 2020:

- Organic growth projects (that have obtained success in specific segments in a given country) geared towards general geographic expansion or new regions (cross-selling);
- Identification and acquisition of new customers;
- Recovery of business that has been reduced or even lost in the recent past;
- Development and promotion of more differentiated product ranges, using the innovative materials and technologies that the BU has available;

- Continuation of the multi-year programme for transforming the BU's operations area, with new resources, capabilities, skills, working methods, communication and alignment;
- Implementing a set of optimisation and operating cost reduction measures;
- Continuing the BU's Sustainability Programme, promoting this key quality of its value proposition, supported by product certifications and increasingly exemplary internal practices;
- Continuing to implement the ACC Academy as a guarantee of core skills;
- Updating information systems with a view to greater efficiency, integration and visibility, with particular emphasis on capacities for planning and sequencing industrial operations and for business intelligence.

Important additional action was taken in two decisive areas:

- Beginning an adjustment of sales prices to reflect the new reality of increased production factor costs;
- Focusing on priority market sectors, with an inevitable impact on internal organisation and the allocation of resources in the commercial, innovation, product management and marketing areas.

The BU favours partnerships as a means of advancing the use of its materials in different segments and applications. A policy of actively promoting partnerships led to the creation of three new partnerships in 2021.

Two of them aim to replicate in North America existing models in Europe for the sports surfaces (Amorim Sports North America) and playground floors (Corkeen North America) segments. The third joint venture established in 2021 is related to a new segment - sustainable toys made of cork - and represents a commitment by Corticeira Amorim and the German group HAPE to develop jointly a market opportunity through KORKO - Made by Nature, Ltd.

The vast majority of regional markets recorded increased turnovers. The North American market, the most affected by unfavourable exchange rates, registered growth below the global average (in 2020 this market registered a less significant drop than other countries).

As a supplier of cork-based materials, the BU has identified a portfolio of 29 business segments for its customers. These segments have been grouped into three clusters (Industry, Retail and Construction), but in 2021 – as part of a focus and prioritisation initiative – a business vision based on Sectors was drawn up. These continue to be groupings of segments, but are more homogeneous and specialised than clusters.

All sectors recorded sales growth in 2021. The **Flooring** sector (**Components and Accessories**) contributed most to the BU's turnover in 2021, with a total weight of 33% (2020: 36%) based on sales growth of 11%. The main driver of growth was the Distributors of Flooring & Related Products segment. Construction Speciality Retail, on the other hand, contributed negatively to sales, specifically in the US, due to operational difficulties at the local factory that affected customer service levels.

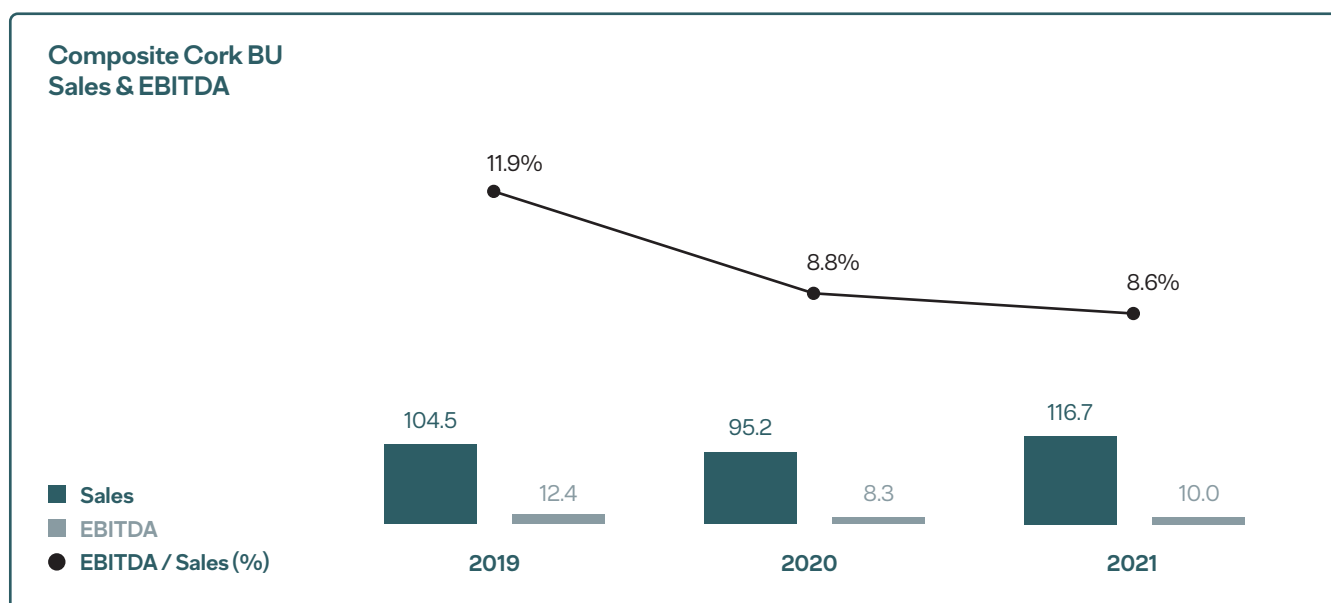
The **Industry** sector performed exceptionally well, with sales growth of 48% compared with 2020, increasing its weight in total turnover to 23%, a performance that was decisively driven by the Footwear segment. Only the Industrial Packaging segment did not accompany the general growth trend in this sector.

All three market segments in the **Sealing** increased their sales. The main highlight was the Multi-purpose Seals & Gaskets segment, which recorded an increase of 21%. This sector represented approximately 15% of sales in 2021.

The **Construction** sector increased its share of the BU's business mix to 9% of the total, largely as a result of a remarkable performance by the Heavy Construction segment, where sales increased 43% in 2021 compared with the previous year.

In the **Home, Office and Leisure Goods** sector, the extraordinary performance of the Furnishing segment stood out, with sales three times higher than in 2020. Excluding this contribution, the evolution of the sector as a whole would not have been significant, given sales declines in the Office Products, Broadline Retail and Home & Office Speciality Retail segments. This sector continues to represent about 8% of total sales.

The remaining sectors accounted for 12% of total sales, the same percentage as in 2020, having achieved overall growth of 19%. Of particular note was the performance by CORKEEN, a brand focused on children's playground surfaces – which doubled its sales compared with the previous year.



### 3.5. INSULATION CORK

In 2021, the Insulation BU recorded sales of €14.5 million, an increase of 17.9% over the previous year. Excluding sales to other Group BUs, the increase was 22.3%. Although the effects of the COVID-19 pandemic continued to impact the market, sales grew substantially, exceeding the levels recorded in 2019.

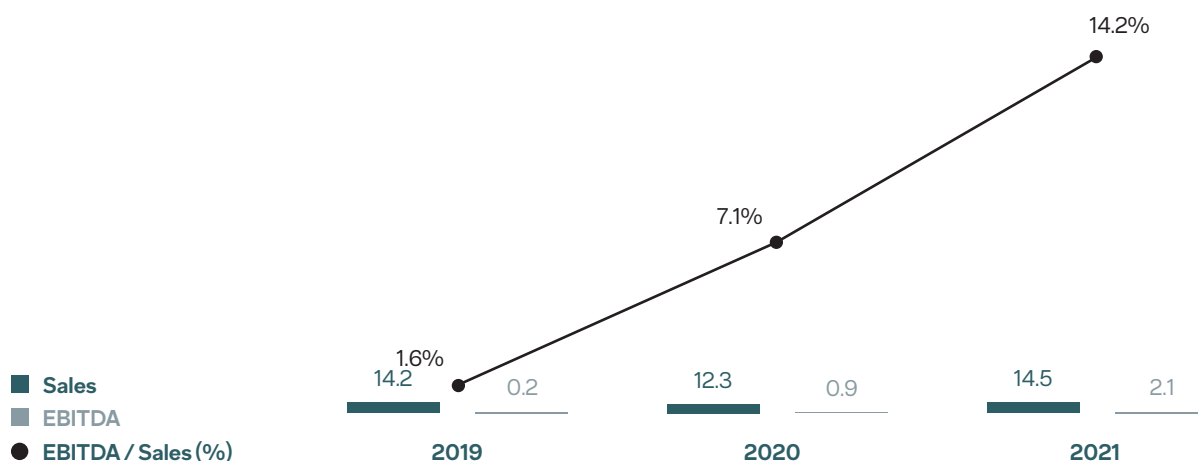
EBITDA also increased strongly (€2.1 million in 2021 compared with €0.9 million in 2020), benefiting from increased turnover, a decrease in the consumption price of raw material cork and operational improvements made over the previous few years resulting in greater industrial efficiency.

In terms of the efficiency of the BU's industrial operations, new investments were made with a view to industrial and logistical optimisations, especially at the Silves industrial unit, with the renovation of old factory equipment to enhance its future performance.

Because of the COVID-19, the BU did not advance in 2021 as it had in the years prior to the pandemic, its work designed to highlight the benefits of its expanded cork agglomerate products. Despite the constraints, however, the following initiatives went ahead:

- Participation in the event organised by the Belém Cultural Centre (July-September 2021) to present cork produced by the Insulation BU for a project by the architect Ricardo Bak Gordon;
- Participation in the Seoul Biennial (South Korea), where an expanded agglomerate cork tower produced by the BU was presented. It was designed by the architect Matthew Barnett Howland (RIBA) and the structural engineer Oliver Wilton (Arup).

#### Insulation Cork BU Sales & EBITDA



## 4 – FOREST 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 Montado ecosystem is essential, not only so that we can continue to benefit from the cork produced, but also to maintain the valuable benefits it 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 Forest Intervention Project (FIP), dedicated to the preservation and sustainable development of cork oak forests. Under the motto “take care of the present, build the future”, the FIP began in 2013 as a research project seeking to establish a new model for cultivating cork oaks using irrigation. 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 on the cultivation of the trees, as well as on selecting the varieties of cork oaks most adapted to different climate scenarios through a “cork oak improvement program”.

In 2021, the Business Unit gave new impetus to the FIP with the drawing up of a plan focused on three fundamental areas:

- Forest Management, with the aim of coordinating new plantations and providing technical support to landowners in the forestry area. The work carried out so far aims to collect and compile existing knowledge on various topics and produce support documentation and practical applications, both in existing *Montados* and in new plantations. The forest management office also plans to advise forestry producers on a range of topics, including pest treatments, fertilisation and pruning;
- Applied Forestry R&D, aims to establish a centre of excellence in cork oak research and to carry out applied research on the impact of irrigation, fertilisation, nutrition and soil on the cork oak. Several cork oak research projects have already been initiated to study depth and surface irrigation methods, the impact and effectiveness of different amounts of fertiliser on the growth of cork oaks as well as the productivity, value creation, economic viability and different techniques used in cultivating irrigated cork oak plantations. This research will help define the best protocols to use in growing cork oaks;
- Fundamental Forestry R&D, aims to produce *plus* cork oaks (that is, trees that are better adapted to emerging climate scenarios, pests and diseases) by means of a cork oak improvement programme. Examples of *plus* cork oaks from different origins and edaphoclimatic conditions have been phenotypically selected to establish a multiplication and improvement program. At the same time, molecular markers associated with phenotypic characteristics of interest are being identified, such as rapid growth and cork quality that, in the future, will make it possible to identify, select and produce cork oaks adapted to different conditions, maximising their productivity and resilience.



# 5 – 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 the global level, supplying a broad range of cork products designed for diverse sectors of activity.

Within the growth trajectory and economic expansion of Corticeira Amorim and, in particular, deriving from the 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 in parallel with the R&D competences built up by Amorim Cork Research.

## 5.1. RAW MATERIALS

In terms of industrial R&D processes, the Raw Materials BU maintained its focus on two fundamental areas of intervention: product quality and the efficiency of industrial and forestry processes.

In product quality, actions have centred on consolidating the eradication of TCA and other sensorial defects in cork discs as an integral facet of the global value proposal of Corticeira Amorim cork stoppers. To this end, the industrial project CORKNOVA underwent consolidation in conjunction with the SUPER ROSA process. This process is now applied to 100% of the discs produced and in 2021 guaranteed 99.95% of the discs achieved non-detectable TCA levels.

In relations to the efficiency of industrial and forestry process, the BU carried out the following innovative projects on an industrial scale:

- Automatization of the preparation selection process through recourse to optical vision and laser vision technologies. The BU installed automated lines of raw material preparation in its units that enable the standardisation of cork selection processes by both calibre and class, thereby reducing the subjectivity inherent to these operations. The robotic solutions include the automatic movement of the boards, the cut cork shavings, delineating by calibre (replacing the traditional defining by the cutter) and the classification of quality. These technologies are brought together by artificial vision systems and machine learning algorithms that enable the extraction of greater value from cork as well as deepening the focus of the value of this raw material.
- In relation to forestry processes, efforts have focused on advancing with cork extraction machinery, enabling the introduction of state-of-the-art technology to a manual and traditional process. The results returned have been highly positive and in 2021 enabling the undertaking of actions to boost the implementation of this equipment into the forestry production market.
- In order to improve the efficiency of loading cork in the field, a process thus far carried out entirely manually, we

have tested and deployed machinery in the terrain that allows for less effort and more simple means of packing the cork in the field, facilitating its transport to the site and with utilisation of grippers to enable the loading of weaker pieces of cork exclusively through usage of machinery without any need to manually handle the cork.

Furthermore, 2021 also saw the development of a digital transformation project which enabled a review of current processes, identifying cases for the practical application of new technologies and thereby launching a series of ideas about how to accelerate the adoption of digitalisation in the different processes, operations and activities ongoing at the BU. This program resulted in a new model of governance, a set of initiatives and a road map that provide more proximate accompaniment to these themes, simplifying processes and automating operations.

## 5.2. CORK STOPPERS

The technologies for the resolution of TCA problems in natural and micro-agglomerate cork stoppers, recently implemented by the Cork Stoppers BU, specifically NDtech, Naturity and Xpür, were in full production throughout the year of 2021 and were subject to various performance optimisation projects. Among the highlights, are:

- NDtech: introduction of data science with the development of algorithms for the self-control of equipment; projects designed to reduce maintenance costs, which was achieved with an enormous level of success;
- Naturity and Xpür: projects designed to boost the productivity of equipment, improve efficiency and reduce production costs. Examples would hereby include the implementation of an Industry 4.0 based monitoring system, the installation of more efficient pumping systems and the optimisation of loading and unloading systems.

The technology for resolving the TCA problem in cork stoppers for fortified wines, named “Baco”, reached a final prototype testing phase with the decision to advance with their industrial implementation also taken in 2021 and adjudicating the construction of equipment. This foresees industrial installation in the first quarter of 2022.

The role of the sealant in the evolution of wine in bottles has been the object of particular attention by the Cork Stopper BU, which maintains its collaborative projects with both universities and clients within the scope of becoming able to characterise the evolution of wine in keeping with its type of sealant. These projects have gained greater levels of acceptance with increasing numbers of requests for their implementation. The major objective is to underpin the differentiation in the commercial proposal for cork stoppers in accordance with the type of wine that its maker wishes to obtain. There have already been scientific publications on this theme with others under preparation.

In parallel, the testing of bottling through recourse to different types of seal and with wines holding different potentials for oxide reduction took place in order to monitor the evolution of the wines and determine which wines allow for a broader choice of sealants and which display lower levels of resistance and only appropriate for cork stoppers with lower levels of oxygen transfer.

Other bottling tests for evaluating product performance were also staged in 2021, with particular highlights including those with the objective of evaluating best bottling practices, the ideal conditions for storage and the influence of some product parameters.

From a future perspective, and taking into account the importance of scientific knowledge about cork has to new developments in the cork stopper sector, the BU finances a doctoral degree in collaboration with a university, which is now into the third year of study. The results are promising and shall certainly contribute to new developments in a not too distant future. As a result of this project, two scientific articles are under preparation for sending to specialist journals.

The demand for more sustainable products represents an increasingly relevant trend for cork stoppers. Therefore, in the technical stoppers range, the agglomerate “bio” was validated in the Qork stopper (launched in 2020) with such validation extended to other products to make them still more sustainable. This trend towards greater sustainability is also under implementation in the surface treatment products, with new “bio” solutions that are highly promising especially for natural cork stoppers with these products having demonstrated great efficiency in their improvements to the performance of bottled stoppers.

In the sparkling wines segment, there were also important developments in 2021. These included the implementation of new TCA decontamination systems for the granulates used in the stoppers; new solutions for Tirage are underway and with good prospects for validation; stoppers with new shapes and granulates submitted to different treatments were produced, analysed and bottled with the wine undergoing maturing while monitored over time to ascertain the appropriateness of such solutions; finally, studies aiming to provide early detection of critical defects in the discs used in stoppers were carried out in 2021 and shall continue in 2022.

Despite having its attentions turned to the effects of the pandemic and sustainability over the last two years, the spirit beverages sector still faces the falsification of alcohol as one of its greatest problems. While there have already been some developments, Bartops with stoppers do not provide a reference solution for combatting the problem of counterfeiting. One of the most efficient means of dealing with this problem involves applying an unbreakable seal that prevents the opening of the product prior to purchase and ensuring clients may be certain that they are the first to open the bottle. The Amorim TopSeries remains in the vanguard of developing innovative solutions and has launched the latest version of TapSeries with a system that displays any evidence of tampering – TAP SERIES 2.0. Before opening the bottle, this system informs the final consumer that the seal is authentic and secure, thus, that the seal had not yet been broken. Following the first opening, the system warns the consumer that the bottle has been opened. This invention has been patented.

The technical training program, continued throughout 2021, has already counted on 14 trainers, 15 different program contents and the participation of a large number of company staff in Portugal and in its subsidiaries internationally, resulting in a total training volume of 2,610 (hours of training x no. of trainees). A leading program focused on training in sensorial analysis, with 3 courses with 2 sessions each held in 2021.

### 5.3. FLOOR AND WALL COVERINGS

The launching of the INNOP25 program in 2021 was an important step towards developing new disruptive and sustainable products. This program foresees the combination of cork with other 100% renewable materials able to mutually generate synergies and endowing a high level of comfort and performance to pavements.

The Amorim Wise range represents an excellent example of sustainability and environmental responsibility that enables the Floor and Wall Coverings BU to already have a product on the market with a negative carbon balance, made out of a base of composite cork and recycled materials. In 2021, there were improvements to products, endowing them with greater stability and durability in order to deal with extreme climate conditions.

This was also the year of launching the Origem Capsule Collection that captures the essence of the colours of cork oak forests. The collection contains eight new colours for floorings and two new colours for wall coverings. Origem reflects the orange and green tones of nature in addition to deploying vibrant yellow and grey as contrasting components.

A new version of Dekwall also underwent development in 2021, a wall covering based on cork with a high resistance to fire and thereby complying with the demanding norms in effect for shopping areas.

In the Wicanders range, there was the launch of Hydrocork Plus with the 2G fitting (longside) and pressfit (short side), which guarantees a good balance between the strength of the fitting, product stability and ease of installation. The Hydrocork Plus is a water resistant, narrow-in-thickness floating solution that combines extreme performance with the comfort of cork.

In 2022, the INNOP25 program will continue, dedicated to developing disruptive and sustainable new products capable of becoming benchmark references in the flooring sector whether in terms of efficiency/performance or the environmental impact. There are also investments planned for the production capacity and including state-of-the-art technology that will enable high levels of realism through digital printing.

### 5.4. COMPOSITE CORK

The Composite Cork BU deployed two core focuses of innovation activity in 2021:

- the development of new composite materials based on circular materials;
- the development of new applications, highlighting the sustainable toys produced from cork.

The two core areas of intervention provided for the testing and development of a set of new composite materials, centred around the intrinsic characteristics of cork but associating it with other natural or synthetic materials, whether raw or derived from other industrial subproducts. The Composite Cork BU has deepened its sustainable footprint and the green economy through the application of industrial synergies and the circular economy while simultaneously responding to market demand for sustainable materials.

The scope for working with cork and other materials represents a development effort designed to encounter new applications, advance the performance of current materials in their contexts of application and respond to the rising market need to replace plastic, representing a priority axis for development by this BU.

In concrete terms, and among the different sectors in which the Composite Cork BU is engaged, the following projects especially stand out:

**1. Mobility:**

- Components for interiors
- Structural components

**2. Home, office and leisure goods:**

In 2021, there was the development and launching of three new products for testing in a large retailer in the decoration and domestic articles sector. Leveraging unique designs and new technologies, there are another five distinctive products in the pipeline and due for completion in 2022.

Of particular note is the development of cork toys, in this case, a set of building blocks, produced in collaboration with the German HAPE group (a specialist in this sector), which made recourse to new production technologies such as compression and moulding.

**3. Energy**

There were new applications in this area that began active exploration by this BU in 2021. From the new product point of view, projects were launched themed on protection and insulation for electric vehicles. In the solar panel sector, composites underwent development for the production of floating panels as well as in the new energy area with protection systems for hydrogen tanks.

**4. Flooring:**

Project highlights included the scope for expanding the portfolio of flooring bases, ensuring a technical alternative for each final flooring typology but also expanding the portfolio of pavement components, especially laminated flooring and LVT's, as more sustainable alternatives and with improved acoustic performance standards.

These projects represent a sample of a pipeline containing about 30 projects spanning a wide range of applications in order to correspond to the BU mission in terms of valuing cork and expanding the portfolios of materials and applications.

The management of the product life cycle, the cork-based composites and the new technologies shall continue to remain priorities alongside the search for new applications, both profitable and sustainable for the BU.

## 5.5. INSULATION CORK

In 2021, the Insulation BU provided continuity to the development cycles begun in previous years as regards R&D projects undertaken in consortia. These projects fall within the framework of the cork development and innovation strategy through coming up with new added value applications for cork as a raw material.

In the year under evaluation, the Evaporcork project came to an end following its development in partnership with IteCons, which is particularly relevant in the current context of climate change, seeking to return solutions for the needs to cool buildings without limiting the scope for urban growth. This project is based on the development of a passive cooling system, capable of enhancing cooling on facades covered in expanded cork agglomerate, also enabling the mitigation of the extent of heat in cities with warm and dry climates, expanding the scope of opportunity for valuing ICB wall coverings.

EvaporCork consists of an innovative construction solution integrating cork into applications with greater added value, striving especially for:

- The development of an evaporative system that, without integrating any mechanical ventilation equipment, is able to promote the cooling of facades covered in expanded cork agglomerate insulation;
- The integration of an irrigation system and sensors for control and automation, which guarantees the correct humidity of cork in accordance with the environmental and climate conditions;
- The incorporation of a rainwater collection system (subject to filtering), as well as a collection system for surplus waters for their respective recirculation;
- The viability study for this system integrating sensors in order to detect and mitigate any outbreak of fires.

## 6 – 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 4000 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 that remain in its portfolio to develop and thrive. In 2021, ACV sold its stake in Gröwancork to a leading Portuguese company that manufactures refrigeration equipment, having recognised an investment opportunity in this start-up, which produces insulated cork chassis for the refrigeration sector.

Sales by the two subsidiaries that remain in ACV's portfolio exceeded €3 million in 2021, an increase of almost 80% compared with 2020. More than 85% of these sales were outside Portugal.

In addition to 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 and sees joint-ventures (with specialist partners in this segment) as the most appropriate means of developing the full potential and profitability of these businesses. ACV identified a set of capacities that best serve the management of joint ventures. This option was confirmed as correct in 2021 by the positive performances of joint ventures such as Corkeen Europe and Amorim Sports, as well as the creation of a new company (Korko – Made by Nature) that produces cork toys.

### ASPORTUGUESAS

The footwear brand ASPORTUGUESAS (created by the start-up Ecochic Portuguesas) recorded a significant increase in activity in 2021, including important growth in its main markets and penetration into new ones, with a performance that was significantly better than that of the Portuguese (and world) footwear sector.

The growing receptivity of and consumer preference for eco-friendly footwear became evident in 2020. ASPORTUGUESAS's value offering is its distinguishing advantage and the main factor that enabled the brand to achieve sales growth of about 80%, compared with the previous year.

## 7 – APPROACH TO SUSTAINABILITY

### 7.1. STRATEGY

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

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

The company's strategic priorities for sustainable development are reflected in its materiality and are aligned with its mission and fundamental values, incorporating economic, environmental and social concerns that take into account the results of consultations with its stakeholders, benchmarking analysis, commitments and internal policies and the United Nations Sustainable Development Goals (SDGs).

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

The Board of Directors of Corticeira Amorim, chaired by its CEO & Chairman and including the Chief Sustainability Officer (CSO), is responsible for promoting ESG (Environmental, Social and Governance) issues in the business, as well as approving strategic objectives, strategic initiatives and priority actions.

The Executive Committee is responsible for supervising the governance of sustainability issues and integrating ESG issues into the business. At least twice a year, the Executive Committee meets to discuss the approach to ESG topics, define goals, performance targets and review the sustainability report. The ESG Committee advises the Board of Directors on the monitoring, supervision and strategic guidance of Corticeira Amorim in these matters. The ESG Committee is chaired by an independent, non-executive member of the Board of Directors and is mainly composed of members of the Group's governing bodies.

The day-to-day management of ESG topics is under the leadership of the CSO and coordination of the Head of Corporate Sustainability, in liaison with the other support areas and those responsible for sustainability in the five Business Units (BUs). Each BU has its own executive responsible for sustainability, who reports directly to the BU's CEO and who is, among others, responsible for suggesting and implementing initiatives and actions necessary to meet the defined objectives, monitoring and reporting performance.

All Corticeira Amorim employees are responsible for contributing to the achievement of the defined priorities, either by defending and observing the principles of good governance, which are also enshrined in the company's Code of Ethics and Professional Conduct, or through direct functions relating to sustainability issues.

## 7.2. STATUTES, REGULATIONS AND POLICIES

Corticeira Amorim is governed by a robust and cohesive set of internal regulations and policies that, together with the company's statutes and Code of Business Ethics and Professional Conduct, align the interests of all its stakeholders, fostering balanced and prudent management that underpins the company's position in relation to sustainable development.

Corticeira Amorim communicates updates to employees, promoting their dissemination and working to ensure widespread awareness. The Executive Committee, together with the management of the Group's Business Units, is responsible for assessing the risks associated with corruption and bribery in the markets where Corticeira Amorim operates, according to the characteristics of each one. The monitoring of these risks is also supported by internal control process audits, the function of which is to analyse process compliance and identify inefficiencies.

## 7.3. SUSTAINABLE BY NATURE

As a guide to action on material issues, Corticeira Amorim has designed and implemented a "Sustainable by nature" programme, which sets out the Group's ambitions for 2030:

- Fundamental pillars:
  - Promote transparency and responsibility;
  - Promote the environmental features of the product and the "Montado";
  - Promote people's development, security and well-being;
  - Promote R&D and leverage economic performance;

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 Forest:** Preserve the cork oak forest and ecosystem services by increasing knowledge, mobilizing resources and proposing initiatives;
- **Climate Change:** Reduce the environmental impact of operations by adopting renewable, affordable and efficient solutions;
- **Circular Economy:** Apply the principles of circular economy through the reduction of waste, extend the life of materials and regeneration of natural systems;
- **Green Products:** Maintain a proactive role in developing the already vast scope of application of cork, sustained by the innate properties of the material;
- **Development:** Promote personal and professional development for all;

- **Safety, Health and Well-Being:** Ensure the safety, health and physical and psychological well-being of all, and promote appropriate work environments;
- **Community/Society:** Boost economic growth in a sustainable and inclusive manner, ensuring efficient production and decent work for all;
- **Innovation:** Support and promote research, development and innovation and foster sustainable solutions.

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

For 2030, the following objectives have been approved for Corticeira Amorim:

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

## 7.4. MANAGEMENT SYSTEMS

Corticeira Amorim companies have an Integrated Management System (IMS), which includes the management systems for cork stopper practices, quality, environment, energy, food safety, forest products and custody, safety and hygiene at work and social responsibility. In the IMS, quality, environmental and safety indicators are evaluated, as well as potential improvements and the associated resources and needs. Management systems are audited internally and externally, according to the schedule defined for each system. In addition, an annual compliance verification audit is carried out. The transversal nature of certifications does not apply to all companies and industrial or distribution units because of their differing characteristics. Instead, each company uses the model that suits the non-financial risks and emerging opportunities in the markets in which they operate. In all establishments not covered by external certifications, there are evaluation mechanisms and indicators defined for each system. A summary table of these management systems is presented below, but does not replace consultation of the respective certificates themselves.

## 7.5. INFORMATION ON SUSTAINABILITY

Further details concerning the performance and initiatives developed by Corticeira Amorim in relation to each of the strategic pillars is available in the 2021 Sustainability Report and on the website: (<https://www.amorim.com/en/sustainability/overview>).

Company (Country)	Cork Stopper Manufacturing Practice			Quality	Environment	Energy	Food Security		
	Base	Premium	Excellence	ISO 9001	ISO 14001	ISO 50001	ISO 22000	FSSC 22000	HACCP
<b>Raw Materials</b>									
Amorim Florestal (Portugal)		X (10)		X (15)	X (5)				
Amorim Florestal España (Spain)		X (18)							
Comatral (Marocco)	X								
S.N.L. - Société Nouvelle du Liège (Tunisia)	X								
<b>Cork Stoppers</b>									
All Closures In (Portugal)			X				X		
Amorim Australasia (Australia)									X
Amorim Champcork (Portugal)			X	X		X		X	
Amorim Cork (Portugal)		X (19)	X (2)	X (1)	X (6)	X (7)	X (8)	X (6)	
Amorim Cork América (USA)									X
Amorim Cork Deustchland (Germany)				X					X
Amorim Cork Italia (Italy)			X	X					
Amorim Cork South Africa (South Africa)									
Amorim France (France)			X (16)	X (3)			X (16)		X (16)
Amorim Top Series (Portugal)			X	X		X	X		
Amorim Top Series France (France)			X						X
Biocape (Portugal)									
Corchos de Argentina (Argentina)									
Francisco Oller (Spain)			X	X	X			X	
Hungarokork Amorim (Hungary)				X					
Industria Corchera (Chile)									
Korken Schiesser (Austria)									X
Portocork France (France)									
Portocork Itália (Italy)									
Socori (Portugal)			X						
Trefinos (Spain)			X	X	X		X		
Victor & Amorim (Spain)								X	
S.A.S. Ets Christian Bourassé (France)									
<b>Floor and Wall Coverings</b>									
Amorim Cork Flooring (Portugal)				X	X				
<b>Composite Cork</b>									
Amorim Cork Composites (Portugal)	X			X	X	X			
Amorim Cork Composites (USA)				X					
Corticeira Amorim France (France)									
Korko - Made by Nature (Portugal)									
<b>Insulation Cork</b>									
Amorim Cork Insulation (Portugal)				X (4)					

IU - Industrial Units

DU - Distribution Units

1) IU-Lamas, DU-Amorim Distribuição, IU-De Sousa, IU-Portocork, IU-Equipar, IU-VL

2) DU-Amorim Distribuição, IU-Portocork, IU-Equipar

3) DU-Eysines

4) DU-Mozelos, IU-Silves

5) IU-Coruche

6) DU-Amorim Distribuição

7) IU-Lamas, IU-De Sousa, IU-Equipar

8) IU-De Sousa, IU-Equipar, IU-Portocork

9) DU-Mozelos, IU-Vendas Novas

10) IU-Ponte Sôr, IU-Coruche, IU-Salteiros

11) IU-SV Alcantara

12) IU-Lamas, IU-Portocork, IU-De Sousa, IU-Equipar

15) IU-Ponte Sôr, IU-Coruche

16) DU-Eysines, DU-Champleury

18) IU - S V Alcantara, IU Algeciras

19) IU-Lamas, IU-De Sousa, IU-VL

13) Working progress

Food Security (contin.)				Forest Products Chain of Custody		Health and Safety	Social Responsibility		
IFS Standard PAC Secure	IFS Broker	BBEEE	BRC	FSC	PEFC	ISO 45001	SA 8000	Investors in People	Family Audit
				X (10)		X (15)			
				X (11)					
				X					
				X			X (13)		
				X (12)			X (13)		
				X					
			X	X					X
		X	X						
				X (16)					
				X			X (13)		
				X					
			X						
				X					
X									
				X					
	X		X	X					
				X					
			X	X					
				X					
				X					
						X		X	
				X	X	X			
				X	X				
				X					
				X (9)					





Corticeira Amorim's team conducts activities throughout the world and upholds high professional and ethical standards, in accordance with the company's Code of Business Ethics and Professional Conduct. This document conveys the Group's corporate culture based on a set of principles and values that guide its internal and external relationships.

# 8 – HUMAN CAPITAL MANAGEMENT

Human resource management at Corticeira Amorim has become increasingly characterised by its Environmental, Social and Governance (ESG) strategy. The influence of this approach has grown stronger every year, forming the basis of the company's relations with its stakeholders (employees, customers, suppliers and the community in general). In regard to employees, the main tenets of the Social dimension strategy influence decisions and activities related to recruitment, career development and promotion, as well as working conditions.

Other significant factors affected staff management framework: the increase in business activity, a particularly challenging job market and the pandemic situation, which decisively influenced the availability of resources and the organization of work, urging for fast decision-making and acting.

## 8.1. DEMOGRAPHIC PROFILE

Corticeira Amorim ended 2021 with 4,642 employees, of which about 29% (1,324) worked in overseas subsidiaries. The remaining 3,318 were employed at different units in Portugal, where the Group's main cork manufacturing plants are based, with a large share of employees being directly linked to production activities. The end-of-2021 total represents an increase of more than 200 employees compared with 12 months earlier, most them working at the Cork Stopper, Forestry and Composite Cork BUs.

**At the end of 2021, the staff structure of Corticeira Amorim broke down as follows**

Professional category	Percentage
Board members	1%
Directors	2%
Head of department	3%
Sales staff	2%
Management support technicians	6%
Team leaders	2%
Administrative staff	6%
Maintenance, quality and logistic technicians	10%
Production operators	67%

The average age of employees in 2021 was 42 (a year younger than in 2020), the gender breakdown being 75% men and 25% women. The average length of service was 15 years.

## 8.2. GUARANTEEING SAFETY, HEALTH AND WELL-BEING

A fundamental pillar of Corticeira Amorim's social strategy is to guarantee the safety, health and well-being of its employees.

Over the past four years, the company has been implementing a plan to reduce accidents. In 2021, the number of accidents at work was reduced for a fourth consecutive year, the global accident frequency index falling from 24.19 (2017) to 10.77 (2021). Days lost due to accidents (severity index) have also been reduced by about 35%. All BUs have a specific action plan in this area, involving investments in technology, changes in equipment and working conditions and, most widely, awareness-raising and training actions aimed at achieving a true cultural transformation in behaviours and attitudes in regard to work safety.

Increasingly, concerns have also focused on promoting safe and healthy work environments, both from a physical and psychological point of view. During the pandemic, employee health prevention and protection were internalised and became habitual. The provision of safe facilities, hygiene, social distancing and protective activities have become part of working life. The goal - to avoid contagion at the company facilities - was fully achieved

Almost every Group company addressed the issue of occupational illnesses. Special mention should be made of the occupational gym sessions held by most of the industrial units, as well as a pilot programme run by the Composite Cork BU to provide physiotherapy for employees with occupational illnesses caused by repetitive strain injuries.

Work environments also have a psychological dimension and increasing efforts are being made in support of mental health. In 2021, Corticeira Amorim began to diagnose psychosocial risks at the Composite Cork BU, an initiative that will be extended to the other Group companies.

### 8.3. RECRUITMENT

2021 was a year of strong activity for most Corticeira Amorim companies. There was an intense level of recruitment due to increased production, the impact of COVID-19 on absenteeism (7% global absenteeism; about 1% of which was caused by COVID-19) and the creation of new staff roles. Strong efforts were made to attract talent, reflecting a drop in available candidates in the job markets of most countries.

Corticeira Amorim companies hired more than 700 new employees in 2021, including direct hires and temporary workers.

### 8.4. EMPLOYEE TRAINING AND DEVELOPMENT

Employee training and development is a priority that can be expressed in different ways: from the need to train new employees - giving, in this case, the highest priority to education on safety standards and workplace practices - to developing new skills. Efforts to help people improve themselves and gain new qualifications to meet the requirements of technological and organisational developments are also important. The Group's investment in employees working in industrial maintenance and support was of particular note in 2021, together with the development of the Business Units' different Academies.

Employee development also involved more specific initiatives, including the launch of Leadership Development programmes at the Floor and Wall Coverings and Composite Cork BUs, as well as the continuation of "Think Customer" programmes at the Cork Stoppers BU. The fifth edition of Knowledge For Growth, a partnership between Corticeira Amorim and Católica Porto Business School that aims to develop the management skills of Group executives, was also held in 2021.

Coaching and mentoring programmes continued at the different BUs, as well as the Young Talent Programmes - Cork Potential at the ACC and Cork Talent at the Cork Stoppers BU.

Corticeira Amorim has made it a priority to ensure that 100% of its employees have access to training by 2024. In 2021, more than 79% of employees had access to training, resulting in a total of more than 53,000 hours of training being given.

### 8.5. PROMOTING DIVERSITY

Among the fundamental objectives of the Corticeira Amorim ESG strategy, which was expanded and deepened in 2021, are issues surrounding Diversity and Gender Equality in particular. Under the auspices of the Equality Plan (drafted for the third consecutive year), an Executive Group for Gender Equality was set up and responsible for overseeing the plan's implementation and, among other actions, held meetings within the scope of informing and raising awareness among senior management.

The overall objective of raising the number of females holding management positions (25% in 2024) reflected in recruitment initiatives, specifically demanding that any short list would always guarantee the inclusion of one member of the under-represented gender in this functional group. There were also internal training sessions on unconscious bias for Recruitment Managers.

In terms of remunerations, work began on analysing payment equity.

New and more demanding targets were set for 2024, especially as regards promoting gender equality in Corticeira Amorim - with the objective of obtaining a 30% proportion of women both in terms of company staff and in group management positions.

## 9 – STOCK MARKET PERFORMANCE

The equity capital of Corticeira Amorim currently stands at €133 million, represented by 133 million ordinary shares with a nominal value of €1, which endow the right to dividends. The company (then entitled Corticeira Amorim, S.A.) first listed its shares on the BVLP – Bolsa de Valores de Lisboa e Porto on April 18, 1988 and has been integrated into the national continuous trading system ever since December 11, 1991.

Under the terms and for the purposes of Law no. 15/2017, of May 3 and Decree Law no. 123/2017, of September 25, the Corticeira Amorim Board of Directors approved the conversion of the bearer shares

representative of the company capital (code ISIN: PTCOR0AE0006) into nominative shares with the respective conversion by the centralised trading system completed on October 26.

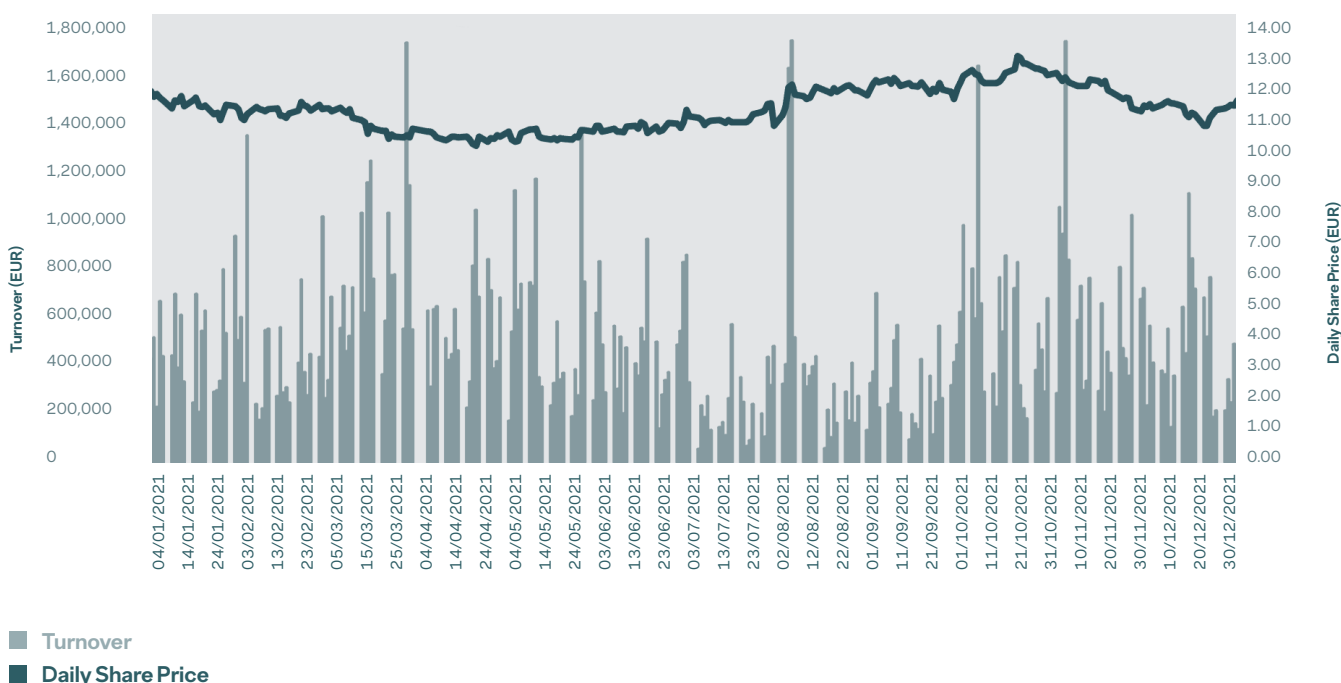
At the end of the year under consideration, the Corticeira Amorim share price stood at €11.28, which represents a decline of 2.8% on the close of 2020. The regulated Euronext Lisbon market saw the transaction of 11.5 million shares in over 49,000 trades that accounted for a total value in the region of €125.4 million.

In 2021, the average transaction price stood at €11.03 per share; with a peak of €12.70 per share, registered on October 20; and a minimum of €9.86 per share, which took place on April 22, to establish a percentile range of 28.8%.

The tables below depict the stock market performance of Corticeira Amorim.

### Trading volumes and share prices on the regulated market (2021)

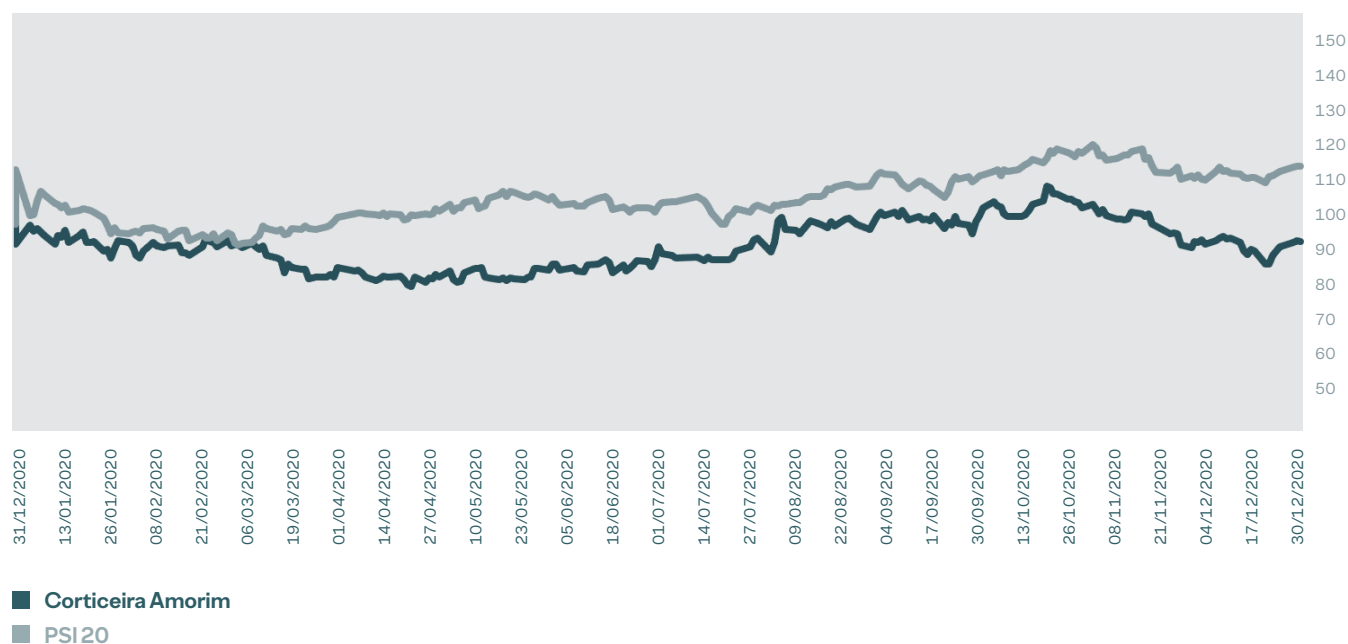
Source: Euronext





## Corticeira Amorim's share price performance versus the PSI20 index (2021)

Source: Euronext



## Evolution of stock market indicators

Source: Euronext

	2014	2015	2016	2017	2018	2019	2020	2021
Number of shares traded	3,481,685	12,693,424*	10,801,324	19,290,907	14,884,614	9,481,944	13,353,226	351,955
Share price (€):								
Maximum	3.650	6.290	9.899	13.300	12.000	11.520	11.780	12.800
Average	2.850	4.340	7.303	11.067	10.604	10.062	9.990	11.030
Minimum	2.200	2.990	5.200	8.180	8.370	8.710	7.480	9.860
End of year	3.020	5.948	8.500	10.300	9.000	11.300	11.600	11.280
Trading frequency	96.10%	98.80%	100%	100%	100%	100%	100%	100%
End of year market capitalisation (€ million)	401.7	791.1	1,130.5	1,369.90	1,197.0	1,502.9	1,542.8	1,500.2

\*includes 7,399,262 shares traded in ABB execution



## KEY ANNOUNCEMENTS MADE BY CORTICEIRA AMORIM IN 2021:

### January 19

Breakthrough technologies to eradicate detectable TCA

### February 24

Consolidated results for 2020

- Resilient sales (-5.2%), despite the adverse global context and unfavourable exchange rate effect, with the following highlights:
- EBITDA/Sale ratio increases to 16.6%, reflecting the positive evolution of EBITDA compared with the decline in sales;
- Exchange rate depreciation impacts activity negatively;
- Net debt decreased €50.4 million to €110.7 million;
- Net profit falls 4.8% to €64.3 million (excluding non-recurrent costs and the positive extraordinary effect of US Floors in 2019).

### March 31

Proposal to alter the model of company governance (approved by the General Shareholders Meeting on April 23 and communicated to the market on this same date)

### April 23

Gross dividend of €0.185 per share

### May 6

Consolidated results for the first quarter of 2021

- Sales fall 2%, penalised by exchange rates and unfavorable global climate, with the following highlights:
- Sales stable when negative impact of exchange rate depreciation is excluded;
- Comparison with first quarter of 2020, which was unaffected by COVID-19;
- Reduction in operating costs despite significant increase in transport costs;
- Profitability of Amorim Cork Flooring improved after recovery initiated in 2020;
- Net debt fell by €35 million to €76 million.

### June 24

Acquisition of a 50% stake in Cold River's Homestead, S.A., the company owning the Herdade de Rio Frio estate (Portugal)

### July 13

Information about a qualified participation – change in voting rights' imputation title

### July 14

Transaction on shares by entities closely associated with directors

### August 3

Consolidated results for first half of 2021

- Consolidated profit increases 15%, activity above pre-pandemic period, with the following highlights:
- Sales increase 11%, in spite of the unfavourable exchange rate effect;
- Return to pre-pandemic activity levels, surpassing the sales performance of the first half of 2019 (+5%);
- EBITDA increases 17%, with a significant improvement in the EBITDA-sales ratio;
- Net profit grows to €39 million;
- Reduction of net debt to €53 million.

### August 5

€20 million of Sustainability Linked Commercial Paper programme (2021-2024)

### November 4

Consolidated results for the third quarter of 2021

- Sales increase 12% with all BUs showing robust growth, with the following highlights:
- EBITDA increases 16%, and EBITDA-sales ratio improves;
- Net remunerated debt reduced by €81 million to €30 million;
- Proposed distribution of distributable reserves to shareholders of €0.085 per share.

### 3 December

Extraordinary gross dividend of €0.085 per share

### December 20

€11.6 million Green Commercial Paper Program

### December 23

Release of the Equality Plan - 2022

# 10 – CONSOLIDATED RESULTS

## 10.1. SUMMARY

As related throughout this report, Corticeira Amorim's results were impacted by a recovery in business, still in the context of the COVID-19 pandemic. This recovery has to be measured against 2020, a year that was penalised by the pandemic to a significantly greater extent. The reduction in profitability, as measured by the EBITDA-sales ratio, occurred mainly towards the end of the year due to the growing impact of increased non-cork raw materials, transportation and energy costs. It is noteworthy that in the first nine months of 2021, the EBITDA-sales ratio was 17.3% compared with 16.6% in the same period of the previous year.

Corticeira Amorim ended 2021 with total sales of €837.8 million, an increase of €97.7 million compared with the same period of 2020. In comparison with 2019, sales increased 7.3%. The 2021 increase reflects an easing of the restrictive measures implemented across the world to contain the spread of COVID-19, which had a profound impact on global economies and consumer patterns. However, continuing uncertainties regarding the pandemic should not be overlooked. The increase in infection levels seen at the end of 2021 and beginning of 2022 confirmed the need to maintain a prudent attitude towards the possibility of a return to normal across different sectors of the economy. The impact of the invasion of Ukraine is another factor that raises questions about the possibility of an improved outlook for 2022.

It should be noted that there was a 2.0% reduction in sales at the end of the first quarter compared with the same period of 2020. It also worth highlighting that it was only the last nine months of 2021 were comparable with the period fully impacted by the COVID-19 pandemic in 2020.

The exchange rate effect (mainly associated with US dollar depreciation) penalised sales; excluding this effect, the increase in sales would have been 4.2%. In the last quarter of 2021, however, the exchange rate impact was partially reversed.

Corticeira Amorim's consolidated EBITDA totalled €134.4 million, an increase of 9.7% compared with the previous year, but lower than the increase in sales (+13.2%). The EBITDA-sales ratio decreased to 16.0% (2020: 16.6%). The improvement in results resulting from increased activity came under pressure from growing inflationary pressures, particularly higher non-cork raw materials, transport and energy costs. This impact was particularly strong in the last quarter.

At the end of 2021, net debt totalled €48.1 million (2020: €110.7 million), the lowest level since June 2017. Financial expenses for the period totalled €1.6 million, a decrease compared with the value of €2.1 million in 2020 that resulted from a lower average level of indebtedness.

Non-recurring net incomes includes the effect of recognising the capital gain from the sale of the Indústria Corchera facilities as well as the recognition of restructuring costs and Goodwill impairment losses. The impact of non-recurring items on net income was approximately -€0.2 million (at current exchange rates).

Corticeira Amorim's consolidated net income totalled €74.8 million, an increase of 16.2% over the previous year. Due to its positive financial position, Corticeira Amorim distributed dividends totalling about €35.9 million, corresponding to €0.27 per share.

## 10.2. CONSOLIDATION PERIMETER

There were no material changes in the universe of companies that make up Corticeira Amorim, making the financial statements for the year 2021 fully comparable with those of 2020.

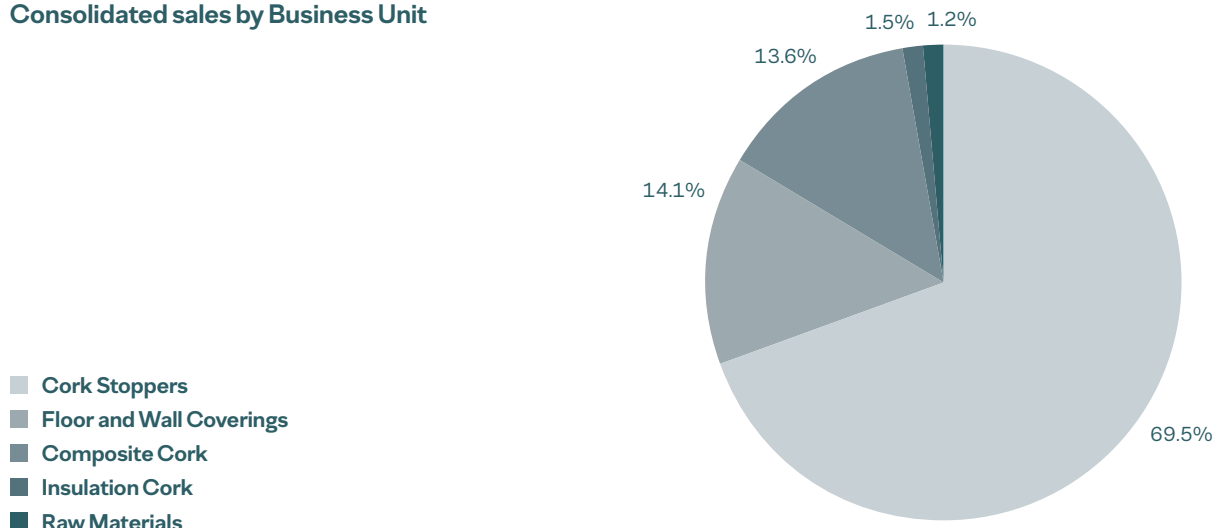
## 10.3. CONSOLIDATED RESULTS

Consolidated sales totalled €837.8 million, an increase of 13.2% compared with 2020, when sales totalled €740.1 million. All Business Units (BU) recorded significant sales growth, with consolidated sales exceeding pre-2019 pandemic levels by 7.3%. In 2021, sales were penalised by an unfavourable evolution of exchange rates – excluding this effect, they would have increased 13.7%.

The Raw Materials BU increased its sales (+6.4%) compared with 2020. This growth, however, only occurred in the second half (+13.6%), while sales in the first half remained practically the same as in 2020. In the context of significant sales growth in the Group's downstream BUs and following a realignment of their inventory levels, it was natural that the Raw Materials BU's sale would increase. The recovery of business activity in North Africa, where auctions had previously been postponed, was particularly noteworthy.

All Corticeira Amorim's BUs posted sales increases, the most notable being Cork Stoppers (+12.5%), Floor and Wall Coverings (+9.9%), Composite Cork (+22.6%) and Insulation Cork (+17.9%). These BUs managed to reverse the downward trend in sales observed at the end of 2020, registering robust growth in business activity.

### Consolidated sales by Business Unit

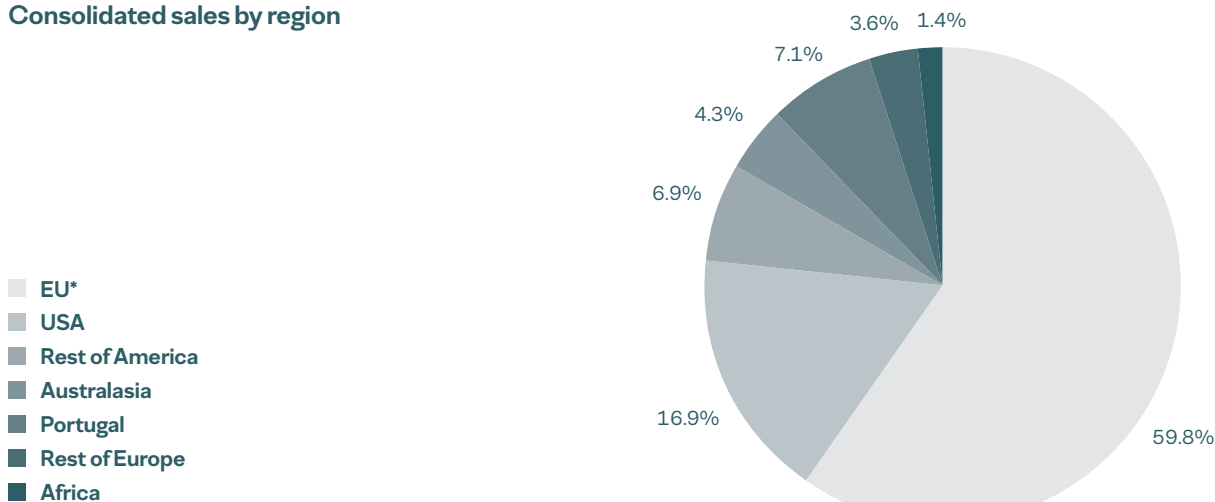


The relative weight of each BU's sales as a percentage of the Group's total remained stable, the greatest change being the increased weight of the Composite Cork BU, reflecting its stronger sales recovery.

In geographic terms, the Group's biggest sales market was again France, a country that had been overtaken by the US in 2020. The exchange rate effect penalised the US market's performance

in 2021. France's return to being the Group's largest market reflected increased sales by the Cork Stopper BU, particularly in the sparkling wine segment. Italy remained the third largest market for sales, increasing its weight in Corticeira Amorim's total sales. After the three largest markets came Germany, Spain and Portugal. The Spanish market moved up into the position previously occupied by Portugal.

### Consolidated sales by region



\* Excludes Portugal; includes Switzerland and Norway.

The gross margin on sales was 49.6%, a decrease of 1.3 percentage points compared with 2020. The decrease was essentially due to cost increases for non-cork raw materials and transport (transferred to increased product costs). Changes in production levels had a negative impact of about €12 million, with the Cork Stoppers BU accounting for the largest part of the decrease, mainly due to a drop in volume to meet the increase in sales.

Operating costs increased 10.9%. External supplies and services costs rose 15.7%, with increases in electricity (83%) and transport (17%) costs reflecting the current inflationary climate. The increase in electricity costs mainly occurred in the second half.

The increase of about €8 million (+5.8%) in staff costs was mainly due to an increase in the average number of employees. Taking into account the average remuneration per employee, the increase was 3.9%.

The increase in depreciation (+11.5%) reflected an increase in investments in recent years.

The impairment item reflected a recovery of €2.2 million in impairments, which compares with a recovery of impairments totalling €0.6 million in 2020. As in 2020, the recovery of impairments in 2021 was most significant at the Cork Stoppers BU.

In other operating gains and expenses, there was a negative change totalling €1.8 million. The impact of exchange rate differences on assets receivable and liabilities payable, and the respective hedging of the exchange rate risk, resulted in a loss of €0.2 million; in 2020 the loss totalled €0.4 million. The negative change in this item was mainly due to a reduction in supplementary income (–€0.7 million) and in other income (–€0.8 million).

Consolidated EBITDA totalled €134.4 million, an increase of about 10% on the previous year, mainly supported by higher levels of activity. The EBITDA-sales ratio stood at 16.0% (2020: 16.6%).

As reported in the section on segments, while all BUs increased their EBITDA in absolute terms, the Floor and Wall Coverings and Insulation BUs were the only ones to post an increase in their EBITDA-sales ratios. The EBITDA-sales ratio of the Raw Materials and Cork Stoppers BUs were 20.0% (2020: 21.2%); the decrease resulted from the weakness of the dollar, some non-cork raw material, transport and energy cost increases and lower gridding yields.

The EBITDA margin of the Floor and Wall Coverings BU increased from 1.6% to 2.3%. A reduction in operating costs resulting from restructuring enabled the BU to improve its profitability. However, the significant increase in transport and energy costs and the higher price of some non-cork raw materials continued to exert pressure on profitability.

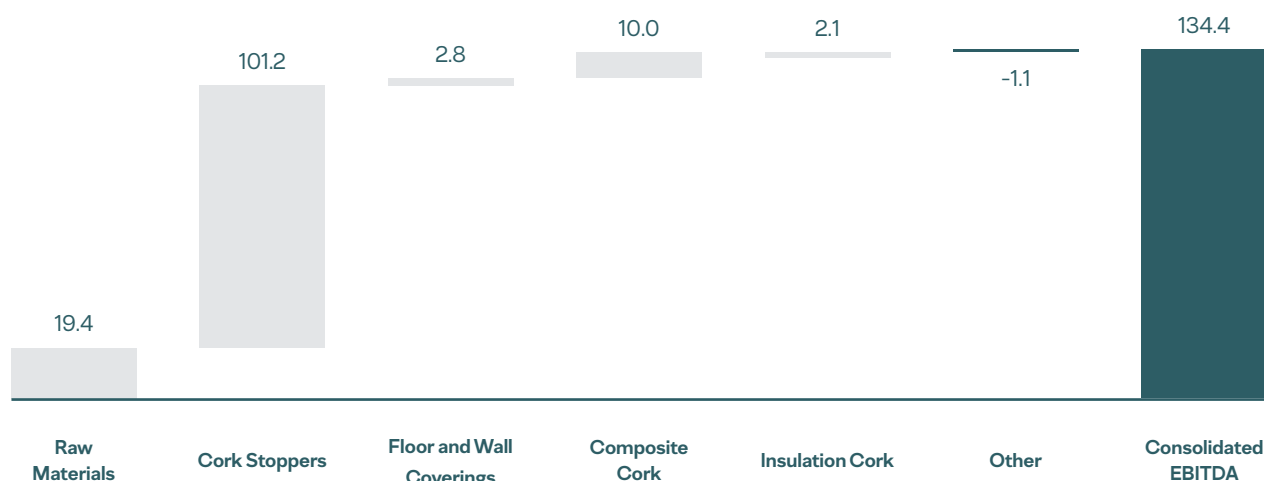
The Composite Cork BU's EBITDA margin remained stable compared with 2020 (8.6% vs. 8.8% in 2020). Despite increased activity, unfavourable exchange rates (at constant exchange rates, the EBITDA margin would have increased to 9.4%), a significant rise in the cost of some non-cork raw materials, as well as transport and energy costs, led to a decrease in the margin compared with 2020.

The EBITDA margin of the Insulation BU was 14.2% (2020: 7.1%). In addition to the one-off adjustment in inventories, an optimisation of cork use and greater industrial efficiency help, among other factors, to explain this growth.

#### EBITDA-sales ratio by Business Unit:

EBITDA/Sales (%)	2019	2020	2021
Raw Materials + Cork Stoppers	20.5%	21.2%	20.0%
Floor and Wall Coverings	-2.3%	1.6%	2.3%
Composite Cork	11.9%	8.8%	8.6%
Insulation Cork	1.6%	7.1%	14.2%
Consolidated	16.0%	16.6%	16.0%

#### Business Unit contributions to consolidated EBITDA



€ millions

EBIT totalled €93.7 million, an increase of 9.0% over the previous year. Depreciation increased by 11.5%, reflecting the increase in investments made in recent years, which penalised EBIT growth.

Non-recurring earnings totalled €6.4 million. These included the capital gain from the sale of the Industria Corchera premises (+€11.7 million) with part of these funds being used to build new facilities. Non-recurring expenses included an impairment of Goodwill in the amount of €3.9 million and restructuring measures at the Floor and Wall Coverings, Cork Stoppers and Composite Cork BUs, which totalled €1.0 million. The net effect of non-recurring results (impact on non-recurring results, annual taxation and non-controlling interests) was positive in the amount of approximately €0.3 million. This net effect was mainly due to the subsidiary Industria Corchera being 50% owned.

Financial expenses decreased in relation to the previous year, reflecting the reduction in average indebtedness.

In terms of associated company earnings, the amount of profits appropriated by Corticeira Amorim from companies in which it does not hold the majority of share capital and/or voting rights totalled €3.0 million. The year-on-year increase was mainly due to an improvement in Vinolok's results, from a positive contribution of €1.2 million in 2020 to €2.5 million in 2021. Trescases also improved its contribution of €0.7 million in 2020 to €0.8 million in 2021. Corchos de Argentina continued to be penalised by the evolution of exchange rates and by the application of the regulations for hyper-inflationary economies. Its contribution to earnings in

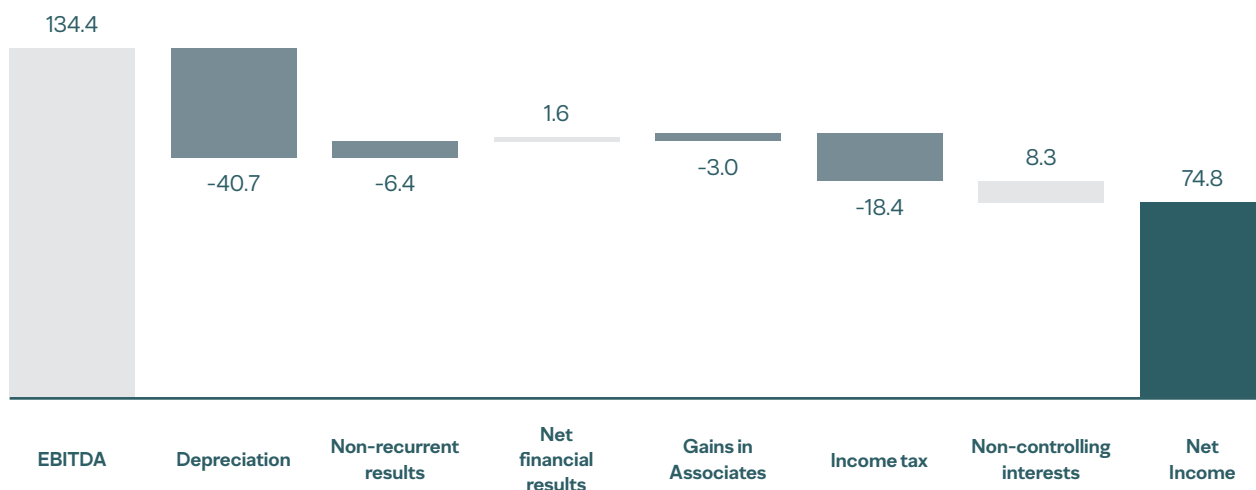
2021 was negative in the amount of €0.6 million, compared with a positive contribution of €0.2 million in 2020. In terms of operating activity, the company posted positive results, but the impact of hyperinflation led to the overall result it contributed being negative.

In 2021, the effective tax rate (income tax/(earning before tax-earnings from associated companies)) increased to 18.2%, compared with 14.4% in 2020. The capital gain from the property in Chile contributed to this increase as Chile's tax rate is higher than the average rate paid by Corticeira Amorim in 2020. The fact that goodwill impairments had no tax impact also contributed to the increase in the effective rate. It should also be noted that in 2020 there was a reversal in tax provisions, without this having resulted in significant cash outflows from Corticeira Amorim. The effect of the calculation of tax benefits for investment (SIFIDE-Tax Incentive System for Business R&D and RFAI-Investment Support Tax Regime) in comparison with the provisions reverted in relation to the benefit (Corticeira Amorim maintains its policy of recognition that is conditional on the future achievement of objectives) had a positive impact on results that is expected to be maintained in the coming years.

The increase in non-controlling interests was essentially due to the impact of the capital gain from the sale of the property in Chile, the share of the profit from which was appropriated by non-controlling interests.

After an income tax estimate of €18.4 million, and the appropriation of €8.3 million in earnings from non-controlling interests, Corticeira Amorim's consolidated net income rose to €74.8 million, compared with €64.3 million in 2020, an increase of 16.2%.

#### Breakdown of Net Income



€ millions



# 11 – CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Total assets stood at €1,081 million, an increase of approximately €76 million. Changes include the acquisition of 50% of Cold River (Herdade de Rio Frio), which had an impact of €16 million on the associated companies item. As set out in the acquisition agreement of Bourrassé, the third tranche of 10% was made in 2020, which increased the Group's financial shareholder from 80% to 90%. An equal tranche will be purchased next year, bringing Bourrassé's to 100%. As the liability for the acquisition of non-controlling interests had been recognised at the time of acquisition, the main impact in terms of the financial position was a reduction in non-controlling interests against reserves.

In addition to associate companies, the items that contributed most to the increase in assets were cash and equivalents (an increase of €39 million), customers (€21 million as a result of increased sales) and other debtors (an €18 million increase). The reduction under inventories (-€24 million in the context of a significant increase in sales volume) offset the increases in total assets.

In terms of equity, the €47 million change was essentially due to the results for the period (€74.8 million) and the distribution of dividends (€35.9 million).

Under liabilities, the increase of €28 million resulted mainly from the increase under suppliers (€50 million) offset by the reduction in interest-bearing debt (€23 million). As of 31 December, net interest-bearing debt totalled €48.1 million, a decrease of €62.6 million year-on-year. This is explained by the reduction in working capital (a reduction of €49.5 million, due mainly to the decrease in inventories and the increase in suppliers), as well as by the EBITDA generated. Capex (€44.0 million), dividends paid (€35.9 million) and acquisitions (€20.3 million, mainly due to the acquisition of 50% of Cold River (Herdade de Rio Frio) and 10% of Bourrassé) offset the reduction in debt.

In terms of financing, Corticeira Amorim reaffirmed its commitment to the application of ESG principles and best practices, as well as its alignment with the UN's Sustainable Development Goals, with the issue in August 2021 of a Sustainability Linked Commercial Paper Programme (total amount: €20 million, maturity: 2024) and in December of a Green Commercial Paper Programme (maximum nominal amount: €11.6 million, maturity: 2026). As of 31 December, the sustainable financing instruments issued represented 39% of Corticeira Amorim's total gross debt.

The financial autonomy ratio stood at 57.7%, having increased slightly compared with the previous year.

# 12 – MAIN CONSOLIDATED INDICATORS

	2020	2021	YoY	4Q20	4Q21	QoQ
Sales	740,113	837,820	13.2%	168,693	200,688	19.0%
Gross Margin – Value	376,364	415,817	10.5%	85,599	99,821	16.6%
Gross Margin / Sales	50.9%	49.6%	-122.1 b.p.	50.7%	49.7%	-100.3 b.p.
Operating Costs – current	290,399	322,153	10.9%	67,386	85,426	26.8%
EBITDA – current	122,512	134,399	9.7%	27,626	24,087	-12.8%
EBITDA/Sales	16.6%	16.0%	-51.2 b.p.	16.4%	12.0%	-437.4 b.p.
EBIT – current	85,965	93,664	9.0%	18,213	14,395	-21.0%
Net Income 1)	64,326	74,755	16.2%	15,815	16,724	5.7%
Earnings per share	0.484	0.562	16.2%	0.119	0.126	5.7%
Net Debt	110,717	48,072	- 62,645	–	–	–
Net Bank Debt/EBITDA (x) 2)	0.90	0.36	-0.55 x	–	–	–
EBITDA/Net Interest (x) 3)	105.7	167.7	62.01 x	83.1	84.3	1.20 x

1) Net income includes non-recurring results. In 2021, non-recurring results reflect mainly a plant sale by Industria Corchera and impairment losses on Goodwill.

The effect of non-recurring items on net income is approximately -0.2 M€ (at current exchange rates)

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)



Over the past ten years, Corticeira Amorim employees have planted tens of thousands of cork oak trees in Portugal, contributing to the country's reforestation, maintenance of ecosystems and preservation of biodiversity. Environmental education initiatives and social responsibility activities are two other cornerstones of the company's sustainability policy, with a view to achieving the desired balance between people, the economy and the planet.





The cork oak forest (montado) regulates hydrological cycles, protects against soil erosion, fosters significant biodiversity, reduces the risk of desertification, acts as a barrier against forest fires, serves as an important natural carbon sink and is an engine of economic, environmental and social development.

# 13 – 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 2020 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.

# 14 – FUTURE OUTLOOK

## 14.1. ECONOMIC CLIMATE

### 14.1.1. OVERVIEW

The impact of the pandemic is likely to mark 2022 as it did the two previous years. It is also expected to be another year of lower growth, with the world economy performing less robustly than was projected only a few months ago, due to a worsening in the outlook for the world's two largest economies, the US and China. Growth rates will reflect the impact of the increase in inflation since the second half of 2021 and early 2022, as well as more prudent monetary policies. The increased spread of the Omicron variant of COVID-19 at the end of 2021 and beginning of 2022 is likely to result in lower economic growth in early 2022, a year that will also be impacted by a forecast decrease in the reliability of global supply chains and shortages of intermediate goods. On the other hand, the geopolitical tensions caused by the conflict in Ukraine, which have marked recent weeks, may persist and worsen, resulting in greater risk aversion and increased financial and market volatility, having an impact on economic growth that is likely to be more significant in Europe than in the US due to trade and financial links and, above all, energy dependence (a substantial part of the natural gas and oil imported by Europe originates in Russia). This is the most recent obstacle to economic growth. It is significant, but it may not be the only one to affect 2022. The world economy is expected to register economic growth of 4.4% this year, a deceleration compared with 2021, as previously noted, a year in which developed economies grew by about 3.9% and emerging economies by about 4.8%. Inflationary pressures are likely to subside only gradually and central banks are expected to continue the monetary normalisation process that is already in progress. It is feared that central banks will also face a critical challenge in seeking an optimum balance between keeping inflationary expectations under control and the negative impact of monetary tightening, with a substantial share of inflationary pressures resulting from supply side factors rather than from a sharp increase in demand. It is likely that commodity prices, especially for energy, will continue to be supported (oil prices were at their highest since 2014 at the time of this assessment). This would reflect a reaction to occasional upward factors, such as low natural gas stocks in Europe and a gradual replenishment of OPEC+ oil production, as well as geopolitical risks and structural issues such as climate change, the energy transition and the impact of lower investment in replacing fossil fuels. This will be only moderately offset by the expected deceleration in economic growth and by monetary normalization. A gradual readjustment of imbalances and constraints in international supply chains is also expected. World unemployment, in turn, should continue to follow a downward trend, along with structural adjustments in the labour market resulting from new working practices and shifts in the working population (the phenomenon known as “the great resignation” or “big quit”).

The **Euro Zone** is expected to record growth of about 3.9% in 2022, despite the year beginning with restrictions on mobility and, as a result, on economic activity, to the point of a projected contraction of the Germany, the engine of Europe. Recovery from the pandemic, together with investment in European Recovery and Resilience Fund projects and measures, is expected to accelerate growth from the second quarter onwards. The reform of the European fiscal framework is likely to advance following the suspension of Stability and Growth Pact rules in response to the pandemic. Monetary and financial conditions are expected to remain favourable, despite the

ECB's willingness to consider beginning monetary normalisation. Projections point to an increase in inflation to 3.2% in 2022, due mainly to energy prices, which is where the main risks for the economic climate and the conduct of monetary policy lie. In an extreme scenario of a significant reduction in the supply of Russian gas to Europe, stagflation cannot be ruled out.

The **UK** is expected to face a challenging economic climate, with high inflationary pressures, significant impacts on disposable income, supply chain constraints and lower fiscal support, all of which will affect demand. This environment is projected to result in economic growth of about 4.7%, a significant loss of momentum compared with the previous year. The Brexit process has not yet been concluded.

**Sweden** is expected to grow by about 3.4%, benefiting from a recovery of confidence after the lifting of COVID-19 restrictions and a reduction of international supply chain constraints that have had a greater impact in Sweden than elsewhere due to the country's export profile. The **Czech Republic**, another economy with a high degree of openness and an industrial sector with a high level of exports, should find additional support in private consumption growth and high employment levels. Its economy is expected to expand by about 4.5%.

The **US** economy is expected to grow at a significant rate of 4.0%, although this compares unfavourably with growth in 2021 and, above all, represents a drop of 1.2 percentage points from the projections the IMF made for the world's largest economy in October 2021. This reflects the administration's failure to implement the Build Back Better tax initiative, supply chain disruptions and shortages of intermediate goods. The US political highlight of 2022 will be the midterm elections in November, which are likely to result in the Biden Administration losing a Democrat majority in the Senate. Continuing political and social polarisation represents a serious structural challenge to economic development. The FED is likely to embark on accelerated, but short cycle of interest rate hikes, given that its goal of full employment has been achieved (lower unemployment will be accompanied by sustained wage growth) and the persistence of broad inflationary pressures. The first rate hike is expected in March. **Japan** is expected to record economic growth of 3.3% in 2022, double its rate of expansion in 2021. **Australia**, on the other hand, is expected to achieve growth of about 4.1%.

Emerging and developing economies are expected to register a deceleration in growth of about 4.8%, compared with 6.5% in 2021, a downward revision compared with the projections made in the last quarter of 2021. **China** is expected to grow by 4.8%, a rate substantially lower than in 2021 that highlights the challenges of excess construction in the residential real estate sector (raising fears of a slowdown in real estate investment), adverse demographic trends and the impact of China's zero-case COVID-19 policy. **India** is expected to maintain its 2021 growth rate of 9.0%. **Brazil**, the largest Latin American economy, is expected to register marginal growth, reflecting a sharp revision in the outlook due to monetary measures aimed at containing inflationary pressures, which are likely to dampen domestic demand. **Mexico**, impacted by lower US demand and a drop in investment due to nationalist rhetoric, is expected to grow 2.8%, almost half the growth rate it recorded in 2021. **Chile** and **Argentina** are expected to grow by about 2.8%, with Chile projected to suffer a sharper slowdown after the positive surprise of 2021, when it benefited from substantial fiscal expansion. **South Africa**, grappling with structural problems affecting electricity supplies and a drop in investment intentions, is expected to grow 1.9%, a significant deceleration compared with 2021. In the face of recent developments, **Russia** could face an additional wave of sanctions, the scope and impact of which remain difficult to forecast. These will be offset only by higher prices from some exports, including oil, metals



and agricultural products. The economy is expected to grow 2.8%, but, in view of the geopolitical context and the actions of the Russian central bank is taking to dampen inflationary pressures, the risks appear to be deeply skewed downwards. Projections point to growth of 5.1% in Hungary.

Monetary policy at the international level is expected to continue the normalisation process begun in 2021. The US Federal Reserve and the Bank of England, the main protagonists, are expected to consider gradually ending extraordinary measures, including quantitative easing, as well as introducing a cycle of rising interest rates and reducing the assets on central bank balance sheets (quantitative tightening). The ECB will also be attuned to making gradual adjustments. Emerging Economies, with the exception of China, which has been relaxing monetary conditions, are likely to adjust monetary policy at a faster pace in an effort to reverse inflationary pressures. Economic projections assume the persistence of Inflationary pressures worldwide, with an emphasis on the upward movement of energy prices (higher for longer) despite an expected rebalancing of demand - to the detriment of goods and in favour of services - acting as a moderating factor. Developed economies are expected to register a general increase in consumer prices of about 3.9%, while emerging economies are likely to experience a 5.9% acceleration in the rate of price increases. Fiscal policy is expected to become gradually less expansionary with the phasing out of stimuli introduced during the acute phase of the pandemic. Combined with the impact of US monetary tightening on international financial flows, this will represent a challenge for emerging economies due to the high levels of indebtedness they have accumulated, especially over the past two years. At the time this analysis was being prepared, however, the question arises as to whether the deterioration of the economic context due to geopolitical instability will not lead countries to strengthen their expansionary fiscal policies.

#### 14.1.2. PORTUGAL

Portugal again imposed mobility restrictions and other containment measures in response to the rapid spread of the Omicron variant. At the time this report was written, entry into a different phase of the pandemic closer to normality and closer to COVID-19 becoming an endemic disease appeared possible. Economic activity was expected to be weaker at the start of the year, but Portugal is projected to return to and then exceed pre-pandemic levels of output by the end of the second quarter. The economy is forecast to grow by about 5.8% in 2022, expanding at a faster pace than in 2021, and in stark contrast to the growth forecasts for most developed economies. As a result, Portugal should return to converging with the average European growth rate. A note of caution should nevertheless be sounded due to the downside risks arising from the geopolitical instability surrounding Ukraine. As in the rest of the Euro Zone, the implementation of Portugal's Recovery and Resilience Plan should stimulate growth, increasing domestic demand and investment. Consumption will be supported by the spending of savings accumulated during confinement periods and by the favourable evolution of economic sentiment. In terms of external demand, the prospect of a recovery in tourism (Portugal has one of the world's highest COVID-19 vaccination levels) should translate into a positive contribution to economic growth and help mitigate an expected decrease in external demand for other areas of the economy. Despite the delays in approving the state budget for 2022 and the inauguration of the new government, efforts to reduce the budget deficit and public debt are expected to continue. In 2022, the current and capital account should show a higher positive balance than in 2021, when it was projected at 1.8% of GDP. A reduction of the deficit in goods and services balance resulting from a recovery

in tourism and an increase in the surplus of the income and capital balance due to a greater inflow of European funds should contribute to this evolution. As a result of measures to support good labour relations, the labour market recovered in the last months of 2021, a trend that is expected to continue in 2022, supported by a reduction in COVID-19 restrictions and a recovery in economic activity. As a result, the unemployment rate is expected to fall to 6.1% in 2022, below pre-pandemic levels. Consumer prices are projected to increase, not only because of the recent impact of higher energy prices (consumer energy prices rose 13.2% year-on-year in the last three months of 2021), but also due to increases in production prices. This will trigger a contagion effect downstream, raising fears of an impact on a wide range of consumer products and services. As a consequence, inflation is forecast to exceed 2.3% in 2022, but with a risk of upward bias. Prices increases are nevertheless projected to be lower than the European average.

### 14.2. OPERATING ACTIVITIES

#### 14.2.1. RAW MATERIALS

The 2022 EBITDA result is expected to exceed that of the previous year, thus reflecting the forecast rise in activities and the reduction in the 2021 campaign purchase price. The stabilisation of the pandemic and the consolidation of the operating efficiency projects ongoing throughout recent years also reflect determinant factors for this progress.

The greatest fears and uncertainties surround the levels of price increases generalised across all non-cork raw materials with impacts especially on transport and energy prices, as well as for the tools and materials applied in the maintenance and repair of equipment.

In order to counter these effects, there are ongoing plans for cost reductions that seek to obtain this objective through implementing new working models, sourcing alternative materials and suppliers, investing in projects able to cut energy consumption and the installation of solar panels at all units in Portugal.

The 2022 purchase campaign has already launched and is advancing at a good pace. The expectation is for the acquisition of larger quantities of *amadia* in Portugal and Spain than in 2021, thereby boosting group autonomy while also strengthening the purchase of cork for grinding in the secondary market.

During cork extraction, which takes place in the summer months, there will be further strengthening of new field working models incorporating recourse to technology, especially for the cork extraction process, raising the level of equipment available for this campaign and for the transport of cork through further refining the technologies already deployed in 2021, in particular the forestry gripper press. These new models correspondingly seek to reduce the dependence on specialised labour (scarce) and reduce operating costs.

The development of new processes, whether to improve operating efficiency or products, shall remain the BU's priority, actively maintaining the intention to develop the automatic selection lines, whether on-site or for preparation, advancing with a new model for pre-choosing discs, the conclusion of the project for a new boarding machine, improvements to the disc manufacturing process through introducing technology enabling the reduction in costs and better utilisation of the shavings as well as the projects to refine disc selection, introducing new production selection processes, more technologically capable and able to mitigate mechanical problems (nails and years of drought/embedded bark).

Under the auspices of the Forestry Intervention Project, there is ongoing implementation of the Cork Oak Improvement Plan with the objective of having surplus cork oaks by the end of the year and with the continuity of the study and research work undertaken with the objective of gaining recognition as a Knowledge Centre of Excellence in forestry production both for knowledge about techniques to eradicate cork oak plagues and diseases but also for implementing irrigation assisted models of forestry.

For the development of knowledge on irrigation assisted models of forestry, projects are undergoing development on the Venda Nova, Baliza and Rio Frio estates.

## 14.2.2. CORK STOPPERS

2022 is forecast to be a year of above average growth, driven by the accumulation of household savings during the pandemic, the repositioning of depleted stocks and continued support from monetary policy.

Disruptions to the logistics chain have begun to ease and the flow of goods should return to normal by around the middle of the year. However, there is no expectation of any immediate downturn in the inflationary pressures but only from the middle of 2022 onwards. The energy issue remains uncertain and requiring the taking of measures to rationalise cost and seek out alternatives. Various millions of workers are expected to return to the employment market, boosting available incomes even while the shortage of labour is likely to persist. Costs are expected to continue upwards and innovative solutions for industry shall emerge as long lasting and efficient options.

The new world order emerging from the pandemic, and the latest geopolitical movements, pose enormous challenges to the Cork Stoppers BU, with positive impacts on the side of demand but critical consequences for the factors of production.

The strategy for the 2022-2024 period, based on four pillars, will prioritise the following lines of action:

- Adopting a more proactive and flexible structure with a response capacity better tailored to more unstable markets;
- Aligning the productive capacity to the market and the company strategy;
- Boosting sales, prioritising the appropriate mix and enhancing the value of products;
- Raising profitability and EBIT;
- Improving levels of service;
- Completing the implementation of operating efficiency measures, particularly focusing on the automation of labour intensive processes;
- Advancing with digitalisation, data science and predictive analysis;
- Intensifying sustainability practices and highlighting the advantages of cork over other seals;
- Improving the productivity and usages of raw materials;
- Optimise the capital invested and prioritise investment.

## 14.2.3. FLOOR AND WALL COVERINGS

The year of 2022 is expected to continue to be marked by sharp pressures on the prices of the factors of production. Following 2021, with its strongly negative impact, the beginning of this year saw the maintenance of high prices for raw materials, transport and energy.

The Floor and Wall Coverings BU agenda includes striving for a culture of excellence based on continuous improvement processes, the profitability of the business and the growing guarantee as regards the reliability of our products. The utilisation of best in class international standards with recourse to the methodologies deployed through the Investors in People programs, the development of competences and the EFQM model, shall continue to define a significant turnaround in its strategic positioning.

In terms of sales, the forecast points to growth in sales of manufactured products based on three pillars: continued growth in the sales of the new solutions Amorim WISE (upgrade 2.0), the return of the Hydrocork range (version PLUS) and leveraging the SPC line in price sensitive segments.

As regards the gross margin, this is subject to heavy pressure stemming, above all, from the rise in raw material prices, both those supplied domestically and those imported from Asia. In terms of the transport of components imported from Asia, there is a clear risk of the current high tariffs remaining in effect, with preventive measures under monitoring in order to offset this effect, in particular considering supply alternatives and the implementation of rises in the sale price to clients, given these effects prevail throughout the flooring industry.

Withing the scope of innovation, the Floor and Wall Coverings BU continues to advance with its medium term program - INNOP25 – with its objective of developing new solutions for flooring for presentation in 2025, aligned with the UN mission, with the continued investment in sustainability while guaranteeing the competitiveness of products. The first program stage involved the launch of the Go4Green project based on new textured digital printing techniques and new surface finishes within the framework of the demands prevailing in the market segments targeted by these solutions.

## 14.2.4. COMPOSITE CORK

The year of 2021 was, in addition to experiencing strong growth, a period of rising inflationary pressures that negatively impacted on profit margins.

The perspective of the merely temporary character of these movements, which are affecting the majority of raw materials as well as the costs of electricity and transport, receives ever less consensual agreement. Hence, it clearly becomes essential to pass onto the market a proportion of the impacts experienced and that seem to be persisting. This repositioning, while crucial, will be undertaken in an adjusted fashion taking into account the specific characteristics of the different markets, their segments and the products in question.

Furthermore, in the different priority sectors, concrete actions shall begin to be implemented in accordance with the defined strategic priorities, which should leverage growth in areas of greatest added value and through recourse to new technologies.

In practice, investment in new technologies and developing new products represents a major and newly heightened theme for 2022 with the installation of new lines dedicated to moulding,

extrusion and agglomeration that will not only boost efficiency but also introduce new characteristics to the supply of materials and products by the Composite Cork BU.

Raising capacity, to respond to new, profitable growth opportunities, and adjusting market prices to maintain the value generated by the current business, are core factors for the strategic actions for implementation in 2022.

Additionally, other interconnected initiatives will take place in areas such as communications, sustainability, internal competences and IT systems without overlooking the strategic directives of efficiency that will remain decisive and with a particular emphasis on measures designed to improve the productivity of the manufacturing capacity located in the United States.

#### 14.2.5. INSULATION CORK

Despite the global context of uncertainty due to the COVID-19 pandemic, the Insulation BU perceives 2022 as a year for continuity in terms of both the sales volumes and overall growth. The strategic measures implemented over the course of recent years and the investments that primarily target the industrial unit in Silves enable a confident perspective for the overall BU performance in this year.

The Insulation Cork BU will continue to focus on loyalty in current markets as well as expanding into new geographies, enacting a real argument for sustainability in a global market increasingly aware about the need to apply natural and technically efficient products.

#### 14.3. CONSOLIDATED RESULTS

The year of 2021 was defined by the gradual emergence from the COVID-19 pandemic even though its effects still remain in early 2022. The beginning of the latter year was overshadowed by the invasion of Ukraine, with the duration and impacts difficult to foresee. The disruptions and uncertainties over the extent of the direct and indirect impacts, which are already experienced in terms of the supply of raw materials, transport and energy, in this context, remain still more difficult to evaluate.

In addition, fluctuations in the EUR/USD exchange rate provides another source of uncertainty that conditions the outlook for the performance of Corticeira Amorim in 2022.

In 2022, the effects of the price rises in non-cork raw materials, transport and energy will continue to weigh on the balance sheet. Corticeira Amorim shall have to adjust its sales prices and boost its efficiency to avoid conditioning its own profitability. The purchase price for cork is also expected to undergo inflationary pressures with special attention needed for the prices prevailing in secondary markets with the corresponding need to continually review the commercial terms for products and solutions and, internally, the operating efficiency measures.

2021 represented a record year for sales with the results of Corticeira Amorim resuming their trend for growth as in previous years. However, there was a slide in profitability as measured by the EBITDA/Sales ratio. In terms of the regular activities of Corticeira Amorim, the restrictions imposed by the rise in the consumption prices for raw materials drove the need for continued increases in operational efficiency, searching for new markets, diversifying the solutions that are available in order to best meet the needs of clients. These gains, in addition to being maintained, shall continue to be targeted throughout the organisation.

In the Cork Stoppers BU, the pandemic context brought about changes to the traditional sales channels with important consequences for the product mix. One of the major questions revolves around whether the downturn in the consumption of wines, sparkling wines and spirits will continue. The Cork Stopper BU will strive to grow faster than the broader wine market through its backing for Naturity® and Xpür®. There remain key spirits markets for exploration and the restrictions on plastic stoppers open the doors to the alternatives provided by Corticeira Amorim. The integration of the SACI Group, following the acquisition of a 50% stake at the beginning of 2022, constitutes another important challenge for this year. The BU shall continue to invest in growing its sales and improving its operating efficiency.

The Composite Corks BU is to continue with its investments in organic growth despite the limitations posed by the rise in sales prices. The challenges involved in maintaining the level of sales and BU profitability are significant. This requires great discipline in obtaining the returns from grinding as this market displays only a limited capacity to absorb price rises.

The Wall and Floor Coverings BU, following some improvement in its profitability and sales volume in 2021, still faces a long path ahead but is now equipped with all the conditions necessary to continue growing into the future. It is important to raise the sales level with its commercial team prepared to achieve the sales objectives that underpin the guarantee that this BU reaches a break-even point.

The Insulation Cork BU remains on its path towards performance improvements. The production efficiency measure, the sustainability arguments and the growth in sales (whenever possible expanding into new geographies) are guidelines for the future direction of this BU.

## 15 – BUSINESS RISKS AND UNCERTAINTIES

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

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

In addition, chapter III – Internal control and risk management, of the 2021 Corporate Governance Report sets out the risk management model in operation at Corticeira Amorim, including the identification and description of the main risks to which the Company is exposed in the exercise of its activities, as well as the mitigation measures appropriate to minimising the probability of them occurring and/or their impact.

## 16 – TREASURY STOCKS

There were no transactions involving Corticeira Amorim's own shares in 2012 and, thus Corticeira Amorim held no treasury stock at the end of the year.

## 17 – PROPOSED APPROPRIATION OF PROFIT

Considering that, based on the individual financial statements for the year that ended on December 31, 2021, the Company recorded a net profit for the year of €31,695,069.08 (thirty-one million, six hundred and ninety-five thousand, sixty-nine euros and eight 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 €31,695,069.08 (thirty-one million, six hundred and ninety-five thousand, sixty-nine euros and eight 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: €5,095,069.08 (five million, ninety-five thousand, sixty-nine euros and eight cents).

# 18 – ANNUAL PERFORMANCE ASSESSMENT

As part of the annual assessment of the Company's performance in terms of corporate governance, the Board of Directors 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 Remuneration, 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<sup>o</sup>-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

As announced to the market on January 11, 2022, Corticeira Amorim, through its subsidiary Amorim Cork, S.G.P.S., S. A., reached an agreement for the acquisition of 50% of the share capital of SACI S.r.l. ("SACI Group"), based in Ivrea (near Turin), for €48.7 million. The SACI group was owned, in equal shares, by the Getto and Perlich families, based in Italy and Germany respectively. The group is made up of 17 companies operating in different sectors, whose main activity is the production and sale of wirehoods, with a team of around 340 employees and a presence in more than 30 countries.

Global markets, logistics chains and economic developments in general have been significantly affected by the conflict between Russia and Ukraine as well as its consequences in terms of economic sanctions. The current situation, together potential fluctuations in raw material prices and exchange rates, restrictions on imports and exports, the availability of local materials and services and access to local resources, will impact Corticeira Amorim, which has operations and makes transactions in Russia, Ukraine and Belarus.

In regard to what is a non-adjustable subsequent event, Corticeira Amorim's degree of exposure to the main markets affected by the conflict is as follows:

- The Group has two subsidiaries in the region (Amorim Cork Composites LLC and Amorim Flooring Russia LLC) with a total of 11 employees;
- Sales to these three countries, in 2021, represented 1.5% of Corticeira Amorim's total sales;
- At the end of December 2021, the total assets of the subsidiaries totalled €2.1 million and total net liabilities totalled €0.5 million;
- At the end of March 2022, the total of balances receivable from third parties in the three countries was €2.6 million.

In view of the great economic and financial constraints currently being exerted on Russia, the risk of bad debt has increased, a risk that also reflects the potential continuation of a Western boycott of products originating in Russia. In terms of financial operations to cover currency exchange risks, there are generally no restrictions on foreign exchange transactions in Russian roubles. However, there has been a marked reduction in liquidity and increased volatility, which makes transactions particularly difficult to execute.

European financial institutions (together with institutions from countries that have imposed sanctions on Russia) are processing flows from Russia/Belarus with a considerable delay. This is because they need to validate whether these flows comply with or contravene sanctions and prudential practices from the originator to the issuing bank, as well as the financial flow itself.

Corticeira Amorim will continue to monitor the evolution of the situation in order to make the decisions it deems appropriate for its business activity. At the present date, these cannot be estimated with a reasonable degree of confidence.

Apart from these events and up to the date of publication of this report, there were no other relevant facts that could materially affect the financial position or future results of Corticeira Amorim or the affiliated companies that make up its consolidated group.

## 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, April 4, 2022

**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



The Herdade da Venda Nova, located next to the village of Palma, in Alcácer do Sal, where at the end of 2019, Corticeira Amorim planted the first 251 hectares of cork oak trees, within the Forestry Intervention Project.





# CORPORATE GOVERNANCE REPORT

03

Cork planks, which need space to stabilise, spend an average of one year in the cork yards, for the purposes of this mandatory stabilisation process.

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).

Section 8 of this report also includes the information referred to in article 447 of the Portuguese Companies' Code and in article 5 of Law no. 62/2017 of 1 August (balanced representation of people 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, which took place in the General Meeting of 23 April 2021, for the 2021-2023 term of office, Corticeira Amorim, under the terms of paragraph 8 of article 26-G of the Portuguese Securities Code, has included a chapter dedicated to the Remuneration Report for 2021 in this Report.

## 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.

#### Distribuição do capital pelos acionistas

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

\* includes 3,045,823 shares (2.29%) held by fund 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 2020 Corticeira Amorim held no treasury shares and it did not engage in transactions during 2021, reason why as at 31 of December 2021 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 2021 there were covenants requiring the maintenance of Corticeira Amorim’s controlling interest in contracts regarding loans totalling 80 million euros (31-12-2020: 65 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 2021, there were 206.2 million euros of contracted and unused credit lines (31-12-2020: 260.9 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
<b>Amorim Investimentos e Participações, S.G.P.S., S.A. (a)</b>		
Directly	67,830,000	51.000%
<b>Attributable total</b>	<b>67,830,000</b>	<b>51.000%</b>

(a) The shares with voting rights in Amorim Investimentos e Participações, S.G.P.S., 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. e da 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
<b>Amorim, Sociedade Gestora de Participações Sociais, S.A. (b)</b>		
Directly	13,414,387	10.086%
<b>Attributable total</b>	<b>13,414,387</b>	<b>10.086%</b>

(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
<b>A Porta da Lua, S.A. (c)</b>		
Directly	8,290,767	6.234%
<b>Attributable total</b>	<b>8,290,767</b>	<b>6.234%</b>

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

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

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

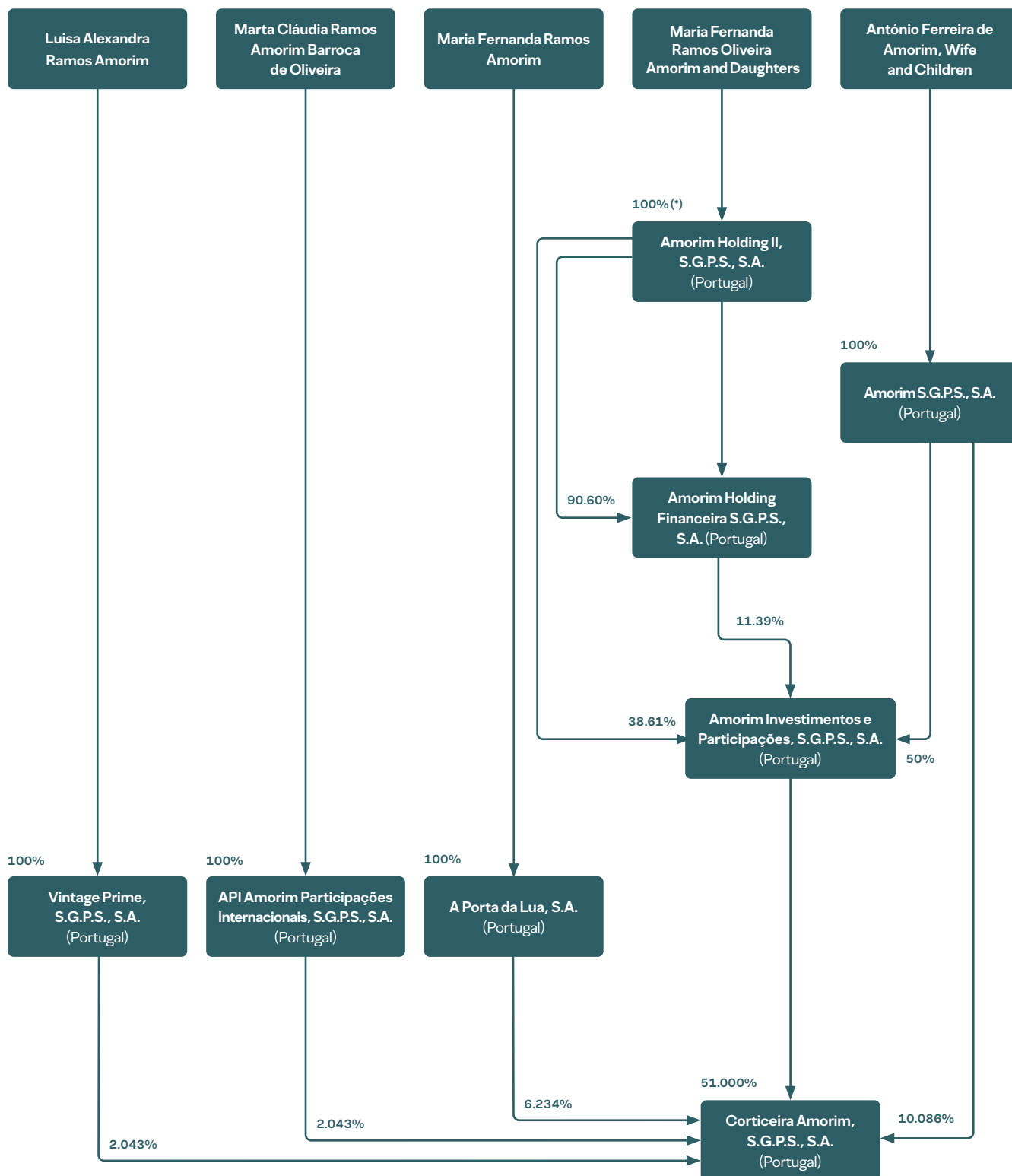
Shareholder	No. of shares	% of share capital with voting rights
<b>Marta Cláudia Ramos Amorim Barroca de Oliveira</b>		
Directly	-	-
Through the shareholder API – Amorim Participações Internacionais, S.A. (d)	2,717,195	2.043%
<b>Attributable total</b>	<b>2,717,195</b>	<b>2.043%</b>

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

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

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

(e) The share capital of Vintage Prime – S.G.P.S., S.A. is 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 2021 financial year. At 31 December 2021, 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 2021 financial year there were no transactions under the terms set out in this note.

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

- i. On 1 July 2021, it was resolved to close the liquidation of the company Great Prime, S.A. – in Liquidation, which held 13,725,157 shares representing 10.32% of the share capital and voting rights of Corticeira Amorim, S.G.P.S., S.A. Following this, the said shares were distributed, on 13 July 2021, from the shareholders of Great Prime, S.A., including the following companies in which members of the governing bodies of Corticeira Amorim, S.G.P.S., S.A. hold management positions:
    - Vintage Prime – S.G.P.S., S.A. now directly holds 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 Amorim, member of the Board of Directors of Corticeira Amorim, S.G.P.S., S.A. fully owns the share capital of Vintage Prime – S.G.P.S., S.A., a company in which she is also chairperson of the Board of Directors;

  - 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, S.G.P.S., S.A., is a member of the Board of Directors of API – Amorim Participações Internacionais, S.A.

d) Corticeira Amorim, S.G.P.S., S.A. 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 of the voting rights of Corticeira Amorim, S.G.P.S., S.A.. António Rios de Amorim (Chairperson of the Board of Directors 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, S.G.P.S., S.A.), Cristina Rios de Amorim Baptista e Luisa Alexandra Ramos Amorim (members of the Board of Directors of Corticeira Amorim, S.G.P.S., S.A.) are, respectively, member, member, vice-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 of the 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, S.G.P.S., S.A., 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, S.G.P.S., S.A., is a member of the Board of Directors of API – Amorim Participações Internacionais, S.A.

- iv. 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.G.P.S., S.A..

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

The ownership recorded on 31 December 2021, referred to in paragraphs i., ii., iii. and vi. remains unchanged at the issue date of this report.

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

In addition to the changes in the direct ownership of shares in Corticeira Amorim mentioned in the previous subsection c), which consist of the transfer of shares by entities closely related to directors, under the terms described in the said subsection, in 2021, no other transactions in Corticeira Amorim shares were conducted by entities related to its directors.

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 conducted 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 2021, 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 conducted, 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 acts 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 Association<sup>1</sup> 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 conduct 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 binding 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 powers<sup>2</sup> 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 ten (10) percent 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 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.

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, paragraph 1(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; paragraph 4 of the same article 456 states that the General Meeting. Additional information: in October 2021 no capital increases were issued under the powers of the Board of Directors.
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 20 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. to 91. of this report.





Each year, between mid-May and mid-August, men and women travel through the Alentejo's cork oak forests, passing through all the cork oak trees which bear markings that indicate that the bark can once again be extracted. This is a delicate ancestral process, that can only be carried out by those who have a deep understanding of the practice, technique and expertise, which makes it possible to perform this specialised work without harming the tree.

# 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 consumers.

The governance of Corticeira Amorim addressing the challenges arising from this framework, advocates a policy of diversity 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 therefore acknowledges the need 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:

- 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 knowledge 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;
- Promotion of gender diversity and, consequently, an adequate balance of sensitivities and style of decision-making within the respective body.

As regards the Board of Directors and the Audit Committee, compliance is verified with the policy indicated in section 19. (Board of Directors) and 33. (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 detailed in point 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

### 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*, in 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*, in 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 Luso-Brazilian Law Journal (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: 57



## 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: 28

### 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.**

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.

Each share qualifies for one vote. The total number of shares in the Company is 133 million.

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 Annual 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 Chairperson of the 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 2021. 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 the year, given the frankly positive evolution in the pandemic situation, Corticeira Amorim decided to hold its Extraordinary General Meeting for Shareholders on 3 December 2021 in a face-to-face manner, at its registered office, taking all the measures and procedures necessary so that it could be held in safety for all those attending, with the right to vote being exercised by electronic correspondence, in accordance with the provisions of Article 384(8) and (9), of the Portuguese Companies Act, and Article 22 of the Securities Market Code.

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](http://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 – the 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.

Following extensive reflection on the governance model of Corticeira Amorim, and considering the evolution of the shareholder structure of the Company, which is now more international, and various organisational changes that have been implemented over the years (namely through the structuring of the activities in different Business Units, managed by professional and independent executive teams), the Board of Directors considered it appropriate to propose to the General Meeting the adoption by Corticeira Amorim of the corporate governance model referencing best international practices, which is more modern, participative and therefore suited to the continued development of the Company and the challenges it will face in the future.

Therefore, at the Shareholders' General Meeting held on 23 April 2021, following a proposal by the Board of Directors, approval was given to the adoption of 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 conducting 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 independent visions with the ability to consider the business from new perspectives, thereby adding value and sustainability to Corticeira Amorim.

Specialised internal committees were also set up as well, chaired by an independent director and composed of members of Company bodies with corporate functions: the Risk Committee, the ESG (Environmental, Social & Governance) Committee and the Appointments, Evaluation and Remuneration Committee.

The Board of Directors believes that the adoption of this new 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 conducted both by the Executive Committee and by the Board of Directors which is advised on this matter by the ESG (Environmental, Social & Governance) 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 conducted 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-option, unless the directors in office are not sufficient in number for the board to function. If there is no co-option within 60 days of the absence, the Audit Committee appoints a replacement. The co-option 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 years<sup>3</sup>.

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 (ten effective members), 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 the Executive Committee

Degree of Commerce from the Faculty of Commerce and Social Sciences at the University of Birmingham (1989) and attendance of *The Executive Program in Business Administration: Managing the Enterprise* at the Columbia University Graduate School of Business (1992), *Managerial Skills for International Business* at INSEAD (2001) and the *Executive Program in Strategy and Organization* at the Graduate School of Business 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 authority in the districts of Porto, Aveiro and Braga. Nationality: Portuguese • Gender: Male • Age: 54

### 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 conduct 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: 51

### 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. He is a regular guest speaker in the specialisation and post-graduate courses in Management Control at Overgest (ISCTE - Lisbon) and participates in presentations on Corticeira Amorim's experience in implementing the Balanced Scorecard. Nationality: Portuguese • Gender: Male • Age: 60

**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 Vice-Chairperson 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: 53

**Luisa Alexandra Ramos Amorim**  
**Member of the Board of Directors**

With a degree in Marketing from ISAG and Hospitality from EHTE and EHTP, completing several areas of training in Hospitality at the Centre International de Glion, in Marketing from UCI Communication - US and Management at EGP Porto. Director of Amorim – Investimentos e Participações (since 2002), of Quinta Nova – Nossa Senhora do Carmo (since 2006), Amorim Negócios Internacionais (since 2016) and, more recently, Taboadella (since 2018). She 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: 48

**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). He has been a director of Trefinos, SL since 1996.

Nationality: Spanish • Gender: Male • Age: 80

**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, SROC. 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 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: 60 • 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 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. Since 2017, she is a staff member of Oxford University, Saïd Business School, at the Negotiation for Executives course. In this course, she holds a teaching role, as well as coaching executives. In terms of research, Marta is 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. In order to develop her communication skills, she took a course in this area in September 2019. She has been regularly invited by Oxford University to give presentations on negotiation styles.

Nationality: Portuguese • Gender: Female • Age: 51 • 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 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 most of her clients being foreign or Portuguese and involved in multinational activities.

Nationality: Portuguese • Gender: Female • Age: 57 • 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 Vice-President of Continental Tires (The Americas), with headquarters in Fort Mill, S.C., USA, from 2015 to 2017. Executive Vice-President of Continental AG at the BU Tires APAC, with headquarters in Shanghai, China, from 2012 to 2015 and chairperson of the Board of Directors of Continental Mabor – Indústria de Pneus S.A., with headquarters in Lousado, Portugal, from 2000 to 2011. He was also the Manager of Continental de Mexico, S.A. de C.V., with headquarters in San Luis 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 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 EDPE.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: 70 years • Independent

## 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 Chairperson of the Board of Directors of Vintage Prime – S.G.P.S., 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.

As provided for in Corticeira Amorim's articles of association, the committee members currently in office are:

### 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, 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 <sup>4</sup>

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

### Executive Committee

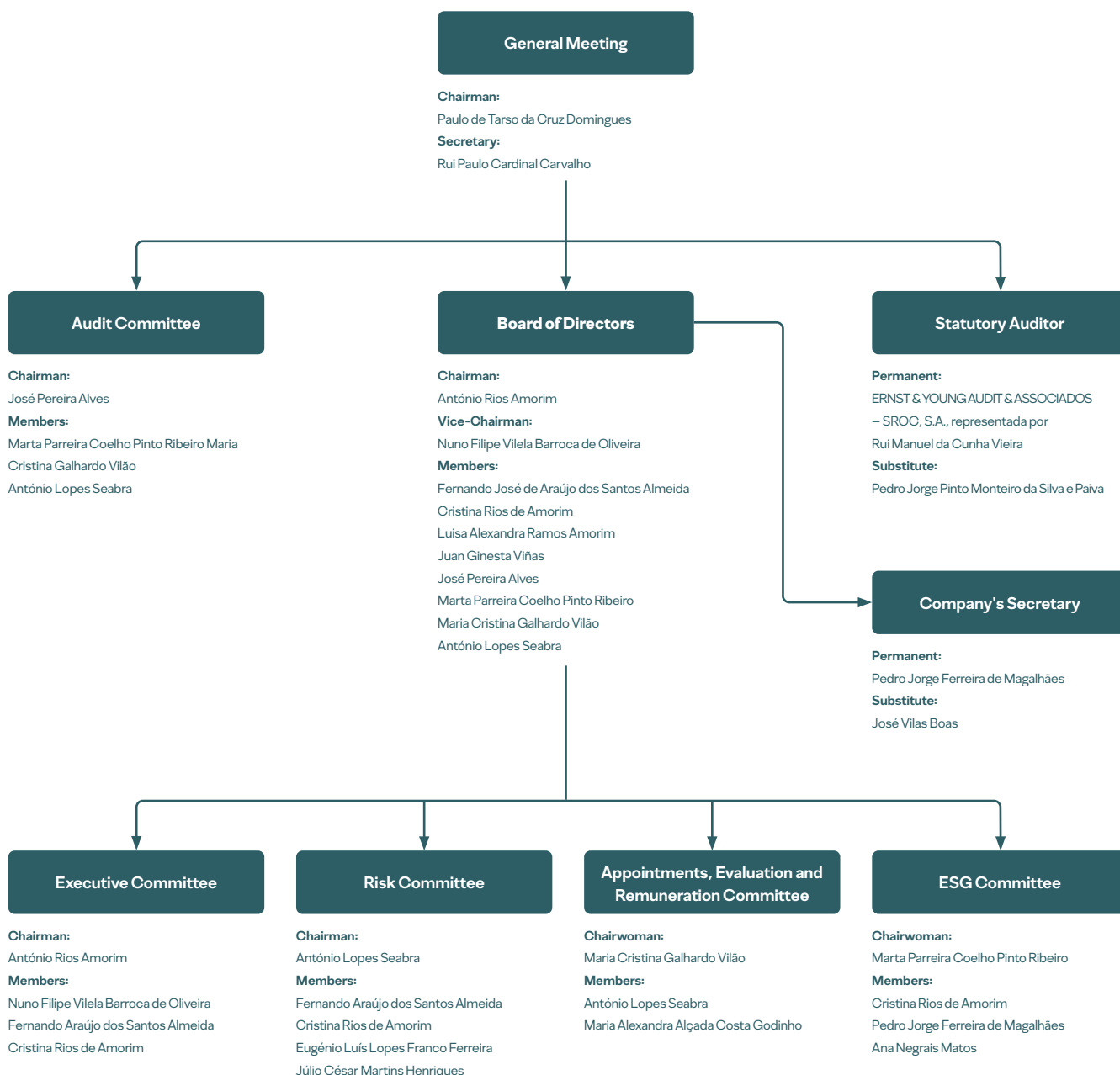
Composition and term of office as described in section 28 of this report; duties as described in section 29 of this report.

### 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 herein.



## 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 (Environmental, Social & Governance) 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 qualifications<sup>5</sup>, namely in the areas of Environmental, Social and Corporate Governance (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 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 Board meetings is agreed upon at the beginning of every financial year so that all members may be 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 good time and an 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, and 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.

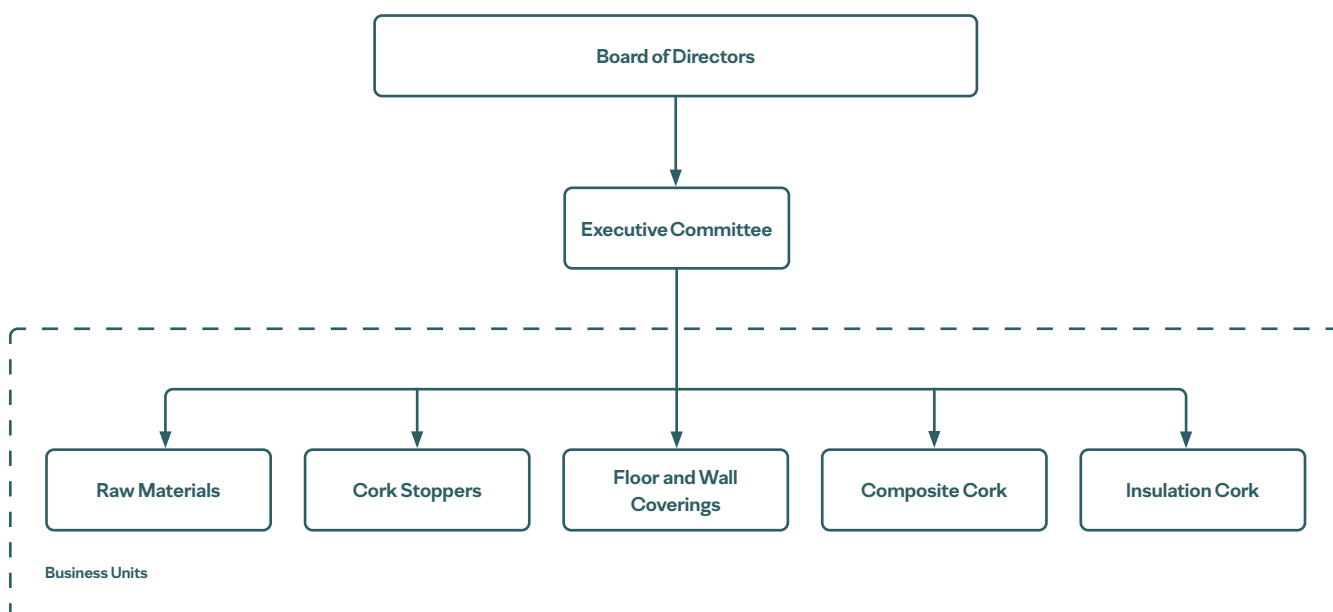
Adopting a management model based on a strategic-operational holding concept, the Business Units are coordinated by the Executive Board of Corticeira Amorim.

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.

Each Business Unit has an Executive Management, which is composed of highly qualified, independent 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 independent 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**

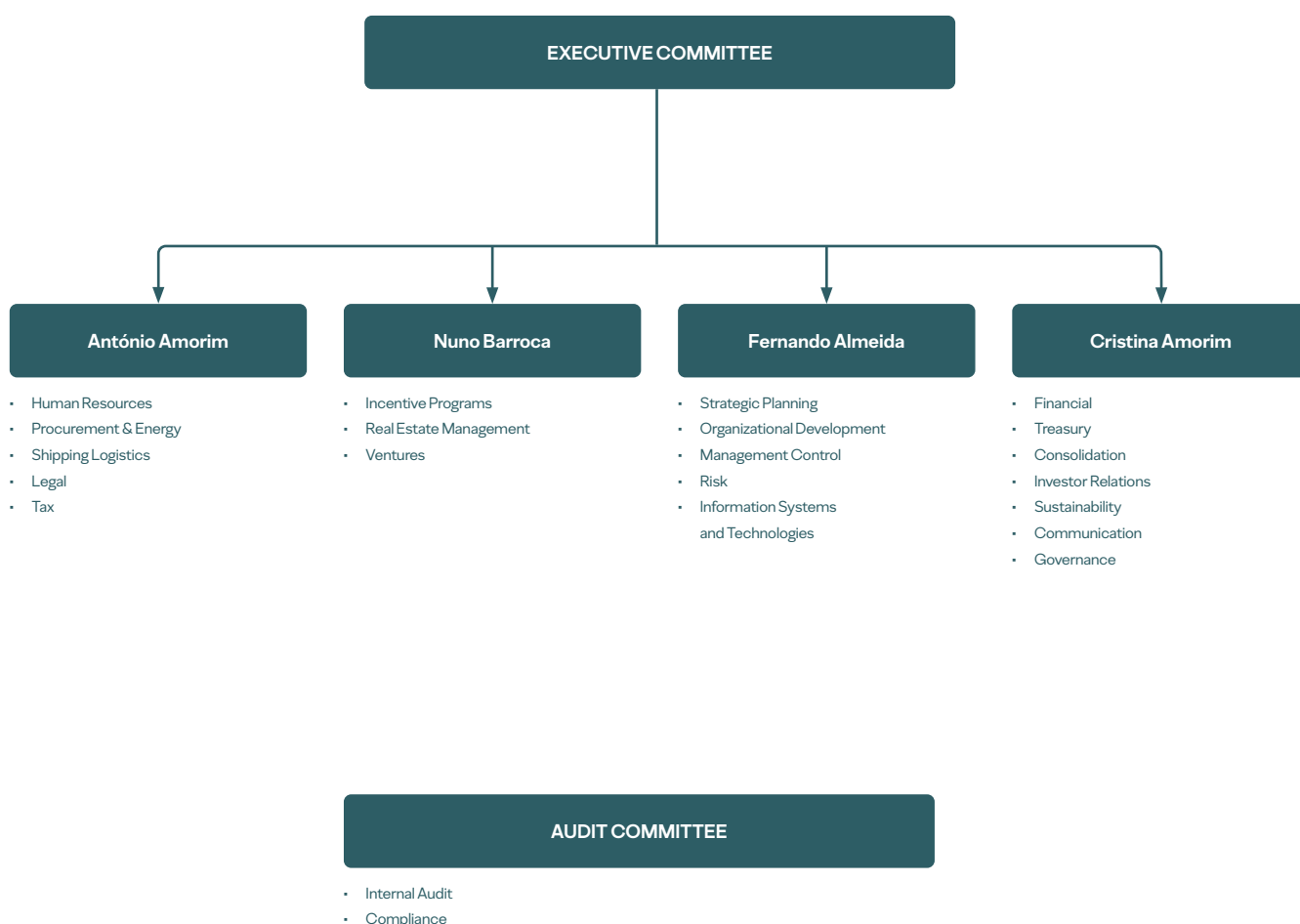


The **Support Divisions** are responsible for monitoring and coordinating the operation of the Business Units and their functional areas, under the coordination of the members of the Executive Committee.

With the exception of the Internal Audit and Compliance areas, which report 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 map 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 conducted 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, Pedro Magalhães is the 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 Cork 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 (CIE) 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 Powerlit Iberia: 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. Eleven meetings of the Board of Directors were held throughout 2021 (2020: 13 meetings), and all the members of the Board attended or were represented at the meetings, with the exception of the meeting in December, which was not attended by Juan Ginesta Viñas. Overall attendance was 99% and the individual was 90% for Mr. Juan Ginesta Viñas 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.

Until 23 April 2021, the Remuneration Committee elected by the General Meeting of Shareholders was in office, and it was responsible for conducting the assessment referred to in this point, and it effectively did so. On the said date, the shareholders of Corticeira Amorim, meeting in their General Meeting and following a proposal from the Board of Directors, resolved to approve the adoption of a new governance model which did not include a committee elected by the General Meeting with the powers referred to in this point.

Thus, it is the Board of Directors' responsibility to decide on the assessment of the executive directors. In this matter, the Board of Directors is assisted by the Appointments, Evaluation and Remuneration Committee (AERC), a permanent specialised internal Committee, the duties of which 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 director's performance.**

Pursuant to the statement on the policy for remunerations awarded to the Board of Directors approved at the shareholders' General Meeting of 23 June 2021, as proposed by the Company's Board of Directors (Section 69), whenever such is adequate and feasible, such remuneration shall primarily consist of a fixed pay (for executive and non-executive directors) plus a variable pay (for executive directors only) as performance-based premium/bonus for achieving the one-year targets of the companies of the Corticeira Amorim Group, and three-year targets of the Company.

The award of the variable pay component of remuneration referred to in the preceding paragraph shall be a bonus resulting from short term performance evaluation and from the contribution of the annual performance to medium / long term sustainability of the Organisation.

The actual amount of the variable pay shall always depend on the appraisal to be conducted every year by an internal committee specially created for this purpose (the Appointments, Evaluation and Remuneration Committee, made up of independent, non-executive directors). It shall appraise the performance of the Board of Directors' 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 development of the results and the level of compliance with the following strategic objectives: innovation, sustainability, organisational development and safety, competitiveness, growth, financial soundness and value creation.

The payment of the variable pay component, if any, may be made wholly or in part after determination of the profit (or loss) in respect of a three-year period. 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 in the last financial year or if it is expectable that a significant deterioration will occur in the financial year underway.

### **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.**

## António Rios de Amorim (Chairperson)

Company	Position Held
<b>Corticeira Amorim Group</b>	
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.	Director
Amorim Cork Services, Lda.	Director
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 II, S.A.	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 Natural Cork, 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.	Director
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
Equipar – Participações Integradas, S.G.P.S., Lda.	Director
ETS Christian Bourrassé, S.A.	Member of the Board of Directors
Francisco Oller, S.A.	Member 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
SIBL – Société Industrielle Bois Liège, S.A.R.L.	Director
Société Nouvelle des Bouchons Trescasses, S.A.	Director
Vinolock, A.S.	Director
<b>Other companies</b>	
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.	Director
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
OSI – Sistemas Informáticos e Electrotécnicos, Lda.	Director
Pimpolho, S.G.P.S., S.A.	Sole Director
QM1609 – Investimentos Imobiliários, S.A.	President of the Board of Directors
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
<b>Corticeira Amorim Group</b>	
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 Cork Composites, S.A.	Member of the Board of Directors
Corecochic – Corking Shoes Investments, Lda.	Director
Amorim Florestal, S.A.	Member of the Board of Directors
Amorim Florestal II, S.A.	Member of the Board of Directors
Amorim Florestal III, S.A.	Member of the Board of Directors
Amorim Industrial Solutions – Imobiliária, S.A.	Member of the Board of Directors
Amorim Cork Insulation, S.A.	Member of the Board of Directors
Amorim Natural Cork, S.A.	Member of the Board of Directors
Amorim Cork Flooring, S.A.	Member of the Board of Directors
Amorim Cork Ventures, Lda.	Director
Cosabe – Companhia Silvo-Agrícola da Beira, S.A.	Member of the Board of Directors
<b>Other companies</b>	
Amorim – Investimentos e Participações, S.G.P.S., S.A.	Member of the Board of Directors
Amaroka, Lda.	Director
Atitlan Real Estates Porto Imóveis, S.A.	Member of the Board of Directors
ARESPT Real Estate, S.A.	Member of the Board of Directors
API – Amorim Participações Internacionais, S.G.P.S., S.A.	Member of the Board of Directors
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
OSI – Sistemas Informáticos e Electrotécnicos, Lda.	Director
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
Sombralicante – Unipessoal, Lda.	Director
Taboadella, S.A.	Member of the Board of Directors

## Fernando José de Araújo dos Santos Almeida (Member)

Company	Position Held
<b>Corticeira Amorim Group</b>	
Amorim Cork Services, Lda.	Director
Amorim Cork Flooring, S.A.	Member of the Board of Directors
Vatrya – Consultoria e Marketing, Lda.	Director
<b>Other companies</b>	
Kaizen Tech, S.A.	President of the Board of Directors
OSI – Sistemas Informáticos e Electrotécnicos, Lda.	Director

## Cristina Rios de Amorim Baptista (Member)

Company	Position Held
<b>Other companies</b>	
Amorim – Investimentos e Participações, S.G.P.S., S.A.	Non-executive Vice-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
<b>Other institutions</b>	
BCSD Portugal – BCSD – Business Council for Sustainable Development	Member of the Board
AEM - Association of Listed Companies	Member of the General Board, representing Corticeira Amorim, S.G.P.S., S.A.



## Luisa Alexandra Ramos Amorim (Member)

Company	Position Held
Other companies	
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.	Director
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.	Director
Dreaming Fix, Lda.	Director
Época Global, S.G.P.S., S.A.	President of the Board of Directors
Folha da Fonte – Agropecuária, Lda.	Director
Herdade Aldeia de Cima do Mendro – Sociedade Comercial, Agrícola e Turística, Lda.	Director
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
OSI – Sistemas Informáticos e Electrotécnicos, Lda.	Director
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
Other institutions	
Associação Bagos D'Ouro – a Private Institution of Social Solidarity (IPSS)	President of the Board

## Juan Ginesta Viñas (Member)

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

## José Pereira Alves (Member)

Company	Position Held
Other companies	
Galp Energia, S.G.P.S., S.A.	President of the Supervisory Board
NOS, S.G.P.S., S.A.	President of the Supervisory Board
SFS – Gestão de Fundos, S.G.O.I.C., S.A.	President of the Supervisory Board
The Fladgate Partnership, S.A.	President 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, Saïd 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 ESG (Environmental, Social & Governance) 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:

<b>Chairperson:</b>	António Rios de Amorim
<b>Board Member:</b>	Nuno Filipe Vilela Barroca de Oliveira
<b>Board Member:</b>	Fernando José de Araújo dos Santos Almeida
<b>Board Member:</b>	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 ten (10) percent 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 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.

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 Board 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 conducted in 2021:

The activity of the Executive Committee was conducted in 2021 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 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, policy and priorities for training, performance assessment, salary 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.

The Executive Committee met 17 times during 2021 (2020: 15), attendance was 100% (in overall and individual terms).

## II. RISK COMMITTEE

The **Risk Committee** is a permanent 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 shall 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 composed, in the majority, of members of Company bodies. The position of Chair of the Risk Committee will necessarily be attributed to a director of Corticeira Amorim's Audit Committee.

Other persons may be invited to attend meetings on a permanent basis, at the invitation of the Risk Committee, but without having voting rights. Such persons shall be invited considering 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 specific meetings of the Risk Committee, 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:

<b>Chairperson:</b>	António Lopes Seabra (independent non-executive director)
<b>Board Member:</b>	Fernando José de Araújo dos Santos Almeida
<b>Board Member:</b>	Cristina Rios de Amorim
<b>Board Member:</b>	Eugénio Luís Lopes Franco Ferreira
<b>Board Member:</b>	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:

- 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.

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 conducted in 2021:

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

- Assessment of risk management at Corticeira Amorim: risks identified; structure, processes and procedures implemented in the companies;
- Integrated risk management system: specification and implementation of an action plan with a view to formalising an integrated risk management system at Corticeira Amorim, including for its Business Units, in line with the most common standards, ISO31000 and the

Enterprise Risk Management — Integrated Framework from COSO; this was later sent for the CAU's opinion and subsequent approval by the Board of Directors;

- Risk Management Policy: support for regular monitoring in drawing up the Risk Management Policy at Corticeira Amorim S.G.P.S. S.A., its discussion and approval as well as the process of providing a prior opinion/approval, in particular, as part of its duty to collaborate with the other Company bodies, undertaking a meeting with the Audit Committee to present the said Risk Management Policy and seeking the consideration and prior opinion of the said Committee, for later approval by the Board of Directors;
- Appraisal of the formalisation of various corporate policies, the objective of which is also to mitigate risks: Sustainability Human Rights; Energy, Environment and Biodiversity; Purchases Community / Society; Tax; Fighting Corruption; Consumer Safety; Human Resources; Privacy for Managers and Employees; Privacy for the Company.

### III. E.S.G. COMMITTEE (ENVIRONMENTAL, SOCIAL & GOVERNANCE)

The **E.S.G. Committee** (Environmental, Social & Governance) 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 invited to participate on a permanent basis, at the invitation 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:

<b>Chairperson:</b>	Marta Parreira Coelho Pinto Ribeiro (independent non-executive director)
<b>Board Member:</b>	Cristina Rios de Amorim
<b>Board Member:</b>	Pedro Jorge Ferreira Magalhães
<b>Board Member:</b>	Ana Negrais 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:**

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

**In matters of Environment:**

- e. Assess the environmental sustainability of Corticeira Amorim's business models;
- f. 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:**

- g. 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;
- h. 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;
- i. 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;
- j. 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:**

- k. 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;
- l. Monitor, review and assess the articulation between the governing bodies and the internal committees;
- m. Prepare and monitor decision-making by the governing bodies and relevant committees in matters of ESG, namely those that may give rise to conflicts of interest;
- n. Monitor the supervisory actions conducted by the CMVM in relation to corporate governance matters;
- o. Make recommendations on the efficiency of the role of the non-executive members of the Board of Directors;

- p. Review and propose to the Board of Directors Corticeira Amorim's Annual Corporate Governance Report;
- q. Monitor Corticeira Amorim's ratings in the various ESG rankings, as well as ratings with special relevance in corporate governance;

**In matters of Ethics:**

- r. 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;
- s. Assess and propose to the Board of Directors any changes and/or reviews to the internal code of business ethics and professional conduct;
- t. Advise the Audit Committee on procedures for reporting non-compliance with the internal code of business ethics and professional conduct.

**Summary of activity conducted in 2021:**

This Committee met three times during 2021, attendance was 100% (in overall and individual terms) and, having analysed, 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: materiality matrix and strategy (revision in 2021); road map 2024/2030: specification of targets for social and environmental matters;
- Circularity and recycling: importance and plan of action;
- ESG ratings: importance and notation attributed 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; Gender Equality Plan for 2022;
- Investor relations: activity for the year and main findings/trends concerning ESG issues;
- Corporate governance: the new Corticeira Amorim governance model, the development of specialised internal structures, the formalisation of the Corticeira Amorim Group culture (Codes, Policies and Regulations) and the respective impact on the level of adoption of the Corporate Governance Code of the Portuguese Corporate Governance Institute; future developments;
- Ethics: appraisal of the action plans which seek to guarantee the adoption of the revised practices in the Corticeira Amorim Code of Business Ethics and Professional Conduct;
- Remuneration policy: recommendation to the Appointments, Evaluation and Remuneration Committee to include/consider ESG objectives in the next Remuneration Policy to be submitted to the General Meeting;
- Appraisal of Corticeira Amorim's voluntary membership initiatives which testify to its commitment to the adoption of ESG best practices (e.g.: Global Compact Network Portugal).



## 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 particular 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:

<b>Chairperson:</b>	Maria Cristina Galhardo Vilão (independent non-executive director)
<b>Board Member:</b>	António Lopes Seabra (independent non-executive director)
<b>Board Member:</b>	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:

- Support and advise the Board of Directors in the selection of directors to be appointed to the Executive Committee of the Board of Directors (ECBD) and to internal committees;
- 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.;
- 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;
- The opinions of the AERC referred to in sub-paragraph c) above will be accompanied by (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;
- 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;
- Review and evaluate incompatibilities and independence of the members of the governing bodies;

## In matters of evaluation and remuneration:

- g. Advise the Board of Directors in its annual self-assessment process, including the evaluation of the members of the ECBD, the Audit Committee and the internal committees;
- h. 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);
- i. 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 ECBD members;
- j. 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.;
- k. 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 conducted in 2021:

This Committee conducted contacts and preparatory work, after which it met on 26 November 2021 (through telematic means), with the presence and participation of all its members (attendance was 100% in overall and individual terms), having analysed, appraised and, whenever appropriate, issued opinions and/or recommendations on:

- The current policy and practices of the Company regarding remunerations and evaluations, having also analysed the recommendations of the IPCG's Corporate Governance Code, concluding on the pertinence of adjusting the Remuneration Policy to those recommendations, whenever possible and applicable;
- As part of the analysis of the Company's current remuneration practices as to the executive members of the Board of Directors, a recommendation was made to the Board of Directors communicated at the meeting of the Board of Directors on 6 December 2021;
- It analysed the recommendation of the E.S.G. Committee to include/consider ESG objectives in the next Remuneration Policy to be submitted to the General Meeting", with it having been confirmed to the ESGC that, as part of the preparation of the revision of the Company's Remuneration Policy, the AERC intends to consider the establishment of criteria for the variable remuneration of executive directors which would enable an alignment with the long-term interests of the company and its shareholders, and are sustainable performance which is related to the social responsibility of the company;
- It has conducted preparatory works regarding the appointments and remuneration policies, with a view to their drawing up/revision and discussion during the first months of 2022 to establish a proposal to be put to the Board of Directors and the later consideration by the General Meeting;

- It has taken part in the preparatory works for a new Diversity Policy for managers and employees and the amendment of the current Human Resources Policy, for proposal to the Board of Directors;
- It analysed the proposal for the Training Plan for the Board of Directors 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 perform 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 may be consulted 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. The supervisory body met seven times during 2021 (2020: 7): two meetings of the Supervisory Board, operating until 23 April 2021; five meetings of the Audit Committee, operating since 23 April 2021. The overall and individual attendance was of 100%.

### **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 supervisory body (until 23 April 2021: Supervisory Board; then, Audit Committee), services other than the statutory audit were contracted from the Statutory Auditor. Such services are described and itemised in point 47.

### **38. Other duties of the supervisory body.**

The Audit Committee is responsible, under the law and respective Rules of Procedure (can be viewed 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<sup>a</sup>-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 consider 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. Check 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;
- 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 performing their duties for a period of time greater than 60 days and they ask 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 in accordance with article 24 of Law 148/2015;
  - 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 fifteen 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 Articles 63 and 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 re-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 2021 (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 performs 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-elected on 23 April 2021 current term of office 2021-2023). 2021 was its fifth 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 operating supervisory body (Supervisory Board, until 23 April 2021; Audit Committee: from 23 April until 31 December 2021), such as the review of interim financial information and other reliability assurance services.

The total amount of those services are 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 performing 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 performing these duties consecutively performs duties with the Company and/or Group.

As described in point 40 – five consecutive years.

### 44. Rotation policy and schedule of the external auditor and the respective partner that represents said auditor in performing 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 conduct 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 performing such duties of 10 years;
- the maximum period to perform 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 conducted.

The Audit Committee is responsible for annually assessing the work conducted by the statutory auditor, as well as its independence and suitability to perform such duties.

### 46. Details of services, other than auditing, conducted 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 above. (identification of work) 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 information and other reliability assurance services item covers the limited audit of the consolidated financial statements for the six-month period ended 30 June 2021, the independent audit of the sustainability report, the Independent audit of the green bonds report and the certification of expenses included as part of subsidised investment projects.

The Other services item includes conducting life cycle studies and/or analysis of the carbon footprint of various products of the Business Units for the Stoppers and the Coverings.

Type of service	Audit and certification of accounts	The review of interim financial information and other reliability assurance services	Tax advice	Other services	Total
<b>EY SROC</b>					
Corticeira Amorim	39,000	26,200	0	0	65,200
Group companies	158,550	3,710	0	13,050	175,310
<b>Companies of EY's network</b>					
Corticeira Amorim	0	0	0	0	0
Group companies	116,860	0	0	0	116,860
<b>Total</b>	<b>314,410</b>	<b>29,910</b>	<b>0</b>	<b>13,050</b>	<b>357,370</b>
Corticeira Amorim	39,000	26,200	0	0	65,200
Group companies	275,410	3,710	0	13,050	292,170
<b>Total</b>	<b>314,410</b>	<b>29,910</b>	<b>0</b>	<b>13,050</b>	<b>357,370</b>
	88%	8%	0%	4%	100%

Values in euros.



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After the cork is extracted, communication between the tree's living tissues and the exterior is achieved through its cells. Over time these cells acquire an earthy, pinkish and reddish colour as a result of oxidation of the tannins.

# C – INTERNAL ORGANISATION

## I. ARTICLES OF ASSOCIATION

### 48. The rules governing amendment to the Articles of Association.

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 the 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, n.º 380

4535-186 MOZELOS

Telephone: 22 747 54 00 | E-mail: [supervision@amorim.com](mailto: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.
- **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 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](mailto: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.

Responsibility for internal audit and the implementation of internal control systems lies with the Board of Directors. There is a cross-cutting support division in this respect - Internal Audit, that also reports to the Audit Committee.

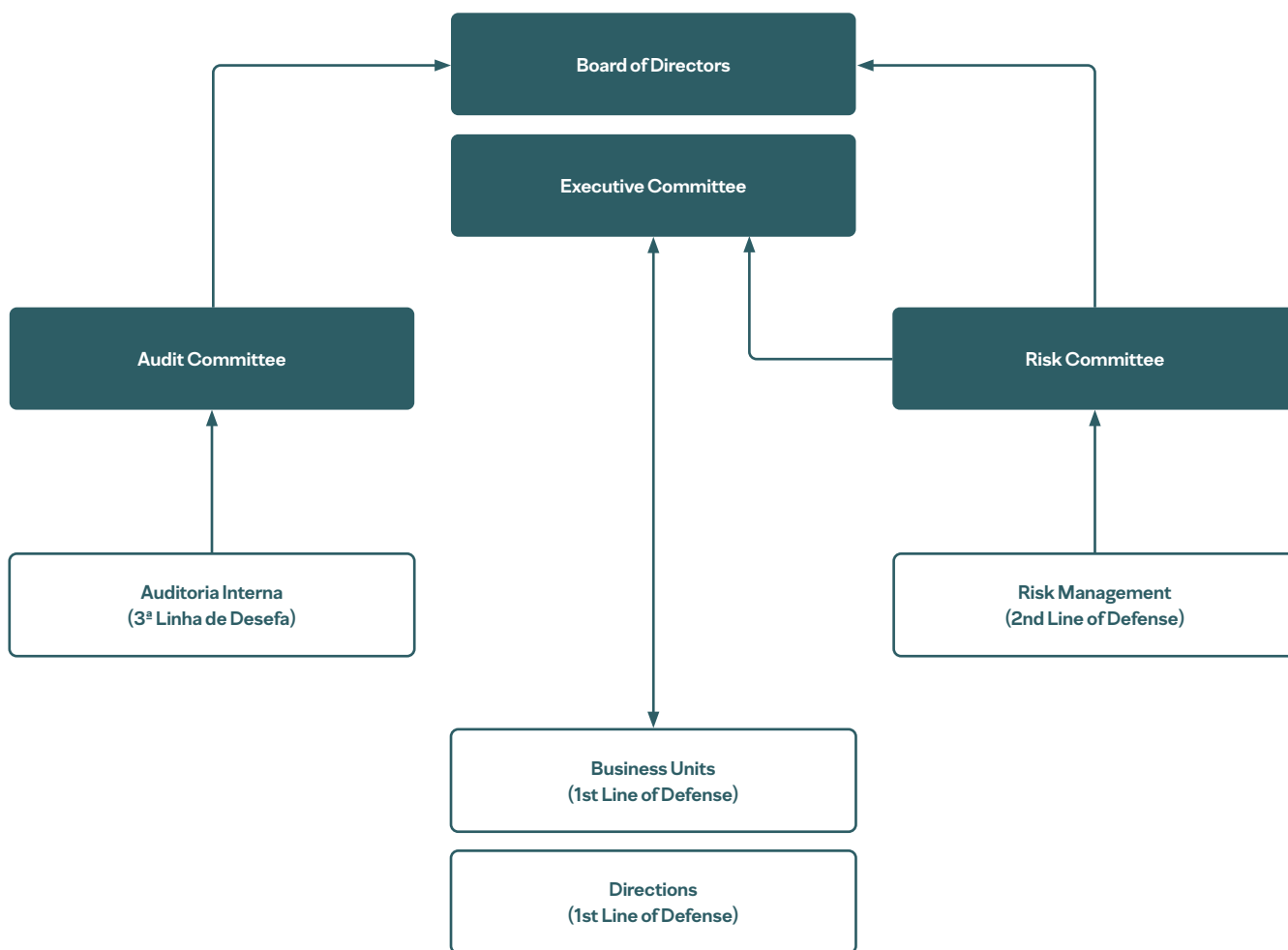
#### 51. Details, even including organisational structure, of hierarchical and/or functional dependency in relation to other boards or committees of the Company.

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 conduct their role in the risk management process;
- Appraise the Annual Risk Management Report; and
- 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; and
- 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 conducting 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 include 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; and
- 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 conduct risk-based audit; and
- Undertake control tests to evaluate the effectiveness of the risk management and prevention.

## Risk 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 Risk Committee;
- Prepare a regular report following up on risk mitigation measures; and
- 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; and
- 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 risk management and internal control are 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.

In 2021, the Corticeira Amorim Group implemented a new 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); and
- 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 function as monitoring instruments and enable changes or deviations to be anticipated.

### Raw material – Cork

(Strategic and exogenous risk)

- Purchasing management considering the level of quality of the cork in the different geographical areas;
- 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 consider 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 BUs in the relevant BU'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;
- Conduct 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 derives 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, as far as export sales are conducted 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 derives 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, conducting 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, conducting 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;
- Cybernetic attacks 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 exogenous 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, using 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 start-up/entrepreneur 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, as far 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;
- Green product development strategy (without plastics in their composition).

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);
- Reinforcing 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;
- The 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 consumption patterns and habits;
- Variation in wine volumes and consumption
- 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 personalisable 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 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;
- Conducting market studies to show the advantages of cork stoppers, products, and 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.

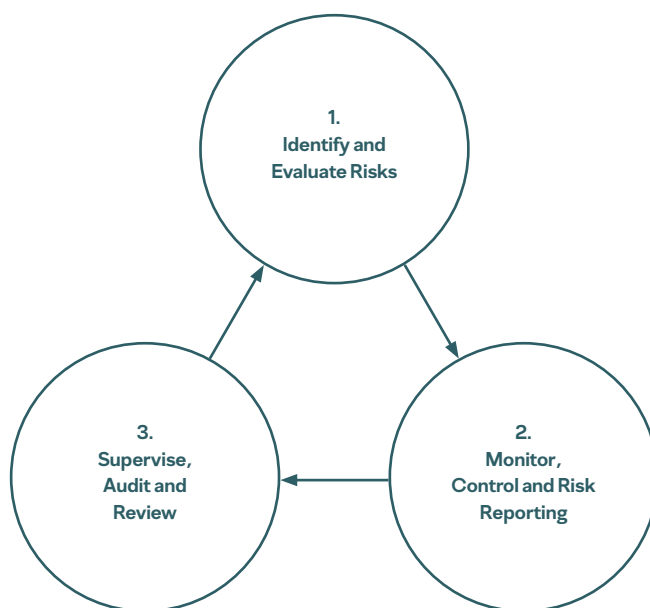
## 54. Description of the procedure for identification, assessment, monitoring, control and risk management.

The system of internal control, risk management and detection/prevention of irregularities currently implemented in the Company stems from an in-depth and continuous process of improvement and adaptation of internal reflection in the Company, involving both the Board of Directors, in particular its Executive Committee, and the Risk Committee, and also the various support areas – in particular the Risk Management areas and Organisational Development and Strategic Planning – or the support of external specialised consultants, where appropriate.

In order to ensure compliance with the strategic objectives, the Board of Directors 2021 formalised 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); and
  - bottom-up (to identify risks of a more operational/transactional nature);
- This process enables the uncertainty and impact of risks and the Consolidated Results 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 (KPI/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 Department prepares a regular report with follow-ups on risk mitigation measures and developments in the KPI/KRI.

## 3. Supervise, Audit and Review:

- Through annual audits of the Risk Management Process, and in quarterly meetings, respectively, the Internal Audit Department, the Risk Committee and the Audit Committee monitor the risk management process, thereby contributing suggestions for improvements or changes in risks, mitigation measures or KPI/KRI; This monitoring and review also includes 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 Department)
Definition of mitigation measures	Business Units/ Departments (coordination of the Risk Department)
Updating of the risk matrix and risk catalogues	General Department for Risks Risk Committee Board of Directors (approval)
Definition of materiality	Risk Department Risk Committee Board of Directors (approval)
Updating the risk monitoring dashboard	Risk Department Risk Committee Board of Directors (approval)
Operational risk management	Business Units/ Departments
Risk monitoring	Business Units / Departments (1st Line of Defence) General Department for Risks (2nd Line of Defence) Internal Audit (3rd Line of Defence) Risk Committee
Periodical reporting accompanied by plans (KPI/ KRI)	Risk Department Risk Committee
Multiannual risk plan	Risk Department 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](http://www.cmvm.pt)); second, via the Company's website ([www.corticeiraamorim.com](http://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 twice-yearly 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 conducted in 2021** 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, by virtual means.

The management team, whenever possible and appropriate, engaged 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;
- Identification of the members of the Company's governing bodies and the investor relations officer;
- 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;
- 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, by fax +351 22 747 54 07 or by e-mail at [corticeira.amorim@amorim.com](mailto: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 overly 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 2021. 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](http://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/>

# 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.

Until 23 April 2021, there was a Remuneration Committee elected by the General Meeting, which was responsible for determining the remuneration of the members of the governing bodies<sup>6</sup>. On that date, the General Meeting of Shareholders approved an amendment to the articles of association which provided for the adoption of an Anglo-Saxon corporate governance model and elected the governing bodies for the 2021-2023 term of office, thereby implementing the adoption of the aforementioned governance model. Thus, the Articles of Association now allowed the Board of Directors specialised internal committees including those dealing with remuneration. As the General Meeting has not elected a remuneration committee, this matter becomes 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, which 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 and employees, under the terms of general law.

As described in point 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 BoDEC, 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 ECBD 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.

- 
6. By 23 April 2021, the General Meeting of shareholders was to appoint a Remuneration Committee. The ability and capacity of the members of the Committee to perform the duties assigned to them in an independent manner for their entire term of office, i.e., to determine the remuneration policy of the members of the governing bodies that shall foster, over the medium and long-term, the alignment of their interests with those of the Company.

The adoption of the balanced scorecard methodology, which assesses performance using both financial and non-financial measures, enabled the Remuneration Committee to evaluate every financial year, whether or not goals are achieved and to what degree. The balanced scorecard also served as the basis for preparation of the reports of the Remuneration Committee and the Board of Directors on the remuneration policy for members of the Board and the supervisory board as well as on the remuneration policy for other senior executives and officers, respectively, submitted every year to the Annual General Meeting for approval. Thus, it granted that:

- The Remuneration Committee of Corticeira Amorim elected by the General Assembly of Shareholders is responsible for setting the fixed and variable remuneration to be awarded to members of the Board of Directors, and also setting the remuneration to be awarded to members of the remaining governing bodies;
- The Board of Directors of Corticeira Amorim is responsible for setting the fixed and variable remuneration to be awarded to its officers.

## 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<sup>7</sup>, in office since then, is made up of:

<b>Chairperson:</b>	Maria Cristina Galhardo Vilão (independent non-executive director)
<b>Board Member:</b>	António Lopes Seabra (independent non-executive director)
<b>Board Member:</b>	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.

In 2021, the AERC met once with the presence and participation of all members included in it (the Remuneration Committee, in office until 23 April 2021, met twice, with an overall and individual attendance of 100%).

## 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 point 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.

#### Board Member: António Lopes Seabra

Academic and professional qualifications, as described in point 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.

#### Board 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, 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 projects 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 accepted the post of corporate director of Human Resources at Corticeira Amorim, S.G.P.S., S.A., with responsibility for defining/updating policies and conducting Human Resources development projects, ensuring the operational coordination of the Human Resources areas for the different Business Units.

Between 2012-14 she taught the Human Resources Strategic Management module and the Postgraduate Course in Human Resources at the Catholic University of Porto and also participated (2014-16) 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

- 7 Until 23 April 2021, the Remuneration Committee elected at the General Meeting of shareholders held on 26 June 2020, consisted of the following members:
- |               |                              |
|---------------|------------------------------|
| Chairperson:  | José Manuel Ferreira Rios    |
| Board Member: | Jorge Alberto Guedes Peixoto |
| Board Member: | Abdul Rehman Omarmiã Mangá   |
- The Remuneration Committee met two times in 2021. The global attendance rate was 100%.

The members of Corticeira Amorim's Remuneration Committee should not be formally considered independent (although none of them are on the Company's Board of Directors). It was generally believed – particularly by the Annual General Meeting which elected the Committee members – that they have adequate technical skills, practical experience, judgement and ethics to enable them to fully protect the interests entrusted to them.

## III. REMUNERATION STRUCTURE

This chapter “III. Remuneration structure” and the following chapter “IV. Remuneration disclosure” which is part of the information provided 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, these 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.

Under the proposal submitted by the Company's Board of Directors, the shareholders' General Meeting held on 23 April 2021 approved the following remuneration policy:

1. The Members of the Presiding Board of the General Meeting shall be exclusively paid a fixed remuneration payable in twelve instalments per year, in line with market practice and the responsibilities inherent to the position held as well as their technical and professional knowledge and skills demonstrated;
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;
3. The Members of the Board of Directors, including an Audit Committee, shall be paid adequate remuneration considering:
  - The individual remuneration package agreed upon between the Company and each Director;
  - Observance of the principles of internal equity and external competitiveness, considering relevant information disclosed by the main Portuguese economic groups on their remuneration policies and practices;
  - Whenever such is adequate and feasible, such remuneration shall primarily consist of fixed pay for executive and non-executive directors, plus variable pay, for executive directors only, in the form of a performance-based premium/bonus for achieving the one-year targets of the companies of the Corticeira Amorim Group, and three-year targets of the Company;
  - The award of the variable pay component of remuneration referred to in the preceding paragraph shall be a bonus

resulting from short term performance evaluation and from the contribution of the annual performance to medium / long term economic, environmental and social sustainability of the Organisation;

- The actual amount of the variable pay shall always depend on the appraisal to be conducted every year by an internal committee specially created for this purpose (the Appointments, Evaluation and Remuneration Committee, made up of independent, non-executive directors). It shall appraise the performance of the Board of Directors' 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 development of the results and the level of compliance with the following strategic objectives: innovation, sustainability, organisational development and safety, competitiveness, growth, financial soundness and value creation;
  - The payment of the variable pay component, if any, may be made wholly or in part after determination of the profit (or loss) in respect of a three-year period. 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 in the last financial year or if it is expectable that a significant deterioration will occur in the financial year underway;
  - The non-executive members of the Board of Directors who form part of the Audit Committee shall be paid exclusively a fixed remuneration payable in twelve instalments per year, in line with market practice and the responsibilities inherent to the position held and their technical and professional knowledge and skills demonstrated;
  - 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.
4. 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.
  5. The Company's other employees shall be paid adequate remuneration considering:
    - Corticeira Amorim's employees are covered by the collective bargaining agreement for the cork industry, entered into by the Portuguese Cork Association (APCOR) and by the industry's trade unions, which also provides the minimum compulsory remuneration framework;
    - With regard to professional groups linked to industrial positions that require direct, indirect and administrative types of labour, the basic (fixed) remuneration benchmarks function - and should continue to function - as minimum fixed remuneration limits. Corticeira Amorim supplements this remuneration with variable bonuses linked to the degree of compliance with certain objectives (individual and team). The aim is to increasingly differentiate and extend these practices, fostering a logic of objectives and teamwork among employees and staff in this segment, and must continue to be embodied in a remuneration package that includes a basic monthly salary (fixed), allowances indexed to working time (shift, night work) and bonuses linked to the achievement of team objectives;
  6. The variable remuneration to be awarded under the terms of points 3 and 5 shall not exceed 65% of the fixed annual remuneration.
  7. 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 from the Company or based on variations in the price of its shares;
    - any retirement benefit scheme to members of the governing bodies.

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 ensure that the total remuneration and its respective structure (fixed and variable components and, within the latter, the short and medium-term component) are competitive in relation to global market practices that encourage high levels of performance and professionalism, in favour of developing the sustainable growth strategy of the Corticeira Amorim Group.



**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 section 69 is adopted.

**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 executive members of the Board of Directors receive a variable component of remuneration, in the form of a bonus for achieving one-year targets for Corticeira Amorim Group companies and three-year targets for the Company. The attribution of the variable remuneration component corresponds to a bonus resulting from short-term performance evaluation and from the contribution of the annual performance to the medium/long term sustainability of the Organisation.

The actual amount of the variable remuneration to be attributed the executive members of the Board of Directors will depend on the evaluation to be conducted annually by the Appointments, Evaluation and Remuneration Committee on their respective performance, analysing the respective contribution both to the results obtained in the economic year under consideration as well as compliance with the goals and implementation of the medium/long-term strategies adopted by the Company.

**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. In those terms, the payment of the variable pay component, if any, may be made wholly or in part 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 in the last financial year or if it is expectable that a significant deterioration will occur in the financial year underway. Likewise, if there is variable remuneration, the definitive calculation of which only occurs at the end of the term of office, the variable remuneration is subject 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.

In the financial year under review there were no deferred payments of any variable component.

**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.**

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.**

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.**

There are no supplementary pensions or early retirement schemes. As mentioned in section 69, the Board of Directors of Corticeira Amorim submitted to the General Meeting held on 23 April 2021 the remuneration policy for the members of the Board of Directors. This proposal, which was approved, expressly stated that the award of the benefits referred to in this note is not the remuneration policy.

Although no retirement benefit systems similar to the ones described in this subsection were in place in the Company on the date hereof, should their implementation be proposed, the General Assembly shall assess the characteristics of the systems adopted and in force in the respective financial year (just as it assessed the non-assignment).

#### 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 2021 financial year, the set of all the members of the **Board of Directors** (six members until April, inclusive; ten members from May, inclusive, including an Audit Committee) earned gross earnings from Corticeira Amorim amounting to 769,126.60 euros, corresponding to 707,126.60 euros of fixed remuneration and 61,650.00 euros of variable remuneration.

## Total remuneration broken down to the different components (subparagraph a), paragraph 2, article 26-G of the Securities Market Code)

Directors	Position	Notes	Remuneration Paid	
			Fixed Component	Variable Component (f)
Executive:				
António Rios Amorim	Presidente		239,309.10	500.00
Nuno Filipe Vilela Barroca de Oliveira	Vice-presidente		169,309.10	500.00
Fernando José de Araújo dos Santos Almeida	Vogal		144,109.10	60,150.00
Cristina Rios de Amorim Baptista	Vogal	(a)	154,749.30	500.00
Non executive:				
Luisa Alexandra Ramos Amorim	Vogal		-	-
Juan Ginesta Viñas	Vogal		-	-
José Pereira Alves	Vogal	(b)	22,666.64	-
Marta Parreira Coelho Pinto Ribeiro	Vogal	(c)	14,666.64	-
Cristina Galhardo Vilão	Vogal	(d)	14,666.64	-
António Lopes Seabra	Vogal	(e)	14 666.64	-

Values in euro

- 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.
- Remuneration earned since April 2021, inclusive, following his election as an independent non-executive member of the new Board of Directors of Corticeira Amorim, including the Audit Committee of which José Pereira Alves is the chairperson. Remuneration is earned through the set of posts/duties conducted at the Company.
- Remuneration earned since April 2021, inclusive, following her election as an independent non-executive member of the new Board of Directors of Corticeira Amorim, including the Audit Committee of which Marta Coelho Pinto Ribeiro is a member. Remuneration is earned through the set of posts/duties conducted at the Company. In addition, and for undertaking the post of member of the Supervisory Board (operating from 1 January to 23 April 2021), she earned 3 200,00 euros.
- Remuneration earned since April 2021, inclusive, following her election as an independent non-executive member of the new Board of Directors of Corticeira Amorim, including the Audit Committee of which Cristina Galhardo Vilão is a member. Remuneration is earned through the set of posts/duties conducted at the Company. In addition, and for undertaking the post of member of the Supervisory Board (operating from 1 January to 23 April 2021), she earned 3 200,00 euros.
- Remuneration earned since April 2021, inclusive, following his election as an independent non-executive member of the new Board of Directors of Corticeira Amorim, including the Audit Committee of which António Lopes Seabra is a member. Remuneration is earned through the set of posts/duties conducted at the Company.
- 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 2021 in national and international 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)

Directors	Position	Remuneration Paid	
		Fixed Component	Variable Component
Executive members			
António Rios Amorim	Chairperson	99.79%	0.21%
Nuno Filipe Vilela Barroca de Oliveira	Vice-Chairperson	99.71%	0.29%
Fernando José de Araújo dos Santos Almeida	Member	70.55%	29.45%
Cristina Rios de Amorim Baptista	Member	99.68%	0.32%
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

Directors	Position	Component	YEAR				
			2017	2018	2019	2020	2021
Executive members							
António Rios Amorim	Chairperson	Fixed	239,239.20	239,256.15	239,274.90	239,284.50	239,309.10
		Variable	110,600.00	120,500.00	120,400.00	1,000.00	500.00
		Change (%)	23.05%	2.83%	-0.02%	-33.19%	-0.20%
Nuno Filipe Vilela Barroca de Oliveira	Vice-Chairperson	Fixed	169,239.20	169,256.15	169,274.95	169,284.50	169,309.10
		Variable	55,600.00	60,500.00	60,400.00	1,000.00	500.00
		Change (%)	23.05%	2.83%	-0.02%	-33.19%	-0.20%
Fernando José de Araújo dos Santos Almeida	Member	Fixed	141,239.20	142,656.15	144,184.95	144,084.50	144,109.10
		Variable	59,885.00	111,650.00	66,850.00	8,715.00	60,150.00
		Change (%)	8.34%	26.44%	-17.02%	-27.60%	33.68%
Cristina Rios de Amorim Baptista	Member	Fixed	N/A	N/A	N/A	N/A	154,749.30
		Variable	N/A	N/A	N/A	N/A	500.00
		Change (%)	-	-	-	-	-
Non executive:							
Luisa Alexandra Ramos Amorim	Member	(b)	0.00	0.00	0.00	0.00	0.00
Cristina Rios de Amorim Baptista	Member	(a)	0.00	0.00	0.00	0.00	0.00
Juan Ginesta Viñas	Member	(b)	0.00	0.00	0.00	0.00	0.00
José Pereira Alves	Member	Fixed (c)	N/A	N/A	N/A	N/A	22,664.64
Marta Parreira Coelho Pinto Ribeiro	Member	Fixed (c)	N/A	N/A	N/A	N/A	14,666.64
Cristina Galhardo Vilão	Member	Fixed (c)	N/A	N/A	N/A	N/A	14,666.64
António Lopes Seabra	Member	Fixed (c)	N/A	N/A	N/A	N/A	14,666.64

Values in euro

- 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 conducted at the Company.

## Annual average remuneration variation of the employees of the company Corticeira Amorim

Employees of the Corticeira Amorim Company	YEAR				
	2017	2018	2019	2020	2021
Total Remuneration	45,541.00	46,824.00	48,420.00	40,173.00	41,885.00
Change	-	2.82%	3.41%	-17.03%	4.26%

Values in euro

## Annual variation in the performance of the Corticeira Amorim Group

Desempenho do Grupo Corticeira Amorim		ANO				
		2017	2018	2019	2020	2021
Sales	Value	701,609	763,117	781,057	740,113	837,820
	Change	9.39%	8.77%	2.35%	-5.24%	13.20%
Current EBITDA	Value	133,594	133,984	124,724	122,512	134,399
	Change	9.19%	0.29%	-6.91%	-1.77%	9.70%
EBITDA/Sales	Percentage	19.00%	17.60%	16.00%	16.60%	16.00%
Net income	Value	73,027	77,389	74,947	64,326	74,755
	Change	-28.89%	5.97%	-3.16%	-14.17%	16.21%
Net Interest-bearing Debt	Value	92,784	139,009	161,091	110,717	48,072
	Change	158.53%	49.82%	15.89%	-31.27%	-56.58%

Values in thousand euro

**78. Any amounts paid, for any reason whatsoever, by other companies in a control or group relationship, or are subject to a common control.**

In the 2021 financial year none of the members of the Board of Directors earned 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.**

In 2021, the variable component of remuneration for the executive members of the Board corresponded to:

- An exceptional bonus of EUR 500.00/manager, who was also awarded to all employees hired up to 30 September 2021 in national and international companies fully owned by the Corticeira Amorim Group. This bonus was awarded in view of the performance of the whole organisation during a difficult year with extremely tough conditions due to the COVID-19 pandemic, although the Group continued to perform very well;
- Although the performance targets for the variable remuneration of executive directors were not obtained, the executive director Fernando José de Araújo dos Santos Almeida received a performance bonus which was attributed in 2021, due to attaining the individual objectives established the 2020.

The amounts paid to the members of the Board of Directors pursuant to this note are detailed in section 77.

**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 2021.

**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.**

All the members of the **Supervisory Board** (in office until April 2021) earned total remunerations of 10,400,00 euros (Eugénio Luís Lopes Franco Ferreira: EUR 4,000.00; Marta Parreira Coelho Pinto Ribeiro: EUR 3,200.00; Maria Cristina Galhardo Vilão: EUR 3,200.00). Under the remuneration policy set out herein, the members of the Supervisory Board did not earn any variable remuneration.

The members of the Audit Committee earned an overall remuneration for conducting a set of posts at Corticeira Amorim (Board of Directors, Audit Committee, specialised internal committees), the value of which is described in point 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 a 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 point 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.

## 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<sup>8</sup>, 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<sup>9</sup> or Related Party<sup>10</sup> 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 conducted under the authorisation procedures and prior opinion applicable to related parties' transactions must consider, 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:

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 conducted in the previous quarter with each Related Party, specifying those that have been subject to specific approval by any of those bodies;

- a. The conducting 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:
- b. Transactions whose value per transaction exceeds one million euros or where the value accumulated during the year exceeds three million euros;
  - i. 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;
  - ii. Transactions conducted outside the ordinary course of business of the Company or any subsidiary.
  - iii. 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 conducted under the authorisation procedures and prior opinion applicable to Related Parties transactions must consider, 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 subparagraph b) of paragraph 1 of this article.

Related party transactions conducted either by the Company or by any of its subsidiaries:

(i) that are not conducted 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 conducted. 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 conducted 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.

8. 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 subsection 2 and the supervisory board's report [Audit Committee] shall mention the opinions given on such authorisations.
  5. The provisions of subsections 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.
9. Company in which Corticeira Amorim held 50% and/or management control (subsidiary).
10. 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 part).

## 90. Details of transactions that were subject to control in the referred year.

During the year under review, no transactions took place which, in accordance with the procedures described above, required a prior opinion from the supervisory body (Supervisory Board: until 23 April 2021; Audit Committee: from 23 April 2021).

## 91. A description of the procedures and criteria applicable to the supervisory body when same provides preliminary assessment of the business deals to be conducted 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.

## Related party transactions

Entity	Other information	31/12/2021	31/12/2020
<b>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</b>			
<b>Transações de aquisição a:</b>			
Amorim Serviços e Gestão, S.A.	Provision of services	707.9	902.0
Quinta Nova N. Sra. do Carmo, Lda.	Purchases and provision of services	13.3	27.8
Amorim Viagens e Turismo, S.A.	Provision of services	662.4	487.8
Taboadella, S.A.	Provision of services	4.6	2.5
<b>Vendas e prestação de serviços:</b>			
Amorim Serviços e Gestão, S.A.		52.0	50.4
Quinta Nova N. Sra. do Carmo, Lda.		41.4	31.7
Amorim Viagens e Turismo, S.A.		10.1	11.8
OSI – Sist. Informáticos e Electrotécnicos, Lda.		33.9	38.7
Taboadella, S.A.		19.6	2.0
<b>Cork purchases:</b>			
Caneicor – Sociedade Agro-Florestal, S.A.		-	161.6
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	271.3
Bomsobro – Sociedade Agro-Florestal, S.A.		-	-
Corunhal – Sociedade Agro-Florestal, S.A.		-	630.0
Agro-Pecuária do Mirante e Freires, S.A.		-	177.5
S.S.A. Sociedade de Serviços Agrícolas, S.A.		-	98.3
<b>ii) Transactions with the significant impact on activity, Independent of the respective amount:</b>			
They did not exist			
<b>iii) Transactions exceptionally undertaken, outside of normal market conditions:</b>			
They did not exist			
<b>iv) Transactions conducted outside the ordinary course of business of the Company or any Subsidiary:</b>			
They did not exist			
<b>v) Transactions resulting from contractual renewals or ongoing contracts (a):</b>			
<b>Acquisitions to:</b>			
OSI – Sist. Informáticos e Electrotécnicos, Lda.		10,484.2	10,471.8
<b>vi) transactions submitted for prior opinion:</b>			
They did not exist.			
<b>Total</b>		<b>12,479.7</b>	<b>13,365.2</b>

Values in thousand euro.

- a. Under the terms of the Regulation for Related Party Transactions in force until 5 July 2021.





Corticeira Amorim currently has 1.1 million m<sup>2</sup> of cork yards spread across the Iberian Peninsula, where the process of separating the cork planks begins: between cork to be used for natural cork stoppers, for the manufacture of discs and for granulated cork.





The first selection of cork is followed by a boiling process. The cork planks are boiled in closed and filtered stainless steel tanks. The primary aim is to enable the cork to reach the correct moisture content for processing.

## 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: [www.cmvm.pt](http://www.cmvm.pt); (ii) its own articles of association, which are available on the Company's website at: <https://www.amorim.com/pt/investidores/governo-societario/estatutos-regulamentos-e-politicas/>. 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, which is also available at [www.cgov.pt](http://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. (Presiding 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 policy of diversity 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 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 knowledge 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.

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, ESG 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 conducting 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.

**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.** Point 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.**

**Complies.** The transactions covered by Recommendation I.5.1 are communicated to the supervisory board (up to 23 April 2021 Supervisory Board; after 23 April 2021 Audit Committee) on a quarterly basis. 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.**

**This practice is considered equivalent to the proposal in this recommendation, i.e., to safeguard the same interests.** The Articles of Association of Corticeira Amorim do not allow taking part in the shareholders' General Meeting by telematic means.

As mentioned in the preceding paragraph, Corticeira Amorim favours the attendance in person of the shareholder at the General Meetings for the reasons given. The extremely high levels of shareholder participation indicate that this is also the favoured method of shareholders in their interaction with the Company and with the members of their governing bodies.

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 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 does not preclude that, considering the specific framework for scheduling/holding the General Meeting, remote participation by shareholders is not possible. This was the case at the General Meeting held on 23 April 2021, with the COVID-19 pandemic resulting in the implementation of a set of sanitary measures, including the reduction of contact between people to the bare minimum and a reduction or even ban on internal and cross-border travel. Thus, the Annual General Meeting was held exclusively through telematic means and, to ensure the amplest conditions for conducting an informed vote, shareholders' right to vote and to information at the General Meeting could be exercised by electronic mail.

### **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.**

Voting by mail (postal ballot) was permitted, if received at the Company's registered office by the third business day prior to the day set for the General Meeting and under the other conditions expressly announced in each Notice of meeting of the General Meeting.

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.

For Corticeira Amorim, the shareholders' General Meeting is an event of special relevance to the Company and its shareholders, as a privileged forum for communication between the Company (via the members of its statutory 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 current system of participation and voting (in person and vote by 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.

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.

As mentioned in the previous section, this position and understanding does not preclude that, considering the specific framework for scheduling/holding the General Meeting, remote voting is not possible. This was the case in 2020. For the reasons already mentioned, to ensure the amplest conditions for conducting an informed vote, shareholders' right to vote and to information at the general meeting could be exercised by electronic mail.

### **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 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 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 elected at the General Meeting of 23 April 2021.

**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/pt/investidores/governo-societario/estatutos-regulamentos-e-politicas/>) 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/pt/investidores/governo-societario/estatutos-regulamentos-e-politicas/>)

**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 Section 5.3. 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, considering 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 17. 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 23 April 2021 (available at: <https://www.amorim.com/pt/investidores/governo-societario/estatutos-regulamentos-e-politicas/>), 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 shareholders have requested such presence.**

**Complies.**

It is the practice of the Remuneration Committee to be present or represented at the meetings of the General Meeting in which items are considered related to the remuneration of corporate bodies and Company committees. The chairperson of this Committee was present at the General Meeting of Shareholders of 23 April 2021.

**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.** Point 67 and Regulation of the Appointments, Evaluation and Remuneration Committee (<https://www.amorim.com/pt/investidores/governo-societario/estatutos-regulamentos-e-politicas/>).

**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.** Point 67 and Regulation of the Appointments, Evaluation and Remuneration Committee (<https://www.amorim.com/pt/investidores/governo-societario/estatutos-regulamentos-e-politicas/>).



**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.**

Not adopted and under development. Sections 69 and 72,

Although the payment of the variable component of remuneration, if any, may take place, in full or in part, after the determination of the profit (or loss) for the financial year corresponding to the entire term of office, as the term of office is for three years, such deferral may not be for a period of less than three years, which is why this recommendation is not considered as having been adopted.

**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.**

Partially adopted and been improved.

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.

In view of the guidance provided in Interpretive Note no. 3 of the Corporate Governance Code, the Appointments, Evaluation and Remuneration Committee is in the process of defining an

Appointments Policy for the members of the management and supervisory bodies of Corticeira Amorim, establishing, among other aspects, procedures and responsibilities for selection and appointments, as well as the requirements for nomination, 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.**

**This practice is considered equivalent to the proposal in this recommendation, i.e., to safeguard the same interests.**

In Corticeira Amorim, the Human Resources Departments act in accordance with 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).

It should also be noted that, given that the Board of Directors has appointed the Appointments, Evaluation and Remuneration Committee, made up mainly of independent non-executive directors, and in order to fully comply with this recommendation, this Committee is in the process of defining the Appointments Policy for the Appointment of members of management and supervisory bodies of Corticeira Amorim (as described in the note to recommendation V.3.1) which will strengthen the practices envisaged in this recommendation.

## 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 will enable the supervisory body (up to 23 April 2021: Supervisory Board; after 23 April 2021: Audit Committee, 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 cork raw material, 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 50-52.

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.

### VII.1 Financial information

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

**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.** Sections 38.







# SUSTAINABILITY REPORT

## 04

The Herdade de Rio Frio, located in the district of Setúbal, is an estate where Corticeira Amorim intends to improve productivity through greater density of planting in the cork oak forest.



# MESSAGE FROM THE CHIEF SUSTAINABILITY OFFICER



Dear stakeholder,

More than 150 years since we began as a small family business dedicated to manufacturing and selling cork stoppers – we continue to pursue the same core mission at Corticeira Amorim: To add value to cork, in a competitive, distinctive and innovative way that is in perfect harmony with Nature.

We develop low carbon products and solutions that help mitigate climate change. We create value through a circular economy business model. We promote an ecosystem that provides countless services to humanity and foster a culture of safety and development for our People. We are aware of the positive contribution that we make throughout the value chain, which is why we continue to make investments to reduce the environmental impact of our activities and foster sustainable development in all areas influenced by our business.

In 2021, we significantly reinforced our ESG (Environmental, Social & Governance) practices and benchmarks. We have now adopted an Anglo-Saxon-style corporate governance structure, underpinned by the best international practices, which is more modern and participatory, and provides greater agility and proximity and better monitoring, incorporating independent and more diverse views, and thereby contributing to value creation and sustainability at Corticeira Amorim. We have formalised a structured set of policies and practices that promote a corporate culture of rigour, demand and transparency.

We have also established our ambition for 2030, integrated within our action programme, Sustainable by nature. We have set targets for our main impacts and are monitoring their evolution. We listen to our stakeholders and map the key megatrends that influence our businesses, drawing up action lines aligned with our stakeholders' expectations and with a proactive response to these trends. Our business strategy promotes four pillars of sustainability: transparency and accountability; the environmental characteristics of the product and the cork oak forest; the development, safety and well-being of our People; investment in RDI and increased economic performance.

We continually reinforce our commitments to sustainable development and remain accountable: we adopt recognised international standards with materiality and transparency, such as the GRI, drawn up, for the first time, in accordance with the obligations arising from the European Union's Taxonomy Regulations.

Corticeira Amorim's 2021 Sustainability Report presents the evolution of our social, environmental and economic performance. It identifies the many goals we have achieved and, above all, reiterates our purpose and commitment to continue to lead with responsibility and sustainability. The report also shows that, even in this very demanding year for our businesses around the world, it has been possible to strengthen our position worldwide, proposing and implementing new solutions that respond to social and climate challenges, promoting natural capital, boosting investment in a more circular and sustainable economy and fostering cooperation and technological innovation.

We remain determined and resilient, proud of the excellent performance that we have achieved over recent years. But there is still a long way to go. As always, we count on the dedication of our People and the involvement of our stakeholders, to continue to build a better world.

We are following the extremely serious situation in Eastern Europe with profound consternation, and hope that it will soon be possible to create conditions for peace and for the reconstruction of lives and the affected territories.

Warm regards,

**Cristina Rios de Amorim**  
**Board Member and Chief Sustainability Officer**



The main areas of interest of Amorim Cork's R&D+i department include innovation, improving the quality of cork stoppers and increasing knowledge of the interaction between cork stoppers and wine.

# ABOUT THIS REPORT

Corticeira Amorim is continually strengthening its ambition and commitment to sustainability through various initiatives and strategies. Good regular reporting practices, in place since 2006, promote transparency and encourage the adoption of sustainability principles, both in the value chain and from the company's main stakeholders.

This Sustainability Report, included in Corticeira Amorim's Consolidated Annual Report, reflects the company's commitment and approach to sustainability issues. It has been drawn up in accordance with the guidelines of the Global Reporting Initiative (GRI), GRI Standards 2016, for the Core level, 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, S.G.P.S., S.A. It also complies with article 8 of the Taxonomy Regulation and article 10 (2) of article 8 of the Delegated Act.

Throughout the report, the material themes for Corticeira Amorim are highlighted, according to the materiality matrix (2.2.4. Materiality matrix): transparency and communication, promotion of the "Montado", 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 product environmental impact, where the themes of product quality and responsibility and customer satisfaction are integrated. Given its importance for the Organisation, the topic of training and development is also considered material for the purposes of this report.

Since Corticeira Amorim is a group of companies and given the difficulty in implementing sustainability systems in smaller companies, the scope of the report does not include all the companies in the Corticeira Amorim Group. A plan is underway to increase the number of companies covered by this report. This report accounts for the companies that represent 80% of consolidated sales, which employ 82% of all employees of the company and corresponds to 93% of the industrial units.

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

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





Reducing environmental impacts, through the adoption of circular economy principles, using all the by-products resulting from the processing of cork, often combining them with by-products from other industries, are just some of the countless examples of Corticeira Amorim's commitment to adding value to cork in a competitive, differentiating and innovative manner, always in harmony with nature.

# 2021 KEY FACTS

## 1. CORTICEIRA AMORIM

Business model	Business units	World presence	Cork, cork oak tree and cork oak forest
<ul style="list-style-type: none"> <li>• #1 in the world for cork processing</li> <li>• &gt;150 years of history</li> <li>• €837,820,000 consolidated sales</li> <li>• €10,400,000 average investment in RDI</li> <li>• 93% sales outside Portugal</li> </ul>	<ul style="list-style-type: none"> <li>• 5 business units</li> <li>• 1,150,000 m<sup>2</sup> of cork yards</li> <li>• 5,800,000,000 stoppers per year</li> <li>• 10,000,000 m<sup>2</sup> of installed capacity</li> <li>• 268,000 blocks</li> <li>• 48,000 cylinders/year</li> <li>• 60,000 m<sup>3</sup> of insulation cork/year</li> </ul>	<ul style="list-style-type: none"> <li>• 28 countries where the company has operations</li> <li>• 27 industrial units</li> <li>• 56 distribution companies</li> <li>• 12 joint ventures</li> <li>• 4,642 workers</li> <li>• 71% workers in Portugal</li> <li>• 29,000 clients in over 100 countries</li> </ul>	<ul style="list-style-type: none"> <li>• &gt;2,100,000 ha in the Western Mediterranean basin</li> <li>• 200 years average lifespan of a cork oak tree</li> <li>• 100,000 people depend on cork oak forests</li> <li>• &gt;€1,300/ha/year average value estimated of the ecosystem services associated with a cork oak forest properly managed</li> <li>• 1/36 biodiversity hotspots</li> <li>• -73t CO<sub>2</sub>/1 t cork produced</li> <li>• Barrier against fires</li> <li>• Regulates the hydrological balance</li> <li>• Protects the soil and decreases the risk of desertification</li> </ul>

## 2. GOVERNANCE OF SUSTAINABILITY

Ethics and integrity	Stakeholders	Value chain
<ul style="list-style-type: none"> <li>• 2006 date of first sustainability report</li> <li>• ZERO reported irregularities</li> <li>• Code of Business Ethics and Professional Conduct</li> <li>• Procedure for reporting irregularities</li> <li>• Internal regulations and policies</li> </ul>	<ul style="list-style-type: none"> <li>• 2018 most recent stakeholder consultation</li> <li>• 2021 last materiality review</li> <li>• 8 main stakeholder groups</li> <li>• 89% agree that the Group presents a clear vision of its economic, social and environmental responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>• 100% non-cork suppliers covered with a supplier evaluation programme</li> <li>• 95% cork and cork products of controlled origin</li> <li>• 64% industrial units with FSC® chain of custody certifications</li> </ul>

## 3. PRIORITIES AND PROGRESS

Alignment with SDG	Goals
<ul style="list-style-type: none"> <li>• 12/17 SDG are aligned with the company's strategy</li> </ul>	<ul style="list-style-type: none"> <li>• 10 strategic goals</li> <li>• 31 main targets</li> </ul>
	<ul style="list-style-type: none"> <li>• 7 targets by 2030</li> <li>• 9 targets by 2024</li> </ul>

## 4. ENVIRONMENTAL PILLAR

Cork oak forest	Climate change	Circular economy	Green products
<ul style="list-style-type: none"> <li>• 251 ha of forestry estates with interventions</li> <li>• 100,000 cork oak trees installed</li> <li>• -15 years reduction of the first extraction cycle of cork from the current 25 years to 10/12 years</li> </ul>	<ul style="list-style-type: none"> <li>• 79% renewable energy</li> <li>• 68% controlled renewable energy</li> <li>• 3.8% energy efficiency</li> <li>• 86,111 tCO<sub>2</sub>eq avoided</li> <li>• 255,627 tCO<sub>2</sub>eq emissions generated by the activity and value chain</li> <li>• -5,200,000 tCO<sub>2</sub> approximate cork oak forest sequestration promoted (20 times more than the emissions generated by the activity and value chain)</li> </ul>	<ul style="list-style-type: none"> <li>• 100% use of cork</li> <li>• 88% sustainable materials</li> <li>• 82% renewable materials</li> <li>• 801 t recycled cork</li> <li>• 93% waste recovery rate (non-cork)</li> </ul>	<ul style="list-style-type: none"> <li>• 60% consolidated sales covered by lifecycle assessments (LCA)</li> <li>• 1st choice for customers who want better quality stoppers and contribute to the mitigation of climate change</li> <li>• 100% floors and coverings with indoor air quality certification whether TÜV-PROFICERT or French certification for VOC (A+) and contributions to sustainable construction certifications, LEED / BREEAM</li> <li>• &gt;500 applications for various sectors, allying innovation and circular economy practices</li> <li>• 0% additives in products that are simultaneously 100% natural, recyclable, reusable and long-lasting</li> </ul>

## 05. SOCIAL PILLAR

Development	Safety, health and well-being	Community / Society
<ul style="list-style-type: none"> <li>• 94% employees covered by collective bargaining agreements</li> <li>• 25% women workers</li> <li>• 25% women workers in management positions</li> <li>• 42 average age of workers</li> </ul>	<ul style="list-style-type: none"> <li>• 67% workers covered by ISO 45001 or SA 8000 certifications</li> <li>• Zero accidents in 2024</li> </ul>	<ul style="list-style-type: none"> <li>• 120,000 trees planted in partnership, &gt;1,300,000 trees planted in partnership since 2008</li> <li>• 2.17 production multiplier in Portuguese economy</li> <li>• &gt;€1,000,000,000/year total net value of the company's contributions to society when considering ecosystem services induced by the activity (over 7x higher than direct value)</li> </ul>

## 6. SUSTAINABLE FINANCE

Green bonds	PPC Sustainability linked	PPC green	European taxonomy
<ul style="list-style-type: none"> <li>• €40,000,000 total amount</li> <li>• 2020-25 period</li> <li>• Environmentally sustainable management of living natural resources and use of the land use</li> <li>• Renewable, low carbon, eco-efficient and/or circular economy adapted products, production technologies and processes</li> <li>• Waste management and resource efficiency</li> <li>• Renewable energy and waste-to-energy</li> </ul>	<ul style="list-style-type: none"> <li>• €20,000,000 total amount</li> <li>• 2021-24 period</li> <li>• Energy consumed from controlled renewable sources</li> <li>• Waste recovery rate (non-cork)</li> </ul>	<ul style="list-style-type: none"> <li>• €11,600,000 total amount</li> <li>• 2021-26 period</li> <li>• Energy consumed from controlled renewable sources</li> </ul>	<ul style="list-style-type: none"> <li>• 2 / 6 green goals</li> <li>• 11% eligible turnover</li> <li>• 14% eligible capex</li> <li>• 13% eligible opex</li> </ul>

# 1 – CORTICEIRA AMORIM





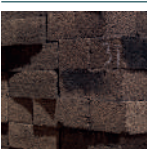
Corticeira Amorim is one of the biggest, most entrepreneurial and dynamic multinationals of Portuguese origin. Its activity in the cork business date back to 1870 and today it is the world leader of the sector. Operating under the maxim “not just one market, not just one customer, not just one currency, 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 longevity, ambition, pride, attitude and passion, the Company invests millions of euros annually in research, development and innovation (RDI) and registered, in 2021, 838 million euros in consolidated sales, 93% of which outside Portugal.

## 1.1. BUSINESS MODEL

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

## 1.2. BUSINESS UNITS

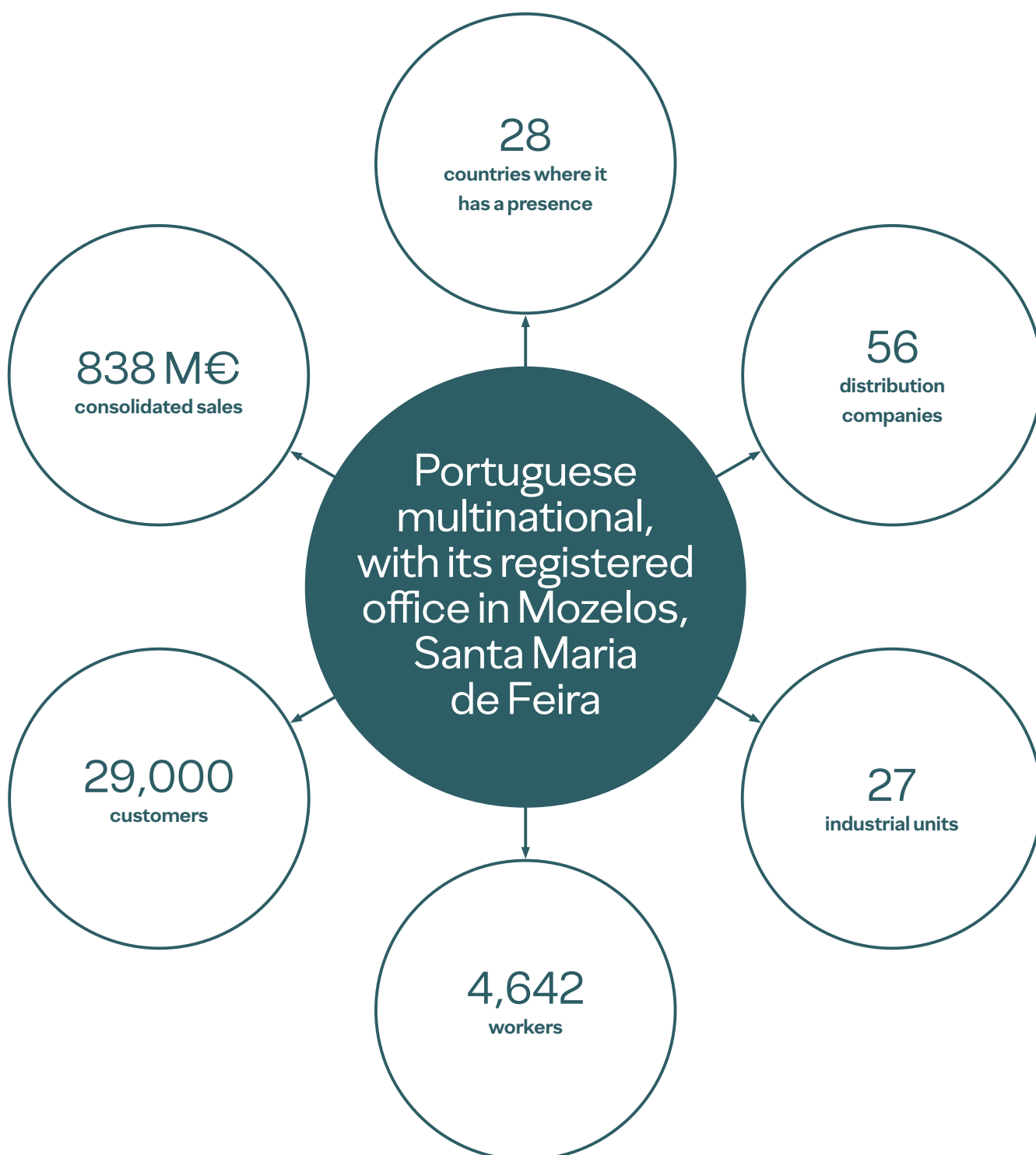
Corticeira Amorim has a broad portfolio of cork-based products for different markets and applications. This raw material, which assumes tremendous importance for the company, has been the focus of continued RDI investment, in order to promote the use of all its natural properties and to diversify Corticeira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

	Business units	Markets	Main references	Sales
	<b>Raw Materials</b> Responsible for overall and integrated management of the company’s value chain, it plays a key role in promoting synergies between the various units to ensure optimisation of the flow and quality	Cork	1,150,000 m <sup>2</sup> of cork yard	191,5 M€
	<b>Cork Stoppers</b> 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 and spirits segment, anywhere in the world	Still and sparkling wines, spirits, beer and cider	5,800,000,000 of corks/year	593,3 M€
	<b>Floor &amp; Wall Coverings</b> 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	Wall and floor coverings	10,000,000 m <sup>2</sup> /year of installed capacity	123,2 M€
	<b>Composite Cork</b> Innovation is the driving force of this Business Unit that proposes to redesign the world in a sustainable manner, reusing and reinventing materials with applications in a wide array of different areas	Aerospace, mobility, energy, sealing, construction, sports surfaces, flooring, home, office and leisure goods, footwear, panels and composites	268,000 blocks and 48,000 cylinders/year	116,7 M€
	<b>Insulation Cork</b> 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	Sustainable insulation/construction and interior and exterior design	60,000 m <sup>3</sup> of cork insulation/year	14,5 M€



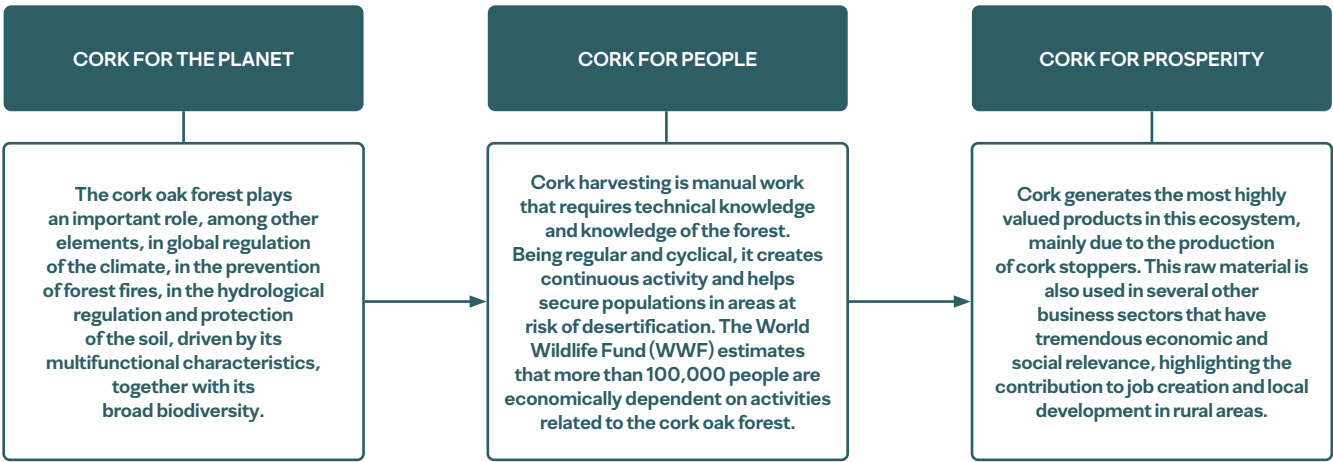
### 1.3. WORLD PRESENCE

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





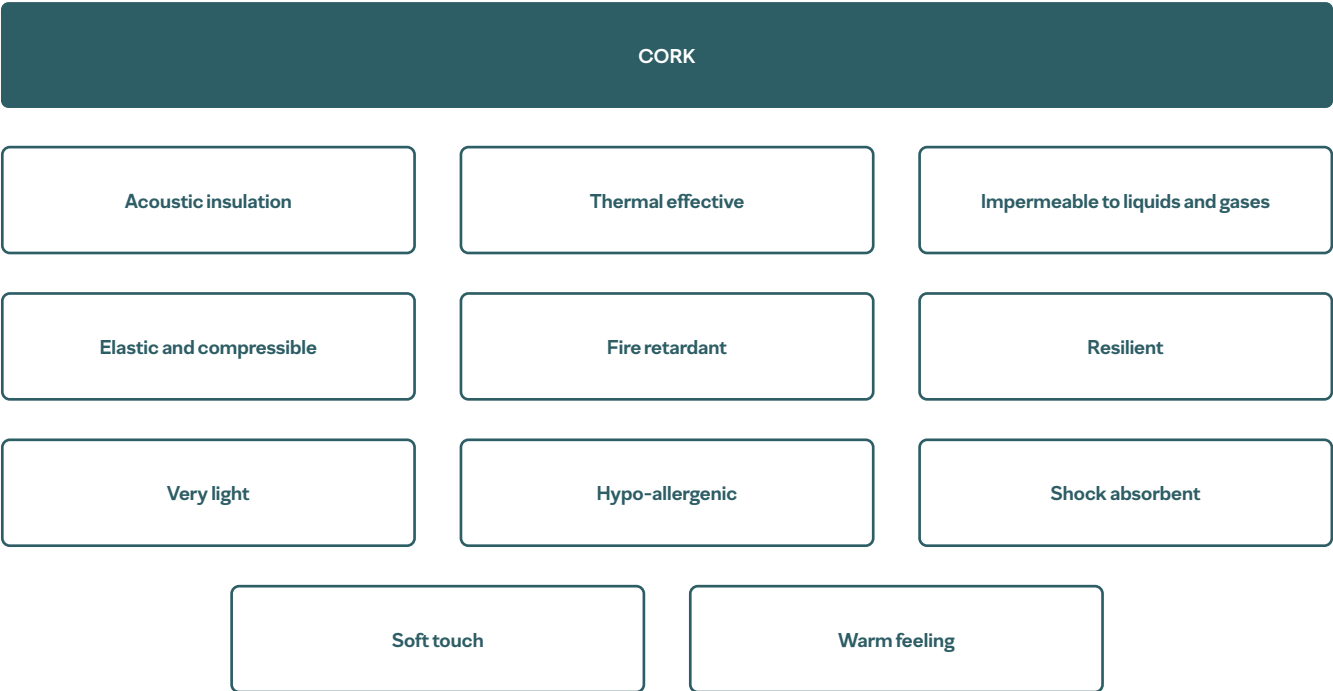
1.4. CORK, CORK OAK TREE AND CORK OAK FOREST



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 with truly exceptional characteristics. Cork cells, that are grouped in a characteristic alveolar structure identical to a beehive, are filled with a mixture of gases very similar to air, 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. Being resilient, 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.



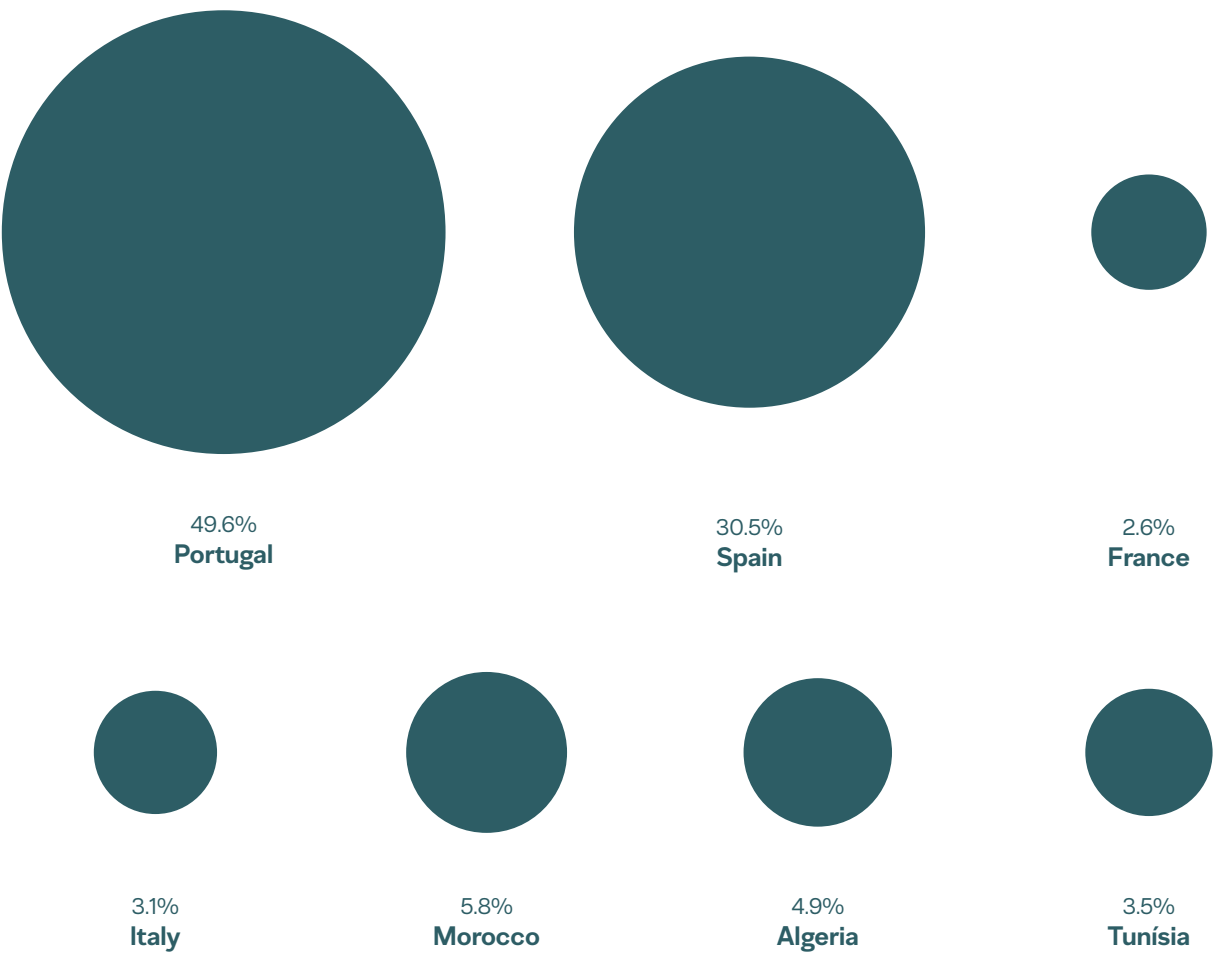
Cork Oak Tree

The cork oak tree (*Quercus Suber L.*) 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, forestry and hunting resources that revolves around 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” in Portuguese. It takes place during the period of greatest vegetative activity: from mid-May to the end of August. Cork harvesting is a highly specialised process that ensures that the tree is not damaged.

The cork oak is a slow-growing tree, which can live up to 200 years, from which cork may be harvested 16 times on average in its lifetime. The first harvest 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



Cork Oak Forest

The cork oak forests (montados 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.

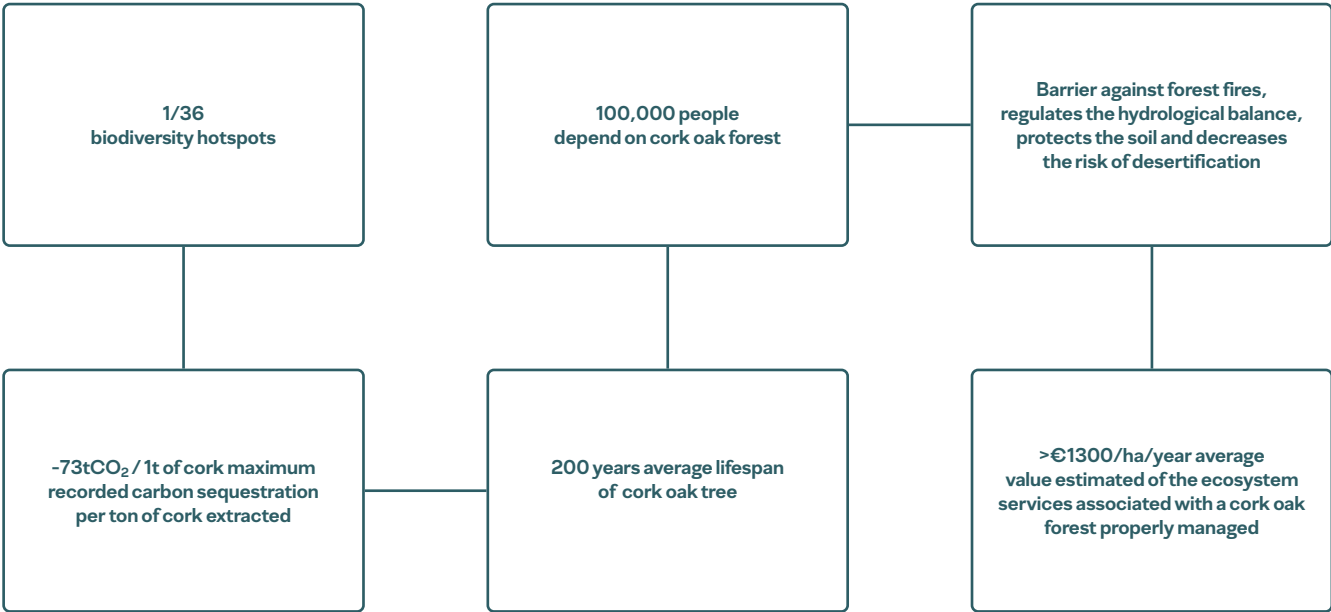
This forest ecosystem mainly consists of cork oak trees (*Quercus suber*) in regions where the Atlantic influence is greater, and holm oaks (*Quercus rotundifolia* *ilex*) in the more interior regions, characterised by high temperatures and low rainfall. The vegetal biodiversity of this ecosystem is 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 the ecosystem. The cork oak forest combines the elements mentioned above with agricultural cultivation 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 agro-silvo-pastoral 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 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.





Cork composite produced at the i.cork factory, an innovation factory that was founded in 2018, as part of the Composite Cork Business Unit, which encompasses multiple fields of knowledge, advanced resources and a wide array of different skills.



## 2 – GOVERNANCE OF SUSTAINABILITY

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

Corticeira Amorim has defined a general sustainability policy, in which it commits 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.
- 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.

### 2.1. ETHICS AND INTEGRITY

Goal	Main targets
• 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"> <li>• Integrate climate change measures;</li> <li>• Protect the labour rights;</li> <li>• Foster balanced and prudent management and sustainability;</li> <li>• Be transparent and accountable;</li> <li>• Sustain economic growth.</li> </ul>

Corticeira Amorim bases its operations on high ethical standards, promoting appropriate and ethical conduct in all relationships with its stakeholders, providing results that are the result of its management vision, the efficiency of its processes, continuous innovation, professionalism and competence of its team, the competitiveness of its offer and its reputation in the market. It therefore assumes a set of voluntary commitments in matters of ethics and environmental and social responsibility, through the development and implementation of policies and principles by which it governs its business activity. Aware of the risks to which its activity is subject and the interests of its stakeholders, and still convinced of the effectiveness of its risk prevention and control, Corticeira Amorim regularly analyses these matters, in order to foster reflection and improvement thereof.

#### 2.1.1. ARTICLES, REGULATIONS AND POLICIES

Corticeira Amorim is governed by a solid and cohesive set of internal regulations and policies that, associated with the company's articles of association and the Code of Business Ethics and Professional Conduct, make it possible to align the interests of all its stakeholders, foster a balanced and prudent approach and reinforce Corticeira Amorim's position in relation to sustainable development. Corticeira Amorim's articles of association, regulations and policies are available at <https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>.

The Organisation promptly communicates updates to this set of guidelines to employees and promotes their dissemination and adoption throughout the Organisation.

The Executive Committee and the Risk Management, together with the Business Unit's executive management, are responsible for assessing the risks associated with corruption and bribery in markets where Corticeira Amorim operates, according to the characteristics of each. Monitoring of these risks is also complemented by the activity of the Company's Risk Committee and by audits of the internal control process, whose function is to analyse the compliance of processes and to identify deficiencies.

### 2.1.2. COMMUNICATION OF IRREGULARITIES

The communication of identified irregularities is carried out in accordance with a defined procedure (addressed to the company's Audit Committee), presented by shareholders, employees, stakeholders of the Organisation or by other persons/entities. It is incumbent upon the Audit Committee, that is entirely comprised by independent members, to analyse the communications received, give them the proper sequence, under the terms stipulated in the aforementioned procedure, including suggesting mitigation measures for the prevention and occurrence of any irregularities.

The Organisation ensures that the content of the communications received is, in the first place, communicated to the Audit Committee (no employee of the Organisation is authorised to open any correspondence specifically addressed to this governing body or to any of its individually identified members).

Those who seek 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

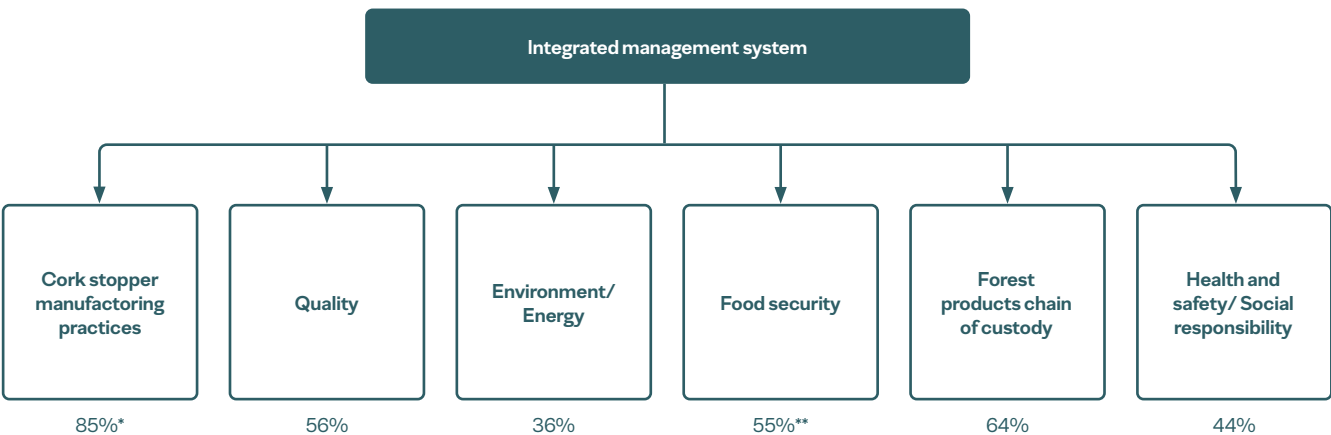
evaluating the information reported about situations, the third parties and/or Employees affected will be entitled to provide the reasons and explanations they deem necessary.

- **Fundamentals:** Any decision must be adopted in a reasonable, proportional and appropriate manner, considering the circumstances and the nature of the events.

In 2021, no irregularities were reported through this procedure. More detailed information can be found in chapter C. Internal organisation, II. Reporting of irregularities, from the Corporate Governance Report.

### 2.1.3. MANAGEMENT SYSTEMS

The companies of the Corticeira Amorim Group have an integrated management system (IMS), which includes the management system for cork stopper manufacturing practices, quality, environment, energy, food security, forest products and the chain of custody, health and safety at work and social responsibility. It is an important tool for achieving internal and external compliance with legal rules and regulations, as well as company objectives and practices. The IMS monitors quality, environmental and safety indicators, as well as identifying possible improvement actions and associated resource needs. 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/distribution units, the model that best suits the associated non-financial risks or emerging opportunities in the markets in which they operate is implemented in each of them, which justifies the diversity of external certifications. In all establishments that are not covered by external certification, there are evaluation mechanisms and indicators defined for each of the systems. Details of certifications by establishment can be found in chapter 7 of the Consolidated Management Report.



IU with external certificates / total IU of Corticeira Amorim (25 IUs) (%)

Notes:

\* Considers 20 IUs belonging to the Raw Materials BU and Cork Stoppers BU.

\*\* Considers 11 IUs belonging to the Cork Stoppers BU.

## 2.2. STRATEGY AND MANAGEMENT MODEL

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 vision 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 supplied by nature. The Company's vision is to be sustainable, provide suitable remuneration for the capital invested, promote social equity and environmental protection and offer differentiating factors in terms of product and service. Its mission is to add value to cork, in a competitive, differentiated and innovative manner, in perfect harmony with Nature, proposing to combine technology and innovation with a centuries-old natural material, promoting a sustainable balance, 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 taking into account the results of stakeholder consultation, benchmarking analysis, commitments and internal policies and alignment with the UN Sustainable Development Goals (SDG).

To understand external stakeholders' expectations in relation to the group's performance, Corticeira Amorim regularly consults with stakeholders. The most recent extended consultation took place in 2018, and the materiality matrix was reviewed in 2021, with consultation of some stakeholders.

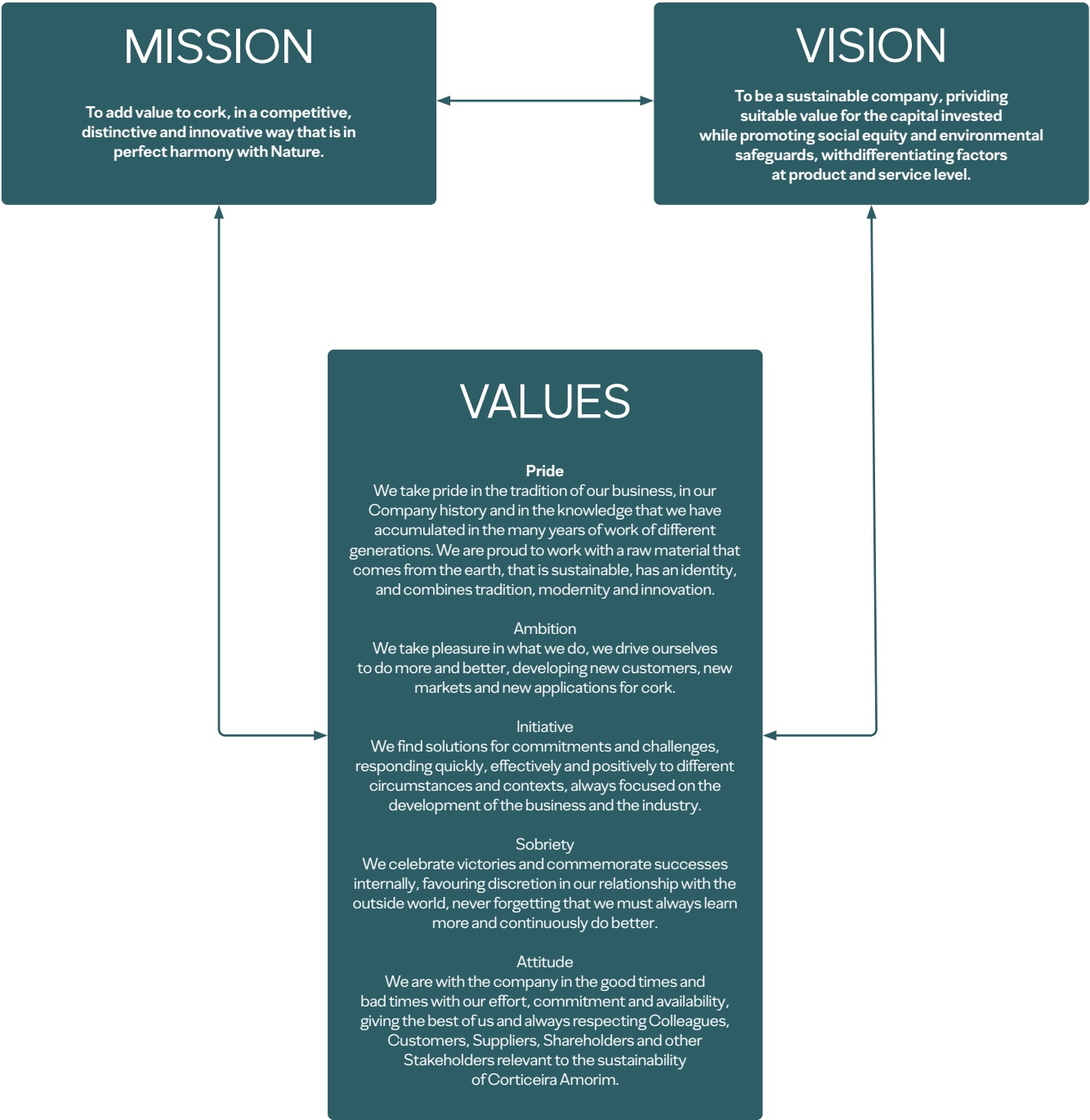
Corticeira Amorim's Board of Directors, chaired by the Chairman & CEO, and which includes the Chief Sustainability Officer (CSO), is responsible for promoting ESG topics in the business, and approve the strategic objectives and initiatives and priority actions.

The Executive Committee is responsible for overseeing the governance of sustainability issues and integrating ESG issues into the business. At least twice a year, the Executive Committee analyses the approach to ESG topics, and defines the goals, performance and review of the reporting.

In 2021, the Board of Directors decided to constitute Corticeira Amorim's E.S.G. committee (CESG), a permanent specialised internal committee, whose mission is to advise it on Corticeira Amorim's follow-up, supervision and strategic guidance in the field of corporate governance, social responsibility, environment and ethics matters, establishing its attributions in the respective regulation (available at: <https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>).

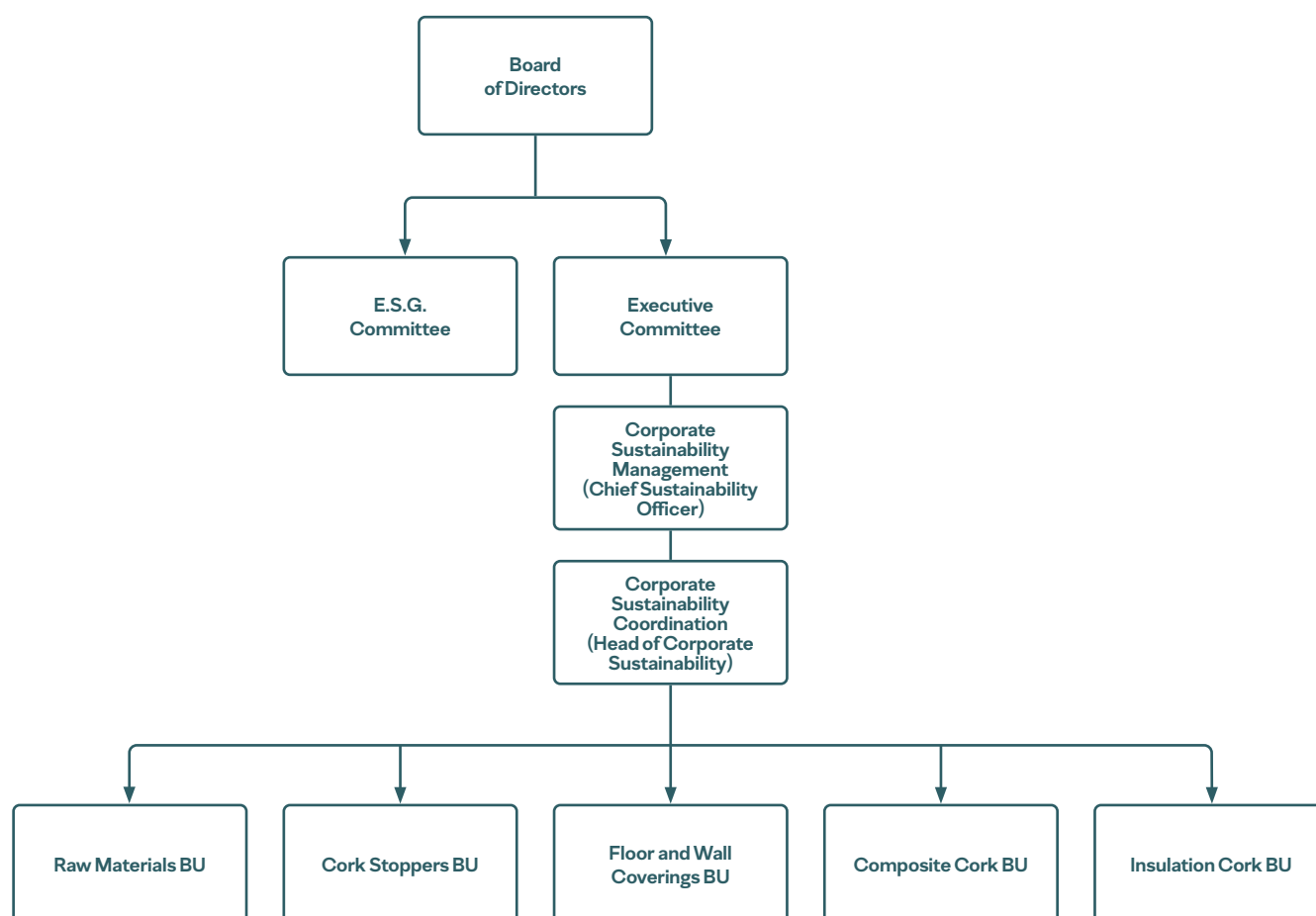
The CESG is chaired by an independent member of the Board of Directors and is primarily composed of members of the governing bodies, including the CSO and the Head of Corporate Sustainability (HCS), as a permanent guest.

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 CEO of the respective BU and who is, among other tasks, responsible for suggesting and implementing the initiatives and actions necessary to fulfill 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.

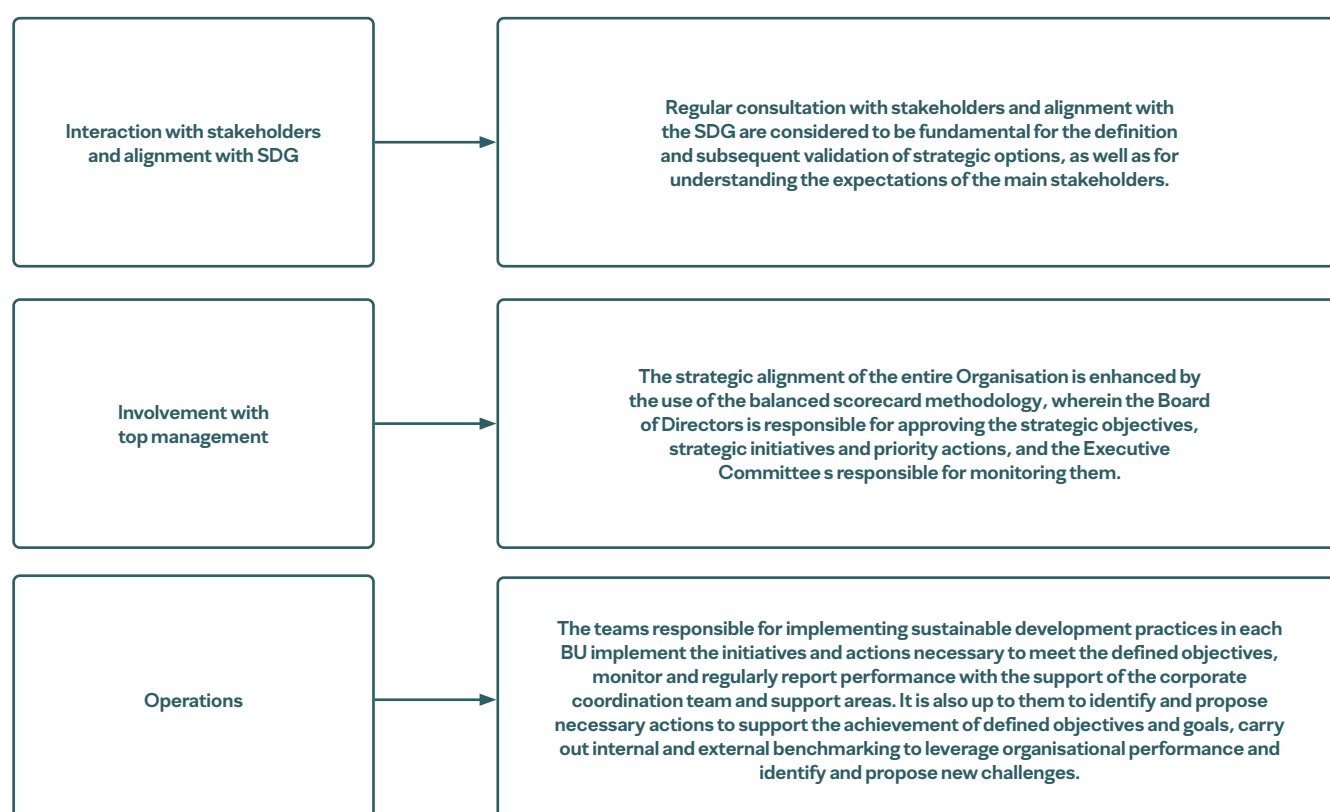




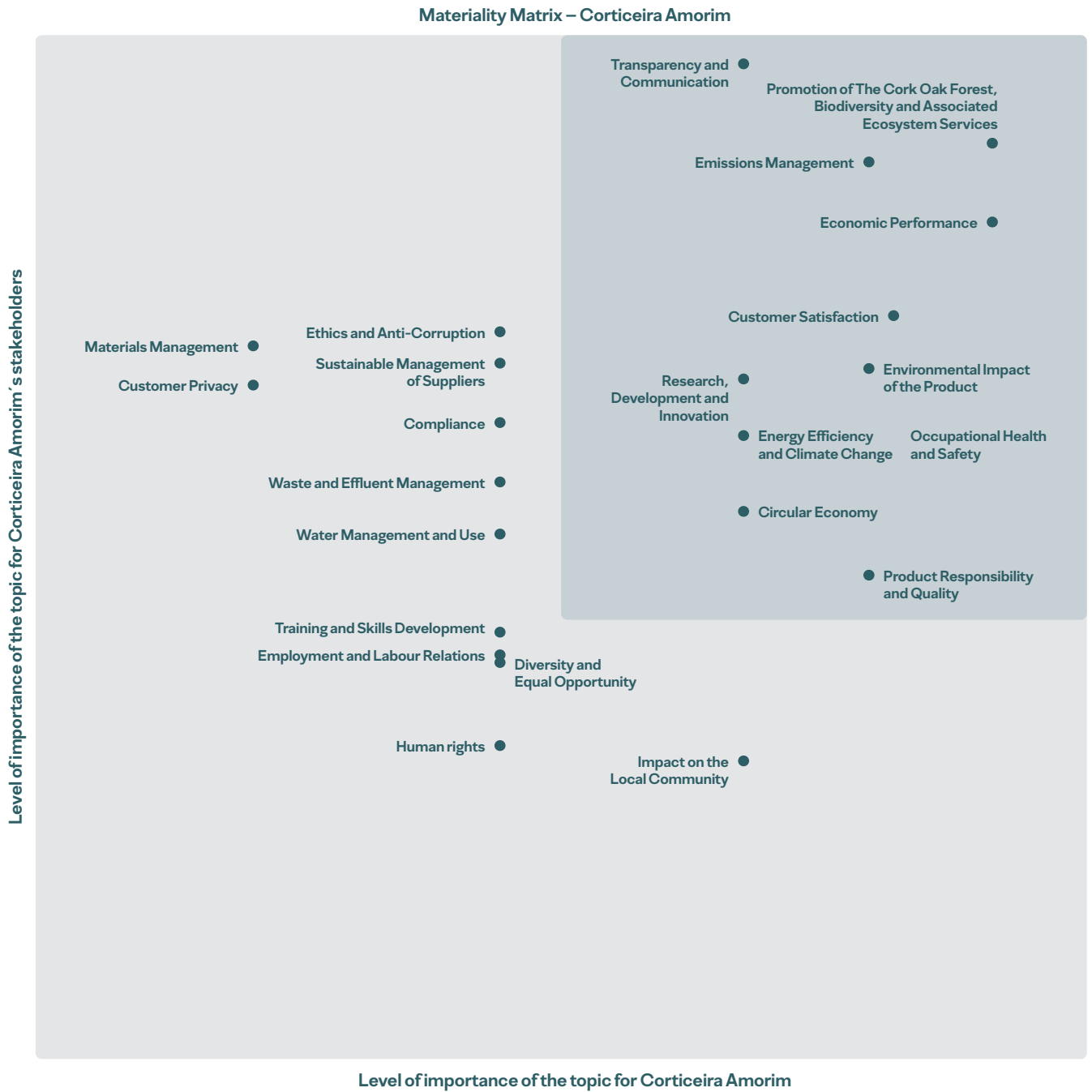
## 2.2.2. MANAGEMENT MODEL



## 2.2.3. DEFINITION OF STRATEGY



## 2.2.4. MATERIALITY MATRIX



## 2.3. STAKEHOLDERS

Corticeira Amorim believes in the importance of its stakeholders for sustainable management of its activities and improvement of the Group's performance.

Engagement with stakeholders is based on structured and ad hoc interaction, as well as regular surveys, that constitute an important management tool for Corticeira Amorim, to the extent that understanding stakeholders' concerns and expectations regarding the matters to be monitored and communicated is critical for the validation and identification of strategic priorities.

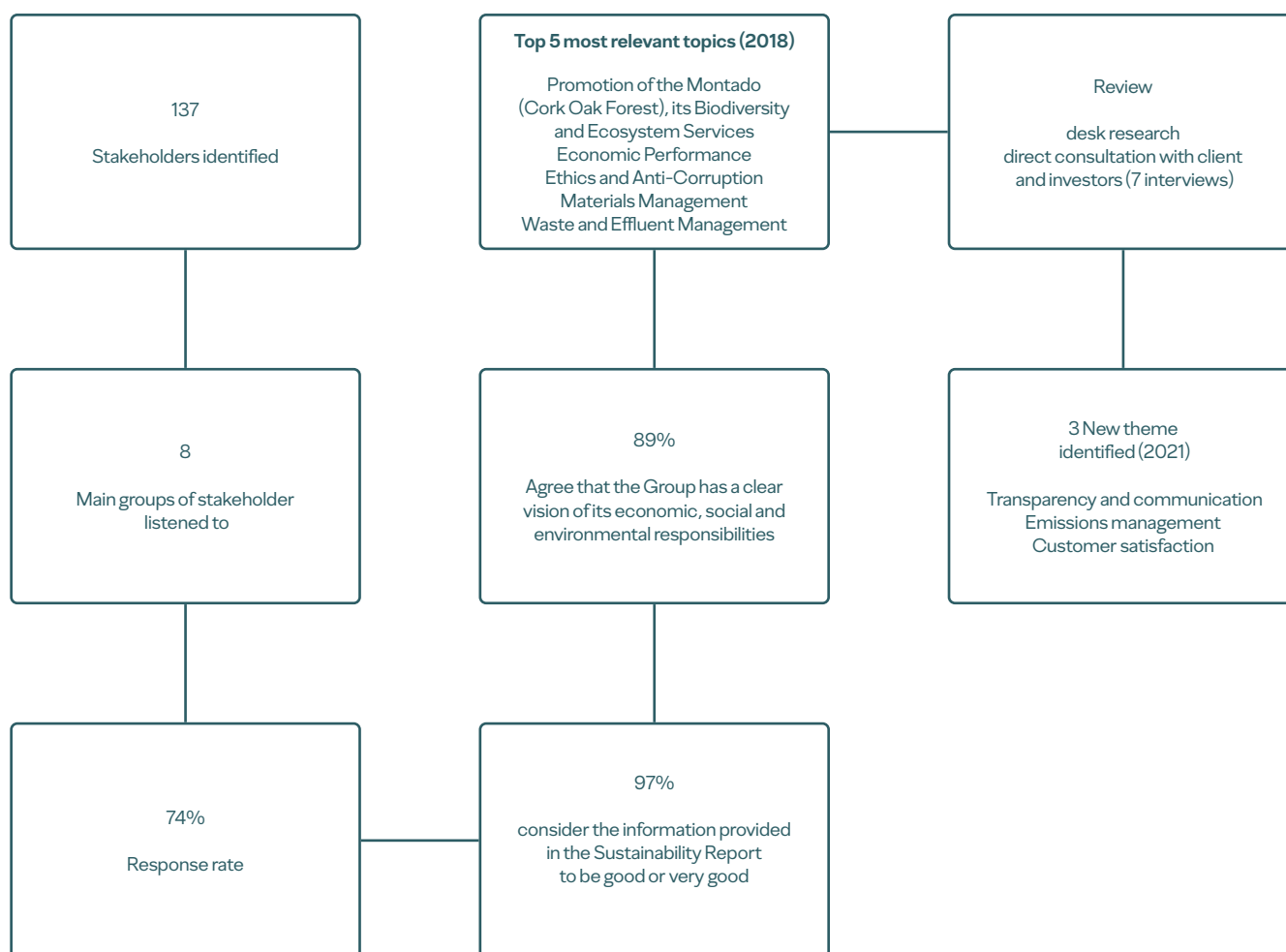
All persons or entities that have or may have an influence, dependency and/or responsibility vis-à-vis the Group are identified as stakeholders of Corticeira Amorim. According to this selection criterion, eight main groups of stakeholders have been identified: shareholders and investors, customers, employees, official and governmental entities, suppliers, media, NGOs and the community and partners and civil society.

### 2.3.1. MAIN RESULTS OF THE CONSULTATION

Corticeira Amorim has carried out a process of consultation and involvement with its stakeholders since 2009, concerned with promoting their participation and contribution to the Group's business model.

The most recent stakeholder consultation process took place in 2018, and the materiality and strategy matrix was reviewed in 2021. The review process consisted of a benchmark analysis, based on desk research and a direct consultation with a set of stakeholders belonging to the client and investor groups, and resulted in the identification of three new themes: transparency and communication, emissions management and customer satisfaction.

**New corporate website:** In 2021, Corticeira Amorim presented a new corporate website: [www.amorim.com](http://www.amorim.com). Keeping up with the accelerated digital transformation that the world is currently experiencing, the renewed portal offers an easy, intuitive and immediate user experience. Optimised for different devices, desktop, tablet and mobile, it is oriented to respond to the needs of different stakeholders. Completely redesigned and bilingual (Portuguese and English), it aligns an impactful image with a strong editorial component which offers content on the genesis and evolution of the Amorim Group, cork and cork forests, the various BUs, innovation and sustainability, initiatives and projects, applications and solutions. All under the umbrella of Corticeira Amorim's vision, mission and values.



The results of the stakeholder consultations are available in the Sustainability Reports for the years 2009, 2011, 2013, 2015 and 2018: <https://www.amorim.com/en/sustainability/reports/>.

## 2.3.2. COMMUNICATION WITH STAKEHOLDERS

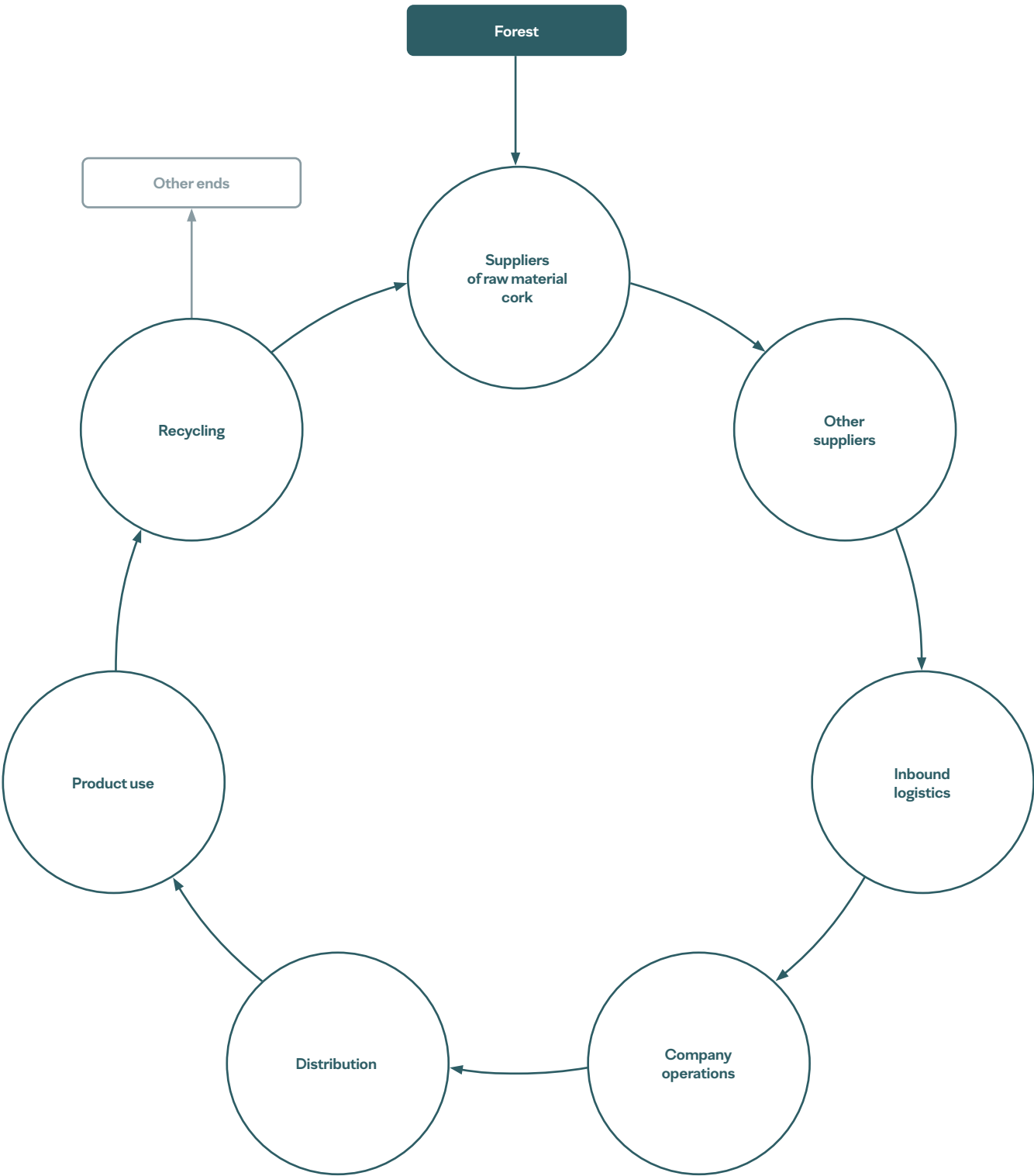
Management of communication channels fosters stronger alignment with stakeholders' needs and expectations. Corticeira Amorim uses a distinct set of communication channels that are regularly reviewed and permit a wide range of information to be made available to its stakeholders.

Shareholders and investors	Customers	Employees	Official and governmental entities
<ul style="list-style-type: none"> <li>• General shareholders' meeting</li> <li>• Meetings with investors and analysts</li> <li>• Periodic disclosure of evolution of the business</li> <li>• Annual reports &amp; accounts</li> <li>• Sustainability report</li> <li>• Regular meetings and contacts</li> <li>• Responses to external requests</li> <li>• Visits to the cork oak forest and to Corticeira Amorim</li> <li>• Website</li> <li>• Social networks</li> <li>• Newsletter and Press releases</li> <li>• Information brochures</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability report</li> <li>• Environmental education/awareness actions</li> <li>• Support for initiatives/projects</li> <li>• Satisfaction surveys</li> <li>• Participation in fairs and industry events</li> <li>• Awareness and technical support programmes</li> <li>• Cooperation agreements for RDI</li> <li>• Publication of technical articles</li> <li>• Working groups</li> <li>• Regular meetings and contacts</li> <li>• Various seminars and workshops</li> <li>• Responses to external requests</li> <li>• Visits to the cork oak forest and Corticeira Amorim</li> <li>• Website</li> <li>• Social networks</li> <li>• Newsletter and press releases</li> <li>• Information brochures</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability report</li> <li>• Initiatives to defend the cork oak forest</li> <li>• Environmental education/awareness actions</li> <li>• Support for initiatives/projects</li> <li>• Satisfaction surveys</li> <li>• Information panels at the premises</li> <li>• Procedures and Policies</li> <li>• Intranet</li> <li>• Performance management systems</li> <li>• Various seminars and workshops</li> <li>• In-house thematic and awareness-raising initiatives</li> <li>• Responses to external requests</li> <li>• Visits to the cork oak forest and Corticeira Amorim</li> <li>• Website</li> <li>• Social networks</li> <li>• Newsletter and press releases</li> <li>• Information brochures</li> <li>• Periodic team meetings</li> <li>• Linkpeople (Human Resources ER)</li> </ul>	<ul style="list-style-type: none"> <li>• Periodic disclosure of the evolution of the business activity</li> <li>• Annual Report &amp; Accounts</li> <li>• Sustainability report</li> <li>• Initiatives to defend the cork oak forest</li> <li>• Participation in trade fairs and industry events</li> <li>• RDI collaboration protocols</li> <li>• Publication of technical articles</li> <li>• Support for initiatives/projects</li> <li>• Satisfaction surveys</li> <li>• Awareness and technical support programmes</li> <li>• Working groups</li> <li>• Periodic meetings and contacts</li> <li>• General and sectoral meetings</li> <li>• Various seminars and workshops</li> <li>• Responses to external requests</li> <li>• Visits to the cork oak forest and Corticeira Amorim</li> <li>• Website</li> <li>• Social networks</li> <li>• Newsletter and press releases</li> <li>• Information brochures</li> </ul>

Suppliers	Media	NGO's and community	Partners and civil society
<ul style="list-style-type: none"> <li>• Annual report &amp; accounts</li> <li>• Sustainability report</li> <li>• Environmental education / awareness actions</li> <li>• Support for initiatives / projects</li> <li>• Selection and evaluation of suppliers</li> <li>• Participation in trade fairs and sectorial events</li> <li>• Awareness and technical support programmes</li> <li>• RDI collaboration protocols</li> <li>• Publication of technical articles</li> <li>• Working groups</li> <li>• Regular meetings and contacts</li> <li>• Seminars and various workshops</li> <li>• Responses to external requests</li> <li>• Visits to the cork oak forest and Corticeira Amorim</li> <li>• Website</li> <li>• Social networks</li> <li>• Newsletter and press releases</li> <li>• Information brochures</li> </ul>	<ul style="list-style-type: none"> <li>• Periodic disclosure of the evolution of the business activity</li> <li>• Annual report &amp; accounts</li> <li>• Sustainability report</li> <li>• Support for initiatives / projects</li> <li>• Participation in trade fairs and sectorial events</li> <li>• Publication of technical articles</li> <li>• Responses to external requests</li> <li>• Visits to the cork oak forest and to Corticeira Amorim</li> <li>• Website</li> <li>• Social networks</li> <li>• Newsletter and press releases</li> <li>• Information brochures</li> </ul>	<ul style="list-style-type: none"> <li>• Periodic disclosure of the evolution of the business activity</li> <li>• Annual report &amp; accounts</li> <li>• Sustainability report</li> <li>• Initiatives to defend the cork oak forest and the environment</li> <li>• Environmental education / awareness actions</li> <li>• Community engagement initiatives</li> <li>• Support for initiatives / projects</li> <li>• Participation in fairs and sectorial events</li> <li>• RDI collaboration protocols</li> <li>• Publication of technical articles</li> <li>• Working groups</li> <li>• Regular meetings and contacts</li> <li>• General and sectoral meetings</li> <li>• Seminars and various workshops</li> <li>• Responses to external requests</li> <li>• Visits to the cork oak forest and Corticeira Amorim</li> <li>• Website</li> <li>• Social networks</li> <li>• Newsletter and press releases</li> <li>• Information brochures</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability report</li> <li>• Initiatives to defend the cork oak forest and the environment</li> <li>• Environmental education / awareness actions</li> <li>• Community engagement initiatives</li> <li>• Support for initiatives / projects</li> <li>• Participation in fairs and sectorial events</li> <li>• RDI collaboration protocols</li> <li>• Publication of technical articles</li> <li>• Working groups</li> <li>• Regular meetings and contacts</li> <li>• General and sectoral meetings</li> <li>• Seminars and various workshops</li> <li>• Responses to external requests</li> <li>• Visits to the cork oak forest and Corticeira Amorim</li> <li>• Website</li> <li>• Social networks</li> <li>• Newsletter and press releases</li> <li>• Information brochures</li> </ul>

### 2.4. VALUE CHAIN

Goal	Main targets
<ul style="list-style-type: none"> <li>Reinforce responsible production and consumption, preferably selecting suppliers that adopt good ESG practices.</li> </ul>	<ul style="list-style-type: none"> <li>Eradicate forced labour worldwide and ensure a global</li> <li>elimination on child labour;</li> <li>Promote sustainable management and efficient use of resources;</li> <li>Strengthen partnerships for sustainable development.</li> </ul>





Corticeira Amorim's business model spans all stages of production, from the purchase of the raw material, to the company's operations, distribution and marketing of various cork products, with more than 29,000 customers and 93% of sales outside Portugal, in more than 100 countries.

Corticeira Amorim seeks to implement the ethics and economic, environmental and social responsibility commitments, mentioned in subchapter 2.1. Ethics and integrity, at all levels of the business plan. To this effect, the Company considers that it is essential to establish a stable chain of suppliers of raw materials, in particular cork, and transport services, in order to guarantee good sustainability practices, both at the point of origin and in the operating processes.

Corticeira Amorim has established a purchasing policy, which is available at <https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>). In particular, it establishes the following commitments:

- 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;
- Have ethical and legal relationships with suppliers of goods and services, only selecting suppliers whose employment practices respect human dignity and do not break the law or jeopardise the reputation of the Organisation;
- Maintain clear, impartial and predetermined technical, economic and ethical criteria in the selection of suppliers; Promote suppliers' compliance with safety standards and practices and the labour legislation in force;
- Monitor the ethical conduct of suppliers and take action where this is inconsistent with the principles advocated in the Code of Business Ethics and Professional Conduct;
- Exercise careful control over its suppliers, subcontractors and service providers and if it detects that they use any form of forced labour, performed under threat or coercion, the supplier, subcontractor or service provider shall immediately terminate any relationship with it;
- Not condone such practices by third-party suppliers of products or services, which shall respect the minimum age limit established by the legislation of each of the countries in which they operate and, irrespective of such national legislation, shall never accept work by persons under 16 years of age;
- Foster compliance with the CE Liège Code of Cork Stopper Manufacturing Practices and forest certification, and maintain a close relationship with cork producers;
- Take all measures to avoid any act of corruption in its purchasing and sales processes.

## 2.4.1. PROCUREMENT AND SUPPLY OF CORK

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

Cork production occurs in the Mediterranean Basin and it is in this region that the majority of Corticeira Amorim's operations are located, promoting the need for environmental conservation and social and economic investment in these areas. A strategy has been developed over recent years to diversify supply sources and enhance cork extraction in all production regions, thereby ensuring the capacity for a quick and efficient response to any increases in consumption of the raw material.

In 2021, total purchases of cork and cork products were valued at € 292 million, 95% of which from Portugal and Spain and the remainder from other locations in the Mediterranean basin, in particular from North Africa. These are also regions considered to be of controlled origin, i.e. of low risk for all five categories of unacceptable sources under the FSC® controlled wood system, which also covers cork.

### Protecting the cork oak forest

		2019	2020	2021
Purchases of cork and cork products from controlled origin (%)	GRI 204-1	93%	94%	95%
Purchases of cork and cork products from local suppliers (%)	GRI 204-1	93%	94%	95%
IU with FSC® certifications in the chain of custody (%)	GRI 102-12	62%	60%	64%

In addition to management of the supply of cork, the activities of the Raw Materials BU develop a wide range of activities aimed at building knowledge about the cork oak forest and improving the production of high-quality cork.

Corticeira Amorim fosters compliance with the CE Liège Cork Stopper Code of Practice and forest certification, in particular the Forest Stewardship Council (FSC®) certification and maintains a close relationship with cork producers. The Company has 64% of Industrial Units with certification in the chain of custody according to the FSC®, proving to the market its commitment and action in the fields of biodiversity protection, rights of employees, rights of indigenous peoples and areas with environmental importance and cultural significance.

As industry leader, Corticeira Amorim recognises the influence of its business activities on valuation of the cork oak forest and the need to implement best management practices. A strong focus on forestry research and development and innovation of its processes is a constant priority for this BU and a decisive factor for its business competitiveness. New production techniques have been implemented to improve the quality and quantity of cork production. More information can be found in subchapter 4.1 Cork Oak Forest.

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

**Between 2008 and 2015, Corticeira Amorim was responsible for providing a free technical advisory service to forest owners, and is co-responsible for more than 20,000 hectares of certified cork oak forest in Portugal within the framework of the European Commission's "Business and Biodiversity" initiative, through a protocol established in partnership with the Institute for Nature Conservation and Forests of Portugal (ICNF) and two NGOs: the World Wildlife Fund and Quercus.**

## 2.4.2. PROCUREMENT AND NON-CORK PROVISIONING

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

### Qualification of suppliers

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

- 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 met by the supplier. An IRSoc of 100% is applied if the supplier is NP 4469 certified. An IRAmb of 100% is applied if the supplier is ISO 14001 certified.

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

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

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

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

In 2021, Corticeira Amorim did not replace any suppliers as a result of the supplier pre-qualification, quantification and evaluation process.

### Transport

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

In this context, Corticeira Amorim has created a new transport logistics department, whose objective will be to structure an integrated platform for the provision of services to the BU, upholding the values of commitment, credibility, integrity (ethics) and pursuit of excellence in the pursuit of its activities.

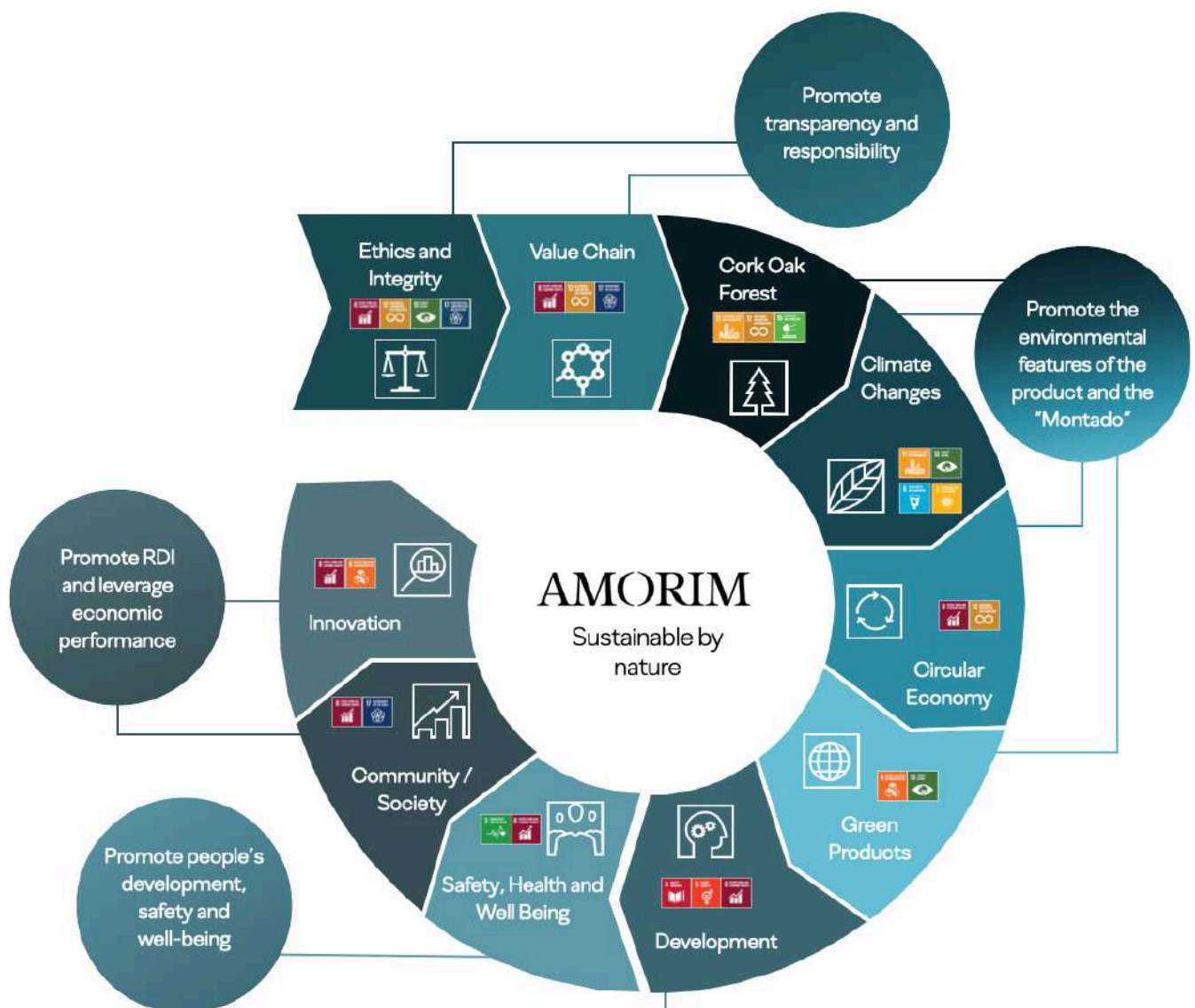
Corticeira Amorim has implemented new ways of mitigating the impact of transport, making a positive difference to the international competitiveness of its business. For example, the preference for maritime transport. In addition, several projects are carried out in the context of maximising the amount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

The company has also created the Sustainable Packaging Working Group, which aims to achieve 100% sustainable packaging by 2030 and whose main action lines include reducing the environmental impact of transport, upstream and downstream. More information about these projects is available in subchapter 4.2.3. Emissions - scope 3.

# 3 – PRIORITIES AND PROGRESS

In 2018, Corticeira Amorim aligned the Company's goals with the United Nations' SDGs and laid the foundations for the "Sustainable by nature" programme, which determines the goals set until 2030. Ten major goals have been set, that align the performance of the entire organisation focusing on ethics and integrity, the value chain, the cork oak forest, climate change, circular economy, green products, development, safety, health and well-being, community/society and innovation.

Corticeira Amorim fosters regular monitoring of the initiatives foreseen in the sustainability plan, which includes quantitative objectives, performance indicators and control procedures that guarantee, with comparable levels of rigour and integrity, the reporting of its priorities and progress in these matters and that is disclosed throughout this report.



### 3.1. GOALS BY 2030

Corticeira Amorim continues to work on its Sustainable by nature programme, which sets out its ambition for 2030. In 2018, 2019 and 2020 it established its ambition, principal areas of intervention and a plan for 2021-24. In 2021 it established the following quantitative goals by 2030:

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

<b>Ethics and integrity</b>	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"> <li>• Integrate climate change measures;</li> <li>• Protect the labour rights;</li> <li>• Foster balanced and prudent management and sustainability;</li> <li>• Be transparent and accountable;</li> <li>• Sustain economic growth.</li> </ul>
<b>Value Chain</b>	Reinforce responsible production and consumption, preferably selecting suppliers that adopt good ESG practices.	  	<ul style="list-style-type: none"> <li>• Eradicate forced labour worldwide and ensure a global elimination on child labour;</li> <li>• Promote sustainable management and efficient use of resources;</li> <li>• Strengthen partnerships for sustainable development.</li> </ul>
<b>Cork Oak Forrest</b>	Preserve the cork oak forest and ecosystem services by increasing knowledge, mobilizing resources and proposing initiatives.	  	<ul style="list-style-type: none"> <li>• Strengthen efforts to protect and safeguard cultural and natural heritage;</li> <li>• Promote the implementation of sustainable forest management and mobilise resources;</li> <li>• Integrate the values of ecosystems and biodiversity.</li> </ul>
<b>Climate Change</b>	Reduce the environmental impact of operations by adopting renewable, affordable and efficient solutions.	   	<ul style="list-style-type: none"> <li>• Increase the use of renewable energy, reaching 100% electricity from renewable sources;</li> <li>• Improve energy efficiency;</li> <li>• Reduce the negative environmental impacts and reach zero carbon footprint (emissions 1 and 2);</li> <li>• Increase efficiency in water use.</li> </ul>
<b>Circular Economy</b>	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"> <li>• Improve the efficiency of global resources, thereby achieving sustainable management;</li> <li>• Substantially reduce the generation of waste through reducing, recycling and reusing materials, ensuring 100% of waste is recovered, taking into account existing technology;</li> <li>• Manage use of chemicals in an environmentally sound manner.</li> </ul>
<b>Green Products</b>	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"> <li>• Strengthen resilience and adaptability to climate-related risks;</li> <li>• Upgrade infrastructure and rehabilitate industries to make them sustainable, using 100% sustainable packaging (100% recyclable materials and 0% virgin non-renewable materials);</li> <li>• Reduce the negative environmental impact.</li> </ul>
<b>Development</b>	Promote personal and professional development for all.	  	<ul style="list-style-type: none"> <li>• Provide training for 100% of workers;</li> <li>• Ensure equal access to opportunities;</li> <li>• End all forms of discrimination, in particular reaching one-third of female workers and ensuring that one-third of management positions are women.</li> </ul>
<b>Safety, Health and Well-Being</b>	Ensure the safety, health and physical and psychological well-being of all, and promote appropriate work environments.	 	<ul style="list-style-type: none"> <li>• Promote safe and secure work environments for all workers;</li> <li>• Provide access to essential quality health services;</li> <li>• Reduce the number of accidents and achieve zero work accidents.</li> </ul>
<b>Community/Society</b>	Boost economic growth in a sustainable and inclusive manner, ensuring efficient production and decent work for all.	 	<ul style="list-style-type: none"> <li>• Sustain economic growth;</li> <li>• Strengthen global partnership for sustainable development.</li> </ul>
<b>Innovation</b>	Support and promote research, development and innovation and foster sustainable solutions.	 	<ul style="list-style-type: none"> <li>• Promote development-oriented policies that support productive activities, entrepreneurship, creativity and innovation;</li> <li>• Enhance scientific research.</li> </ul>

### 3.2. PLAN FOR 2021-24

	Plan for 2021-24	Performance in 2021
<b>Cork Oak Forrest</b>	+ 3,000 ha of cork oak forest interventions by 2024	● 251 ha of cork oak forest interventions
<b>Climate Change</b>	2% energy efficiency/year	● 4% energy efficiency
	≥ 2/3 energy consumed from controlled renewable sources /year	● 69.2% energy consumed from controlled renewable sources
	-1% water consumption intensity /year	● -30% water consumption intensity
	-5% weight of virgin non-renewable materials consumed /year	● -6% weight of virgin non-renewable materials consumed
<b>Circular Economy</b>	≥ 90% waste recovery rate (non-cork)/year	● 96% waste recovery rate (non-cork)
<b>Development</b>	95% workers accessing training by 2024	● 85% workers accessing training
	25% women in management positions by 2024	● 25% women in management positions
<b>Safety, Health and Well-Being</b>	Zero accidents at work in 2024	● 54 work accidents

(operations in Portugal)

- Accomplished
- Underway
- Not accomplished

### 3.3. AWARDS AND RECOGNITION

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

#### S&P Global Corporate Sustainability Assessment (CSA)

The S&P Global Corporate Sustainability Assessment (CSA) is an annual assessment of companies' sustainability practices. It covers more than 10,000 companies from all over the world.  
<https://www.spglobal.com/esg/csa/>

#### CDP – Disclose Insight Action – Climate Change

CDP – Disclosure Insight Action (formerly the Carbon Disclosure Project) is a non-profit organisation that encourages investors, companies and cities to measure and manage risks and opportunities related to environmental impacts.  
<https://www.cdp.net/en/>

#### MSCI

The MSCI ESG provides ESG ratings for companies on a leader (AAA, AA), average (A, BBB, BB) and laggard (B, CCC) scale.  
<https://www.msci.com/our-solutions/esg-investing/esg-ratings>

#### Sustainalytics

Part of Morningstar, it is a leading independent corporate governance and ESG research, ratings and analysis firm that supports investors worldwide with the development and implementation of responsible investment strategies.  
<https://www.sustainalytics.com/>

#### EcoVadis

One of the most trusted corporate sustainability rating agencies in the world, whose purpose is to help companies ensure collaboration with socially responsible and ethical partners.  
<https://ecovadis.com/pt/>

#### Randstad – “Employer Brand Research 2021”

Randstad study that, in Portugal, involved the participation of more than 5,000 people. In addition to the 1st place in the industrial sector, Corticeira Amorim also earned a place in the top 20 of the most attractive companies in Portugal, occupying the 13th position.  
<https://www.amorim.com/en/media/news/corticeira-amorim-is-the-most-attractive-company-to-work-for-in-portugal-in-the-industry-sector/4515/>

#### World Finance sustainability awards 2021 – “Wine products industry”

Prize awarded by the magazine World Finance, which awarded Corticeira Amorim for the third consecutive year, recognising the implementation of the principles of the circular economy, the preservation of cork oak forests and associated ecosystem services, the promotion of training, safety, well-being, development personal, social and professional aspects of its employees and the promotion, support and investment in RDI, as well as the ambitious medium and long-term goals and commitments that promote its continuous evolution and ensure sustained economic growth.  
<https://www.amorim.com/en/media/news/corticeira-amorim-distinguished-for-the-third-consecutive-year-in-the-world-finance-magazines/4563/>



### 3.4. VOLUNTARY COMMITMENTS

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

#### UN Global Compact

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

<https://www.unglobalcompact.org/what-is-gc/participants/149253-Corticeira-Amorim-S-G-P-S-S-A>

#### 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/>

#### 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://www.bcsdportugal.org/>

#### 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/pt>

#### SMART WASTE PORTUGAL

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

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

#### PTV – Plataforma Tecnológica del Vino

Platform aimed at all those involved in the area of research, technological development and innovation in the Spanish wine industry. <http://www.ptvino.com/en/>

#### IB-S UNIVERSIDADE DO MINHO

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

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

#### ACT4NATURE PORTUGAL

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

[https://bcsdportugal.org/wp-content/uploads/2021/07/Act4nature\\_relatorio\\_2020\\_EN\\_VF.pdf](https://bcsdportugal.org/wp-content/uploads/2021/07/Act4nature_relatorio_2020_EN_VF.pdf)

### 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, fast and robust.

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

### CHARTER OF PRINCIPLES OF THE 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://bcsdportugal.org/wp-content/uploads/2017/12/Carta\\_Principios\\_BCSDPortugal.pdf](https://bcsdportugal.org/wp-content/uploads/2017/12/Carta_Principios_BCSDPortugal.pdf)

### 50 Sustainability & Climate Leaders

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

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

### Sustainable Wine Roundtable

Global and independent coalition that aims to establish a universal sustainability standard for wine. <https://swroundtable.org/>

### BRP – Business Roundtable Portugal

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

### Manifesto Rumo à COP26

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

[https://bcsdportugal.org/manifesto-rumo-cop-26/4-PILAR\\_AMBIENTAL](https://bcsdportugal.org/manifesto-rumo-cop-26/4-PILAR_AMBIENTAL)

**Act4nature Portugal: the initiative launched by BCSD Portugal aims to raise awareness, mobilise and encourage companies to protect, promote and restore biodiversity. In addition to implementing the 10 common commitments, of act4nature Portugal, Corticeira Amorim reinforces its commitment through a set of SMART individual commitments, including: protection of biodiversity in the Code of Business Ethics and Professional Conduct; develop actions to promote cork oak forests, biodiversity and ecosystem services; expand knowledge about the environmental impact of cork products and the ecosystem they support; promote biodiversity in the value chain; encourage the integration of biodiversity in the production process; reduce impacts on the production process; increase the efficient management of resources; maintain a proactive role in the development of 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 with a view to making employees aware of the topic of biodiversity; publicly report the follow-up of the commitments assumed. Further information: [https://bcsdportugal.org/wp-content/uploads/2021/07/Act4nature\\_relatorio\\_2020\\_EN\\_VF.pdf](https://bcsdportugal.org/wp-content/uploads/2021/07/Act4nature_relatorio_2020_EN_VF.pdf)**



Cork-and-rubber composite, intended for sports applications.

## 4 – ENVIRONMENTAL PILLAR

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

Corticeira Amorim has established an energy, environment and biodiversity policy, available at <https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>, which establishes the principles common to all the BUs and subsidiaries and which include the following commitments:

- Comply with environmental legislation that applies to the sector(s) in which the Organisation operates, as well as additional commitments assumed voluntarily;
- Apply environmental and rational energy use criteria in all planning and decision-making work on issues that may have an impact on the environment;
- Implement the necessary tools to avoid pollution and reduce energy consumption, focusing on cleaner energy sources and greener technologies;
- Make rational use of resources, minimising water, paper and energy consumption, reducing waste and emissions, favouring recycling and seeking ecologically friendly solutions;
- Promote good environmental practices among suppliers and customers, encouraging responsible consumption; reduce the amount of raw materials used, limiting packaging and favouring recycled and/or recyclable materials and "sustainable" raw materials (e.g. from sustainably managed forests);
- Contribute to the research, development and promotion of environmentally friendly and energy-efficient technologies that seek carbon neutrality;
- In the event its activity generates waste, priority shall be given to reuse and/or recovery, this always being supervised, controlled and processed in the manner indicated by the corresponding legislation;
- Increase knowledge about the environmental impact of products and the ecosystems they make viable, namely through life cycle analyses;
- Be proactive in discussing policies and proposing measures to protect forests and ecosystem services, in particular the cork oak, preserve cork oak forests, promote the cork sector, and ensure certification of forest management systems and the remuneration of ecosystem services in the cork oak forest;
- Caring for and respecting the environment and protecting biodiversity during the day-to-day performance of its operations. All the Organisation's policies must take into consideration the transition to a more sustainable economy, allocating available resources to maximise efficient use with the objective of decarbonising production activities, seeking to minimise risks to the climate and to human health and biodiversity;
- Promote internal and external environmental awareness-raising activities.

## 4.1 CORK OAK FOREST

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

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

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

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

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

## 4.1.1. RESPONSIBLE FORESTRY MANAGEMENT

		2019	2020	2021
Cork and cork products from controlled origin (%)	GRI 204-1	93%	94%	95%
IU with FSC® certifications in the chain of custody (%)	GRI 102-12	62%	60%	64%

Corticeira Amorim's management model encompasses biodiversity conservation. Each year the company implements various initiatives to maintain and increase the areas of cork oak forests, in order to promote the conservation of the respective natural and sociocultural values, such as ecosystem services, preservation of species, respect for the rights of workers and local communities.

Although no tree is felled in order to obtain cork, forest management certification ensures best practices in terms of responsible forest management. For this reason, Corticeira Amorim invests in forest certification, occupational safety, technical training and support programmes for forest owners, that extend far beyond the forest areas under its direct management, aiming to cover a greater number of owners and encourage them to use best management practices and invest in the conservation of the cork oak forest and its ecosystem services, whether the provision of cork, climate regulation, fire prevention, hydrological regulation and soil protection or the maintenance of habitats and biodiversity.

**Purchases cork from controlled areas: the Raw Materials BU has developed a knowledge and georeferencing database that permits access to very reliable data on the quantitative and qualitative evolution of the various cork-producing areas, regions and countries. Portugal and Spain, as the world's biggest producers, represent more than 80% of global supply. In 2021, Corticeira Amorim made purchases of cork and cork products totalling €292 million, of which 95% are of local origin, i.e. from Portugal and Spain. These are also regions considered to be of controlled origin, i.e. of low risk for all five categories of unacceptable sources under the FSC® controlled wood system, which also covers cork. The Raw Materials BU also has primary preparation and processing units in Morocco, Algeria and Tunisia. The cork sale processes in these countries are carried out by the State, which is the only forestry producer in these territories, by public sale or public auction.**

**Encouraging a responsible supply chain: the entire procurement process of the raw materials BU is the result of historical knowledge and assessment of cork in the year in which it was harvested, or the year immediately preceding it. Those responsible for managing the forestry estates have the possibility to certify their good practices, submitting them to the certification process of the FSC®, Forest Stewardship Council, which offers an additional guarantee seal in relation to the protection of biodiversity, rights of employees, rights of local peoples and areas of significant environmental and cultural importance. Corticeira Amorim promotes FSC® certification and maintains a close relationship with cork producers. In order to guarantee the responsible sourcing and supply of cork, 64% of Corticeira Amorim's IUs have certification in the chain of custody in accordance with the FSC® and was the first company in the world to achieve FSC® certification in the cork industry, in 2004.**



## 4.1.2. FORESTRY INTERVENTION

		2019	2020	2021
Forestry estates with interventions under management (ha)	GRI 304-1	251	251	251
Forestry estates with interventions under monitoring (ha)	GRI 304-2	154	168	230

Over recent decades, cork oak trees (*Quercus suber*) have lost their vitality. This is attributed to poor management practices, use of harmful biotic agents and climate change. The preservation of the cork oak tree and the ecosystem of the cork oak forest is essential in order to continue to enjoy not only the cork produced, but also many other ecosystem services that are valuable for the resident populations in the Mediterranean basin. In order to alleviate the imbalance between the supply and demand for cork, as well as the growing concern with the falling productivity of existing cork oak forests, Corticeira Amorim has been developing the Forestry Intervention Project (FIP), which aims to preserve and foster the sustainable development of the cork oak forest. Under the maxim “take care of the present, build the future”, the FIP began in 2013 as a research project that sought a new model for growing cork oak trees, based on drip irrigation. This technique makes it possible to significantly increase the success of the plantation and, at the same time, obtain a greater initial growth of the trees, thereby reducing their first harvesting cycle from the current 25 years to about half of that period. 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 being harvested in nine-year cycles.

The FIP has a plan focused on three key areas

- **Forestry management (Induce)** – with the aim of coordinating new plantations and providing technical support to landowners in the forestry area. Currently, 230 ha of forest areas that do not belong to or are not managed by Corticeira Amorim are being monitored. The work carried out so far aims to collect and compile existing knowledge on various topics and produce support documentation and practical applications, both in existing Montados and in new plantations. The forest management office also plans to advise forestry producers on a range of topics, including pest treatments, fertilisation and pruning.
- **Applied forestry RDI (Intervene)** – aims to establish a centre of excellence in cork oak research and to carry out applied research on the impact of irrigation, fertilisation, nutrition and soil on the cork oak. Several cork oak research projects have already been initiated to study depth and surface irrigation methods, the impact and effectiveness of different amounts of fertiliser on the growth of cork oaks as well as the productivity, value creation, economic viability and different techniques used in cultivating irrigated cork oak plantations. This research will help define the best protocols to use in growing cork oaks.
- **Fundamental forestry RDI (Investigate)** – aims to produce plus cork oaks (that is, trees that are better adapted to emerging climate scenarios, pests and diseases) by means of a cork oak improvement programme. Examples of plus cork oaks from different origins and edaphoclimatic conditions have been phenotypically

selected to establish a multiplication and improvement program. At the same time, molecular markers associated with phenotypic characteristics of interest are being identified, such as rapid growth and cork quality that, in the future, will make it possible to identify, select and produce cork oaks adapted to different conditions, maximising their productivity and resilience.

**Intervention in forestry estates: the growing awareness of the urgent need for intervention in the cork oak forests led Corticeira Amorim to invest directly in forest estates with cork oak trees, where a drip irrigation system will be used. Currently, three forestry projects are under management, covering an area of 6,326 hectares: the Herdade da Baliza, Herdade da Venda Nova and Herdade de Rio Frio. Around 100,000 cork oak trees have been installed in the 251 hectares of the Herdade da Venda Nova. Corticeira Amorim intends to continue and increase its active participation in the intervention in new cork oak plantations through the purchase of land, leasing or partnerships (densification of existing areas through partnerships with forest owners), with the goal of intervening in an area of 3,000 hectares of forest by 2024. The objective is to carry out applied research on the impacts of irrigation, fertilisation, nutrition and soil on the cork oak tree and help promote and disseminate the implementation of new techniques for planting and managing the Portuguese cork oak forest that are more efficient and resilient to forecast climate scenarios.**

**Cork oak tree improvement programme: the objective is to produce cork oaks that are more adapted to emerging climate scenarios, pests and diseases, maximising their productivity and resilience. For this purpose, specimens of plus cork oak trees from different origins and edaphoclimatic conditions were selected to establish a multiplication and improvement programme. Among the ongoing actions 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.



### 4.1.3. VALUING ECOSYSTEM SERVICES

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

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

Corticeira Amorim is the world's largest producer of cork products, and plays an important role in promoting sustainable forest management and in creating a set of interconnections between the cork oak forest, the business and people as well as increased knowledge of cork oak forests and the ecosystem services that they make possible. To this effect, the company began to study the value of ecosystem services more than 10 years ago, a subject that has already been launched for public discussion by several experts. In 2019, it promoted a new study, "The value of cork oak forest ecosystem services", produced by EY, which concluded that more profitable and biodiverse ecosystems can be enhanced and perpetuated through more sustainable production systems, fostering the services provided, fighting the loss of biodiversity and also contributing to carbon neutrality and the SDG.

Considering four case studies, EY has been able to identify the three main groups of ecosystem services provided by the cork oak forest. The quantitative analysis was based on the estimation of avoided costs and showed that the ability of the cork oak forest to provide services to society is quite 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"> <li>• Cork</li> <li>• Wood</li> <li>• Animal products</li> <li>• Medicinal and aromatic plants and herbs</li> <li>• Mushrooms</li> <li>• Honey</li> </ul>	<ul style="list-style-type: none"> <li>• Global climate regulation</li> <li>• Extreme events regulation (fire prevention)</li> <li>• Hydrological regulation and soil protection</li> <li>• Habitats maintenance and biodiversity</li> <li>• Pollination</li> </ul>	<ul style="list-style-type: none"> <li>• Recreation activities and tourism</li> <li>• Scientific and educational activities</li> <li>• Cultural identity and landscape</li> </ul>

Three of the ecosystem services were quantified: global climate regulation; extreme events regulation (forest fires) and hydrological regulation and soil protection. The other services identified were evaluated with quantitative data whenever 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 €1300/ha/year.

Global climate regulation	Fire prevention	Hydrological regulation and soil protection
596€	546€	220€

### 4.2. CLIMATE CHANGE

Goal	Main targets	Target 2021-2024
<ul style="list-style-type: none"> <li>• Reduce the environmental impact of operations by adopting renewable, affordable and efficient solutions.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase the use of renewable energy, with 100% electricity derived from renewable sources;</li> <li>• Improve energy efficiency;</li> <li>• Reduce negative environmental impact and reach zero carbon footprint (emissions 1 and 2);</li> <li>• Increase water use efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>• +2% energy efficiency /year;</li> <li>• ≥2/3 energy consumed from controlled renewable sources/year;</li> <li>• -1% water consumption intensity/year.</li> </ul>

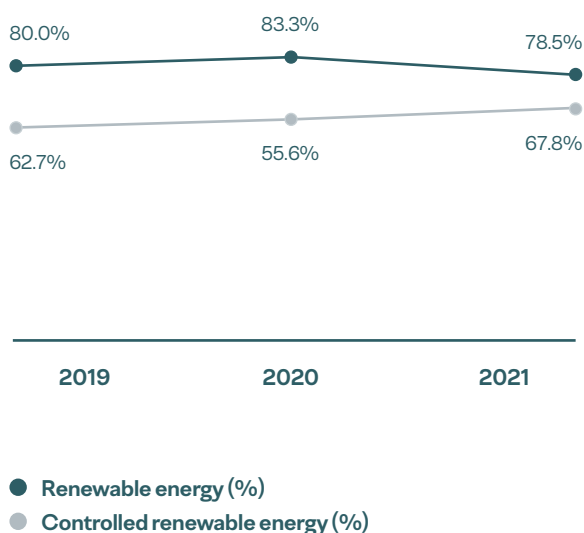
As in any other industrial activity, Corticeira Amorim's transformation processes have associated environmental impacts. In order to minimise these impacts and in line with the energy, environment and biodiversity policy, the company implements sustainable practices throughout its value chain – from cork production to its transformation into products with low or negative carbon impact, to the end of product life – which 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.

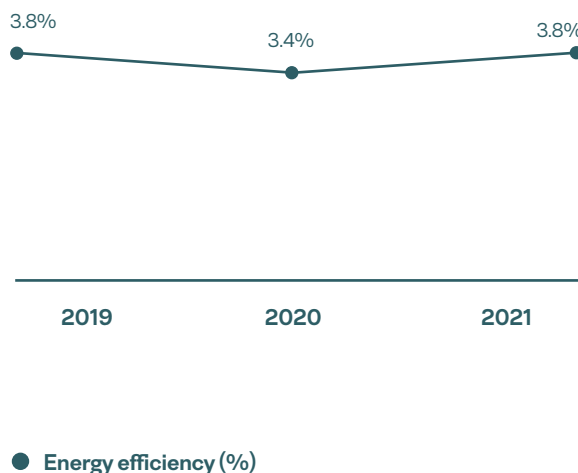
## 4.2.1. ENERGY

		2019	2020	2021
Energy consumed (GJ)	GRI 302-1	1,577,074	1,638,115	1,929,864
Renewable energy (%)	GRI 302-1	80%	83%	79%
Controlled renewable energy (%)	GRI 302-1	63%	66%	68%
Energy intensity (GJ / €M)	GRI 302-3	1,572	1,733	2,032
Energy saved (GJ)	GRI 302-4	60,439	56,182	72,625
Energy efficiency (%)	GRI 302-4	3.8%	3.4%	3.8%

### Energy consumed



### Energy efficiency



The energy consumed in 2021 was 1,929,864 GJ, 79% of which from renewable sources. The group's use of energy from controlled renewable sources represented 68%.

Energy intensity increased by 17% as a result of the increase in activity and the various projects underway to improve the efficiency of processes and product quality. Several actions have been taken, on the one hand, to increase energy efficiency and, on the other hand, to increase the percentage of renewable energies.

By 2024, Corticeira Amorim intends to guarantee energy efficiency measures of 2% per year for its operations in Portugal. Additionally, it intends to increase the use of renewable energies and by 2030, derive 100% of its electricity from renewable sources. For the 2021-2024 period, in the operations in Portugal, the goal is to ensure that more than two thirds of the controlled energy consumed by the Company comes from renewable sources. To this end, Corticeira Amorim intends to maintain the annual plan of initiatives in the energy area and is implementing a photovoltaic solar energy project. The energy produced by this project will be entirely for self-consumption and

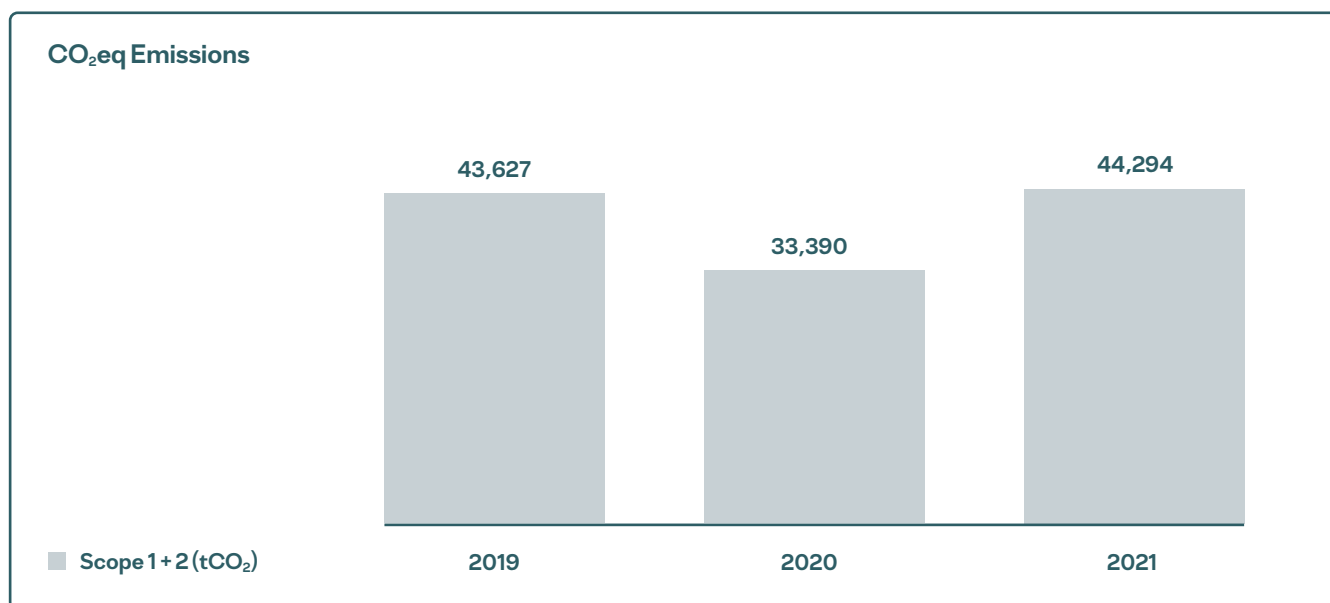
represents 20% of the electricity consumed by the Group.

In 2021, the commitment to renewable energies and other good practices resulted in 91 energy efficiency measures, which led to an investment of approximately €1.9 million and generated savings of around 73,000 gigajoules (GJ).

**Energy Efficiency Forum: meets once every six months. It serves as a means of sharing information and fostering interaction between the different energy managers. The Forum's main objectives include: to monitor the consumption of energy resources available in factories (in particular cork dust, electricity, natural gas and propane gas); to maintain the involvement and urgent adaptation of technology in order to increase the production and quality of the industrial units; forecast energy needs and present energy consumption scenarios, with assessment of scenarios based on needs and technology adaptation; to motivate, implement and control the development and performance of initiatives.**

## 4.2.2. EMISSIONS – SCOPE 1 AND 2

		2019	2020	2021
Scope 1 + 2 emissions (tCO <sub>2</sub> eq)	GRI 305-1 GRI 305-2	43,627	33,390	44,294
Scope 1 emissions (tCO <sub>2</sub> eq)	GRI 305-1	5,336	6,432	5,898
Scope 2 emissions (tCO <sub>2</sub> eq)	GRI 305-2	38,291	26,958	38,397
GHG emissions intensity (tCO <sub>2</sub> eq / €M)	GRI 305-4	43	35	47
Avoided emissions (tCO <sub>2</sub> eq)	GRI 305-5	62,092	71,374	86,111



In 2021, carbon dioxide (tCO<sub>2</sub>) emissions from the business activity (scope 1 and 2) attained a total of 44,294 t tCO<sub>2</sub>eq, calculated using the market method, 33% higher than the previous year. This evolution primarily resulted from the increased energy consumption resulting from the business activity and from a less favourable emission factor associated with the electricity purchased. On the other hand, Corticeira Amorim's percentage of controlled renewable energies increased to 68% (2020: 66%) and the impact of energy efficiency measures rose to 3.8% (2020: 3.4%). Most of these emissions (87%) refer to purchased electricity (scope 2) and 13% are direct emissions (scope 1).

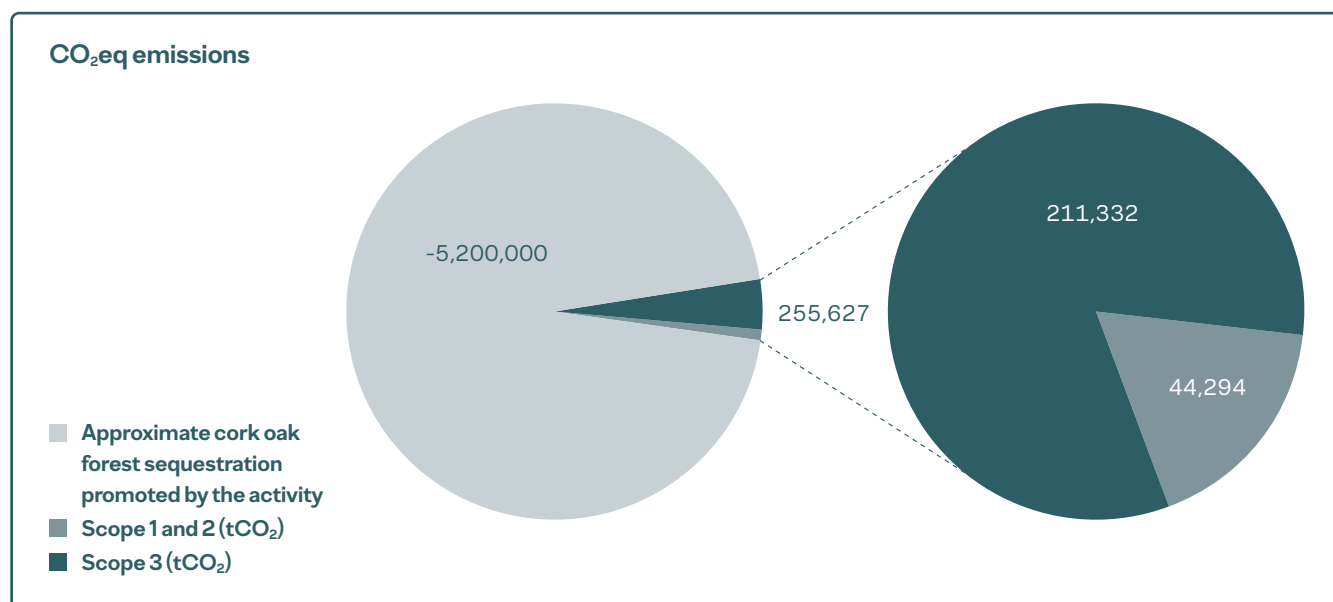
Corticeira Amorim uses renewable energy as its main source of energy. This use does not produce a net increase in emissions. Most of the renewable energy results from the burning of biomass, above all cork dust generated endogenously during production. Other renewable energy sources result from the production of electricity from biomass, photovoltaic solar panels and purchased renewable electricity. In 2021, the commitment to renewable energies, and other good practices, resulted in more than 86,111 tCO<sub>2</sub>eq avoided.

**Renewable energy project (biomass):** aimed at responding to the reduced availability of cork dust for energy use, resulting from the constant search for optimising the yield of cork consumed during the industrial cycle. These projects include optimising the yield of cork dust for burning, converting boilers to burn other types of biomass (olive stones, almond shells or broken pallets) or acquiring new more efficient boilers. The investment in this project totalled more than 1.6 M€ in 2021.

**Photovoltaic project:** Corticeira Amorim is determined to increase the consumption of energy from renewable sources, either through the selection of energy suppliers according to the weight of renewable energy in their mix, or through direct investment in photovoltaic projects. With an investment higher than 11 M€ during the period 2021-24, this corresponds to an installation of 22,000 KWp, using more than 40,000 solar panels placed on the factory roofs. The objective is to ensure that part of energy consumption of the main industrial units derives from photovoltaic energy. The energy produced will be entirely for self-consumption and represents 20% of the electricity consumed by the Group and will avoid the emissions of around 14,600 t CO<sub>2</sub> per year.

### 4.2.3. EMISSIONS - SCOPE 3

		2020	2021
Carbon footprint (tCO <sub>2</sub> eq)	GRI 305-1	231,692	255,627
	GRI 305-2		
	GRI 305-3		
Scope 1 + 2 emissions (tCO <sub>2</sub> eq)	GRI 305-1	33,390	44,294
	GRI 305-2		
Scope 3 emissions (tCO <sub>2</sub> eq)	GRI 305-3	198,301	211,332



Corticeira Amorim is an important promoter of cork oak forests. It contributes to the positive CO<sub>2</sub> sequestration promoted by this ecosystem – making a relevant contribution to the mitigation of climate change. Given that the cork oak tree is a slow-growing species, with an average lifespan of 200 years, it plays an important role in capturing and storing CO<sub>2</sub> through its roots, leaves, trunk and its bark (cork).

Corticeira Amorim calculates CO<sub>2</sub> emissions associated with the value chain (scope 3) for six categories according to the Greenhouse Gas Protocol, the World Business Council for Sustainable Development and the World Resources Institute: purchase of goods and services, upstream transport and distribution, downstream transport and distribution, waste generated in operations, business travel, employee commuting. It is estimated that 90% of these emissions are calculated. Work is continuing to improve the calculation methodology and its scope.

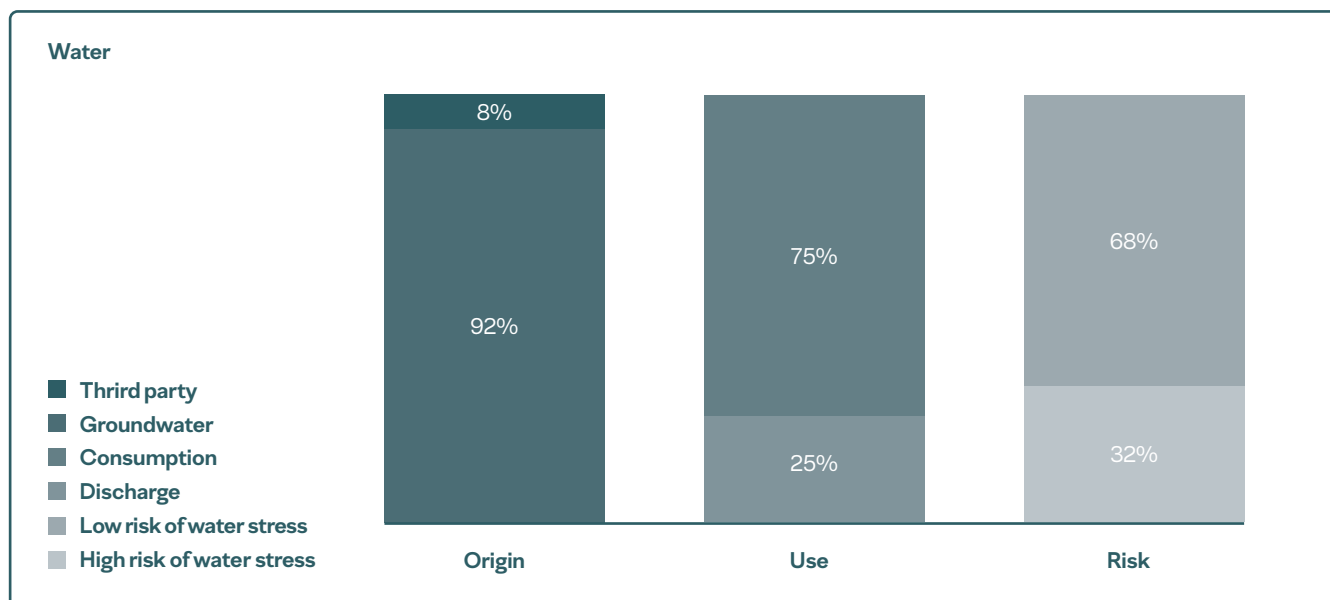
Emissions calculated for scope 3 were 211,332 t CO<sub>2</sub>eq in 2021, which represents an increase of around 7% compared to 2020, in particular in the category of purchase of goods and services. This increase is justified by the significant growth in sales across all BUs. However, it is worth noting the drop in the impact in the categories of upstream transport and distribution and downstream transport and distribution. This reflects the implementation of projects aimed at optimising logistics in order to deliver the following benefits: reduction of packaging weight, reduction of distances travelled, increased cargo capacity and consequent reduction in the number of transports.

**Sustainable Packaging Project: Corticeira Amorim intends to promote good environmental practices among suppliers and customers, encouraging responsible consumption and the circular economy by reducing waste, reducing the number of raw materials used, limiting packaging and privileging recycled materials and /or recyclables and “sustainable” raw materials. In this sense, it created the Sustainable Packaging working group, composed of representatives from the Cork Stoppers BU, Floor and Wall Coverings BU, Composite Cork BU and Insulation Cork BU and promoted by Corporate Sustainability, which aims to achieve 100% sustainable packaging by 2030. This group currently has four areas of intervention and two goals:**

- **Recycle** - ensure that all materials are recyclable after consumption;
- **Reduce** - reduce the amount consumed by packaging;
- **Rethink** - use the best available alternative in terms of sustainable materials;
- **Reuse/recondition** - lessen the environmental impact of upstream and downstream transport.
- **100% post-consumer recyclable materials;**
- **0% virgin non-renewable materials.**

#### 4.2.4. WATER AND EFFLUENTS

		2020	2021
Withdrawal (m³)	GRI 303-3	770,116	654,309
Discharge (m³)	GRI 303-4	118,514	163,831
Consumption (m³)	GRI 303-5	651,602	490,478
Water consumption (m³ / M€ Sales)	GRI 303	689,44	516,49



In 2021, water withdrawal was 654,309 m³. Most of the water collected by Corticeira Amorim derives from underground extraction (92%). The remainder (8%) is obtained through the public network. About 25% of the water was returned to the environment and approximately 75% was consumed – either integrated into the product or used for the production of steam. Corticeira Amorim has no indication that the hydrographic basins from which water is being extracted are under water stress. The set of tools of the World Resources Institute was used to identify the areas subject to water stress within the framework of this report, according to which 68% of water extraction occurs in areas with low risk of water stress.

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.

In terms of consumption, an objective has been established for the period 2021-2024 for activities in Portugal to reduce the intensity of water consumption by 1% per year, through a set of actions to be implemented during this period. In 2021, continuity was given to the actions initiated in 2020, in particular the development of a set of procedures that primarily focused on monitoring. An audit has been made of all the facilities in Portugal and a common methodology has been defined for determining consumption. Additionally, a list of various improvement actions has been drawn up, based on best practices in the BUs. It is already possible to see a positive impact, with a 25% reduction in consumption. The initiatives planned for 2022 maintain several actions aimed at improving monitoring, and include others focused on improving processes, in particular the creation of performance indicators for the principal water consumers.

In terms of treatment, the larger-scale industrial facilities collect and treat wastewater in their own industrial wastewater treatment plants (IWWTPs). The treatment of effluents is directly linked to the prevention of pollution and involves the removal of impurities generated during the manufacture of products, through primary, secondary or tertiary treatments, as appropriate. The treated effluent is discharged into a municipal collector. Analytical controls are periodically carried out on the volumes and parameters of the discharges and monitoring of the receiving environment, in accordance with that which is stipulated in the wastewater discharge license. Corticeira Amorim continually invests to optimise its IWWTPs. In 2021, investment in these activities exceeded 100,000 euros and focused on projects to adapt layouts and increase capacity.

In terms of hydrological regulation, one of the ecosystem services provided by the cork oak forest is the ability to hydrological regulation and soil protection. The area on the left bank of the Tejo-Sado rivers has about 36% of the total area occupied by cork oak trees and is one of the most productive and deepest aquifer systems in the Iberian Peninsula. Water levels are re-established by the infiltration of rainwater into the soil. Cork oak trees' intersection of rainwater plays an important role to protect the soil from water erosion and contributes to the fight against desertification. Information on Corticeira Amorim's actions in favour of the protection of cork oak forests and their ecosystem services is provided in subchapter 4.1. Cork Oak Forest.



**Zero water waste project:** Corticeira Amorim intends to continue to reinforce its commitments in terms of environmental metrics. During 2021, it began an audit of all facilities in Portugal in order to gauge a common methodology for determining water consumption. In addition, a list of various actions was drawn up, based on best practices among 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 from consumers to the IWWTPs or the sewage system. Another initiative is related to the acquisition of automatic metering systems, especially in facilities where there are already a large number of meters, with the aim of reducing the possibility of error in collecting information. Another example is to adopt some good practices from the standard ISO46001 - water efficiency management systems, in particular creating and monitoring performance indicators for the main water consumers and listing the variables that influence water consumption by process, especially in intensive consumption areas.

## Forestry Project

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

Starting in 2019, the estate currently has about 100,000 trees and a 30,000 m<sup>3</sup> water storage pond. Given the project's special characteristics, the water-related aspects are not consolidated with the information provided in this report. Corticeira Amorim intends to work further in order to consolidate the methodology used to report the environmental aspects related to its forestry projects.

### 4.2.5. AIR QUALITY AND POLLUTION

		2020	2021
Particulates (t)	GRI 305-7	65	66
Nitrogen oxide (NOx) (t)	GRI 305-7	122	125
Volatile Organic Compounds (VOCs) (t)	GRI 305-7	59	56

Corticeira Amorim has adequate management systems to respond to legal requirements, internal regulations and established policies on matters of emissions into the atmosphere, and implements measures to mitigate the specific impacts of each unit, in particular through:

- Compliance with all legal requirements;
- Regular noise measurements and active measures to reduce noise, such as cladding of machines and engines;
- Monitoring chimney emissions and specific measures to avoid dust or particle emissions, such as the use of filters;
- Training employees in relation to best practices to prevent spillages, and ensuring that spill kits are readily available;
- Emergency response procedures in force;
- Actions to mitigate future occurrences that include detailed investigation of the occurrence, corrective actions to avoid recurrence and communication of lessons learned.

Atmospheric emissions result primarily from burning fuels in order to generate energy. The emissions include carbon dioxide (CO<sub>2</sub>), fine particles, nitrogen oxides (NOx), sulphur oxides (SOx) and volatile organic compounds (VOC) and are not associated with the emission of odorous gases. CO<sub>2</sub> is a greenhouse gas that contributes to climate change. Corticeira Amorim is committed to minimising its impact resulting from atmospheric emissions. It therefore continually invests in the modernisation and adaptation of boilers, investing more than 2.6 M€ in 2021 in actions that include repairing boilers and installing measurement equipment. Additionally, it regularly monitors pollutant emissions of gases or particles into the atmosphere, using methods based on existing standards and applicable emission limit values (ELVs) in accordance with prevailing legislation. In 2021, fine particle emissions amounted to 66 t, NOx emissions amounted to 125 t and VOCs amounted to 56 t.

### 4.3. CIRCULAR ECONOMY

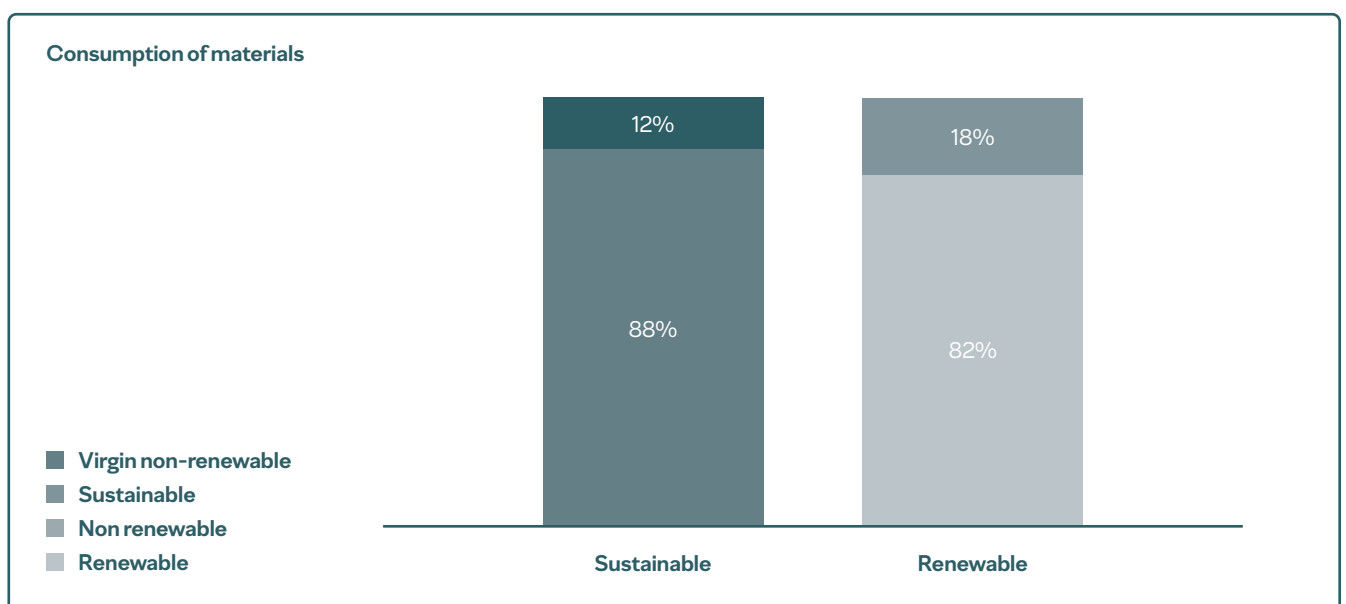
Provision	Regulation	Target 2021-2024
• Apply the principles of circular economy through the reduction of waste, extend the life of materials and regeneration of natural systems.	• Improve the efficiency of global resources, thereby achieving sustainable management; • Substantially reduce the generation of waste through reducing, recycling and reusing materials, ensuring 100% of waste is recovered, taking into account existing technology; • Manage use of chemicals in an environmentally sound manner.	• -5% weight of virgin non-renewable materials consumed /year; • ≥ 90% waste recovery rate (non-cork)/year.

Inspired by the motto “nothing is lost, everything is valued”, 100% of cork is used during the production process at Corticeira Amorim. Even the smallest granules are used as an important source of energy. Corticeira Amorim has therefore implemented an integrated production process that since 1963 allows and promotes the reuse of all by-products associated with cork processing. These practices are now one of the group’s flagship procedures. They extend to other materials and focus on the following action lines:

- 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.

#### 4.3.1. MATERIALS

		2019	2020	2021
Weight of virgin non-renewable materials (%)	GRI 301-1	15%	13%	12%
Portugal (%)	GRI 301-1	16%	16%	15%
Rest of the world (%)	GRI 301-1	12%	4%	2%



To pursue its business activity, Corticeira Amorim consumes a set of materials, in particular raw materials and packaging materials, including cork, wood, paper, plastics and chemicals. From product design to responsible consumption, the choice of materials and efficient use thereof is a very important topic for Corticeira Amorim.

One of the most significant impacts of companies’ activities on the environment is in the form of waste. Consumption of recycled or renewable materials reduces the overall environmental impact of the end product and meets commitments to sustainable development and sustainable procurement. At Corticeira Amorim, 88% of the materials consumed are sustainable (renewable or recycled) and only 12% are virgin non-renewable materials.

Corticeira Amorim has been working to reduce the weight of virgin non-renewable materials. For the period 2021-2024, it has set the target of an annual reduction of 5% per year in this indicator in its business operations in Portugal. The objective was met for 2021, corresponding to a reduction of 6% compared to 2020.

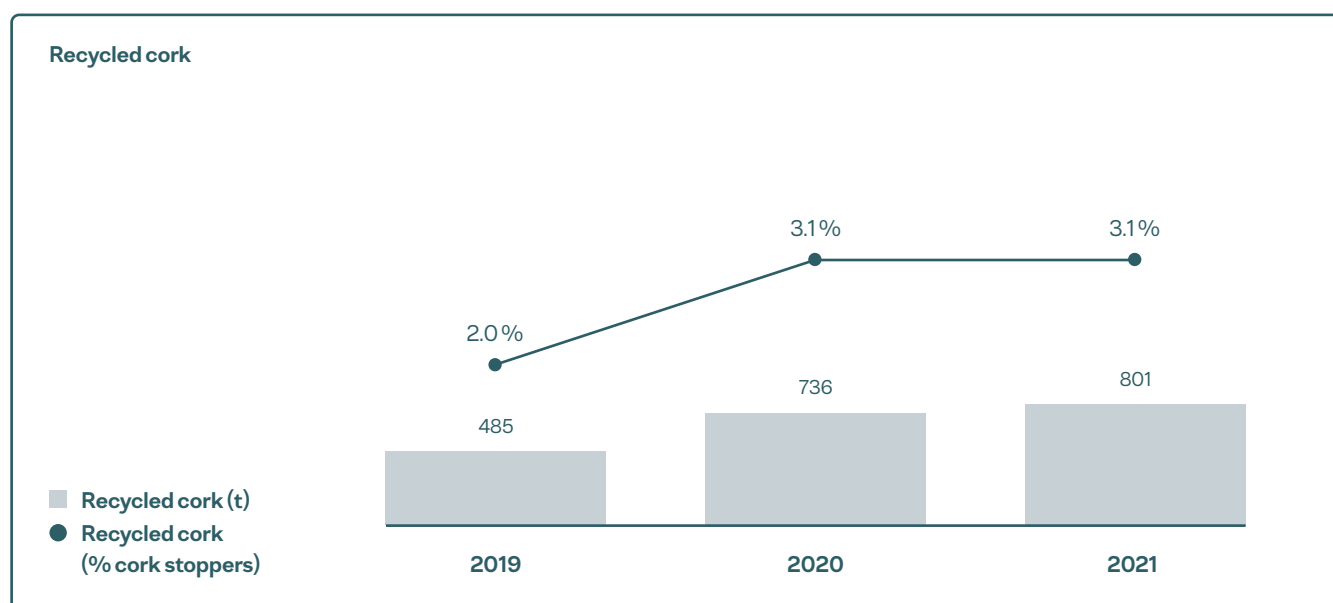
Among the initiatives with the greatest impact is the emphasis placed on the consumption of materials that result from industrial symbioses and that gain a new life by incorporating a diverse range of products such as floor and wall coverings, underlays and underscreeds. There was a 9% increase in total consumption of these materials in 2021, which corresponds to a 30% increase since 2019.

Also noteworthy is the emphasis that has been given to increasing knowledge about the characteristics of materials in order to better understand the possibilities of their use and their subsequent recovery and reuse.

**Circular Economy Project (2017-20):** this project aimed at the development of new processing technologies of cork that is not suitable for the cork stopper industry and other industrial by-products (industrial symbioses). These technologies aim to produce a wider range of agglomerated cork products, in combinations, thicknesses, densities and widths that were not used until then. It will thereby be possible to expand the offer of value-added circular economy products to the market, helping to reduce potential pollution and reuse materials that would otherwise be waste. Examples include the Amorim Wise Cork Inspire 700 product range, a waterproof, PVC-free flooring solution suitable for all types of spaces. It also includes underlays and underscreeds for application in the construction sector. Since 2019, the incorporation of recycled products into production has increased by 30%. In 2021, sales of products associated with this project exceeded €40 million.

#### 4.3.2. RECYCLING CORK

		2019	2020	2021
Recycled cork (t)	GRI 301-3	485	736	801
Recycled cork (% cork stoppers produced / year)		2.0%	3.1%	3.1%



Corticeira Amorim established an industrial unit in 1963 for the production of agglomerated cork from the waste from cork stopper manufacturing. Since then it has carried out an attentive, pioneering and proactive interpretation of the strategic importance of the circular economy. The cork valorisation strategy has motivated the development of unprecedented initiatives to recycle cork stoppers. These initiatives, which originated in Portugal, are already strongly supported by other countries across five continents.

Through three industrial units, licensed in Portugal for the recycling of cork, Corticeira Amorim collects cork stoppers and other cork applications for treatment and grinding. The material, after being transformed into cork granules, returns to the production process and, although it is not used by the Cork Stoppers BU, it is incorporated into products from the Composite Cork BU and Insulation Cork BU. During 2021, 801 tons of cork were recycled at Corticeira Amorim's premises. This represents 9% growth compared to 2020 and 65% compared to recycled cork in 2019. Equivalent to 178 million stoppers that have 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.

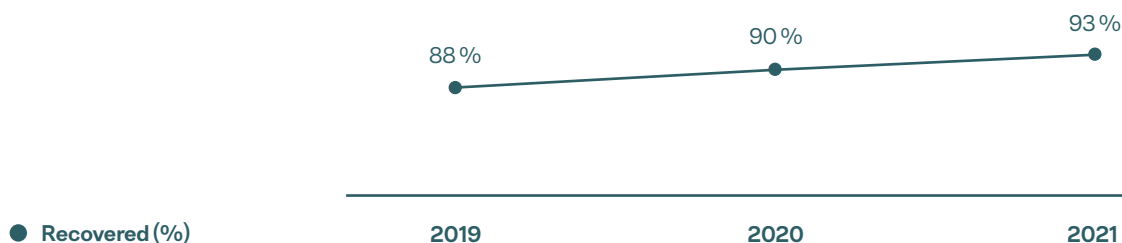
The awareness of the work conducted in just over a decade is also linked to Corticeira Amorim's ambition: given that only 3% of all cork stoppers produced annually are recycled, new ways must be found to increase these numbers. Bearing this in mind, it is encouraging to see the involvement of renowned players from different industries, such as the recent example of Majestic - the UK's biggest specialist wine retailer, which has announced a nationwide campaign to collect cork stoppers in more than 200 of its stores, or the launch of the project "Rolha a Rolha semeia a recolha" (*Rolha a Rolha* seeds collection), a pilot project for door-to-door collection of cork stoppers promoted by Quercus, LIPOR and Maiambinete which will focus on non-residential customers – cafés, canteens and restaurants – in the municipality of Maia, allowing large-scale recycling of cork stoppers.

**Cork stopper recycling projects:** Corticeira Amorim supports various initiatives for the selective collection and recycling of cork stoppers on five continents. In 2008, it joined Green Cork, a programme organised by Quercus that boosted a global movement of reuse, recovery and recycling, and also favoured the reforestation of indigenous trees. Similar initiatives have been implemented in several 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 followers. Distributed around the world, these initiatives generate a significant impact on the community, associated with and supporting reforestation actions, environmental education initiatives and social responsibility activities. More examples: <https://www.amorim.com/en/sustainability/environmental/recycling/4301/>. This raw material can be used in a wide array of different fields: equipment for cars, buses, trains, boats and planes; components of satellites, rockets and space vehicles; design objects, footwear and clothing; sporting materials, such as table tennis rackets, surfboards or kayaks; flooring solutions for playgrounds, leisure and recreation spaces; insulation products for residential, private and public buildings; or floors for the construction sector, among others. This is a virtually endless set of solutions, that often result from the combination of the second life of this recycled cork with subproducts from industries such as automobiles, footwear or bedding. Corticeira Amorim thereby saves the planet's natural resources, reduces the costs associated with their elimination and offers the market a wide range of products that contribute to climate regulation.

#### 4.3.3. WASTE

		2019	2020	2021
Industrial waste (t)	GRI 306-2	11,233	11,257	15,151
Recovered (t)	GRI 306-2	9,858	10,163	14,090
Hazardous (t)	GRI 306-2	493	506	352

##### Industrial waste



Corticeira Amorim respects the hierarchy of waste, in order to avoid, reuse and recycle it as much as possible, preventing it being sent to a landfill. The volumes of industrial waste produced are monitored in terms of its type and destination, in all units. Hazardous waste, which represents 2% of waste, has its own processes for labelling, storing, handling and transporting and is properly transported and processed through authorised agents.

In 2021, 15,151 tons of industrial waste were generated, of which 93% were recovered. The objective is to achieve 100% waste recovery rate (non-cork) by 2030, with a goal of maintaining the waste recovery rate in Portuguese operations above 90% in the 2021-24 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 its operations and in the value chain.

**Project to increase efficiency:** aims to make investments in different stages of the production process of Cork Stoppers BU, Floor and Wall Coverings BU and Insulation Cork BU to allow better use of the raw material and reduce the amount of waste generated before being recycled, used for energy generation or deposited in landfills. The project's initiatives include Recupera, Recork and Recupera Wise, which since 2017 has had a total investment of 826,000 euros and through micronisation, permitted the classification by homogeneous properties, the reuse of composite cork by-products created in the production of floors. In 2021, this Floor and Wall Coverings BU project made it possible to recover 1529 tons of cork for the production process.

4.4. GREEN PRODUCTS

Goal	Target 2021-2024
<ul style="list-style-type: none"><li>• Maintain a proactive role in developing the already vast scope of application of cork, sustained by the innate properties of the material.</li></ul>	<ul style="list-style-type: none"><li>• Strengthen resilience and adaptability to climate-related risks;</li><li>• Upgrade infrastructure and rehabilitate industries to make them sustainable, using 100% sustainable packaging (100% recyclable materials and 0% virgin non-renewable materials);</li><li>• Reduce the negative environmental impact.</li></ul>

The demand for sustainable products has been growing over recent years. Corticeira Amorim’s initiatives, which aim to guarantee quality, based on the continuous improvement of the processes, products and services available and on the search for innovative solutions based on technological development, permit us to serve customers with sustainable, quality, differentiated solutions, adapted to the needs and that help them achieve their sustainability goals.

Cork is an excellent renewable and recyclable material, that offers an alternative to high-impact materials and, in a world where innovation and ecology go hand in hand, the development of products based on this raw material makes it possible to leverage Corticeira Amorim’s economic growth, supports the transition to the circular economy and contributes to the mitigation of climate change. Over the last few years, the company’s operations have been 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.

GREEN PRODUCTS

**Amorim Cork**

1st choice for customers who want better quality soppers and contribute to the mitigation of climate change

**Amorim Cork Flooring**

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

**Amorim Cork Composites**

>500 applications for various sectors, allying innovation and circular economy practices

**Amorim Cork Insulation**

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



#### 4.4.1. LIFE CYCLE ASSESSMENT

Amorim Cork
<b>Still wines</b>
-309 gCO <sub>2</sub> eq per natural cork
-392 gCO <sub>2</sub> eq per Neutrocork stopper
-297 gCO <sub>2</sub> eq per Twin Top Evo stopper
-322 gCO <sub>2</sub> eq per Twin Top stopper
-328 gCO <sub>2</sub> eq per Advantec stopper
-335 gCO <sub>2</sub> eq per Acquamark stopper
<b>Spirits</b>
-96 gCO <sub>2</sub> eq per natural stopper with a wooden capsule
-148 gCO <sub>2</sub> eq per neutro stopper with a wooden capsule
-87 gCO <sub>2</sub> eq per natural cork with a plastic capsule
-138 gCO <sub>2</sub> eq per neutro stopper with a plastic capsule
<b>Sparkling wines</b>
-562 g CO <sub>2</sub> eq per sparkling wine cork stopper with two discs
-540 gCO <sub>2</sub> eq per agglomerated sparkling wine cork stopper
<b>Amorim Cork Flooring</b>
-101 kg CO <sub>2</sub> eq per m <sup>2</sup> of Amorim Wise cork Inspire 700 flooring
-93 kg CO <sub>2</sub> eq per m <sup>2</sup> of Amorim Wise wood Inspire 700 SRT flooring
-125 kg CO <sub>2</sub> eq per m <sup>2</sup> of Amorim Wise cork pure PUPF 4mm flooring
-186 kg CO <sub>2</sub> eq per m <sup>2</sup> of Amorim Wise cork pure PUPF 6mm flooring
-129 kg CO <sub>2</sub> eq per m <sup>2</sup> of Amorim Wise cork pure UV 4mm flooring
-193 kg CO <sub>2</sub> eq per m <sup>2</sup> of Amorim Wise cork pure UV 6mm flooring
<b>Amorim Cork Composites</b>
-39.3 kg CO <sub>2</sub> eq per m <sup>2</sup> of Top Layer NRT® 94
-14.2 kg CO <sub>2</sub> eq per m <sup>2</sup> of Underlay Fusion
-8.2 kg CO <sub>2</sub> eq per m <sup>2</sup> of Footcork® Evolution
-102 kg CO <sub>2</sub> eq per m <sup>2</sup> of Corkeen
-12.4 kg CO <sub>2</sub> eq per m <sup>2</sup> of underlay nature

Carbon balance considering carbon sequestration in the cork oak forests

Cork is a 100% natural, renewable, recyclable and reusable raw material. Cork oak trees retain carbon for over 100 years and cork production supports the maintenance of the ecosystem.

Cork is therefore an excellent alternative for promoting a circular bioeconomy, which can combat climate change and minimises waste. The Group's ambition includes making a contribution to the transition to a low carbon economy.

Since 2018, Corticeira Amorim has conducted several studies with a view to evaluating the environmental impacts/carbon footprints of its main products. These have concluded, without exception, that the carbon balance is negative when considering the sequestration of cork oak forests and the emissions associated to the production of the product.

These studies, which account for over 60% of the Group's consolidated sales, provide relevant information on the environmental contribution of cork products and provide Corticeira Amorim's approximately 29,000 national and international clients with quantifiable information on how to reduce the carbon footprint of their own products.

At a time when carbon neutrality is one of society's key challenges to ensure preservation of planet Earth, these results illustrate the differentiating factor between cork and other forestry products and demonstrate that Corticeira Amorim develops a business activity that has a positive impact on climate regulation.

#### 4.4.2. CONSUMER SAFETY

Corticeira Amorim has defined a consumer safety policy which establishes customer satisfaction as its main objective. It is committed, in particular, to:

- Ensuring the provision of services or the sale of products in strict compliance with applicable internal procedures and legal and statutory rules, including those relating to product liability;
- Respect customers' rights and the contractual commitments made to them with regard to the quality of the product or service provided, as well as legally or voluntarily established guarantees;
- Provide complete, relevant, truthful and accurate information in accessible language and adapted to needs, responding to requests, questions and complaints within reasonable deadlines;
- Continuously improve the performance as well as the quality and safety of its products and services, looking to meet and exceed expectations in a spirit of service;
- Formulate honest, transparent and tailored commercial proposals, providing personalised advice when requested by the customer.

- 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;
- Behave in an appropriate and ethical manner in all its relationships with its customers, in compliance with its Code of Business Ethics and Professional Conduct, being a trustworthy Organisation in its dealings with customers and fulfilling the commitments it has undertaken;
- Manage information with the objective of ensuring the protection of its integrity and the confidentiality of its customers' affairs, undertaking not to disclose their personal information without their prior consent, except when legally obliged to do so or in compliance with legal or administrative decisions.

## Engagement With Clients

For Corticeira Amorim, which has a preponderant business-to-business (B2B) business model, engagement programmes with its clients are a fundamental aspect of quality management, aiming, on the one hand, to better understand customer perceptions in relation to services and products, and on the other hand adopt measures to improve the business, to satisfy all their needs and expectations.

Due to its commitment to achieving continuous improvements and standardising methodologies and criteria, Corticeira Amorim has been implementing a programme for the global assessment of customer satisfaction, through application of a questionnaire and procedures common to all the Group's BUs. Currently, larger companies have already implemented client engagement projects. One example is Floor and Wall Coverings BU, which has a mixed B2B and business to consumer (B2C) model, and therefore conducts customer satisfaction surveys every two years. The most recent survey was carried out in 2020.

**Engagement with clients: Floor and Wall Coverings BU conducts customer satisfaction surveys every two years. The most recent survey was carried out in 2020. 251 clients were contacted in different geographies, obtaining a response rate of 45%, corresponding to 112 questionnaires that were considered to be valid (84 by telephone and 28 by email). Overall, it was concluded that Floor and Wall Coverings BU's clients positively evaluate the Company's performance, obtaining a total score of 4 on a scale of 1 to 5, which translates to a satisfaction rate of 80%.**

## Guarantees

In order to ensure that Corticeira Amorim's operations and products meet all quality, safety and hygiene guarantees, Corticeira Amorim has a set of credible certifications that meet the specific requirements of the different sectors and markets. These certifications, which can be consulted in greater detail in subchapter 7 of the Consolidated Management Report, include the ISO 9001 certification, which is present in 56% of Corticeira Amorim's industrial units, and food safety certifications, which form part of 55% of the industrial units of the Stoppers BU. However, Corticeira Amorim's products are subject to voluntary and mandatory tests and audits that guarantee maintenance of high quality and safety standards. Production processes and product characteristics are clearly communicated to all stakeholders. Additionally, we undertake to manage the information, in order to ensure the protection of the respective integrity and confidentiality of the clients' business, committing not to disclose personal information without their prior consent, except in cases of legal obligation, or in compliance with legal or administrative resolutions.

## 5 – SOCIAL PILLAR

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

Corticeira Amorim has formalised and implemented a human resources policy, available at <https://www.amorim.com/en/investors/corporate-governance/corporate-regulation-and-policies/>. This policy aims to promote a safe and stimulating work environment, with a commitment 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.

Corticeira Amorim's employee management system is based on the following guidelines:

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

### 5.1. DEVELOPMENT

Goal	Main targets	Target 2021-2024
• Promote personal and professional development for all.	<ul style="list-style-type: none"> <li>• Provide training for 100% of workers;</li> <li>• Ensure equal access to opportunities;</li> <li>• End all forms of discrimination, in particular reaching one-third of female workers and ensuring that one-third of management positions are women.</li> </ul>	<ul style="list-style-type: none"> <li>• 95% workers accessing training by 2024;</li> <li>• 25% women in management positions by 2024.</li> </ul>

#### 5.1.1. EMPLOYMENT DEMOGRAPHICS

		2019	2020	2021
<b>Total workers*</b>	GRI 102-8	4,424	4,357	4,642
<b>Portugal*</b>	GRI 102-8	3,164	3,138	3,318
<b>Rest of the world*</b>	GRI 102-8	1,260	1,219	1,324
<b>Permanent workers (%)</b>	GRI 102-8	80%	79%	78%
<b>Rate of new hires (%)</b>	GRI 401-1	15%	9%	12%
<b>Turnover rate (%)</b>	GRI 401-1	11%	12%	10%
<b>Absenteeism rate (%)</b>	GRI 403-9	4.3%	5.0%	5.8%

\* Total perimeter

As of 31 December 2021, all the entities included in Corticeira Amorim's consolidated financial statements had 4642 employees, 7% higher than in the previous year, with no considerable change in the percentage of the working population in Portugal (71%). The average age of workers was 42 years.

The commitment to managing people with policies that favour stability and the medium and long-term commitment to its workforce is reflected in the type of employment relationship: 78% through permanent employment contracts.

The rate of new hires was 12%. As in previous years, the rate of new hires was higher among male employees and in employees aged under 30. The turnover rate fell to 10% and was higher in employees aged under 30, especially among females.

Absenteeism has increased over recent years. 2021 was no exception. As in the previous year, essentially, the increase in 2021 is explained by the pandemic. Absenteeism is a priority area of intervention, which has very significant impacts and where Corticeira Amorim aims to achieve improvements over the coming years.

## 5.1.2. RESPECT FOR FREEDOM OF ASSOCIATION

		2019	2020	2021
Collective bargaining agreements (%)	GRI 102-8	95%	94%	94%
Associativism (%)	GRI 102-8	19%	18%	17%

Collective bargaining agreements cover 94% of employees and are part of the regulation of employees' working conditions, which include, among other things, timetables, remuneration and access to training.

Depending on their size, the employees of the Group's companies elect workers' representation structures (workers' committees and trade union committees), that they mandate to represent them. In each company, there are delegates or trade union committees or workers' committees (each of these bodies with specific powers and mandates). On average, the BU's human resources and administration departments meet with these structures twice a year, to discuss the Company's results, general and transversal problems, related to management of the Company and its employees, in particular restructuring, changes in schedules, activity variation, conjunctural problems.

## 5.1.3. LABOUR RELATIONS AND SOCIAL CLIMATE

The programmes for diagnosing/promoting the ties and commitment of employees with the company are important tools for evaluating experience and developing policies to attract, retain and develop employees and identify improvement areas. Corticeira Amorim's companies regularly produce climate diagnostics, which are normally conducted every two years. It has been agreed that from 2022 onwards, companies will simultaneously carry out their diagnoses. In these surveys, all employees are invited to respond. Anonymous questionnaires are used in all the BUs. The data compiled (regarding employees' perceptions of communication, teamwork, leadership, salary practices, relationships with colleagues and supervisors, diversity and inclusion, performance assessment and professional development, among others) make it possible to analyse matters and topics that can be improved, enabling analyses both in global terms and by age range, gender and professional category. Each BU is responsible for defining specific action plans for evolution.

In 2021, the organisational climate studies promoted by the Raw Materials BU and the Floor and Wall Coverings BU stand out.

**Social climate development programme: in 2021, we highlight the organisational climate studies promoted by Floor and Wall Coverings BU and Raw Materials BU, which involved a total of 855 employees. Questionnaires were collected between the months of February and June, with a response rate above 60% and an employee satisfaction rate above 71%. Regarding the dimensions evaluated, it appears that the highest average ratings were attributed to dedication and commitment, daily work contribution to global objectives, pride in belonging to the Company, perks and benefits granted and the desire to remain connected to the organisation. Some of the indicators with the lowest ratings were: satisfaction with sports, cultural and social activities; participation in decision making; recognition of work, dedication and effort; obtaining regular information on performance and the level of fair remuneration. Based on the aspects to be improved, each company prepared an action plan to be implemented in various areas.**

## 5.1.4. CAREER MANAGEMENT AND EMPLOYABILITY PROMOTION

Corticeira Amorim has several programmes and strategies for career development and for promoting the employability of its employees.

This priority is evident, first and foremost, in the recruitment of recent graduates, with various internship programmes and cooperation agreements with universities. One of these programmes (that has an average duration of two years) enables the rotation of young management graduates, through the companies' different structures, with the main objective of promoting future mobility and job rotation.

The Mobilidade+ programme has similar objectives, intended for all employees. This is an internal mobility process that, through the provision of internal job vacancies, aims to contribute to integrated people management, promoting new career development challenges and opportunities.

Investments in technological developments have dictated the need to retrain professionals in these areas. Programmes aimed at retraining and valuing skills in the areas of maintenance and support for industrial operations have been fundamental in order to foster the reallocation of personnel in these areas.

A number of more specific initiatives were also developed in 2021, such as the start of the leadership development programmes at Floor and Wall Coverings BU and Composite Cork BU and the *Pensar Cliente* (thinking about the client) programme at Amorim Cork BU. Another noteworthy initiative was the fifth edition of the Knowledge For Growth programme (a partnership between Corticeira Amorim and Católica Porto Business School) aimed at developing the Group's management skills. The coaching and mentoring programmes were maintained in the different companies in Portugal, as well as the young talent programmes - Cork Potential at Composite Cork BU, and Cork Talent at Amorim Cork BU.

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

**Young talent programmes: Corticeira Amorim has programmes aimed at young employees, in which it offers internship opportunities for students and recent graduates, preferably with an academic background in the following areas: engineering (mechanics, industrial management, materials and chemistry) and the areas of marketing, international relations, management and finance. With these programmes, students are given the opportunity to acquire knowledge and experience, implement academic concepts and develop activities that are part of the Company's normal functioning, which permit consolidation of the training acquired and the acquisition of professional experience, while also collaborating, with the normal development of the Company's business activity. This programme aims to:**

- Identify young talent that can strengthen the structure of Corticeira Amorim companies;
- Enable the development of specific projects;
- Allow better evaluation and selection of candidates;
- Respond to ongoing recruitment processes at the Company.

**Composites Cork BU' programme involved 27 interns in 2021 and had a 90% overall satisfaction rate. Six interns staying at the Company to fill open positions. Amorim Cork BU also conducted similar programmes.**

**Leader development programmes:** Corticeira Amorim has leadership programmes which aim to recognise the importance of leadership quality and its direct impact on the Organisation's results and performance. These programmes aim to develop the transversal principles of leadership, from a perspective of continuous improvement, always respecting the individuality of each employee and the various styles of leadership. It is also imperative to take account of the different organisational levels, the different functional areas, preparing leaders for a future that will certainly be different, in view of the multiple in-house realities, including remote team management, multiculturalism and generational diversity. This programme aims to:

- Create a leadership culture in Corticeira Amorim's companies;
- Identify the leadership principles that should guide the way that the Organisation's managers act;
- Clarify and ensure that each of the managers knows what is expected of them and integrates leadership behaviour into their daily practice;
- Transfer knowledge and leadership practices, so that managers are increasingly autonomous and efficient in their role.

In 2021, an important example is the ACC LeadUp programme, at the Composite Cork BU, which began with nine managers. The programme provides for an individual initial assessment, feedback and definition of a personal development plan, in-room training (64 hours) and individual coaching throughout the process to support implementation of the plan.

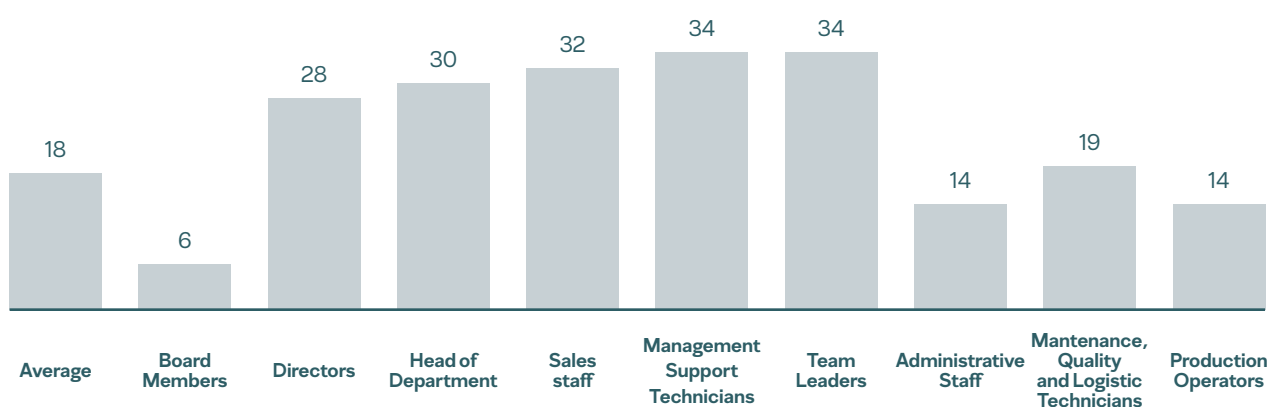
### 5.1.5. SKILLS DEVELOPMENT AND TRAINING

		2020	2021
Training hours	GRI 404-1	56,870	67,094
Workers receiving training (%)	GRI 404-1	74%	79%

Corticeira Amorim seeks to provide all its workers with access to relevant and quality training, promote learning opportunities and improve skills, not only technical but also managerial and behavioural skills. In 2021, there were 67,094 hours of training in total, which corresponds to a global average of 18 hours of training per worker. The professional categories with the highest average number of training hours were management support technicians, team leaders, sales staff and head of department. Despite the strong production activity - which resulted in additional occupation of some areas that traditionally invest in training - the training levels of recent years were maintained. In addition, there was the impact of the Covid-19 pandemic, which made it impossible to carry out a large part of the face-to-face training sessions. In some cases it was possible to substitute such sessions by distance-training actions, but this was not viable for all themes and contents and, therefore, some planned actions were not carried out.

In 2021, 79% of Corticeira Amorim's employees had access to training. The Company aims to ensure that 95% of employees access training each year, by the end of 2024, and 100% of employees by 2030. Different approaches and programmes are being designed to achieve this goal, including in an e-learning and mixed format (e-learning plus face-to-face) that will cover different groups of employees in different areas of the Company. Corticeira Amorim believes that these initiatives will make it possible to achieve general access to content that is relevant for the professional and personal development of workers.

**Average hours of training**





**Amorim Cork BU's Technical School for Operators:** Aware of the importance of training employees to perform their duties in accordance with the processes, instructions, practices adopted and to guarantee maximum safety at the workplace, Amorim Cork BU developed this programme, which represents an investment in training even prior to the admission of its employees. The objective is to ensure the training and certification of basic training of operators for subsequent qualification at work stations, in the production operations at industrial units. The 3-week course includes theoretical-practical modules (40 hours) and on-the-job training in the various industrial units (80 hours), aimed at obtaining profiles with greater versatility. There were three editions in 2021, involving 30 trainees and representing 3,600 hours of training. 100% of participants obtained a basic certification for an Amorim Cork operator and 95% of the participants were admitted to the Company.

## 5.1.6. MANAGEMENT BY OBJECTIVES AND INDIVIDUAL PERFORMANCE ASSESSMENT

		2020	2021
Workers receiving regular performance and career development reviews (%)	GRI 404-1	47%	55%

The Company has maintained a performance management system for several years. It combines management by objectives with performance assessment (at the level of each BU, at the level of the functional areas and at the individual level), with skills development and an incentive system. It currently covers 55% of workers.

Gradually, but in a sustained and credible manner, the management by objectives system has been extended to different population segments. The concern is to ensure that it is carried out in a reliable manner and based on adequate information systems.

The performance assessments, oriented towards the attainment of objectives and the development of skills, has also covered more segments of all employees.

## 5.1.7. DIVERSITY, INCLUSION AND NON-DISCRIMINATION

		2019	2020	2021
Female employees (%)	GRI 405-1	25%	24%	25%
Women on the Board of Directors of Corticeira Amorim, S.G.P.S., S.A. (%)	GRI 405-1	33.3%	33.3%	40%
Women in management positions (%)	GRI 405-1	20%	22%	25%
Ratio of remuneration of women to men	GRI 405-2	0.79	0.86	0.88

In 2021 there was no considerable change in the gender distribution, with continued underrepresentation of female employees: 25% of the total. The difference in gender distribution is mainly reflected in the category of board members, head of department and production operators, where there is a higher prevalence of male employees. The highest percentage of women compared to the total of the category is verified in the administrative staff. Despite the fact that the proportion of women in management positions is still small in some functional groups, there has been a gradual increase, and in general has moved towards their share in the total population of employees. There has been a broad positive trend in the gap between the fixed salaries of female and male employees. The same applies to the remuneration ratio (all salary components) between women and men.

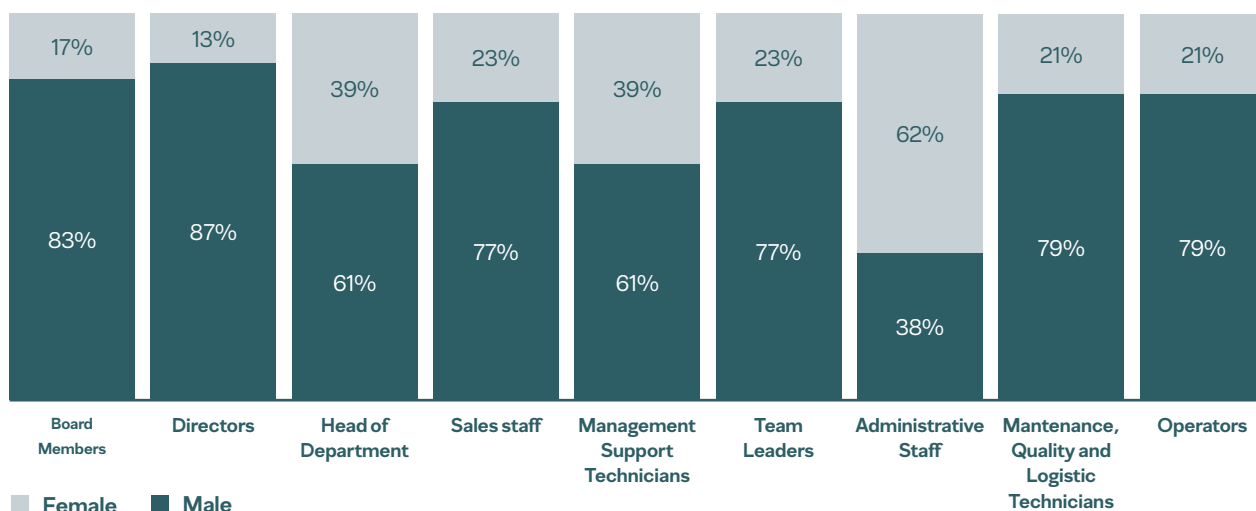
During 2021, commitments in terms of equality, diversity and the promotion of anti-harassment measures were reiterated and reinforced, with the broad definition of a specific procedure for reporting non-compliance and formalising the role of the Audit Committee in these processes. The formalisation of Corticeira Amorim's policies, specifically the human rights policy and human resources policy, have strengthened the Company's commitment to principles and practices that foster non-discrimination and the creation of inclusive, balanced and equitable work environments.

The Equality Plan was also renewed for the third consecutive year. (<https://www.amorim.com/xms/files/Investidores/comunicados/20211223CorticeiraAmorimPlanoIgualdade2022PT.pdf>), applied to companies in Portugal, with new, more demanding targets, in particular achieving zero discrimination by 2030 – the target of 1/3 of women in the universe of female workers and an equal percentage in management positions. Corticeira Amorim's Equality Plan has the following action lines:

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

With regard specifically to Corticeira Amorim, S.G.P.S., S.A., the group advocates a policy of diversity in the composition of its governing bodies, in particular the Board of Directors and the Audit Committee, as a way to:

### Workers per gender and professional category



- 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.

The management mandates were renewed in 2021, and Corticeira Amorim assumed a Board of Directors with a composition of 40% women and 60% men. The Audit Committee has 4 members and is equal in terms of gender: two women and two men. In 2021, the Company's Executive Committee also changed to a composition of 4 members - one woman and three men - whereas previously it had three male members.

**Equal employment access project:** the overall objective of increasing the number of women in management positions (25% in 2024) was expressed, in particular, in recruitment actions. A recommendation was made to all human resources departments in Portugal to ensure that the presence of an element of the under-represented gender in that functional group is always guaranteed in any final recruitment list. There were also internal training initiatives about potential unconscious biases in recruitment, given to human resource departments and to recruitment technicians.

**Equal working conditions project:** includes the development of a set of procedures to collect information and apply any corrective measures. In addition to maintaining regular monitoring of indicators of the salary ratio between women and men, by professional category, and the ratio of remuneration between women and men, by professional category, a more specific study is planned to analyse functions and compare salaries. The company also plans to introduce questions in the corporate climate surveys about the level of satisfaction in relation to aspects of equality and suggestions for initiatives that can be implemented in these fields.

## 5.2. SAFETY, HEALTH AND WELL-BEING

Goal	Main targets	Target 2021-2024
• Ensure the safety, health and physical and psychological well-being of all, and promote appropriate work environments.	<ul style="list-style-type: none"> <li>• Promote safe and secure work environments for all workers;</li> <li>• Provide access to essential quality health services;</li> <li>• Reduce the number of accidents and achieve zero work accidents.</li> </ul>	• Zero accidents at work in 2024.

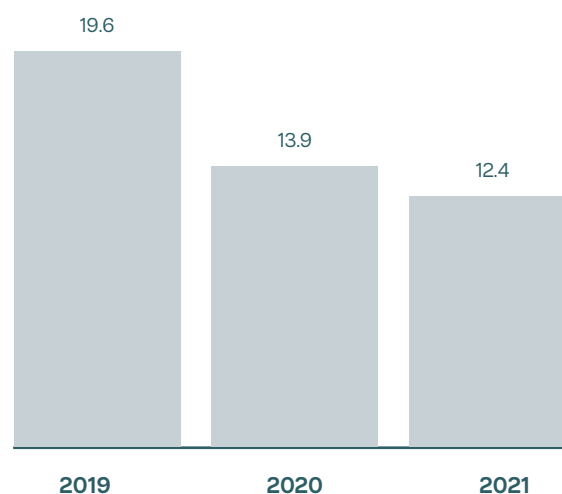
Corticeira Amorim assumes that working conditions are one of the fundamental factors for any organisation's success. Aware of work safety risks, Corticeira Amorim fosters and encourages a culture of safety among all its employees, ensuring a work environment that preserves their physical and psychological integrity, while also encouraging a healthy and sustainable lifestyle. In the field of occupational health and safety (OSH), Corticeira Amorim has defined the following objectives for all its companies:

- 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.

### 5.2.1. SAFETY AND HEALTH

		2019	2020	2021
Work related injuries	GRI 403-9	119	82	76
Portugal	GRI 403-9	89	60	54
Rest of the world	GRI 403-9	30	22	22
LTIFR	GRI 403-9	19.6	13.9	12.4
LWD	GRI 403-9	494	551	554

Lost time injury frequency rate (LTIFR)



Corticeira Amorim fosters compliance with all requirements, standards and legal procedures in the area of OSH, in all the countries where it has operations, through the application of good practices, in particular:

- Regulatory and periodic occupational medicine exams;
- Availability of personal protective equipment (PPE);
- Training for workers and service providers in the field of occupational hygiene and safety adapted to the specific characteristics of each job;
- Hygiene and safety committees, with the participation of employees and/or their representatives;
- Specific procedures for handling hazardous substances;
- Internal and external audits.

Corticeira Amorim is committed to achieving zero accidents in the four-year cycle (2021-2024). During 2021, there was an overall decrease of 11% in the LTIFR. The number of lost workday rate (LWO) remained practically unchanged. These results are considered to be quite positive, and are only possible through implementation of the action plans outlined in each of the BUs in recent years. These action plans encompass a wide array of initiatives, including investments in technology, changes in equipment and working conditions, and awareness-raising and training actions that aim to lead to a true cultural transformation in behaviour and attitudes towards occupational safety.

Holding a quarterly forum on occupational safety has made it possible to maintain a priority on this topic, and foster the constant sharing and discussion of best practices in this field. In a year in which the fundamental concern was to create a protected environment in relation to potential Covid-19 infections, the health and safety activity focused on ensuring sanitised and disinfected work spaces, respecting physical distances and appropriate standards of conduct. The work situations connected to Covid-19 accentuated the health and well-being issues linked to the aspects of physical and mental health. In this context, Composites Cork BU carried out the first diagnosis of psychosocial risks in the Group. Other companies will do likewise. Attention should also be drawn to the gymnastics routines in the workplace developed by almost all of the IUs, as a way to prevent injuries caused by repetitive strain.

Investment in this area also involved raising awareness and training employees, from small initiatives focused on raising awareness, technical training to support the acquisition of new skills, physical activity programmes and gymnastics at work. The latter was highly focused on promoting occupational health. Initiatives related to standard health screenings (cardiovascular and eye diseases) and vaccination campaigns (flu) conducted by the companies' health areas were also reinforced.

The external certification of management systems is increasingly becoming a priority. Certification according to international occupational safety and hygiene / social responsibility standards, such as ISO 45001 and SA 8000, cover around 67% of employees and 44% of the IU.

**Occupational safety forum: held four times a year, with the presence of Health and Safety officers, Human Resources Directors, General Managers of all the BUs and promoted by Corticeira Amorim's Chairman. It is a dynamic that has made it possible to maintain the priority on this topic, as well as constant sharing and discussion of best practices in this field, which has made it possible to achieve very significant progress and make a series of practices transversal.**

**Workplace gymnastics project: it appears that a large number of occupational accidents recorded in Corticeira Amorim companies are musculoskeletal. An action and intervention plan has been drawn up whose objectives are to prevent work-related injuries (LMELT), to improve body posture, reduce absenteeism, improve the organisational climate, improve attention-concentration, and promoting physical activity and a healthy lifestyle. The plan revolves around restructuring the layout of work activities, processes and means of lifting loads, as well as the promotion of workplace gymnastics, the latter undertaken with partners. The project involves an analysis focused on the ergonomic issues of 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 injuries topics, risky postural behaviours, preventive exercise framework in the workplace, tools for teaching gymnastics sessions at work, exercises and their fundamentals, teaching and educational strategies and an exercise plan. It also includes drawing up improvement proposals both at the ergonomic level of the work place and the standardisation of tasks, individual postural training for the elaboration 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, on a group basis. In 2021, workers belonging to the Raw Materials BU and Composite Cork BU were involved in these programmes. The manual gluing sector begins the shift (twice a day) with a daily Kaizen meeting followed by a short-term physical activity, 5-10 minutes, given by the head of the sector. Taking into account the positive results, the Cork Stoppers BU also intends to carry out this project.**

**Pilot programme of internal physiotherapy: in order to reduce the degree of pain, prevent occupational diseases and reduce absenteeism at Composites Cork BU, a project has been implemented with physiotherapy sessions, with an initial assessment of the respective participants and a post-intervention evaluation, for comparison of results. The sessions take place at a frequency defined by the physiotherapist for each worker, taking into account the characteristics of the level of pain/stage of the disease. An informal follow-up assessment is carried out in each of the sessions to monitor the evolution. 35 workers have been involved to date. In terms of the results achieved, according to monthly reports sent and feedback from employees, participants in the project have a lower degree of pain compared to the beginning of the project and the values for absenteeism due to occupational disease were lower in 2021, compared to 2020.**

## 5.2.2. WELL-BEING

Corticeira Amorim has a tradition of “taking care” of its employees. The Company provides several benefits in the acquisition of products and services (own and resulting from partnerships and protocols) that aim to provide access to them under advantageous conditions, thereby contributing to an increase in everyone’s quality of life.

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

- Health service benefits: in all companies based in Portugal, hospitalisation insurance is available; in the larger units (or headquarters), curative medical consultations are organised twice a week; there are protocols with clinical analysis laboratories that collect samples in companies and with pharmacies that collect orders and deliver medicines to the premises; various screenings (ophthalmological, hypertension, healthy habits) are regularly carried out, with a view to promote health; an influenza vaccination campaign is held annually;
- Benefits and recognition and celebratory initiatives throughout the year: gift baskets and toys to employees’ children at Christmas time, seniority awards and various recognition awards;
- Daily life assistance benefits: access to the Company’s canteens by the employees’ direct family members, wherein employees can also purchase meals to take home.
- Protection of parenting: information on legislation on parenting, support for education of parents and children offering toys to employees’ children.

**Protection of parenting: with the objective of guaranteeing the right to the enjoyment of parental leave by workers, the Company created and maintains a chapter on the internal network – Linkpeople – referring to legislation on parenting, which provides 120 days maternity leave for the mother, and, for the father, 20 working days, paid at 100%. Employees also benefit from various services and support, with a view to reinforcing the Company’s performance in these matters, in particular:**

- Support in the education of employees and their children, with the allocation of school subsidies, merit scholarships for employees’ children (currently to more than 30 young people per year);
- Offer of toys to employees’ children.

## 5.3. COMMUNITY/SOCIETY AND INNOVATION

Goal	Target 2021-2024
<ul style="list-style-type: none"> <li>• Boost economic growth in a sustainable and inclusive manner, ensuring efficient production and decent work for all.</li> <li>• Support and promote research, development and innovation and foster sustainable solutions.</li> </ul>	<ul style="list-style-type: none"> <li>• Sustain economic growth;</li> <li>• Strengthen global partnership for sustainable development;</li> <li>• Promote development-oriented policies that support productive activities, entrepreneurship, creativity and innovation;</li> <li>• Enhance scientific research.</li> </ul>

Corticeira Amorim has a Community/Society Policy which aims to:

- 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.

### Programmes and Initiatives

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



## SOCIAL BALANCE

## INNOVATION/ ENTREPRENEURSHIP

## CULTURE /KNOWLEDGE

A study by EY, released in 2020, calculated the direct, indirect and induced impacts of Corticeira Amorim's business activity in Portugal, including the associated environmental impacts and the impacts of the ecosystem services of the cork oak forests made possible by it, concluding that the total contributions of net value to society in general are over €1 billion per year (more than seven times the direct added value)

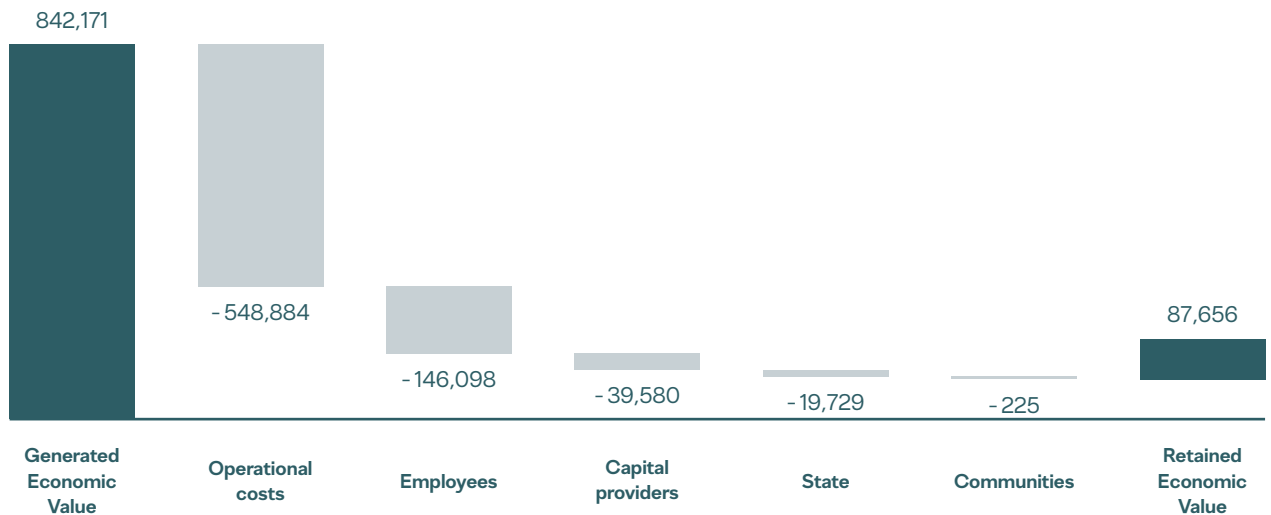
### 5.3.1. SOCIAL BALANCE

Corticeira Amorim's business activity generates direct, indirect and induced economic value for the communities where it is present internationally, nationally, regionally and locally. The direct impacts include salaries paid to employees, investments in the community and payments

to the state in the form of taxes, royalties and fees, which can be reinvested in social and economic programmes that benefit the communities and regions where Corticeira Amorim operates.

In 2021, Corticeira Amorim generated economic value of €842 million, and distributed €755 million to its stakeholders.

#### Economic value distributed (k€)



In order to reinforce its support to the local community, Corticeira Amorim has extended its regular social, humanitarian and first aid interventions, through collaboration with social inclusion institutions, welcoming minors at risk and supporting senior citizens, fire brigades, the Portuguese Anti-Cancer League, hospitals, organisations and social institutions.

The associations with which the Group actively collaborates include:

- **Albertina Ferreira de Amorim Foundation** – This foundation promotes solidarity and appreciation of human advancement in its ethical, religious, cultural and civilisational aspects. It offers humanitarian and social support to causes and projects involving the local communities where Corticeira Amorim's companies operate. It also hopes to boost scientific research in the field of cork preparation and processing and is expected to award prizes in this and other fields. Of note is the regular contribution to the development of social responses to situations of greater fragility in our local communities, supporting shelter structures for the elderly; education and training of children and young people, including refugees; health and well-being, such as hospitals; and assistance, such as fire brigades and organizations that respond to social emergencies, including food;
- **Bagos D'Ouro Association** – an institution that is dedicated to supporting underprivileged children and young people in the Douro region, by monitoring their school career and creating opportunities for the development of successful life projects;
- **Terras de Santa Maria Foundation** – Through the degree courses it offers, the foundation aims to create and reinforce skills that can boost the economic and social development of Portugal and, in particular, of the Entre Douro and Vouga region, where it is located. Corticeira Amorim is one of the institution's ten founding members;
- **Academie Amorim** – A non-profit organisation that includes scientists dedicated to research in the field of winemaking in order to optimise the quality of wines and ensure that the wine ageing process proceeds as expected. Since 1992, this institution has supported the work of the researchers by offering them an annual scholarship to fund scientific work and help to improve knowledge about wine.

### 5.3.2. INNOVATION AND ENTREPRENEURSHIP

	2019	2020	2021
Average investment in RDI (k€)	8,004	9,792	10,363

Innovation stands at the heart of Corticeira Amorim's strategy. The company 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. Investment in RDI is currently around €10.4 million per year.

Each BU has its own RDI unit. There is also a transversal innovation structure across the entire group, Amorim Cork Research and a business incubator, Amorim Cork Ventures (ACV), launched in 2014. The Company currently supports the development of two companies through ACV: Ecochic and TDCork. Activity in this field is completed with the partial allocation of resources to joint ventures involving Amorim Cork Composites (ACC). ACC has identified the growth potential of certain businesses and has decided that the joint venture model (with specialist partners in the segment) is the most appropriate to develop the full potential and profitability of these businesses. A set of skills have been identified in ACV that it is important

to allocate to the management of joint ventures. This option by Corticeira Amorim was proven to be correct in 2021, through the performance achieved by joint ventures such as Corkeen Europe or Amorim Sports and the creation of a new company - Korko – made by nature - dedicated to making cork-based toys.

Through Corticeira Amorim's investment in RDI, the company disseminates knowledge and innovation throughout society, either directly (when the Company voluntarily provides access to knowledge and certain innovations), or indirectly, through the generation of positive externalities resulting from its business activity, which include innovation projects pursued in partnership with universities and specialised companies, purchasing products from local producers, inducing innovation in supporting industries, developing new applications for cork, communicating the benefits of cork and the dissemination of good circular economy practices.

The promotion of entrepreneurship is another impact of Corticeira Amorim's activity, generated by direct initiative, through ACV, which has a significant impact on promoting innovation in the sector, since it is the only business incubator related to cork through which innovative ideas and businesses are encouraged and supported. With the same goal in mind, support and encouragement is provided to initiatives such as the creation of companies by former workers, the emergence of new uses of cork and the emergence of companies to support the cork industry.

**Amorim Cork Ventures: created in 2014 with the aim of supporting entrepreneurs with innovative products, solutions and applications for the cork sector. Its main goal is to promote the launch, growth and expansion of cork-related businesses, mainly oriented towards foreign markets. This includes the development of new approaches, paths and formulae for cork, in its natural state or in combination with other materials. Since its inception, ACV has analysed over 340 projects from 25 different countries and organised five start-up/entrepreneur pre-acceleration programmes. More than 20 projects have been supported (10 of which remain active) and 8 patent and utility model applications have been submitted. Two start-ups currently remain in the Company's investment portfolio. <https://www.amorimcorkventures.com/about-us/>.**

**i.cork factory: created in 2018. It is fully dedicated to RDI associated to new and innovative products that value cork. Its main mission is to design new materials, and test and explore the application of technologies that haven't yet been industrialized in the sector. i.cork factory is a true hub of innovation and creativity for the development of new products and new formulae for the manufacture of composite materials with cork, developing its activity in line with the market, seeking to create solutions to respond to the needs of various business sectors - always with cork and circular economy processes at the epicentre of development. Due to its proximity to the market, the innovation factory also functions as a platform for cooperation and collaborative work, from which synergies with universities, research centres and customers are developed, in search of high-performance and often ground-breaking solutions. In addition to contributing to the innovation culture in Amorim Cork Composites' DNA, i.cork factory also plays a fundamental role in expanding the product portfolio, and in training technicians, customers and distributors. <https://amorimcorkcomposites.com/en/>.**

### 5.3.3. CULTURE AND KNOWLEDGE

Corticeira Amorim has been developing a comprehensive plan of initiatives to make cork available to society, in its most diverse forms, based on the team's technical expertise and know-how, furthering their knowledge and enabling the development of educational, research and artistic projects aimed at the company's employees and families, and also the wider community.

Through multiple initiatives in the area of education, ranging from curricular internships to protocols with academic institutions, from environmental education to sponsorship, the objective is to create a positive impact. Taking into account the pandemic situation experienced in 2021, several initiatives were suspended or had to be carried out in alternative formats. One example was the initiative, Porto Futuro, an educational project by Porto City Council in which Corticeira Amorim is a partner of the Leonardo Coimbra School Group, whose actions, that were planned for 2021, had to be cancelled. Environmental education initiatives in schools were also cancelled in 2021.

On the other hand, the tree planting initiative, a traditional activity involving volunteers from Corticeira Amorim and Quercus, which, since 2011, in the framework of the Green Cork programme, have planted around 2,000 autochthonous trees per year, after being cancelled in 2020, involved more than 100 Company volunteers in Coruche to plant around 2,000 cork oak trees in the Herdade do Monte da Barca, owned by the local Santa Casa da Misericórdia.

At the cultural level, Corticeira Amorim has pursued its ambitious strategy to position cork at a prominent level in the world of architecture and design, promoting its use by world-class architects, designer and artists fostering its presentation on the world's biggest stages of creativity.

In this year, the following initiatives should be emphasised:

- Portuguese Pavilion made of cork in the Yangzhou International Horticultural Exhibition: more than 230 m<sup>2</sup> of cork supplied by Amorim Cork Insulation lined the Portuguese pavilion in the 2021 Yangzhou International Horticultural Exhibition. Dedicated to the theme: «Live Green, Live Better», the pavilion focused on people's relationship with nature and the importance of preserving the environment in order to achieve sustainable economic growth. In addition to the cork-lined building, the Portuguese pavilion also had a garden, which celebrated the best of Portuguese creativity and design and highlighted the green economy;
- Portuguese Pavilion in the Venice Architecture Biennale used cork supplied by Amorim: Corticeira Amorim supported the Portuguese representation in the Venice Architecture Biennale. The project In Conflict (Em Confronto), was proposed by the Porto studio, depA Architects, chosen to lead the curatorship of the Portuguese Pavilion (Palazzo Giustinian Lolin, by the Fondazione Ugo and Olga Levi) in the 17th edition of the Italian Biennale. Its structure was supported by approximately 100 linear metres of technical agglomerated cork. Cork and Corticeira Amorim thereby returned to the city of canals after the previous successful visits in 2013, 2017 and 2019;
- Forest for Change – The Global Goals Pavilion at the London Design Biennale 2021: Corticeira Amorim was

the official material partner of the Forest for Change – The Global Goals Pavilion, in the London Design Biennale 2021. Designed by the British designer Es Devlin OBE and developed by the non-profit agency, Project Everyone, the pavilion included a central core entirely built from cork. The pavilion hosted an interactive installation where visitors could learn about the UN Sustainable Development Goals (SDGs). Jack Headford, Associate Designer at Es Devlin Studio explained the choice of cork: “during the project's development, it became obvious that we needed to work with materials that convey empathy and robustness within the forest. Cork seemed to be the obvious choice due to its wood tones and smooth texture, along with its inherent sustainable nature, as a renewable and biodegradable material. Cork also provided a safe and sturdy flooring option that blends well with the forest floor, allowing visitors to wander freely through the trees.” The London Design Biennale 2021 brought together the most imaginative curators, designers and artists from around the world who provided creative proposals in response to the theme of “Resonance”;

- Corticeira Amorim - associate brand of the Porto Design Biennale 2021: the partnership resulted in the provision of material resulting from circular economy practices, a policy that the company has implemented since the 1960s. Promoted by the municipalities of Porto and Matosinhos, the Porto Design Biennale 2021, dedicated to the theme “Alter-Realities: Designing the Present”, included showcases, exhibitions, conferences, workshops and publications;
- Serpentine Summer Pavilion 2020/21 once again presented cork as its chosen material: Supplied by Corticeira Amorim, cork, a genuinely Portuguese raw material, once again assumed centre-stage in one of the world's leading architecture showcases. The 200 m<sup>2</sup> cork installation responded to the challenge made to the South African studio Counterspace to build an installation that focuses on sustainability. Sumayya Vally (2021 TIME100 Next List), the youngest architect ever chosen to lead the iconic Serpentine architecture programme commented: “Cork was chosen because of its mouldability, malleability and flexibility, making it possible to recreate different spaces inside the pavilion, aligned with its objective of recovering and reconfiguring the local and material context.” Based on this assumption, and the fact that cork stands because of its unique sustainability credentials - as a 100% natural, ecological, renewable, recyclable and reusable raw material - the construction of the pavilion uses other green materials, including recycled steel for its structural elements;
- Ai Weiwei uses Amorim cork to create original works: cork was one of the materials chosen by the Chinese artist Ai Weiwei to create original works in Portugal. Supplied by Corticeira Amorim, the raw material embodied the activist's sculptural self-portrait, Brainless Figure in Cork. The work - produced by Amorim Cork Composites using high-density agglomerate cork - was part of the Ai Weiwei – Rapture exhibition, on display at the Cordoaria Nacional, in Lisbon. It should be noted that this is the second time that Ai Weiwei - one of the world's most influential contemporary artists - has used

cork supplied by Corticeira Amorim. The first occasion was within the framework of the Serpentine Summer Pavilion 2012 – designed by the Chinese artist and the Swiss architects, Herzog & de Meuron;

- Bpisbuchet 2021 - Breaking the Waves workshop, coordinated by the designers' collective, Envisions (Holland): this workshop, supervised by the visionary designers, Emma Wessel and Tijs Gilde, enabled emerging designers to explore the creation of cork-based playful surfaces and ground-breaking structures, cork's characteristics and properties and its infinite capabilities of recreation and symbiosis with other materials.

**Plantação (tree-planting):** For more than a decade, Corticeira Amorim organises its annual tree planting initiative on the day of the Autochthonous Forest. In 2021, the 10th edition was marked and throughout the years more than 24,500 trees were planted exclusively by Amorim volunteers. There are about 100 volunteers a year, from all the company's BUs, who, in partnership with Quercus and under the umbrella of the Green Cork project, participate in this initiative, which also aims to raise awareness of the protection of forests and biodiversity.

**No Poupar Está o Ganho (A Penny Saved is a Penny Earned)** project: Corticeira Amorim has been a partner for several years in the *No Poupar Está o Ganho* (A Penny Saved is a Penny Earned) project, organised by the Dr. Antonio Cupertino de Miranda Foundation, which aims to contribute to the training of young people as responsible consumers in the future. The objective is to promote financial literacy in topics such as savings, the importance of money and or money management. Over the past 11 years, the initiative has reached 40,000 children from 40 municipalities, organised throughout each school year and culminating in an annual final competition. In 2021, prizes were awarded to around 300 students from 14 classes from the districts of Braga, Porto, Viana do Castelo and Vila Real. Using videos, apps or games, the school classes showed to the jury of the competition not only the knowledge of financial education that they had acquired, but also their creativity and ability to work in a group. During the school year, the *No Poupar Está o Ganho* project reached 9,000 students in 500 classes. Corticeira Amorim helped make the award of prizes to the winners of the national competition even more special, by offering unique objects made from cork.

## 6 – SUSTAINABLE FINANCE

Corticeira Amorim has sought to integrate commitments and the application of best ESG practices in corporate finance. It has therefore carried out several green financing operations and linked sustainability operations, thereby contributing to the development of sustainable finance, i.e. financing intended to support economic growth, while reducing pressures on the environment and considering social and governance aspects.

### 6.1. Corticeira Amorim'S GREEN BONDS

In December of 2020, Corticeira Amorim made its first issue of Green Bonds, in the amount of €40 million, by private subscription, without guarantees and for a period of 5 years, earning interest at a fixed rate every six months and with staggered capital repayment (25% at the end of year 4 and 75% at maturity).

This loan is intended to refinance a diversified set of green investments made in 2017, 2018, 2019 and the 1st half of 2020 by eight companies which belong to the Corticeira Amorim Group's five BUs, 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.

Sustainalytics (a company specialising in research, ratings and information ESG-[www.sustainalytics.com](http://www.sustainalytics.com)) reviewed the investments and issued the respective Second Party Opinions (SPO) confirming that they were aligned with the Green Bond Principles (June 2018 version) of the ICMA- International Capital Markets Association.

Banco BPI, SA ([www.bancobpi.pt](http://www.bancobpi.pt)) was responsible for organising and managing the issue and providing the subscription guarantee. It will also act as paying agent.









The allocation and impact report for the year 2021, published in April 2022, was verified by Ernst & Young Audit & Associados, S.R.O.C., S.A..

More information: <https://www.amorim.com/en/investors/market-information/>.

## 6.1.1. ALLOCATION

The resources, in the total amount of €40 million, were disbursed and fully allocated, applied through the refinancing of individual projects and a portfolio of projects framed within the context of the eligible green categories presented.

Only projects or investments controlled and managed by Corticeira Amorim or belonging to subsidiaries controlled by Corticeira Amorim were considered to be eligible.

Eligible Green Project Category	Investment	Environmental Objectives	SDG	Use of proceeds
Environmentally sustainable management of living natural resources and land use	6,124	Managing cork oak forests in a sustainable way	 	Proceeds in this category were used to refinance the acquisition, plantation, maintenance and management of cork oak forests using new silviculture models based on drip irrigation
Renewable, low carbon, eco-efficient and/or circular economy adapted products, production technologies and processes	24,254	Producing renewable, low carbon, eco-efficient and circular economy products	   	Proceeds in this category were used to 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
Waste management and resource efficiency	6,077	Improving material efficiency in production and reduce waste		Proceeds in this category were used to refinance equipment and infrastructures involved in resource efficiency and/or waste reduction, minimisation and reuse processes in Corticeira Amorim's operations
Renewable energy and waste to energy	3,462	Generating renewable energy from waste materials		Proceeds in this category were used to refinance the maintenance and upgrading of equipment and infrastructures used to produce energy from biomass and waste products
<b>Total*</b>	<b>40,000</b>			

thousand euros  
\*Including banking fee

## 6.1.2. IMPACT

Based on the actions already evaluated, verified by an external entity, Corticeira Amorim calculated the following environmental impact in 2021 for its projects financed by the Green Bond:

Eligible Green Project Category	KPI	Impact
Environmentally sustainable management of living natural resources and land use	New plantations of cork oak forests (ha) since 2018	251 ha of interventions in the cork oak forest
Renewable, low carbon, eco-efficient and/or circular economy adapted products, production technologies and processes	Revenue of renewable, low carbon, eco-efficient and/or circular economy adapted products, production technologies and processes (thousand euros)	221,331 thousand euros of revenues
Waste management and resource efficiency	Industrial cork waste recovery of the process (t)	8,234 t of cork recovery
Renewable energy and waste to energy	GHG emissions avoided (t CO <sub>2</sub> eq)	672 t CO <sub>2</sub> of emissions avoided



## 6.2. PROGRAMME TO ISSUE SUSTAINABILITY-LINKED COMMERCIAL PAPER

In 2021, Corticeira Amorim implemented the first Sustainability-Linked Commercial Paper Programme, in the amount of €20 million with maturity until 2024.

The interest rate to be applied on issues under the Programme depends on the evolution of the following two environmental indicators:

- KPI1 – energy consumption from controlled renewable sources;
- KPI2 – proportion of non-cork waste sent for recovery.

Sustainalytics issued an opinion confirming the alignment of the programme with the four components of the Sustainability-Linked Loan Principles (2020 version) of the LMA – Loan Market Association.

Caixa - Banco de Investimento, S.A. was responsible for organising and managing the programme and will also act as Paying Agent and Registration Institution; Caixa Geral de Depósitos, S.A. is responsible for providing the subscription guarantee.

### 6.2.1. IMPACTO

Based on the actions already evaluated, Corticeira Amorim calculated the following impact on the indicators associated with the programme to issue Sustainability Linked Commercial Paper:

KPI	Objective		Calculation	Performance 2021
Energy consumed from controlled renewable sources (GJ) in total energy consumption (GJ)	Ensure that the ratio between the consumption of renewable energies controlled by the company in the total energy mix is at least 66.67%	≥ 66.67% energy consumed from controlled renewable source / year	Controlled renewable energy consumption (GJ) — Total energy consumption (GJ)	69.2% of energy consumed from a controlled renewable sources
Waste sent to recovery (non-cork) (t) in total waste (non-cork) (t)	Ensure that the ratio of waste sent for recovery in total non-cork waste is at least 90%	≥ 90% waste recovery rate / year	Waste (non-cork) Sent for recycling (ton) — Total waste (non-cork) (ton)	96% waste recovery rate (non-cork)

Operations in Portugal

## 6.3. GREEN COMMERCIAL PAPER PROGRAMME

Corticeira Amorim has implemented a Green Commercial Paper Issuance Programme with a maximum nominal amount of €11.6 million and maturity until 2026.

**The Company is determined to increase the use of renewable energies. Emissions under this Programme are intended to finance the acquisition of photovoltaic panels by several Corticeira Amorim Group companies, in the period from 2021 to 2024, which will generate an additional 30 GWh, avoiding the emissions of around 14,600 t CO<sub>2</sub>.**

Banco Bilbao Vizcaya Argentaria, S.A., Branch in Portugal was responsible for organising the issue and providing the subscription guarantee. It also acted as the paying agent, dealer bank and registration institution.

### 6.3.1. Impact

Based on the initiatives already evaluated, Corticeira Amorim calculated the following impact associated with the acquisition of photovoltaic panels:

		2021	2022	2023	2024
Photovoltaic energy panels (GJ)	GRI 302-1	500	—	—	—

## 6.4. EUROPEAN TAXONOMY

### 6.4.1. ABOUT THE EUROPEAN TAXONOMY

The European Union Taxonomy is a classification system that establishes a list of environmentally sustainable economic activities. It aims to contribute to the implementation of the European Green Deal, facilitate the sustainable ecological transition and achieve carbon neutrality by 2050.

As a classification tool, the Taxonomy seeks to clarify which companies, capital markets and policymakers and which economic activities make the biggest contribution to the achievement of the EU's (European Union) environmental objectives, in order to improve the flow of funds to these activities.

The Taxonomy Regulation establishes that, for an economic activity to qualify as environmentally sustainable, it must 1) contribute to at least one of the six identified environmental objectives (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) and; 2) do no significant harm to any of the other objectives of an environmental or social nature stipulated in the regulation.

At the time of the publication of this report, the technical evaluation criteria for two of the six environmental objectives (climate change mitigation and climate change adaptation) have already been published. The Delegated Act of Article 8 has also been adopted, which determines the contents, methodology and information that must be disclosed by companies, as defined by the EU Taxonomy. In particular, these companies must disclose key performance indicators (KPIs) associated with economic activities that are considered to be environmentally sustainable by the EU Taxonomy. These are: the proportion of its turnover (Turnover KPI), the proportion of its capital expenditures (CAPEX KPI) and the proportion of its operating expenses (OPEX KPI).

A period of progressive introduction of disclosure obligations is foreseen, which means that, between 1 January and 31 December, 2022, non-financial corporations must solely disclose the proportion of eligible and non-eligible economic activities, in relation to total turnover, capital and operating expenses, as well as certain qualitative information.

Eligible activities correspond to activities that are described in the Delegated Climate Act that has already been adopted, regardless of whether or not these economic activities fulfil some or all of the technical selection criteria established in the Delegated Act. At the time of this report, these economic activities account for around 40% of listed companies, in sectors that are responsible for almost 80% of direct greenhouse gas emissions in Europe. It includes sectors such as energy, forestry, manufacturing, transport and buildings.

The EU Taxonomy Climate Delegated Act is a dynamic document, which will continue to evolve over time in the light of evolution and technological progress. The criteria will be subject to periodic review. This process will ensure that new sectors and activities, including transition activities and enabling activities, can be added to the Taxonomy over time.

## 6.4.2. DISCLOSURES

According to art. 8 of the Taxonomy Regulation and Art. 10 (2) of art. 8 of the Delegated Act, Corticeira Amorim examined the relevant eligible and non-eligible economic activities (within the framework of the Taxonomy) based on its activities as the world's biggest cork processing group. Therefore, Corticeira Amorim presents the part of the group's turnover, capital expenditures (Capex) and operating expenses (Opex) for the 2021 reporting period, associated with economic activities eligible for the Taxonomy, related to the first two environmental objectives (climate change mitigation and climate change adaptation).

### Non-Eligible Economic Activities

Corticeira Amorim is the world's biggest cork processing group. The cork processing activity is not included in the Taxonomy Climate Delegated Act and was therefore considered to be non-eligible.

The business volume of the Cork Stoppers BU represents around 70% of the Corticeira Amorim Group's global sales. It is the Company's understanding that cork stoppers are an inherently sustainable resource, have a positive impact on the decarbonisation of the wine industry and, therefore, have an impact on climate change mitigation. In subchapter 6.4.3, Voluntary disclosures, the indicators included in the cork stopper production activity are voluntarily disclosed.

### Eligible Economic Activities

With regard to revenue-generating activities, Corticeira Amorim identified the activity of manufacturing insulation products (activity 3.5 - Manufacture of energy efficiency equipment for buildings) as eligible under the Taxonomy:

Economic activities	Objective: Climate Change Mitigation *
3.5. Manufacture of energy efficiency equipment for buildings	✓

\* Although it was determined that the identified economic activities eligible for the Taxonomy satisfy the description in accordance with Annexes I and II of the Delegated Act, the calculation of the KPIs was attributed to climate change mitigation, since the contribution to adaptation to the climate change is of minor importance and the Taxonomy does not allow double counting.

Additionally, Corticeira Amorim operates in several sectors of the value chain of its products, which do not generate revenue, but which result in essential assets or processes for its revenue-generating activity. Capital and operating expenses are also included in the calculation of Capex and Opex KPIs, as eligible for the Taxonomy, whenever they are associated with an activity eligible for the Taxonomy or are individual measures to improve energy efficiency. In this context, Corticeira Amorim also identified the following economic activities from individually EU Taxonomy eligible purchased output/measures:

Economic activities	Objective: Climate Change Mitigation *
1.1 - Afforestation	✓
1.3 - Forest management	✓
4.1 - Electricity generation using solar photovoltaic technology	✓
4.20 - Cogeneration of heat/cool and power from bioenergy	✓
4.24 - Production of heat/cool from bioenergy	✓
5.2 - Renewal of water collection, treatment and supply systems	✓
5.3 - Construction, extension and operation of waste water collection and treatment	✓
5.4 - Renewal of waste water collection and treatment	✓
5.9 - Material recovery from non-hazardous waste	✓
6.5 - Transport by motorbikes, passenger cars and light commercial vehicles	✓
6.6 - Freight transport services by road	✓
6.10 - Sea and coastal freight water transport, vessels for port operations and auxiliary activities	✓
7.2 - Renovation of existing buildings	✓
7.3 - Installation, maintenance and repair of energy efficiency equipment	✓
7.4 - Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	✓
7.5 - Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	✓
7.6 - Installation, maintenance and repair of renewable energy technologies	✓
7.7 - Acquisition and ownership of buildings	✓
8.1 - Data processing, hosting and related activities	✓
9.1 - Close to market research, development and innovation	✓

\* Although it was determined that the identified economic activities eligible for the Taxonomy satisfy the description in accordance with Annexes I and II of the Delegated Act, the calculation of the KPIs was attributed to climate change mitigation, since the contribution to adaptation to the climate change is of minor importance and the Taxonomy does not allow double counting.

## KPIs DISCLOSURE

For the 2021 reporting period, Corticeira Amorim adopted a simplified format, as Article 10(2) and Article 10(3) of the Disclosures Delegated Act do not require the use of eligibility information reporting templates (FAQ document, question 5).

KPI	Total (milhares EUR)	Proportion of eligible activities - Taxonomy (%)	Proportion of non -eligible activities - Taxonomy (%)
Turnover	837,820	11%	89%
Capex	43,563	14%	86%
Opex *	23,962	13%	87%

\*Note: In accordance with Annex I of the Disclosures Delegated Act, Opex includes uncapitalised direct costs related to research and development, building renovation measures, short-term lease rents, maintenance and repairs and any other related direct expenses with the day-to-day maintenance of assets, including the payment of services to third parties necessary to ensure the continued and effective functioning of such assets.

Capex and Opex amounts considered eligible and included in the KPI numerator (category “a” and “c”) are shown in the table below:

KPI / Categoria	Numerator (K€)	Explanations
Capex (category a)	850	Capex related to taxonomy eligible activities
Capex (category c)	5,034	Capex related to taxonomy eligible purchased output / measures
Opex (category a) *	0	Operational expenditures related to taxonomy eligible activities
Opex (category c) *	3,146	Opex related to taxonomy eligible purchased output / measures

\*Note: In accordance with Annex I of the Disclosures Delegated Act, Opex includes uncapitalised direct costs related to research and development, building renovation measures, short-term lease rents, maintenance and repairs and any other related direct expenses with the day-to-day maintenance of assets, including the payment of services to third parties necessary to ensure the continued and effective functioning of such assets.

## Definitions, Cross References And Accounting Policies

The three indicators are expressed in ratios, representing the relative proportion of Corticeira Amorim’s total values for these metrics:

- **Turnover KPI:** is defined as the proportion of the net turnover of products and services associated with economic activities eligible for the Taxonomy, which, in the case of Corticeira Amorim, are associated with activity 3.5. Manufacture of energy efficiency equipment for buildings (numerator) divided by net turnover (denominator) for the financial year from 1.1.2021 to 12.31.2021. The denominator of this KPI is based on consolidated turnover in accordance with IFRS 15, as detailed in Note 8 to the consolidated financial statements. More information on Corticeira Amorim’s accounting policies related to this indicator is available in Note 2 to the consolidated financial statements.
- **Capex KPI:** is defined as Taxonomy eligible capex (numerator), divided by total capex (denominator). Total capex consists of additions to tangible and intangible assets during the year, before depreciation, amortisation and any remeasurements, including those resulting from revaluations and impairments, as well as excluding changes in fair value. It includes acquisitions of tangible fixed assets (IAS 16), intangible fixed assets (IAS 38),

right-of-use assets (IFRS 16), investment properties (IAS 40) and biological assets (IAS 41). Additions resulting from business combinations are also included. In the case of Corticeira Amorim, total capex corresponds to increases in tangible fixed assets, intangible assets, use rights and investment properties, as detailed in notes 9, 10, 11 and 12 of the consolidated financial statements. More information on Corticeira Amorim’s accounting policies related to this indicator is available in note 2 to the consolidated financial statements.

- **Opex KPI:** it is defined as opex eligible for the Taxonomy (numerator), divided by the total opex of Corticeira Amorim (denominator). Total opex consists of uncapitalised direct costs related to research and development, building renovation measures, short-term leases, maintenance and repair and other direct expenses related to the daily maintenance of assets, facilities and equipment. This definition of total opex follows a restrictive approach that differs from the traditionally broader notion of operating expenses and includes only some non-capitalisable costs associated with assets or processes that can provide relevant information in conjunction with capex. In the case of Corticeira Amorim, total opex mainly includes expenses related to the maintenance of tangible assets, presented in the income statement mainly under the headings third party supplies and services and staff costs, detailed in notes 27 and 28 of the consolidated financial statements. These are generally expenses related to the maintenance of tangible fixed assets such as costs for certain services, personnel costs and material costs for daily maintenance, as well as for regular and unplanned maintenance and remedial measures. Corticeira Amorim’s Total Opex also includes, to a lesser extent, research and development expenses and expenses with short-term leases. More information on Corticeira Amorim’s accounting policies related to this indicator is available in notes 2 to the consolidated financial statements.

In relation to the numerator of capex (or opex), this is equal to that part of the capital expenditure (or operating expense) included in the denominator that is any of the following (non-exhaustive list): a) related to assets or processes that are associated with Taxonomy-eligible economic activities; (b) part of a plan to expand Taxonomy-eligible economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned (‘CapEx plan’); (c) related to the purchase of output from Taxonomy-eligible economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions.

### 6.4.3. VOLUNTARY DISCLOSURES

Portugal has set a goal of carbon neutrality by 2050. In this context, Portugal recognises the importance of forests to achieve this goal due to its role in carbon sequestration. Given that the cork oak forest is a carbon sink, the production of cork products has the ability to offset carbon emissions. For every ton of cork produced, cork oak forests sequester up to 73 tons of CO<sub>2</sub>. The carbon balance can attain -309 g CO<sub>2</sub>e, when considering the carbon sequestration of cork oak forests and the emissions associated with the production of each natural cork stopper.

Cork production is indisputably the main economic activity of an active cork oak forest. Cork processing companies are therefore a driving force for the creation of economic interest for cork forest owners in maintaining the operation. Cork is also a naturally sustainable product given that no cork oak tree is felled during the harvesting process, the cork can be stripped from the trunk of the cork oak tree every nine years without damaging the tree and the cork oak can live for an average of 200 years. On this basis, Corticeira Amorim considers that the activity of producing cork stoppers, including activities to improve efficiency in the use of this raw material and RDI associated with its manufacturing process, have a positive environmental impact and contribute towards Portugal's goal of transforming to a low carbon economy. Corticeira Amorim also commissioned several studies on cork stoppers from various segments (still wines, sparkling wines and spirits) and it was concluded that 83% of the evaluated products have a negative individual carbon footprint, since the direct emissions from the production are lower than the carbon contained in the product.

The EU's future forestry strategy will promote forest management to ensure environmental, social and economic sustainability. Portugal has one of the highest risk ratings for forest fires in Europe, mainly due to the lack of forest management. More than 500,000 hectares burned in 2017, setting the record for the most burned land in Portugal. Poorly managed forests and forests with high volumes of residual biomass, which act as fuel for forest fires in excessively dry climates, represent an increased risk for the occurrence of forest fires. This highlights the importance of sustainable forest management. To reduce the likelihood of forest fires, experts suggest planting species that are more resistant to fire, such as the cork oak tree (an evergreen tree of the Fagaceae family - *Quercus suber*), which also includes the chestnut and oak tree). Given the cyclical nature of cork production without deforestation, cork oak plantations have an average lifespan of 200 years and can grow with minimal, or zero, recourse to fertilisers, pesticides or pruning. In this sense, 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.

The activity of producing cork stoppers is not currently included as an economic activity eligible for the Taxonomy. However, Corticeira Amorim understands that these activities have a positive environmental contribution to society, as described above in subchapter 6.4.2 Disclosures. The inclusion of Corticeira Amorim's cork stopper production in the calculation of the Taxonomy indicators would have a considerable impact on the KPIs.

Corticeira Amorim voluntarily carried out the exercise of calculating the Taxonomy indicators, including 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 are the best alternative

for customers who want better quality and contribute to climate regulation. In its entire cork stopper portfolio, Corticeira Amorim uses technologies that aim to improve the quality of stoppers by detecting, reducing or eradicating the level of TCA (trichloroanisole) and other compounds responsible for peculiar flavours that can lead to a deterioration of the wine.

Inclusion of the values of the cork stopper production activity in the assessment of KPIs related to the Taxonomy would have the following results:

KPI	Total (K€)	Proportion of eligible activities - Taxonomy (%)	Proportion of eligible activities + production of cork stoppers (%)
Turnover	837,820	11%	78%
Capex	43,563	14%	31%
Opex *	23,962	13%	56%

\*Note: In accordance with Annex I of the Disclosures Delegated Act, Opex includes uncapitalised direct costs related to research and development, building renovation measures, short-term lease rents, maintenance and repairs and any other related direct expenses with the day-to-day maintenance of assets, including the payment of services to third parties necessary to ensure the continued and effective functioning of such assets.

In 2022, Corticeira Amorim will continue to closely monitor updates to the Taxonomy (in particular the technical alignment criteria relating to additional environmental objectives), potential extensions of the Taxonomy to other activities and the implementation of guidelines and clarifications that may have a significant impact on the eligibility rating in the future. In addition, it will also continue to develop adequate procedures for data collection, calculation of KPI alignment and training for different stakeholders in the calculation of the Taxonomy to improve its disclosures.

## 7 – COMPANIES INCLUDED IN THE CONSOLIDATION OF SUSTAINABILITY INDICATORS

The universe of companies that make up the perimeter considered in the consolidation of sustainability indicators (sustainability perimeter) has not changed significantly in comparison with 2020.

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

The geographical scope considered in the 2021-2024 plan correspond to companies in Portugal that are consolidated within the framework of this report and cover the majority of Corticeira Amorim's operations. The same scope was considered in the management approach to the topic of occupational health and safety - GRI table: Material topic: GRI 403 - Occupational health and safety 2018.

In the information considered in subchapter 5.3. Community / Society and Innovation, in particular, referring to the economic value distributed, the consolidated values of all the entities included in Corticeira Amorim's consolidated financial statements (total perimeter) are presented. In the remaining chapters, the companies included refer to the sustainability perimeter and represent 80% of consolidated world sales which employ 82% of the total workforce worldwide and encompass 93% of industrial units (IUs).

Except when mentioned, all monetary values are stated in thousand euros (Thousand euros = K euros = K€).



Company	Location	Country	2020	2019
<b>Raw Materials</b>				
Amorim Natural Cork, S.A.	Vale de Cortiças – Abrantes	PORTUGAL	100%	100%
Amorim Florestal, S.A.	Ponte de Sor	PORTUGAL	100%	100%
Amorim Florestal III, S.A.	Ponte de Sor	PORTUGAL	100%	100%
Amorim Florestal España, S.L.	San Vicente Alcántara	SPAIN	100%	100%
Amorim Florestal Mediterrâneo, S.L.	Cádiz	SPAIN	100%	100%
Amorim Tunisie, S.A.R.L.	Tabarka	TUNISIA	100%	100%
Comatral – C. de Maroc. de Transf. du Liège, S.A.	Skhirat	MAROCOCO	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%
<b>Cork Stoppers</b>				
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	75%	53%
Francisco Oller, S.A.	Girona	SPAIN	94%	94%
Portocork Internacional, S.A.	Santa Maria de Lamas	PORTUGAL	-	100%
Socori, S.A.	Rio Meão	PORTUGAL	80%	70%
<b>Floor &amp; Wall Coverings</b>				
Amorim Cork Flooring, S.A.	S. Paio de Oleiros	PORTUGAL	100%	100%
Amorim Benelux, BV	Tholen	NETHERLANDS	100%	100%
Amorim Deutschland, GmbH	Delmenhorts	GERMANY	100%	100%
Amorim Subertech, S.A.	S. Paio de Oleiros	PORTUGAL	100%	100%
Amorim Flooring (Switzerland) AG	Zug	SWITZERLAND	100%	100%
Amorim Flooring North America Inc.	Hanover – Maryland	U. S. AMERICA	100%	100%
<b>Composite Cork</b>				
Amorim Cork Composites, S.A.	Mozelos	PORTUGAL	100%	100%
Amorim Cork Composites, Inc.	Trevor – Wisconsin	U. S. AMERICA	100%	100%
Amorim Sports, Lda.	Mozelos	PORTUGAL	70%	100%
Corkeen Europe	Mozelos	PORTUGAL	85%	-
<b>Insulation Cork</b>				
Amorim Cork Insulation, S.A.	Vendas Novas	PORTUGAL	100%	100%
<b>Cork Holding company</b>				
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 developing mechanised loading tools which use instruments that dispense with the need for human intervention when loading the cork planks.

# 8 – GRI TABLE

GRI Ref	Description	Value / Location	SDG																																																																																																																																												
<b>GRI 102 – GENERAL DISCLOSURES 2016</b>																																																																																																																																															
<b>ORGANISATIONAL PROFILE</b>																																																																																																																																															
102-1	Name of the organisation	1. Corticeira Amorim																																																																																																																																													
102-2	Activities, brands, products, and services	1. Corticeira Amorim																																																																																																																																													
102-3	Location of headquarters	1.3. World Presence																																																																																																																																													
102-4	Location of operations	Consolidated Annual Report 31-12-2021 – Worldwide presence																																																																																																																																													
102-5	Ownership and legal form	1. Corticeira Amorim																																																																																																																																													
102-6	Markets served	1.2. Business Units																																																																																																																																													
102-7	Scale of the organisation	Consolidated Annual Report 31-12-2021 – Worldwide Presence																																																																																																																																													
102-8	Information on employees and other workers	5.1.1. Employment demographics <table> <tr> <th></th><th>2019</th><th>2020</th><th>2021</th></tr> <tr> <td>Workers</td><td>3,608</td><td>3,592</td><td>3,796</td></tr> <tr> <td>Portugal</td><td>3,132</td><td>3,135</td><td>3,310</td></tr> <tr> <td>Rest of the world</td><td>476</td><td>457</td><td>486</td></tr> </table> <p>Workers, by employment contract and gender:</p> <table> <tr> <th></th><th>2019</th><th>2020</th><th>2021</th></tr> <tr> <td>Permanent contracts</td><td>2,875</td><td>2,841</td><td>2,976</td></tr> <tr> <td>Female</td><td>748</td><td>726</td><td>759</td></tr> <tr> <td>Male</td><td>2,127</td><td>2,115</td><td>2,217</td></tr> <tr> <td>Portugal</td><td>2,435</td><td>2,432</td><td>2,577</td></tr> <tr> <td>Rest of the world</td><td>440</td><td>409</td><td>399</td></tr> <tr> <td>Fixed term contracts</td><td>536</td><td>473</td><td>436</td></tr> <tr> <td>Female</td><td>116</td><td>117</td><td>90</td></tr> <tr> <td>Male</td><td>420</td><td>356</td><td>346</td></tr> <tr> <td>Portugal</td><td>500</td><td>437</td><td>363</td></tr> <tr> <td>Rest of the world</td><td>36</td><td>36</td><td>73</td></tr> <tr> <td>Temporary workers</td><td>197</td><td>278</td><td>384</td></tr> <tr> <td>Female</td><td>ND</td><td>36</td><td>95</td></tr> <tr> <td>Male</td><td>ND</td><td>242</td><td>289</td></tr> <tr> <td>Portugal</td><td>ND</td><td>266</td><td>370</td></tr> <tr> <td>Rest of the world</td><td>ND</td><td>12</td><td>14</td></tr> </table> <p>Employees by job type:</p> <table> <tr> <th></th><th>2019</th><th>2020</th><th>2021</th></tr> <tr> <td>Full time</td><td>3,379</td><td>3,301</td><td>3,395</td></tr> <tr> <td>Female</td><td>855</td><td>837</td><td>835</td></tr> <tr> <td>Male</td><td>2,524</td><td>2,464</td><td>2,560</td></tr> <tr> <td>Portugal</td><td>2,929</td><td>2,869</td><td>2,933</td></tr> <tr> <td>Rest of the world</td><td>450</td><td>432</td><td>462</td></tr> <tr> <td>Part time</td><td>32</td><td>13</td><td>17</td></tr> <tr> <td>Female</td><td>9</td><td>6</td><td>8</td></tr> <tr> <td>Male</td><td>23</td><td>7</td><td>9</td></tr> <tr> <td>Portugal</td><td>6</td><td>0</td><td>7</td></tr> <tr> <td>Rest of the world</td><td>26</td><td>13</td><td>10</td></tr> </table> <p>For the purposes of comparison with other information disclosed by Corticeira Amorim, the number of workers corresponding to the total perimeter is presented:</p> <table> <tr> <th></th><th>2019</th><th>2020</th><th>2021</th></tr> <tr> <td>Workers</td><td>4,424</td><td>4,357</td><td>4,642</td></tr> <tr> <td>Portugal</td><td>3,164</td><td>3,138</td><td>3,318</td></tr> <tr> <td>Rest of the world</td><td>1,260</td><td>1,219</td><td>1,324</td></tr> </table>		2019	2020	2021	Workers	3,608	3,592	3,796	Portugal	3,132	3,135	3,310	Rest of the world	476	457	486		2019	2020	2021	Permanent contracts	2,875	2,841	2,976	Female	748	726	759	Male	2,127	2,115	2,217	Portugal	2,435	2,432	2,577	Rest of the world	440	409	399	Fixed term contracts	536	473	436	Female	116	117	90	Male	420	356	346	Portugal	500	437	363	Rest of the world	36	36	73	Temporary workers	197	278	384	Female	ND	36	95	Male	ND	242	289	Portugal	ND	266	370	Rest of the world	ND	12	14		2019	2020	2021	Full time	3,379	3,301	3,395	Female	855	837	835	Male	2,524	2,464	2,560	Portugal	2,929	2,869	2,933	Rest of the world	450	432	462	Part time	32	13	17	Female	9	6	8	Male	23	7	9	Portugal	6	0	7	Rest of the world	26	13	10		2019	2020	2021	Workers	4,424	4,357	4,642	Portugal	3,164	3,138	3,318	Rest of the world	1,260	1,219	1,324	
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GRI Ref	Description	Value / Location	SDG																												
102-9	Supply chain	2.4. Value Chain																													
102-10	Significant changes to the organization and its supply chain	<p>7. Companies Included in the Consolidation of Sustainability Indicators</p> <p>There were no material changes in the universe of companies that make up Corticeira Amorim Group, nor in the universe of companies that make up the sustainability perimeter, so the non-financial statements for the year 2021 are comparable with 2020.</p>																													
102-11	Precautionary principle or approach	Corporate Governance Report – C. Internal Organisation																													
102-12	External initiatives	<p>3.4. Voluntary Commitments</p> <p>The Corticeira Amorim Group actively participates in discussion meetings with national and international companies, integrating entities and organisations with relevant activities in favour of the sustainable development of the geographic regions in which it operates, which is detailed in subchapter 3.4. Voluntary commitments.</p> <p>Additionally, the companies of the Corticeira Amorim Group have an Integrated Management System (SGI), which are detailed in subchapter 2.1.3. Management systems.</p> <table> <tr> <th></th><th>2019</th><th>2020</th><th>2021</th></tr> <tr> <td>Industrial units (IUs)</td><td>26</td><td>25</td><td>25</td></tr> <tr> <td>IU with FSC® certification in the chain of custody</td><td>16</td><td>15</td><td>16</td></tr> <tr> <td>IU with ISO 14001 or ISO 50001 certifications</td><td>7</td><td>8</td><td>9</td></tr> <tr> <td>IU with ISO 45001 or SA 8000 certifications</td><td>1</td><td>2</td><td>11</td></tr> </table> <p>For the purposes of comparison with the 2020 and 2019 report, the establishments with certificates in the chain of custody according to the FSC® corresponding to the total perimeter:</p> <table> <tr> <th></th><th>2019</th><th>2020</th><th>2021</th></tr> <tr> <td>Establishments with FSC® certification in the chain of custody</td><td>29</td><td>29</td><td>28</td></tr> </table>		2019	2020	2021	Industrial units (IUs)	26	25	25	IU with FSC® certification in the chain of custody	16	15	16	IU with ISO 14001 or ISO 50001 certifications	7	8	9	IU with ISO 45001 or SA 8000 certifications	1	2	11		2019	2020	2021	Establishments with FSC® certification in the chain of custody	29	29	28	
	2019	2020	2021																												
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	2019	2020	2021																												
Establishments with FSC® certification in the chain of custody	29	29	28																												
102-13	Membership of associations	3.4. Voluntary Commitments																													
<b>STRATEGY</b>																															
102-14	Statement from senior decision-maker	Consolidated Annual Report 31-12-2021 –Chairman's Message																													
102-15	Key impacts, risks, and opportunities	Consolidated Management Report – 15. Business Risks and Uncertainties																													
<b>ETHICS AND INTEGRITY</b>																															
102-16	Values, principles, standards, and norms of behaviour	2.1 Ethics and Integrity																													
102-17	Mechanisms for advice and ethical concerns	2.1 Ethics and Integrity																													
<b>GOVERNANCE</b>																															
102-18	Governance structure	2.2. Strategy and Management model Corporate Governance Report --B. Social Boards and Committees																													
102-24	Nominating and selecting the highest governance body	Corporate Governance Report --B. Social Boards and Committees																													
<b>STAKEHOLDERS ENGAGEMENT</b>																															
102-40	List of stakeholder groups	<p>2.3. Stakeholders</p> <p>Corticeira Amorim has identified eight main groups of stakeholders: shareholders and investors, customers, employees, official and government entities, suppliers, media, NGOs and the community, and partners and civil society.</p>																													

GRI Ref	Description	Value / Location	SDG																												
102-41	Collective bargaining agreements	5.1.2. Respect for Freedom of Association	8																												
		<table> <tr> <th></th><th>2019</th><th>2020</th><th>2021</th></tr> <tr> <td>Employees covered by collective bargaining agreements</td><td>3,227</td><td>3,122</td><td>3,200</td></tr> <tr> <td>Portugal</td><td>2,935</td><td>2,869</td><td>2,940</td></tr> <tr> <td>Rest of the world</td><td>292</td><td>253</td><td>260</td></tr> <tr> <td>Employees exercising freedom of association</td><td>644</td><td>586</td><td>580</td></tr> <tr> <td>Portugal</td><td>457</td><td>454</td><td>443</td></tr> <tr> <td>Rest of the world</td><td>187</td><td>132</td><td>137</td></tr> </table>		2019	2020	2021	Employees covered by collective bargaining agreements	3,227	3,122	3,200	Portugal	2,935	2,869	2,940	Rest of the world	292	253	260	Employees exercising freedom of association	644	586	580	Portugal	457	454	443	Rest of the world	187	132	137	
	2019	2020	2021																												
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Rest of the world	187	132	137																												
102-42	Identifying and selecting stakeholders	2.3. Stakeholders																													
		<p>Corticeira Amorim's stakeholders were identified in the last stakeholder consultation exercise, carried out in 2018, through internal workshops, involving members of the Executive Committee, corporate sustainability, support areas and the BU. All persons or entities that have or may have influence, dependence and/or responsibility for the Group are identified as stakeholders of Corticeira Amorim. There were no changes throughout the year in the identified categories.</p>																													
102-43	Approach to stakeholder engagement	2.3. Stakeholders																													
		<p>Corticeira Amorim encourages regular and systematic dialogue with a wide range of stakeholders. For this, it uses a differentiated set of communication channels that are regularly reviewed. Additionally, it has specific engagement initiatives, based on structured and ad hoc interaction, as well as regular surveys.</p> <p>Diagnosing/promoting employee bonding and commitment programmes: regular practice by Corticeira Amorim companies and normally carried out every 2 years. Starting in 2022, it has been agreed that companies would simultaneously carry out their diagnoses.</p> <p>Customer satisfaction programme: Corticeira Amorim has been working on the implementation of a programme for the global assessment of customer satisfaction, through the application of a questionnaire and procedures common to all the Group's BUs.</p>																													
102-44	Key topics and concerns raised	2.3. Stakeholders																													
<b>REPORTING PRACTICES</b>																															
102-45	Entities included in the consolidated financial statements	Notes to the Consolidated Financial Statements – 6. Companies Included in the Consolidated Financial Statements																													
102-46	Defining report content and topic Boundaries	About this report																													
		<table> <tr> <th></th><th>2019</th><th>2020</th><th>2021</th></tr> <tr> <td>Sales – total perimeter (thousands of euros)</td><td>781,060</td><td>740,113</td><td>837,820</td></tr> <tr> <td>Sales – sustainability perimeter (thousands of euros)</td><td>643,253</td><td>617,700</td><td>674,402</td></tr> <tr> <td>Sales - sustainability perimeter (%)</td><td>82%</td><td>83%</td><td>80%</td></tr> </table>		2019	2020	2021	Sales – total perimeter (thousands of euros)	781,060	740,113	837,820	Sales – sustainability perimeter (thousands of euros)	643,253	617,700	674,402	Sales - sustainability perimeter (%)	82%	83%	80%													
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	2019	2020	2021																												
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GRI Ref	Description	Value / Location	SDG																																
102-47	List of material topics	2.2.4. Materiality matrix																																	
102-48	Restatements of information	About this report																																	
102-49	Changes in reporting	7. Companies included in the consolidation of sustainability indicators  There were no material changes in the universe of companies that make up Corticeira Amorim, nor in the universe of companies that make up the sustainability perimeter, and therefore the non-financial statements for the year 2021 are comparable with 2020.																																	
102-50	Reporting period	01 January 2021 to 31 January 2021.																																	
102-51	Date of most recent report	Sustainability Report 2020, for the years 2018, 2019 and 2020																																	
102-52	Reporting Cycle	About this report																																	
102-53	Contact point for questions regarding the report	About this report																																	
102-54	Claims of reporting in accordance with the GRI Standards	About this report																																	
102-55	GRI content index	Present table																																	
102-56	External assurance	About this report																																	
<b>GRI 200 – ECONOMIC DISCLOSURES 2016</b>																																			
<b>MATERIAL TOPIC: 201 – ECONOMIC PERFORMANCE 2016</b>																																			
103 – Management approach 2016																																			
103-1	Explanation of the material topic and its boundary	The material topics of Corticeira Amorim were based on comparison between the results from stakeholder's consultation with the company's internal perspective and alignment with the SDG. In direct relation to economic performance, the topic "Economic Performance" was considered a topic with a high materiality (2.2.4 Materiality matrix).																																	
103-2	The management approach and its components	Over the years, Corticeira Amorim has promoted several initiatives related to economic performance (5.3. Community / Society and Innovation).																																	
103-3	Evaluation of the management approach	Corticeira Amorim performs the measurement and monitoring of the indicators associated with this aspect and discloses them in this Report (5.3. Community / Society and Innovation).																																	
201-1	Direct economic value generated and distributed	5.3. Community/Society and Innovation  <table> <tr> <th></th><th>2019</th><th>2020</th><th>2021</th></tr> <tr> <td>Direct economic value generated</td><td>785,010</td><td>748,287</td><td>842,171</td></tr> <tr> <td>Operating costs</td><td>527,652</td><td>474,396</td><td>548,884</td></tr> <tr> <td>Employee wages and benefits</td><td>141,286</td><td>138,054</td><td>146,098</td></tr> <tr> <td>Payments to providers of capital</td><td>40,634</td><td>28,550</td><td>39,580</td></tr> <tr> <td>Payments to government</td><td>16,085</td><td>15,321</td><td>19,729</td></tr> <tr> <td>Community investments</td><td>251</td><td>381</td><td>225</td></tr> <tr> <td>Economic value retained</td><td>59,101</td><td>91,585</td><td>87,656</td></tr> </table> <p>The figures presented refer to the total perimeter. Revenues correspond to the sum of the following items: sales and provision of services; supplementary income; operating subsidies; own works; other operating income; financial income and gains; capital gains from real state (after deducting capital losses). Operating costs do not include depreciation. Investment in local community only includes the value of cash donations and does not include contributions and in-kind donations.</p>		2019	2020	2021	Direct economic value generated	785,010	748,287	842,171	Operating costs	527,652	474,396	548,884	Employee wages and benefits	141,286	138,054	146,098	Payments to providers of capital	40,634	28,550	39,580	Payments to government	16,085	15,321	19,729	Community investments	251	381	225	Economic value retained	59,101	91,585	87,656	8,17
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201-2	Financial implications and other risks and opportunities due to climate change	Consolidated Management Report – 15. Business risks and uncertainties  Corporate Governance Report – C. Internal Organisation, III. Internal Control and Risk Management	8,9,13,17																																
201-3	Defined benefit plan obligations and other retirement plans	In all the countries in which it operates, Corticeira Amorim contributes to local social security schemes, in accordance with the terms of specific applicable legislation, which cover all its employees. In 2021, the amount was 22,722 thousand euros.  <table> <tr> <th></th><th>2019</th><th>2020</th><th>2021</th></tr> <tr> <td>Contributions to local social security schemes (thousands of euros)</td><td>22,511</td><td>22,321</td><td>22,722</td></tr> </table>		2019	2020	2021	Contributions to local social security schemes (thousands of euros)	22,511	22,321	22,722	8,17																								
	2019	2020	2021																																
Contributions to local social security schemes (thousands of euros)	22,511	22,321	22,722																																

GRI Ref	Description	Value / Location	SDG																				
TOPIC: GRI 204 – PROCUREMENT PRACTICES 2016																							
204-1	Proportion of spending on local suppliers	2.4. Value Chain	8,12,17																				
		<table><tr><th></th><th>2019</th><th>2020</th><th>2021</th></tr><tr><td>Purchases of cork and cork products (thousands of euros)</td><td>270,025</td><td>246,589</td><td>291,577</td></tr><tr><td>Portugal and Spain</td><td>251,168</td><td>231,153</td><td>277,206</td></tr><tr><td>North Africa</td><td>18,300</td><td>14,845</td><td>2,782</td></tr><tr><td>Other locations</td><td>557</td><td>591</td><td>1,588</td></tr></table>		2019	2020	2021	Purchases of cork and cork products (thousands of euros)	270,025	246,589	291,577	Portugal and Spain	251,168	231,153	277,206	North Africa	18,300	14,845	2,782	Other locations	557	591	1,588	
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Portugal and Spain	251,168	231,153	277,206																				
North Africa	18,300	14,845	2,782																				
Other locations	557	591	1,588																				
		For the purposes of this report, local origin is considered to be the geographies of Portugal and Spain and of controlled origin, the low-risk regions 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.																					
TOPIC: GRI 205 – ANTI CORRUPTION 2016																							
205-1	Operations assessed for risks related to corruption	2.1. Ethics and integrity	8,12,13,17																				
205-3	Confirmed incidents of corruption and actions taken	2.1. Ethics and integrity	8,12,13,17																				
MATERIAL TOPIC: RESEARCH, DEVELOPMENT AND INNOVATION																							
103 – Forms of Management 2016																							
103-1	Explanation of the material topic and its boundary	The material topics of Corticeira Amorim were based on the comparison of the results from the stakeholder’s consultation with the company’s internal perspective and alignment with the SDG. Directly related to the with research, development and innovation, the topic of “Research, development and innovation” was considered a topic of high materiality (2.2.4. Materiality matrix).																					
103-2	The management approach and its components	Over the years, Corticeira Amorim has promoted several initiatives relating to research, development and innovation (4.4. Green products and 5.3. Community / Society and Innovation).																					
103-3	Evaluation of the management approach	Corticeira Amorim performs the measurement and monitoring of the indicators associated with this aspect and discloses them in this Report (4.4. Green products and 5.3. Community / Society and Innovation).																					
	Average annual investment in RDI	5.3.2. Innovation and entrepreneurship	8,9																				
GRI 300 – ENVIRONMENTAL DISCLOSURES 2016																							
Topic: GRI 301-Materials 2016																							
103 – Forms of Management 2016																							
103-1	Explanation of the material topic and its boundary	The material topics of Corticeira Amorim were based on the comparison of the results from the stakeholder’s consultation with the company’s internal perspective and alignment with the SDG. Directly related to the material aspect, the topic “Circular Economy” was considered a topic of high materiality (2.2.4. Materiality matrix).																					
103-2	The management approach and its components	Over the years, Corticeira Amorim has promoted several initiatives relating to energy consumption (4.3.1. Materials).																					
103-3	Evaluation of the management approach	Corticeira Amorim performs the measurement and monitoring of the indicators associated with this aspect and discloses them in this Report (4.3.1. Materials).																					
301-1	Materials used by weight or volume	4.3.1. Materials	8,12																				
301-2	Recycled input materials used	4.3.1. Materials	8,12																				
301-3	Reclaimed products and their packaging materials	4.3.2. Recycling	8,12																				
MATERIAL TOPIC: GRI 302 – ENERGY 2016																							
103 – Forms of management 2016																							
103-1	Explanation of the material topic and its boundary	Corticeira Amorim’s material topics were based on the cross-checking of stakeholder consultation results with the company’s internal perspective and alignment with the SDGs. With a direct relation to the Energy aspect, the theme “Energy efficiency and climate change” was considered to be a materiality topic of high importance (2.2.4. Materiality matrix).																					
103-2	The management approach and its components	Over the years, Corticeira Amorim has promoted several initiatives related to the consumption of energy (4.2.1. Energy).																					
103-3	Evaluation of the management approach	Corticeira Amorim performs the measurement and monitoring of indicators associated with this aspect and discloses them in this Report (4.2.1. Energy).																					

GRI Ref	Description	Value / Location	SDG																																																																												
	Specific forms of management	<p>As part of the national energy strategy, some Corticeira Amorim units in Portugal are covered by the regulation of the Management System for Intensive Energy Consumption (SGCIE). This system applies to installations in Portugal that consume intensive energy with energy consumption equal to or greater than 500 toe/year.</p> <p>The conversion factors used throughout the report were those considered during the audits within the scope of the SGCIE, dispatch 17313/2008:</p> <table><tr><th>Source of energy</th><th>Unit</th><th>Conversion factor</th></tr><tr><td>Natural gas</td><td>GJ/1000 m³</td><td>37,9</td></tr><tr><td>Propane gas</td><td>GJ/t</td><td>46,65</td></tr><tr><td>Diesel</td><td>GJ/t</td><td>42,8</td></tr><tr><td>Gasoline</td><td>GJ/t</td><td>44,5</td></tr><tr><td>Biomass (cork powder)</td><td>GJ/t</td><td>15,7</td></tr><tr><td>Biomass (other)</td><td>GJ/t</td><td>11,6</td></tr><tr><td>Electricity</td><td>GJ/kWh</td><td>0,0036</td></tr></table> <p>Energy from renewable sources considers energy from biomass (cork dust), biomass (other), energy produced through photovoltaic panels, electricity production from biomass and a renewable component of the electricity purchased.</p> <p>For the renewable component of the electricity purchased, little material was assumed for the energy consumed outside Portugal (about 5%). Therefore, the information available on the date of preparation of the report from the energy supplier(s) in Portugal was considered, which considers a weighted average of the first three quarters of the year 2021.</p> <table><tr><th></th><th>2019</th><th>2020</th><th>2021</th></tr><tr><td>Renewable sources - supplier(s) (%)</td><td>54%</td><td>62%</td><td>39%</td></tr></table>	Source of energy	Unit	Conversion factor	Natural gas	GJ/1000 m³	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 (other)	GJ/t	11,6	Electricity	GJ/kWh	0,0036		2019	2020	2021	Renewable sources - supplier(s) (%)	54%	62%	39%																																													
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Renewable sources - supplier(s) (%)	54%	62%	39%																																																																												
302-1	Energy consumption within the organization	<p>4.2.1. Energy</p> <table><tr><th></th><th>2019</th><th>2020</th><th>2021</th></tr><tr><td>Energy consumed (GJ)</td><td>1,577,074</td><td>1,638,115</td><td>1,929,864</td></tr><tr><td>Natural gas</td><td>45,082</td><td>54,878</td><td>44,889</td></tr><tr><td>Propane gas</td><td>5,632</td><td>8,309</td><td>6,163</td></tr><tr><td>Gasoline</td><td>355</td><td>304</td><td>481</td></tr><tr><td>Diesel</td><td>27,929</td><td>31,298</td><td>34,979</td></tr><tr><td>Biomass</td><td>988,375</td><td>1,075,032</td><td>1,301,858</td></tr><tr><td>Electricity - supplier</td><td>509,702</td><td>468,294</td><td>534,960</td></tr><tr><td>Electricity - own production*</td><td>0</td><td>0</td><td>6,534</td></tr><tr><td>Portugal</td><td>1,483,601</td><td>1,570,140</td><td>1,826,681</td></tr><tr><td>Rest of the world</td><td>93,473</td><td>67,975</td><td>103,183</td></tr><tr><td>Renewable energy (GJ)</td><td>1,262,187</td><td>1,364,516</td><td>1,515,412</td></tr><tr><td>Renewable energy (%)</td><td>80%</td><td>83%</td><td>79%</td></tr><tr><td>Controlled renewable energy (GJ)</td><td>988,375</td><td>1,075,032</td><td>1,308,392</td></tr><tr><td>Portugal</td><td>954,047</td><td>1,041,558</td><td>1,264,969</td></tr><tr><td>Rest of the world</td><td>34,328</td><td>33,475</td><td>43,423</td></tr><tr><td>Controlled renewable energy (%)</td><td>63%</td><td>66%</td><td>68%</td></tr><tr><td>Portugal</td><td>64%</td><td>66%</td><td>69%</td></tr><tr><td>Rest of the world</td><td>37%</td><td>49%</td><td>42%</td></tr></table> <p>* Includes energy from photovoltaic panels (500 GJ) and cogeneration (6,034 GJ).</p>		2019	2020	2021	Energy consumed (GJ)	1,577,074	1,638,115	1,929,864	Natural gas	45,082	54,878	44,889	Propane gas	5,632	8,309	6,163	Gasoline	355	304	481	Diesel	27,929	31,298	34,979	Biomass	988,375	1,075,032	1,301,858	Electricity - supplier	509,702	468,294	534,960	Electricity - own production*	0	0	6,534	Portugal	1,483,601	1,570,140	1,826,681	Rest of the world	93,473	67,975	103,183	Renewable energy (GJ)	1,262,187	1,364,516	1,515,412	Renewable energy (%)	80%	83%	79%	Controlled renewable energy (GJ)	988,375	1,075,032	1,308,392	Portugal	954,047	1,041,558	1,264,969	Rest of the world	34,328	33,475	43,423	Controlled renewable energy (%)	63%	66%	68%	Portugal	64%	66%	69%	Rest of the world	37%	49%	42%	7,11,13
	2019	2020	2021																																																																												
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GRI Ref	Description	Value / Location	SDG																												
302-3	Energy intensity	4.2.1. Energy	7, 11, 13																												
<table> <tr> <th></th><th>2019</th><th>2020</th><th>2021</th></tr> <tr> <td>Energy (GJ / M€ Sales)</td><td>1,572</td><td>1,733</td><td>2,032</td></tr> <tr> <td>Energy (GJ / Workers)</td><td>462</td><td>456</td><td>508</td></tr> </table> <p>Corticeira Amorim calculates the energy intensity considering, in the numerator, the total energy consumed as indicated in GRI 302-1 and two denominators:</p> <p>- Indicator built directly related to the individual sales of companies that are part of the sustainability perimeter, in millions of euros.</p> <table> <tr> <th></th><th>2019</th><th>2020</th><th>2021</th></tr> <tr> <td></td><td>1,003</td><td>945</td><td>950</td></tr> </table> <p>- Number of employees of companies that are part of the sustainability perimeter.</p> <table> <tr> <th></th><th>2019</th><th>2020</th><th>2021</th></tr> <tr> <td></td><td>3,411</td><td>3,592</td><td>3,796</td></tr> </table>					2019	2020	2021	Energy (GJ / M€ Sales)	1,572	1,733	2,032	Energy (GJ / Workers)	462	456	508		2019	2020	2021		1,003	945	950		2019	2020	2021		3,411	3,592	3,796
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302-4	Reduction of energy consumption	4.2.1. Energy	7, 11, 13																												
<table> <tr> <th></th><th>2019</th><th>2020</th><th>2021</th></tr> <tr> <td><b>Number of energy / operational efficiency measures</b></td><td><b>117</b></td><td><b>101</b></td><td><b>91</b></td></tr> <tr> <td>Investment (thousands of euros)</td><td>1,605</td><td>2,113</td><td>1,930</td></tr> <tr> <td>Energy savings (GJ)</td><td>60,439</td><td>56,182</td><td>72,625</td></tr> <tr> <td>Energy efficiency (%)</td><td>3,8%</td><td>3,4%</td><td>3,8%</td></tr> </table> <p>Energy efficiency is measured through the weight of savings obtained with measures implemented in total annual consumption.</p>					2019	2020	2021	<b>Number of energy / operational efficiency measures</b>	<b>117</b>	<b>101</b>	<b>91</b>	Investment (thousands of euros)	1,605	2,113	1,930	Energy savings (GJ)	60,439	56,182	72,625	Energy efficiency (%)	3,8%	3,4%	3,8%								
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302-5	Reduction in energy requirements of products and services	4.4. Green Products	7, 11, 13																												
<b>MATERIAL TOPIC: GRI 303 – WATER AND EFFLUENTS 2018</b>																															
103 – Forms of management 2016																															
103-1	Explanation of the material topic and its boundary	Corticeira Amorim's material topics were based on the cross-checking of stakeholder consultation results with the company's internal perspective and alignment with the SDGs. With a direct relation to the water aspect, the theme "Energy efficiency and climate change" was considered to be a materiality topic of high importance (2.2.4. Materiality matrix).																													
103-2	The management approach and its components	Over the years, Corticeira Amorim has promoted several initiatives related to the consumption of Energy (4.2.4. Water and effluents).																													
103-3	Evaluation of the management approach	Corticeira Amorim performs the measurement and monitoring of indicators associated with this aspect and discloses them in this Report (4.2.4. Water and effluents).																													
	Specific management approach	<p>All the water captured by Corticeira Amorim is fresh water.</p> <p>Corticeira Amorim has no indication that the river basins where the reported water withdrawals occur are under water stress. For the characterisation of water stressed areas within the scope of this report, the tool of the World Resources Institute – Aqueduct Water Risk Atlas, available at the address <a href="https://www.wri.org/aqueduct">https://www.wri.org/aqueduct</a>.</p>																													
303-1	Interactions with water as a shared resource	Corticeira Amorim is aware of the need to preserve water and has an approach based on three pillars: lower consumption, treatment and hydrological regulation. The company established for the period until 2024 a reduction in the intensity of water consumption of 1% per year, in its activities in Portugal. Additionally, Corticeira Amorim assumes as a strategic priority the preservation of the cork oak forest and its ecosystem services, including its ability to regulate the water cycle. The left bank of the Tejo-Sado River has about 36% of the area occupied by cork oak trees and is one of the most productive and deep aquifer systems in the Iberian Peninsula, that is resupplied by the infiltration of rainwater into the soil. The interception of rainwater by cork oak trees is important to protect the soil from water erosion, contributing to the fight against desertification.	6																												
303-2	Management of water discharge-related impacts	Corticeira Amorim complies with the legislation in force that regulates this matter and the company's effluents are subject to adequate treatment, especially secondary and tertiary treatment, before being sent to the receiving environment.	6																												

GRI Ref	Description	Value / Location	SDG
303-3	Water withdrawal	4.2.4. Water and Effluents	6
		2020	2021
Withdrawal (m³)		770,116	654,309
Groundwater		724,140	604,289
Third-party water		45,976	50,020
High risk of water stress		205,231	209,938
Low risk of water stress		564,885	444,371
303-4	Water discharge	4.2.3. Water and Effluents	6
		2020	2021
Discharge (m³)		118,514	163,831
High risk of water stress		25,670	49,335
Low risk of water stress		92,844	114,496
303-5	Water consumption	4.2.4. Water and Effluents	6
		2020	2021
Consumption (m³)		651,602	490,478
High risk of water stress		179,561	160,603
Low risk of water stress		472,041	329,875
	Water consumption intensity	4.2.4. Water and Effluents	6
		2020	2021
Water consumption (m³ / €M Sales)		689	516
Portugal		811	569
Water consumption (m³ / Workers)		181	129
Portugal		198	140
Corticeira Amorim calculates the intensity of water consumption considering, in the numerator, the total water consumed as indicated in GRI 303-5 and two denominators:			
- Indicator built directly related to the individual sales of companies that are part of the sustainability perimeter, in millions of euros.			
		2019	2020
		1,003	945
- Number of employees of companies that are part of the sustainability perimeter.			
		2019	2020
		3,411	3,592
		2021	3,796
MATERIAL TOPIC: PRODUCT ENVIRONMENTAL IMPACT			
103 – Forms of management 2016			
103-1	Explanation of the material topic and its boundary	Corticeira Amorim's material topics were based on the cross-checking of stakeholder consultation results with the company's internal perspective and alignment with the SDGs. With a direct relation to the environmental impact of the product, the theme "Environmental impact of the product", which also involves "Responsibility and quality of the product" and "customer satisfaction", was considered to be a materiality topic of high importance (2.4.4 Materiality matrix)	
103-2	The management approach and its components	Over the years, Corticeira Amorim has promoted several initiatives related to product environmental impact (4.4 Green products).	
103-3	Evaluation of the management approach	Corticeira Amorim performs the measurement and monitoring of indicators associated with this aspect and discloses them in this Report (4.4. Green products).	
	Developing green products	4.4. Green products	9,13



GRI Ref	Description	Value / Location	SDG																																	
	Product sales with life cycle assessments	4.4. Green products	9,13																																	
These studies, which exceed 60% of the Group’s consolidated sales in 2021, provide relevant information on the environmental contribution of cork products and provide Corticeira Amorim’s approximately 29,000 national and international customers with quantifiable information on how to reduce their own carbon footprint.																																				
MATERIAL TOPIC: GRI 304 – BIODIVERSITY 2016																																				
103 – Forms of management 2016																																				
103-1	Explanation of the material topic and its boundary	Corticeira Amorim’s material topics were based on the cross-checking of stakeholder consultation results with the company’s internal perspective and alignment with the SDGs. With a direct relation to the biodiversity aspect, the theme “Promotion of the Montado, its biodiversity and ecosystem services” was considered to be a materiality topic of high importance (2.4.4. Materiality matrix).																																		
103-2	The management approach and its components	Over the years, Corticeira Amorim has promoted several initiatives related to the consumption of Energy (4.1. Cork oak forest).																																		
103-3	Evaluation of the management approach	Corticeira Amorim performs the measurement and monitoring of indicators associated with this aspect and discloses them in this Report (4.1. Cork oak forest)																																		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	4.1. Cork oak forest	11, 12, 15																																	
According to the classification of the Instituto de Conservação da Natureza e das Florestas (ICNF), the areas where Corticeira Amorim carries out its industrial activity are not located in protected areas, so there is no known significant impact on biodiversity in its operations.																																				
304-2	Significant impacts of activities, products, and services on biodiversity	4.1. Cork Oak Forest	11, 12, 15																																	
MATERIAL TOPIC: GRI 305 – EMISSIONS 2016																																				
103 – Forms of management 2016																																				
103-1	Explanation of the material topic and its boundary	Corticeira Amorim’s material topics were based on the cross-checking of stakeholder consultation results with the company’s internal perspective and alignment with the SDGs. With a direct relation to the emissions aspect, the theme “Energy efficiency and climate change” was considered to be a materiality topic of high importance (2.2.4. Materiality matrix).																																		
103-2	The management approach and its components	Over the years, Corticeira Amorim has promoted several initiatives related to Emissions (4.2.2. Emissions – scope 1, 2 and 4.2.3. Emissions – scope 3 and 4.2.5. Air quality and pollution.).																																		
103-3	Evaluation of the management approach	Corticeira Amorim performs the measurement and monitoring of indicators associated with this aspect and discloses them in this Report (4.2.2. Emissions Emission – scope 1, 2 and 4.2.3. Emissions –scope 3 and 4.2.5. Air quality and pollution).																																		
	Specific Management Approach	Some units of Corticeira Amorim are covered by the regulation of the Intensive Consumption Management System of Energy (SGCIE).																																		
<table><tr><th>SOURCE OF emissIOns</th><th>UniT</th><th>emissIOnFACTOR</th></tr><tr><td>Natural gas</td><td>kg CO2/GJ</td><td>64.1</td></tr><tr><td>Propane gas</td><td>kg CO2/GJ</td><td>63</td></tr><tr><td>Diesel</td><td>kg CO2/GJ</td><td>74</td></tr><tr><td>Gasoline</td><td>kg CO2/GJ</td><td>69.2</td></tr><tr><td>Biomass (cork powder)</td><td>kg CO2/GJ</td><td>0</td></tr><tr><td>Biomass (other)</td><td>kg CO2/GJ</td><td>0</td></tr><tr><td>Electricity - supplier - 2021</td><td>Kg CO2/kwh</td><td>258.39</td></tr><tr><td>Electricity - supplier - 2020</td><td>Kg CO2/kwh</td><td>207.24</td></tr><tr><td>Electricity - supplier - 2019</td><td>Kg CO2/kwh</td><td>270.45</td></tr><tr><td>Electricity - Portugal</td><td>Kg CO2/kwh</td><td>470.00</td></tr></table>				SOURCE OF emissIOns	UniT	emissIOnFACTOR	Natural gas	kg CO2/GJ	64.1	Propane gas	kg CO2/GJ	63	Diesel	kg CO2/GJ	74	Gasoline	kg CO2/GJ	69.2	Biomass (cork powder)	kg CO2/GJ	0	Biomass (other)	kg CO2/GJ	0	Electricity - supplier - 2021	Kg CO2/kwh	258.39	Electricity - supplier - 2020	Kg CO2/kwh	207.24	Electricity - supplier - 2019	Kg CO2/kwh	270.45	Electricity - Portugal	Kg CO2/kwh	470.00
SOURCE OF emissIOns	UniT	emissIOnFACTOR																																		
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Diesel	kg CO2/GJ	74																																		
Gasoline	kg CO2/GJ	69.2																																		
Biomass (cork powder)	kg CO2/GJ	0																																		
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Electricity - supplier - 2019	Kg CO2/kwh	270.45																																		
Electricity - Portugal	Kg CO2/kwh	470.00																																		
For the calculation of CO2 emissions, the conversion factors used in audits within the scope of the SGCIE, order 17313/2008, were considered. In the case of emissions associated with electricity consumption, the energy consumed outside Portugal was assumed to be little material (about 5%). Therefore, the SGCIE reference was considered for the market method and the information available at the time of preparation of the energy supplier(s) report for the location method. The latter, the information available on the date of preparation of the report by the energy supplier(s) in Portugal, which considers a weighted average of the first three quarters of the year 2021.																																				
Emissions associated with biomass burning are considered neutral, assuming that the CO2 being released (biogenic CO2) has been stored in the past by the product and is no more than a delayed emission.																																				

GRI Ref	Description	Value / Location	SDG
305-1	Direct (Scope 1) GHG emissions	4.2.2. Emissions - Scope 1 and 2	7, 11, 13
		</	

GRI Ref	Description	Value / Location	SDG																																								
305-4	GHG emissions intensity	4.2.2. Emissions – Scope 1 and 2  Corticeira Amorim calculates the energy intensity considering, in the numerator, the total energy consumed as indicated in GRI 302-1 and GRI 305-2 (market method), and two denominators:  - Indicator built directly related to the individual sales of companies that are part of the sustainability perimeter, in millions of euros. <table><tr><th>2019</th><th>2020</th><th>2021</th></tr><tr><td>1,003</td><td>945</td><td>950</td></tr></table>  - Number of employees of companies that are part of the sustainability perimeter. <table><tr><th>2019</th><th>2020</th><th>2021</th></tr><tr><td>3,411</td><td>3,592</td><td>3,796</td></tr></table>	2019	2020	2021	1,003	945	950	2019	2020	2021	3,411	3,592	3,796	7, 11, 13																												
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1,003	945	950																																									
2019	2020	2021																																									
3,411	3,592	3,796																																									
305-5	Reduction of GHG emissions	4.2.2. Emissions – Scope 1 and 2 4.2.3. Emissions - Scope 3	7, 11, 13																																								
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	4.2.5. Air Quality and Pollution																																									
MATERIAL TOPIC: GRI 306 – EFFLUENTS AND WASTE 2016																																											
103 – Forms of management 2016																																											
103-1	Explanation of the material topic and its boundary	Corticeira Amorim’s material topics were based on the cross-checking of stakeholder consultation results with the company’s internal perspective and alignment with the SDG. With a direct relation to the effluents and waste aspect, the theme “Circular economy” was considered to be a materiality topic of high importance (2.2.4. Materiality matrix).																																									
103-2	The management approach and its components	Over the years, Corticeira Amorim has promoted several initiatives related to the management of effluents and waste (4.3.3. Waste).																																									
103-3	Evaluation of the management approach	Corticeira Amorim performs the measurement and monitoring of indicators associated with this aspect and discloses them in this Report (4.3.3. Waste).																																									
306-2	Waste by type and disposal method	4.3.3. Waste <table><tr><th></th><th>2019</th><th>2020</th><th>2021</th></tr><tr><td>Industrial waste (t)</td><td>11,233</td><td>11,257</td><td>15,151</td></tr><tr><td>Portugal</td><td>10,316</td><td>10,331</td><td>14,063</td></tr><tr><td>Rest of the world</td><td>917</td><td>926</td><td>1,088</td></tr><tr><td>Recovered (t)</td><td>9,858</td><td>10,163</td><td>14,090</td></tr><tr><td>Portugal</td><td>9,456</td><td>9,697</td><td>13,531</td></tr><tr><td>Rest of the world</td><td>402</td><td>466</td><td>560</td></tr><tr><td>Disposed (t)</td><td>1,375</td><td>1,095</td><td>1,060</td></tr><tr><td>Non-hazardous (t)</td><td>10,740</td><td>10,751</td><td>14,799</td></tr><tr><td>Hazardous (t)</td><td>493</td><td>506</td><td>352</td></tr></table>		2019	2020	2021	Industrial waste (t)	11,233	11,257	15,151	Portugal	10,316	10,331	14,063	Rest of the world	917	926	1,088	Recovered (t)	9,858	10,163	14,090	Portugal	9,456	9,697	13,531	Rest of the world	402	466	560	Disposed (t)	1,375	1,095	1,060	Non-hazardous (t)	10,740	10,751	14,799	Hazardous (t)	493	506	352	8, 12
	2019	2020	2021																																								
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TOPIC: GRI 307 – ENVIRONMENTAL COMPLIANCE 2016																																											
307-1	Non-compliance with environmental laws and regulations	There are no fines or non-monetary sanctions for non-compliance with environmental laws and regulations  All non-conformities detected are monitored and a response plan and mitigation plan for future recurrences is implemented. Among these actions is a detailed investigation of the occurrence, corrective actions to avoid recurrence and communication of lessons learned.	6, 7, 8, 11, 12, 13																																								

GRI Ref	Description	Value / Location	SDG																																																																												
<b>TOPIC: GRI 308 – SUPPLIER ENVIRONMENTAL ASSESSMENT 2016</b>																																																																															
103 – Forms of management 2016																																																																															
103-1	Explanation of the material topic and its boundary	The material topics of Corticeira Amorim were based on the crossing of the results of stakeholder consultation with the company's internal perspective and alignment with the SDG. With a direct relation to the supplier's aspect, the topic "value chain" was considered to be a materiality topic of high importance (2.2.4. Materiality matrix).																																																																													
103-2	The management approach and its components	Corticeira Amorim has promoted over the years several supplier-related initiatives (2.4. Value Chain).																																																																													
103-3	Evaluation of the management approach	Corticeira Amorim performs the measurement and monitoring of indicators associated with this aspect and discloses them in this Report (2.4. Value chain).																																																																													
	Specific forms of management	The work performed in Corticeira Amorim's supply chain takes place in compliance with institutional and legal structures. The working conditions in Corticeira Amorim's supply chain comply with the labour legislation in each country where the activity is developed																																																																													
308-2	Negative environmental impacts in the supply chain and actions taken	2.4. Value chain	8, 12, 17																																																																												
<b>GRI 400 – SOCIAL DISCLOSURES 2016</b>																																																																															
<b>MATERIAL TOPIC: GRI 401 – EMPLOYMENT 2016</b>																																																																															
103 – Management Forms 2016																																																																															
103-1	Explanation of the material topic and its boundary	The material topics of Corticeira Amorim were based on the comparison of the results from stakeholder's consultation with the Company's internal perspective and alignment with the SDG. In direct relation to employment, the topic "training and development" was considered to be a materiality topic of high importance (2.2.4. Materiality matrix).																																																																													
103-2	The management approach and its components	Over the years, Corticeira Amorim has promoted several initiatives related to employment (5.1.1. Employment demographics).																																																																													
103-3	Evaluation of the management approach	Corticeira Amorim measures and monitors the indicators associated with this aspect and discloses them in this Report (5.1.1. Employment demographics).																																																																													
	Specific forms of management	The work performed in Corticeira Amorim's supply chain takes place in compliance with institutional and legal structures. The working conditions in Corticeira Amorim's supply chain comply with the labour legislation in each country where the activity is developed.																																																																													
401-1	New employee hires and employee turnover	5.1.1. Employment Demographics	5, 8																																																																												
		<table> <tr> <th></th><th>2019</th><th>2020</th><th>2021</th></tr> <tr> <td><b>New employee hires</b></td><td><b>524</b></td><td><b>303</b></td><td><b>410</b></td></tr> <tr> <td><b>Rate of new hires</b></td><td><b>15%</b></td><td><b>9%</b></td><td><b>12%</b></td></tr> <tr> <td>&lt;30</td><td>41%</td><td>28%</td><td>35%</td></tr> <tr> <td>30 to 50</td><td>12%</td><td>8%</td><td>10%</td></tr> <tr> <td>&gt;50</td><td>9%</td><td>2%</td><td>3%</td></tr> <tr> <td>Female</td><td>15%</td><td>8%</td><td>11%</td></tr> <tr> <td>Male</td><td>16%</td><td>10%</td><td>12%</td></tr> <tr> <td>Portugal</td><td>14%</td><td>8%</td><td>11%</td></tr> <tr> <td>Rest of the world</td><td>24%</td><td>15%</td><td>21%</td></tr> <tr> <td><b>Employee's turnover</b></td><td><b>392</b></td><td><b>404</b></td><td><b>341</b></td></tr> <tr> <td><b>Turnover rate</b></td><td><b>11%</b></td><td><b>12%</b></td><td><b>10%</b></td></tr> <tr> <td>&lt;30</td><td>19%</td><td>19%</td><td>17%</td></tr> <tr> <td>30 to 50</td><td>9%</td><td>9%</td><td>9%</td></tr> <tr> <td>&gt;50</td><td>12%</td><td>14%</td><td>9%</td></tr> <tr> <td>Female</td><td>11%</td><td>15%</td><td>12%</td></tr> <tr> <td>Male</td><td>16%</td><td>10%</td><td>9%</td></tr> <tr> <td>Portugal</td><td>10%</td><td>11%</td><td>8%</td></tr> <tr> <td>Rest of the world</td><td>21%</td><td>22%</td><td>20%</td></tr> </table>		2019	2020	2021	<b>New employee hires</b>	<b>524</b>	<b>303</b>	<b>410</b>	<b>Rate of new hires</b>	<b>15%</b>	<b>9%</b>	<b>12%</b>	<30	41%	28%	35%	30 to 50	12%	8%	10%	>50	9%	2%	3%	Female	15%	8%	11%	Male	16%	10%	12%	Portugal	14%	8%	11%	Rest of the world	24%	15%	21%	<b>Employee's turnover</b>	<b>392</b>	<b>404</b>	<b>341</b>	<b>Turnover rate</b>	<b>11%</b>	<b>12%</b>	<b>10%</b>	<30	19%	19%	17%	30 to 50	9%	9%	9%	>50	12%	14%	9%	Female	11%	15%	12%	Male	16%	10%	9%	Portugal	10%	11%	8%	Rest of the world	21%	22%	20%	
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GRI Ref	Description	Value / Location	SDG
<b>MATERIAL TOPIC: GRI 402 – LABOR/MANAGEMENT RELATIONS 2016</b>			
103 – Forms of management 2016			
103-1	Explanation of the material topic and its boundary	The material topics of Corticeira Amorim were based on the crossing the results of stakeholder consultation with the internal perspective of the company and alignment with the SDG. With a direct relation to the aspect of labor and management relations, the theme “training and development” was considered to be a materiality topic of high importance (2.2.4. Materiality matrix).	
103-2	The management approach and its components	Corticeira Amorim has promoted over the years several initiatives related to labour relations and social climate).	
103-3	Evaluation of the management approach	Corticeira Amorim performs the measurement and monitoring of indicators associated with this aspect and discloses them in this Report (5.1.3. Labour relations and social climate).	
	Specific forms of management	The work performed in Corticeira Amorim’s supply chain takes place in compliance with institutional and legal structures. The working conditions in Corticeira Amorim’s supply chain comply with the labour legislation in each country where the activity is developed	
402-1	Minimum notice periods regarding operational changes	Regulations with reference to prior notices concerning the place of work (in particular those that must preside over its eventual alteration) carried out by Corticeira Amorim.	8
<b>MATERIAL TOPIC: GRI 403 – OCCUPATIONAL HEALTH AND SAFETY 2018</b>			
103 – Forms of management 2016			
103-1	Explanation of the material topic and its boundary	The material topics of Corticeira Amorim were based on the crossing the results of stakeholder consultation with the internal perspective of the company and alignment with the SDG. With a direct relation to the aspect of occupational health and safety the theme “health and safety at work” was considered to be a materiality topic of high importance (2.2.4. Materiality matrix).	
103-2	The management approach and its components	Corticeira Amorim has promoted over the years several initiatives related to occupational health and safety (5.2. Safety, health and well-being).	
103-3	Evaluation of the management approach	Corticeira Amorim performs the measurement and monitoring of indicators associated with this aspect and discloses them in this Report (5.2. Health, safety and well-being).	
	Specific forms of management	The work performed in Corticeira Amorim’s supply chain takes place in compliance with institutional and legal structures. Occupational Health and Safety (OSH) in all countries of operations, through the application of good practices, as noted in subchapter 5.2. Safety, health and well-being.	
403-1	Occupational health and safety management system	Corticeira Amorim fosters compliance with all legal requirements, standards and procedures in the area of OHS, in all countries of operations, through the application of good practices, as noted in subchapter 5.2. Safety, health and well-being.	
403-2	Hazard identification, risk assessment, and incident investigation	The hazard identification and risk assessment procedures apply to all tasks and processes developed in the company that imply a risk to Occupational health and safety (OHS).  These include routine, occasional and emergency activities carried out by permanent, temporary or service providers at the company’s premises.  It is the responsibility of the OHS departments to ensure the identification of hazards, assess the risk and propose / validate corrective, preventive or opportunity for improvement measures.  Workers are involved and consulted, and their point of view is consulted in terms of hazard identification and risk assessment, as well as the definition of control measures. Whenever there are substantial changes in the hazards that could alter the risk, the risk is reassessed. Given that there is not yet a specific procedure in place, an increasing number of incidents in the company are increasingly analysed by a multidisciplinary team that includes members of the OHS team, the person (s) responsible for the area where the incident occurred, and the support areas that may be relevant in the analysis of the occurrence, as well as the employees of the area, in order to identify the root cause of the incident and define actions to eliminate or control the risk. The results of the incident analysis are disclosed within the company.	3, 8
403-3	Occupational health services	The company provides occupational medicine and nursing services as well as curative medicine.  Depending on the units, these areas work either under coordination or in conjunction with the OHS department and aim to ensure the monitoring of the suitability of employees for the activities to be carried out, any impacts of work on their health, as well as providing medical care health in general.	3, 8



GRI Ref	Description	Value / Location	SDG
403-4	Worker participation, consultation, and communication on occupational health and safety	<p>Workers are consulted through their OHS representatives in the context of the functioning of the OHS committee. The OHS commission is responsible for:</p> <ul style="list-style-type: none"> <li>• Request and appreciate suggestions from workers on issues related to health and safety;</li> <li>• Carry out visits to the workplace to recognise the risks to health and safety, and to evaluate the preventive measures adopted;</li> <li>• Propose initiatives in the context of preventing risks to occupational health and safety, aiming at improving working conditions and correcting detected deficiencies;</li> <li>• Participate in the definition of measures to be included in the prevention plan;</li> <li>• Analyse the available elements related to accidents at work and occupational diseases;</li> <li>• Participate in the development of the OHS Department's annual programme and follow up on it.</li> </ul>	3,8
403-5	Worker training on occupational health and safety	<p>In the scope of OHS, special emphasis is given to training to welcome new employees, as well as OHS training in the workplace, which is mandatory whenever the employee is faced with the start of activity in a new workplace.</p> <p>Regularly, training content in OHS is recycled, in order to ensure the updating of knowledge and awareness necessary for issues of occupational health and safety. Increasingly, priority is given to the development of OHS training in an on-job context to the detriment of classroom training, always with the aim of individualising training and thereby enabling a better transmission of safety knowledge among employees.</p>	3,8
403-6	Promotion of worker health	<p>As part of the development of OHS activity, and the component of workers' health, the company makes available to its employees the provision of occupational medicine, curative medicine and occupational nursing services, in order to ensure the access of its employees, employees to the provision of health care.</p> <p>Some units have implemented a gymnastics programme to prevent musculoskeletal injuries and other initiatives.</p> <p>Multiple screenings and training actions are carried out in the field of occupational health.</p>	3,8
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<p>The work carried out in Corticeira Amorim's supply chain takes place in accordance with institutional and legal structures.</p> <p>The working conditions in Corticeira Amorim's supply chain comply with the labour legislation in force in each country where the activity is developed.</p>	3,8
403-8	Workers covered by an occupational health and safety management system	<p>The company has implemented an OHS management system, which covers all activities developed by its employees (internal and external), and subcontractors. The management system is based on an OHS performance improvement policy and objectives, which are supported by an activity plan available in various languages. In addition, about 67% of workers are covered by systems certified according to the international standard ISO 45001 or SA 8000. Information on management systems with external certifications is available in the Consolidated Management Report - 7. Approach to sustainability.</p>	3,8

GRI Ref	Description	Value / Location	SDG
403-9	Work-related injuries	5.2 Safety, health and well-being	3,8

Work-related injuries – workers:

	2019	2020	2021
<b>Work related injuries</b>	<b>119</b>	<b>82</b>	<b>76</b>
Female	11	15	10
Male	108	67	66
Portugal	89	60	54
Rest of the world	30	22	22
<b>Lost time injury frequency rate (LTIFR)</b>	<b>20</b>	<b>14</b>	<b>12</b>
Female	8	11	7
Male	23	15	14
Portugal	17	12	10
Rest of the world	38	29	29
<b>Lost workday rate (LWD)</b>	<b>494</b>	<b>551</b>	<b>554</b>
Female	527	551	555
Male	0	560	545
Portugal	445	548	412
Rest of the world	813	573	1,561
<b>Deaths</b>	<b>0</b>	<b>0</b>	<b>0</b>
Female	0	0	0
Male	0	0	0
Portugal	0	0	0
Rest of the world	0	0	0

Work-related injuries – employees:

	2019	2020	2021
<b>Work related injuries</b>	<b>107</b>	<b>76</b>	<b>68</b>
Female	10	13	10
Male	97	63	58
Portugal	77	54	46
Rest of the world	30	22	22
<b>Lost time injury frequency rate (LTIFR)</b>	<b>19</b>	<b>14</b>	<b>12</b>
Female	7	9	7
Male	23	15	14
Portugal	16	11	10
Rest of the world	38	29	30
<b>High-consequence work-related injury rate</b>	<b>0.5</b>	<b>0.4</b>	<b>0.4</b>
Female	0,0	0.0	0.0
Male	0.7	0.5	0.5
Portugal	0.2	0.4	0.0
Rest of the world	2.5	0.0	2.7
<b>Lost workday rate (LWD)</b>	<b>527</b>	<b>551</b>	<b>555</b>
Female	347	507	689
Male	586	565	512
Portugal	479	546	394
<b>Rest of the world</b>	<b>820</b>	<b>580</b>	<b>1,588</b>
<b>Deaths</b>	<b>0</b>	<b>0</b>	<b>0</b>
Female	0	0	0
Male	0	0	0
Portugal	0	0	0
Rest of the world	0	0	0

GRI Ref	Description	Value / Location	SDG
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Work-related injuries – temporary workers:

	2019	2020	2021
<b>Work related injuries</b>	<b>12</b>	<b>6</b>	<b>8</b>
Female	1	2	0
Male	11	4	8
<b>Lost time injury frequency rate (LTIFR)</b>	<b>31</b>	<b>17</b>	<b>14</b>
Female	35	38	0
Male	31	13	17
<b>Deaths</b>	<b>0</b>	<b>0</b>	<b>0</b>
Female	0	0	0
Male	0	0	0

Absenteeism rate:

	2019	2020	2021
<b>Absenteeism rate</b>	<b>4.3%</b>	<b>5.0%</b>	<b>5.8%</b>
Female	5.4%	6.6%	6.7%
Male	3.9%	4.4%	5.5%
Portugal	4.3%	5.4%	5.1%
Rest of the world	4.0%	2.3%	10.2%

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

- Lost time injury frequency rate (LTIFR) = (Number of lost-time injuries) / (Total hours worked in accounting period) x 1,000,000;
- High-consequence work-related injury rate = (Number of high consequence work related injuries (excluding fatalities) / (Total hours worked in accounting period) x 1,000,000;
- Lost workday rate (LWD) = (Number of days lost) / (Total hours worked in accounting period) x 1,000,000;
- Absenteeism rate = (Days of absence) / (Potential hours worked in accounting period).

When calculating potential days, holidays are not taken into account. For the calculation of the frequency index, only accidents that give rise to lost days are considered. In determining the days lost, the number of working days is considered and starts counting from the day after the accident occurred until the injured person returns to work.

403-10	Work-related ill health	5.2. Safety, Health and Well-Being	3,8
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	2019	2020	2021
<b>Work-related ill health</b>	<b>21</b>	<b>35</b>	<b>65</b>
Female	6	22	34
Male	15	13	31
Portugal	18	34	64
Rest of the world	3	1	1
<b>Work-related ill health rate</b>	<b>4</b>	<b>6</b>	<b>12</b>
Female	4	16	25
Male	3	3	7
Portugal	4	7	13
Rest of the world	4	1	1

Work-related ill health rate = (Number of cases of occupational disease) / total hours worked in accounting period) x 1,000,000.

GRI Ref	Description	Value / Location	SDG
<b>MATERIAL TOPIC: GRI 404- TRAINING AND EDUCATION 2016</b>			
103 – Forms of management 2016			
103-1	Explanation of the material topic and its boundary	The material topics of Corticeira Amorim were based on the crossing the results of stakeholder consultation with the internal perspective of the company and alignment with the SDG. With a direct relation to the training and education aspect, the theme “training and development” was considered to be a materiality topic of high importance (2.2.4. Materiality matrix).	
103-2	The management approach and its components	Corticeira Amorim has promoted over the years several initiatives related to training and education (5.1.5. Skills development and training).	
103-3	Evaluation of the management approach	Corticeira Amorim performs the measurement and monitoring of indicators associated with this aspect and discloses them in this Report (5.1.5. Skills development and training).	
404-1	Average hours of training per year per employee	5.1.5. Skills Development and Training	4, 5, 8
<b>Total number of training hours per worker and employment contract:</b>			
		<b>2020</b>	<b>2021</b>
Training hours		56,870	67,094
Employees		44,385	52,365
Temporary workers		12,485	14,729
<b>Average hours of training by employment contract, gender and professional category:</b>			
		<b>2020</b>	<b>2021</b>
<b>Average hours of training</b>		<b>16</b>	<b>18</b>
Employees		13	15
Temporary workers		45	38
Female		15	21
Male		12	17
Board members		9	6
Directors		25	28
Heads of department		18	30
Sales staff		20	32
Management, support technicians		29	34
Team leaders		24	34
Administrative staff		15	14
Maintenance, quality and logistics technicians		14	19
Production operators		9	14
404-3	Percentage of employees receiving regular performance and career development reviews	5.1.4. Career Management and Employability Promotion	4,5,8
		<b>2020</b>	<b>2021</b>
Workers receiving regular performance and career development reviews		1,688	2,084
Workers receiving regular performance and career development reviews (%)		47%	55%
<b>MATERIAL TOPIC: GRI 405 - DIVERSITY AND EQUAL OPPORTUNITY 2016</b>			
103 – Forms of management 2016			
103-1	Explanation of the material topic and its boundary	The material topics of Corticeira Amorim were based on comparing the results of stakeholder consultation with the internal perspective of the company and alignment with the SDG. With a direct relation to the diversity and equal opportunity aspect, the theme “training and development” was considered to be a materiality topic of high importance (2.2.4. Materiality matrix).	
103-2	The management approach and its components	Corticeira Amorim has promoted over the years several initiatives related to diversity and equality of opportunities (5.1.7. Diversity, inclusion and non-discrimination).	
103-3	Evaluation of the management approach	Corticeira Amorim performs the measurement and monitoring of the indicators associated with this aspect and discloses them in this (5.1.7. Diversity, inclusion and non-discrimination).	
	Specific management forms	Corticeira Amorim advocates a policy of management and motivation of people that promotes non-discrimination of any kind, equal opportunities in recruitment, promotion and training of employees, remuneration and working conditions.	

GRI Ref	Description	Value / Location	SDG
405-1	Diversity of governance bodies and employees	5.1.1. Employment demographics	4,5, 8
		5.1.7. Diversity, inclusion and non-discrimination	
		Composition of the Board of Directors of Corticeira Amorim, S.G.P.S., S.A.	



GRI Ref	Description	Value / Location	SDG																																																																																
		For the purposes of comparison with other information disclosed by Corticeira Amorim, the number of employees corresponding to the total perimeter, by gender, is presented:																																																																																	
		<table> <tr> <th></th><th>2019</th><th>2020</th><th>2021</th></tr> <tr> <td><b>Workers</b></td><td><b>4,424</b></td><td><b>4,357</b></td><td><b>4,642</b></td></tr> <tr> <td>Female</td><td>1,121</td><td>1,066</td><td>1,149</td></tr> <tr> <td>Male</td><td>3,303</td><td>3,291</td><td>3,493</td></tr> </table>		2019	2020	2021	<b>Workers</b>	<b>4,424</b>	<b>4,357</b>	<b>4,642</b>	Female	1,121	1,066	1,149	Male	3,303	3,291	3,493																																																																	
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		Corticeira Amorim considers management positions to be the categories of board members, directors, heads of department and team leaders.																																																																																	
405-2	Ratio of basic salary and remuneration of women to men	<p>5.1.1. Employment Demographics</p> <p>5.1.7. Diversity, Inclusion and Non-Discrimination</p> <p>Ratio of basic salary of women to men per professional category:</p> <table> <tr> <th></th><th>2019</th><th>2020</th><th>2021</th></tr> <tr> <td><b>Ratio of basic salary of women to men</b></td><td><b>0.86</b></td><td><b>0.92</b></td><td><b>0.96</b></td></tr> <tr> <td>Directors</td><td>0.73</td><td>0.95</td><td>0.77</td></tr> <tr> <td>Heads of department</td><td>1.03</td><td>0.96</td><td>0.94</td></tr> <tr> <td>Sales staff</td><td>0.86</td><td>0.55</td><td>0.53</td></tr> <tr> <td>Management, support technicians</td><td>0.80</td><td>0.81</td><td>0.82</td></tr> <tr> <td>Team leaders</td><td>1.07</td><td>1.23</td><td>1.33</td></tr> <tr> <td>Administrative staff</td><td>1.14</td><td>1.08</td><td>1.13</td></tr> <tr> <td>Maintenance, quality and logistics technicians</td><td>0.78</td><td>0.88</td><td>0.90</td></tr> <tr> <td>Production operators</td><td>0.90</td><td>1.03</td><td>1.02</td></tr> </table> <p>Ratio of remuneration ratio (all salary components) of women to men per professional category:</p> <table> <tr> <th></th><th>2019</th><th>2020</th><th>2021</th></tr> <tr> <td>Ratio of remuneration of women to men</td><td>0.79</td><td>0.86</td><td>0.88</td></tr> <tr> <td>Directors</td><td>0.66</td><td>0.84</td><td>0.68</td></tr> <tr> <td>Heads of department</td><td>0.89</td><td>0.95</td><td>0.92</td></tr> <tr> <td>Sales staff</td><td>0.88</td><td>0.55</td><td>0.54</td></tr> <tr> <td>Management, support technicians</td><td>0.78</td><td>0.82</td><td>0.85</td></tr> <tr> <td>Team leaders</td><td>1.02</td><td>1.17</td><td>1.22</td></tr> <tr> <td>Administrative staff</td><td>1.05</td><td>1.00</td><td>1.05</td></tr> <tr> <td>Maintenance, quality and logistics technicians</td><td>0.77</td><td>0.82</td><td>0.73</td></tr> <tr> <td>Production operators</td><td>0.84</td><td>0.94</td><td>0.93</td></tr> </table>		2019	2020	2021	<b>Ratio of basic salary of women to men</b>	<b>0.86</b>	<b>0.92</b>	<b>0.96</b>	Directors	0.73	0.95	0.77	Heads of department	1.03	0.96	0.94	Sales staff	0.86	0.55	0.53	Management, support technicians	0.80	0.81	0.82	Team leaders	1.07	1.23	1.33	Administrative staff	1.14	1.08	1.13	Maintenance, quality and logistics technicians	0.78	0.88	0.90	Production operators	0.90	1.03	1.02		2019	2020	2021	Ratio of remuneration of women to men	0.79	0.86	0.88	Directors	0.66	0.84	0.68	Heads of department	0.89	0.95	0.92	Sales staff	0.88	0.55	0.54	Management, support technicians	0.78	0.82	0.85	Team leaders	1.02	1.17	1.22	Administrative staff	1.05	1.00	1.05	Maintenance, quality and logistics technicians	0.77	0.82	0.73	Production operators	0.84	0.94	0.93	4,5, 8
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<b>TOPIC: GRI 413 – LOCAL COMMUNITIES 2016</b>																																																																																			
413-1	Operations with local community engagement, impact assessments, and development programs	<p>3.4. Voluntary Commitments</p> <p>5.3. Community/ Society and Innovation</p>																																																																																	
<b>TOPIC: GRI 414 – SUPPLIER SOCIAL ASSESSMENT 2016</b>																																																																																			
414-2	Negative social impacts in the supply chain and actions taken	2.4. Value chain	8, 12, 17																																																																																
<b>TOPIC: GRI 415 – PUBLIC POLICY 2016</b>																																																																																			
415-1	Political contributions	Corticeira Amorim assumes itself as a non-partisan and non-political organisation. It does not support financially, or in kind, under any circumstances, political parties, organisations or individuals associated with these, whose mission is essentially political.																																																																																	

Mozelos, April 4, 2022

**The Board**

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

Chairperson:

António Rios de Amorim

Vice-Chairperson:

Nuno Filipe Vilela Barroca de Oliveira

Board 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

## 9 – INDEPENDENT ASSURANCE REPORT

*(Translation from the original document in the Portuguese language. In case of doubt, the Portuguese version prevails)*

## **Independent Limited Assurance Report on the Sustainability Report**

To the Board of Directors of  
Corticeira Amorim, S.G.P.S., S.A.

### **Introduction**

1. We have been engaged by the Board of Directors of Corticeira Amorim, S.G.P.S., S.A. to proceed with the independent review of the Sustainability Report 2021, included in the Consolidated Annual Report 2021, hereinafter the "Sustainability Report", relating to the sustainability performance from 1 January to 31 December 2021.

### **Responsibilities**

2. The Board of Directors is responsible for preparing the Sustainability Report and to maintain an appropriate internal control system that allows the information presented to be free of material misstatements due to fraud or error.
3. It is our responsibility to issue a limited assurance report, professional and independent, based on the procedures performed and described in the "Scope" section below.

### **Scope**

4. Our review procedures have been planned and executed in accordance with the International Standard on Assurance Engagements (ISAE 3000, Revised) - "Assurance engagements other than Audits and Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standard Board, for a limited level of assurance.
5. Procedures performed in a limited assurance engagement vary in timing and nature 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. Our independent review procedures comprised the following:
  - ▶ Conducting interviews with Management, in order to understand how the information system is structured and assess their level of knowledge of the topics addressed in the report;
  - ▶ Review of the processes, criteria and systems adopted to collect, consolidate, report and validate the data for the year 2021;
  - ▶ Analytical review, on a sample basis, of the data calculated by Management, and verification of quantitative and qualitative information disclosed in the report;
  - ▶ Confirmation on how collection, consolidation, validation and report procedures are being implemented in selected operating units; and
  - ▶ Review of the conformity of the information included in the Sustainability Report with the results of our work.
6. Regarding sustainability reporting standards of the Global Reporting Initiative - GRI Standards, we performed a review of the self-evaluation made by Management of the adopted option to apply the GRI Standards and conformity with Article 508-G of the Portuguese Companies Act (*Código das Sociedades Comerciais*) and 245-A, paragraph r) of the Securities Market Code (*Código do Mercado dos Valores Mobiliários*) with respect to non-financial and diversity disclosures.

## Quality and independence

7. Our firm applies International Standard on Quality Control 1 (ISQC 1), and consequently maintains a global quality control system which includes documented policies and procedures relating to compliance with ethical requirements, professional standards, and the legal and regulatory provisions applicable and we comply with the independence and ethical requirements of the International Ethics Standards Board for Accountants (IESBA) Code of Ethics and the Code of Ethics of the Order of Chartered Accountants (OROC).

## Conclusion

8. Based on our work and evidence obtained, nothing has come to our attention that causes us to believe that the information disclosed in the Sustainability Report, for the year ended 31 December 2021, is not free from relevant material misstatements. Additionally, nothing has come to our attention that causes us to believe that the Sustainability Report does not include the required data and information for a “In accordance - Core” option as defined by the GRI Standards and by the Article 508-G of the Portuguese Companies Act and paragraph r) of the article 245-A of the Securities Market Code.

Lisbon, 6 April 2022

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

05

Corticeira Amorim is committed to enhancing its packaging, offering unlimited customisation possibilities, including a wide range of materials.



Corticeira Amorim places people at the centre of its activities, as recently recognised in the «Employer Brand Research 2021» study, a worldwide survey carried out by Randstad that elected Corticeira Amorim as the most attractive company to work for in Portugal in the industrial sector.

## Consolidated Statement of Financial Position

	Notes	December 31, 2021	December 31, 2020
<b>Assets</b>			
Tangible assets	9	283,990	281,676
Intangible assets	10	17,266	16,170
Right of use	11	6,173	6,241
Goodwill	10	9,843	13,746
Biological assets		62	23
Investment property	12	5,311	5,403
Investments in associates and joint ventures	13	42,401	24,046
Other financial assets	14	1,868	1,603
Deferred tax assets	15	12,131	14,672
Other debtors	18	3,238	3,405
<b>Non-current assets</b>		<b>382,282</b>	<b>366,986</b>
Inventories	16	340,167	364,109
Trade receivables	17	182,653	161,360
Income tax assets	15	10,398	4,838
Other debtors	18	53,697	35,724
Other current assets	18	2,489	2,402
Cash and cash equivalents	19	109,604	70,266
<b>Current assets</b>		<b>699,008</b>	<b>638,699</b>
<b>Total Assets</b>		<b>1,081,289</b>	<b>1,005,684</b>
<b>Equity</b>			
Share capital	20	133,000	133,000
Other reserves	20	388,191	352,382
Net Income		74,755	64,326
Non-controlling interest	21	27,336	26,948
<b>Total Equity</b>		<b>623,283</b>	<b>576,656</b>
<b>Liabilities</b>			
Interest-bearing loans	22	87,573	92,192
Other financial liabilities	24	14,644	21,436
Provisions	25	3,698	3,349
Post-employment benefits	26	2,184	2,068
Deferred tax liabilities	15	51,041	50,570
<b>Non-controlling interest</b>		<b>159,141</b>	<b>169,616</b>
Interest-bearing loans	22	70,103	88,791
Trade payables	23	160,825	110,402
Other financial liabilities	24	45,883	41,238
Other liabilities	24	17,634	17,216
Income tax liabilities	15	4,421	1,767
<b>Current liabilities</b>		<b>298,866</b>	<b>259,413</b>
<b>Total Liabilities and Equity</b>		<b>1,081,289</b>	<b>1,005,684</b>

thousand euros

(this statement should be read with the attached notes to the consolidated financial statements)

## Consolidated Income by Nature

4Q21 (non audited)	4Q20 (non audited)		Notes	2021	2020
200,688	168,692	Sales	8	837,820	740,113
-108,495	-74,786	Costs of goods sold and materials consumed		-410,354	-350,210
7,628	-8,308	Change in manufactured inventories		-11,649	-13,540
-41,963	-28,826	Third party supplies and services	27	-142,554	-123,200
-36,698	-32,705	Staff costs	28	-146,098	-138,054
139	1,588	Impairments of assets	29	2,249	645
5,815	3,618	Other income and gains	30	11,915	13,509
-3,027	-1,648	Other costs and losses	30	-6,930	-6,752
<b>24,088</b>	<b>27,626</b>	<b>Operating Cash Flow (current EBITDA)</b>		<b>134,399</b>	<b>122,512</b>
-9,692	-9,413	Depreciation	9, 10, 11	-40,735	-36,547
<b>14,396</b>	<b>18,213</b>	<b>Operating Profit (current EBIT)</b>		<b>93,664</b>	<b>85,965</b>
-1,411	-4,164	Non-recurrent results	31	6,386	-5,816
-649	-1,002	Financial costs	32	-1,688	-2,368
22	50	Financial income	32	102	227
186	267	Share of (loss)/profit of associates and joint-ventures	13	2,995	2,105
<b>12,544</b>	<b>13,364</b>	<b>Profit before tax</b>		<b>101,459</b>	<b>80,113</b>
5,138	3,774	Income tax	15	-18,422	-11,502
<b>17,682</b>	<b>17,138</b>	<b>Profit after tax</b>		<b>83,036</b>	<b>68,611</b>
<b>Attributable to:</b>					
958	1,325	Non-controlling Interest	21	8,281	4,285
16,724	15,814	Corticeira Amorim Shareholders		74,755	64,326
<b>0.126</b>	<b>0.119</b>	<b>Earnings per share - Basic e Diluted (euros per share)</b>		<b>0.562</b>	<b>0.484</b>

thousand euros

(this statement should be read with the attached notes to the consolidated financial statements)

## Consolidated Statement of Comprehensive Income

4Q21 (non audited)	4Q20 (non audited)		Notes	2021	2020
<b>17,682</b>	<b>17,138</b>	<b>Net Income</b>		<b>83,036</b>	<b>68,611</b>
<b>Items that may be reclassified through income statement:</b>					
73	261	Change in derivative financial instruments fair value	15	-540	219
323	-4,216	Change in translation differences and other	15	665	-3,317
511	399	Share of other comprehensive income of investments accounted for using the equity method	15	1,704	-76
-173	18	Other comprehensive income	15	-460	2
<b>734</b>	<b>-3,538</b>	<b>Other comprehensive income (net of tax)</b>		<b>1,369</b>	<b>-3,172</b>
<b>18,417</b>	<b>13,600</b>	<b>Total net comprehensive income</b>		<b>84,406</b>	<b>65,439</b>
<b>Attributable to:</b>					
17,638	13,000	Corticeira Amorim Shareholders		77,147	61,638
779	600	Non-controlling Interest		7,259	3,801

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

4Q21 (non audited)	4Q20 (non audited)		Notes	2021	2020
<b>OPERATING ACTIVITIES</b>					
227,586	186,190	Collections from customers		878 726	791 945
- 201,067	- 139,095	Payments to suppliers		- 631 305	- 591 768
- 37,201	- 26,791	Payments to employees		- 141 240	- 129 535
- 10,682	20,304	<b>Operational cash flow</b>		106 181	70 642
- 6,137	- 3,473	Payments/collections - income tax		- 18 545	- 4 897
23,904	2,559	Other collections/payments related with operational activities		69 995	54 336
<b>7,085</b>	<b>19,390</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>157 631</b>	<b>120 081</b>
<b>INVESTMENT ACTIVITIES</b>					
<b>Collections due to:</b>					
194	2,086	Tangible assets		876	2,873
377	-	Intangible assets		377	-
25	- 55	Financial investments		44	441
130	252	Other assets		222	552
0	11	Interests and similar gains		84	133
1,647	175	Dividends		1,822	350
<b>Payments due to:</b>					
- 14,641	- 6,432	Tangible assets		- 36,017	- 36,621
4,932	4,852	Financial investments		- 15,514	- 200
- 1,307	- 5,021	Intangible assets		- 5,599	- 5,890
0	-	Other assets		0	- 16
<b>- 8,643</b>	<b>- 4,132</b>	<b>CASH FLOW FROM INVESTMENTS</b>		<b>- 53,705</b>	<b>- 38,378</b>
<b>FINANCIAL ACTIVITIES</b>					
<b>Collections due to:</b>					
22,450	16,693	Loans		22,450	66,619
2,249	1,353	Government grants		5,632	5,769
- 150	-	Transactions with non-controlling interests		49	143
776	523	Others		2,598	2,087
<b>Collections due to:</b>					
- 5,832	- 15,180	Loans		- 41,509	- 68,696
- 453	- 678	Interests and similar expenses		- 1,588	- 2,099
- 1,817	- 1,261	Leasing		- 2,772	- 2,180
- 5,000	- 7,068	Transactions with non-controlling interest	21	- 5,000	- 7,068
- 11,305	-	Dividends paid to company's shareholders	20	- 35,910	- 24,605
- 266	- 1,025	Dividends paid to non-controlling interest	21	- 2,232	- 1,948
- 1,391	45	Government grants		- 2,403	- 613
- 163	- 137	Others		- 531	- 484
<b>- 903</b>	<b>- 6,735</b>	<b>CASH FLOW FROM FINANCING</b>		<b>- 61,216</b>	<b>- 33,075</b>
- 2,461	8,523	<b>Change in Cash</b>		42,709	48,628
47	80	<b>Exchange rate effect</b>		42	- 331
-	-	<b>Perimeter variation</b>		-	-
69,474	15,706	<b>Cash and cash equivalents at the beginning of the period</b>	19	24,309	- 23,988
67,060	24,309	<b>Cash and cash equivalents at the end of the period</b>	19	67,060	24,309

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 S.G.P.S., S. A.										
	Notes	Share capital	Paid-in capital	Hedge accounting	Exchange rate differences	Legal reserve	Other reserves	Net income	Non-controlling interests	Total Equity
Balance sheet as at January 1, 2020		133,000	38,893	212	- 4,127	24,471	242,068	74,947	30,081	539,543
Assignment of the result from the previous year	20	-	-	-	-	2,129	72,818	- 74,947	-	-
Dividends	20	-	-	-	-	-	- 24,605	-	- 1,948	- 26,553
Perimeter variation	21	-	-	-	-	-	-	-	70	70
Changes in the percentage of interest retaining control	21	-	-	-	-	-	3,212	-	- 5,056	- 1,844
Consolidated Net Income for the period	20 and 21	-	-	-	-	-	-	64,326	4,285	68,611
Change in derivative financial instruments fair value	3	-	-	219	-	-	-	-	-	219
Change in exchange differences	20 and 21	-	-	-	- 3,053	-	-	-	- 264	- 3,317
Other comprehensive income of associates	13	-	-	-	- 1,863	-	1,787	-	-	- 76
Other comprehensive income		-	-	-	-	-	222	-	- 220	2
Total comprehensive income for the period		-	-	219	- 4,916	-	2,009	64,326	3,801	65,439
Balance sheet as at December 31, 2020		133,000	38,893	431	- 9,043	26,600	295,501	64,326	26,948	576,656
Balance sheet as at January 1, 2021		133,000	38,893	431	- 9,043	26,600	295,501	64,326	26,948	576,656
Assignment of the result from the previous 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 and 21	-	-	-	-	-	-	74,755	8,281	83,036
Change in derivative financial instruments fair value	3	-	-	- 540	-	-	-	-	-	- 540
Change in exchange differences	20 and 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

thousand euros

(this statement should be read with the attached notes to the consolidated financial statements)



Corticeira Amorim is committed to ensuring high ethical standards in its management procedures, as well as in matters of corporate governance, defining a set of policies and principles of social and environmental responsibility. The safety of the company's employees is a non-negotiable premise within this ESG (Environmental, Social, Governance) spectrum.





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

06

Industry 4.0 principles are implemented in Corticeira Amorim's various industrial units, ensuring greater speed, reliability and commitment.



# 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, 2020 and December 31, 2021, 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 April 4, 2022. 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 = K euros = K€).

# 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 2021. 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, and non-monetary assets, which are adjusted for inflation, of the associate located in Argentina. 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, 2021.

## Changes in accounting policies and disclosures

The standards (new and amended) that became effective for the annual periods that started on January 1, 2020 are as follows:

- **IFRS 16 (amendment)**, 'Leases – COVID-19 related rent concessions'. This amendment introduces a practical expedient for lessees (but not for lessors), which exempts them from assessing whether the rent concessions granted by lessors due to the COVID-19 pandemic are a modification to the lease contract, when three criteria are cumulatively met: i) the change in lease payments results in a revised fee for the lease that is substantially equal to, or less than, the fee immediately prior to the change; ii) any reduction in lease payments only affects payments due on or before June 30, 2021; and iii) there are no substantive changes to other lease terms and conditions. Lessees that qualify elect to apply this practical expedient, recognise the change in rent payments, as variable rents in the period(s) in which the event or condition that triggers the reduced payment occurs. This amendment is applied retrospectively with the impacts reflected as an adjustment to retained earnings (or another equity component, as appropriate) at the beginning of the annual reporting period in which the lessee applies this amendment for the first time. Initially, the practical expedient applied to payments originally due by June 30, 2021, however, due to the prolongation of the impact of the pandemic, on March 31, 2021 it has been extended to payments originally due by June 30, 2022;

- **IFRS 4 (amendment)**, 'Insurance contracts – deferral of IFRS 9'. This amendment addresses the temporary accounting consequences of the different effective dates of IFRS 9 Financial Instruments and the forthcoming IFRS 17 Insurance Contracts. In particular, the amendments to IFRS 4 extend the expiry date of the temporary exemption from applying IFRS 9 until 2023 in order to align the effective date of IFRS 9 with the new IFRS 17;
- **IFRS 9, IAS 39, IFRS 7, IFRS 4 e IFRS 16 (amendment)**, 'Interest rate benchmark (IBOR) reform – phase 2'. These amendments address issues that arise during the reform of an interest rate benchmark, including the replacement of one benchmark with an alternative one, providing exemptions like: i) changes to designations and hedging documentation; ii) amounts accumulated in the cash flow hedge reserve; iii) assessment of retrospective effectiveness on a hedge relationship under IAS 39; iv) amendments to hedge relationships for groups of items; v) presumption that an alternative benchmark rate designated as a non-contractually specified risk component is separately identifiable and qualifies as a hedged risk; and vi) update the effective interest rate, with no gain or loss recognised, for financial instruments measured at amortised cost with changes in the contractual cash flows as a result of IBOR reform, including leases that are indexed to an IBOR;

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 2022, already endorsed by the European Union are as follows:

- **IAS 16 (amendment)**, 'Proceeds before intended use' (effective for annual periods beginning on or after 1 January 2022). 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' (effective for annual periods beginning on or after 1 January 2022). 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' (effective for annual periods beginning on or after 1 January 2022). 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;

- **IFRS 17 (new)**, '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 and investment contracts with discretionary participation characteristics. IFRS 17 is based on the current measurement of technical liabilities at each reporting date. The current measurement can be based on a general model "building block approach" or a simplified one "premium allocation approach". The "building block approach" is based on discounted, probability-weighted cash flows, a risk adjustment and a contractual service margin ('CSM'), which represents the unearned profit of the contract. Subsequent changes in estimated cash flows are adjusted against the contractual service margin, unless it becomes negative. IFRS 17 is applied retrospectively with some exceptions in the transition;
- **IFRS 17 (amendment)**, 'Insurance contracts' (effective for annual periods beginning on or after 1 January 2023). This amendment includes specific changes in eight areas of IFRS 17, such as: i) scope; ii) level of aggregation of insurance contracts; iii) recognition; iv) measurement; v) modification and derecognition; vi) presentation of the Statement of Financial Position; vii) recognition and measurement of the Income statement; and viii) disclosures. This amendment also includes clarifications, which aim to simplify some of the requirements of this standard and ease transition;
- **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). Introduction of the concept 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);
- **Annual Improvements 2018 – 2020** (effective for annual periods beginning on or after 1 January 2022). The 2018-2020 annual improvements impact: IFRS 1, IFRS 9, IFRS 16 and IAS 41. This standard is still subject to endorsement by the European Union.

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 2022, but which the European Union has not yet endorsed, are as follows:

- **IAS 1 (amendment)**, ‘Presentation of financial statements – classification of liabilities’ (effective for annual periods beginning on or after 1 January 2023). This amendment is still subject to endorsement by the European Union. This amendment intends to clarify that liabilities are classified as either current or non-current balances depending on the rights that an entity has to defer its payment, at the end of each reporting period. The classification of liabilities is not affected by the entity’s expectations (the assessment should determine whether a right exists but should not consider whether or not the entity will exercise that right), or by events occurring after the reporting date, such as the non-compliance with a given “covenant”. This amendment also introduces a new definition of “settlement” of a liability. This amendment is applied retrospectively;
- **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). This amendment is still subject to endorsement by the European Union. 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. These 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 no longer subject to the initial recognition exemption for deferred taxes. The cumulative effect of initially applying the amendment is recognised as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the earliest comparative period presented;

- **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 is still subject to endorsement by the European Union. This amendment relates only to insurers’ transitioning to the 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.

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 2021, 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 and 2021, Argentina is considered a hyperinflationary economy, so the associate located in this country recognised the accumulated inflation adjustments.

### 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.

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 to 50
Basic equipment	4 to 10
Transportation equipment	4 to 7
Office equipment	4 to 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 to 20
Software	3 to 6

The estimated useful lives of assets are reviewed and adjusted when necessary, at the balance sheet date.

#### E. BIOLOGICAL ASSETS

Biological assets include cork in the tree measured at fair value. In determining this fair value, the present value method of discounted cash flows was used, which were calculated through an independent valuation carried out by an external entity.

## 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, 2021, 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, 2021, 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.



## 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, 2021, 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 recognized, 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 out flow 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.

## O. 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.

## 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 to 10
Vehicles	3 to 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, 2021, 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.

# 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, 2021. 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 a 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, 2021, taking into account the relationship between the amount of the group's exposure to financial assets and liabilities in foreign currency and the notional amount 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 -7,253 K€ as of December 31, 2021 (2020: -9,043 K€).

## B. INTEREST RATE RISK

As of 31 December 2021, of the total interest-bearing debt, 62,3 M€ had interest at a fixed rate, of which 15 M€ will have to be settled until 2024 and 25 M€ until December 4, 2025. As of December 31, 2020, the value was 68 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, 2021, if interest rates were 0.1 percentage points higher, with the remaining variables remaining constant, the pre-tax result would be lower by around 95 thousand euros (186 thousand euros in 2020) 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. 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 2021: 340 million euros and December 2020: 263 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 2021, 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 (110 M€): around 24 M€ are deposited in a financial institution (private capital) with the following ratings: Moody's Baa1 / P-2; Fitch: BBB+ / F2; another 24 M€ is deposited in a financial institution (private capital) with the following ratings: Moody's Baa1 / P-2; Fitch: BBB+ / F2; and another 24 M€ are deposited in a financial institution (public capital) with the following ratings: Moody's Baa2 / P-2; Fitch: BBB / F3.

## 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)	88,791	31,603	23,476	37,113	180,983
Other financial liabilities (Note 24)	41,238	8,272	7,512	5,650	62,674
Trade payables (Note 23)	110,402				110,402
<b>Total as of December 31, 2020</b>	<b>240,431</b>	<b>39,876</b>	<b>30,988</b>	<b>42,763</b>	<b>354,058</b>
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
<b>Total as of December 31, 2021</b>	<b>276,811</b>	<b>11,169</b>	<b>84,524</b>	<b>6,524</b>	<b>379,028</b>

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. As a result of the COVID-19 pandemic, Corticeira Amorim reinforced those lines and programmes that were previously available and contracted new financing. Therefore, Corticeira Amorim ended the year with unused credit lines and programmes for issuing commercial paper totalling €206.2 million (at December 31, 2020 the comparable figure was €260.9 million). If we add Cash and Equivalents, the Liquidity Reserve at the end of 2021 was €315.8 M (€331.2 M at December 31, 2020).

This way, the COVID-19 pandemic is not expected to undermine Corticeira Amorim's liquidity.

Based on estimated cash flows, 2022 liquidity reserve, composed mainly by non-used credit lines, will be as follows.

2022	
Opening balance	316
Operating cash-flow	126
Capex	-60
Acquisitions	-69
Interest and dividends	-27
Income tax	-15
Financial cash-flow (including bank debt payments)	-2
Closing balance	270

million euros

Note: includes dividends to be approved in the April 28, 2022 shareholders meeting

The financial cash-flow assumes that at the end of 2022, the level of unused credit lines (206.2 M€) is equal to that of the beginning of the year and cash and cash equivalents will be approximately 109 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, 2021	December 31, 2020	December 31, 2019
Equity	623,283	576,656	539,543
Assets	1,081,289	1,005,684	994,152
Equity/ Assets	57.6%	57.3%	54.3%

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, 2021, derivative financial instruments recognised as assets in the consolidated statement of financial position were 1,154 K€ as assets (31/12/2020: 1,973 K€) and 1,126 K€ as liabilities (31/12/2020: 164 K€), as stated in notes 18 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. The only financial liability with level 3 corresponds to the agreement to acquire the additional interest in subsidiaries. The conditions can be seen in note 24.

## Summary of the derivative financial instruments' fair value

Nature	Hierarchy	Type	2021		2020	
			Notional	Fair Value	Notional	Fair Value
		Cash flow hedge	7,820	109	12,174	576
		Fair value hedge	20,903	563	26,373	1,436
		Trading derivatives	-	481	-	-40
	<b>Level 2 Total</b>		<b>28,724</b>	<b>1,154</b>	<b>38,547</b>	<b>1,973</b>
<b>Asset Total</b>			<b>28,724</b>	<b>1,154</b>	<b>38,547</b>	<b>1,973</b>
		Cash flow hedge	17,267	177	-	-
		Fair value hedge	29,213	909	6,412	164
		Trading derivatives	-	41	-	-
	<b>Level 2 Total</b>		<b>46,481</b>	<b>1,126</b>	<b>6,412</b>	<b>164</b>
		Agreement for the acquisition of additional ownership interest in a subsidiary	5,000	4,962	10,000	9,962
	<b>Level 3 Total</b>		<b>5,000</b>	<b>4,962</b>	<b>10,000</b>	<b>9,962</b>
<b>Liabilities Total</b>			<b>51,481</b>	<b>6,088</b>	<b>16,412</b>	<b>10,126</b>

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, 2021, options contracts and forward outright related with sales currencies were as follows:

	2021		2020	
USD	44,258	92%	34,578	93%
ZAR	3,631	8%	2,198	6%
HUF	170	0%	299	1%
<b>Forward - long positions</b>	<b>48,059</b>	<b>100%</b>	<b>37,075</b>	<b>100%</b>
USD	439	100%	5,236	98%
HUF	-	0%	100	2%
<b>Forward - short positions</b>	<b>439</b>	<b>100%</b>	<b>5,336</b>	<b>100%</b>
USD	24,483	100%	-	-
<b>Options - long positions</b>	<b>24,483</b>	<b>100%</b>	<b>-</b>	<b>-</b>
USD	2,222	100%	2,548	100%
<b>Options - short positions</b>	<b>2,222</b>	<b>100%</b>	<b>2,548</b>	<b>100%</b>

thousand euros

It is expected that hedged highly probable transactions in foreign currencies occur during the first half of 2021. 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 -446 K€ (2020: +219 K€).

In relation with fair value hedging, during 2021 a gain of 1,778 K€ was recorded in the hedging instruments (2020: loss of 2,077 K€) and a loss of 1,947 K€ was recorded in the hedged items (2020: gain of 1,697 K€).



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Corticeira Amorim, with its Naturity and Xpür technologies, has extended non-detectable TCA performance to its natural and technical cork stoppers, respectively.



# 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 2 b). 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 – CONSOLIDATED 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	2021	2020
<b>Raw Materials</b>					
<b>Amorim Natural Cork, S.A.</b>		<b>Vale de Cortiças - Abrantes</b>	<b>PORTUGAL</b>	<b>100%</b>	<b>100%</b>
Amorim Florestal, S.A.		Ponte de Sôr	PORTUGAL	100%	100%
Amorim Florestal II, S.A.		Ponte de Sôr	PORTUGAL	100%	100%
Amorim Florestal III, S.A.		Ponte de Sôr	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%
Cold River's Homestead, SA	(a) (d)	Lisboa	PORTUGAL	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%
<b>Cork Stoppers</b>					
<b>Amorim Cork, S.G.P.S., S.A.</b>		<b>Santa Maria Lamas</b>	<b>PORTUGAL</b>	<b>100%</b>	<b>100%</b>
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 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%
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%
Corpach Bourrasse, S.A.	(f)	Santiago	CHILE	90%	80%
Elfverson & Co. AB	(f)	Paryd	SWEDEN	75%	75%
Equipar, Participações Integradas, Lda.	(g)	Coruche	PORTUGAL	-	100%
S.A.S. Ets Christian Bourassé	(f)	Tosse	FRANCE	90%	80%
FP Cork, Inc.		Califórnia	U.S. AMERICA	100%	100%
Francisco Oller, S.A.		Girona	SPAIN	94%	94%
Hungarocork, Amorim, RT		Budapeste	HUNGARY	100%	100%
ICASHITE Australasia	(b) (c)	Adelaide	AUSTRALIA	50%	-
Indústria Corchera, S.A.	(b)	Santiago	CHILE	50%	50%
Korken Schiesser Ges.M.B.H.		Viena	AUSTRIA	69%	69%
Olimpiadas Barcelona 92, S.L.		Girona	SPAIN	100%	100%

Company		Head Office	Country	2021	2020
<b>Cork Stoppers</b>					
Portocork América, Inc.		Califórnia	U. S. AMERICA	100%	100%
Portocork France, S.A.S.		Bordéus	FRANCE	100%	100%
Portocork Internacional, S.A.	(g)	Santa Maria Lamas	PORTUGAL	-	100%
Portocork Itália, s.r.l		Milão	ITALY	100%	100%
Sagrera et Cie		Reims	FRANCE	91%	91%
S.A. Oller et Cie		Reims	FRANCE	94%	94%
S.C.I. Friedland		Céret	FRANCE	100%	100%
S.C.I. Prioux		Epernay	FRANCE	91%	91%
Socori, S.A.	(f)	Rio Meão	PORTUGAL	90%	80%
Socori Forestal, S.L.	(f)	Cáceres	SPAIN	90%	80%
Société Nouvelle des Bouchons Trescases	(a)	Perpignan	FRANCE	50%	50%
Trefinos Australia		Adelaide	AUSTRALIA	91%	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)	Jablonek nad Nisou	CZECH REP.	50%	50%
Wine Packaging & Logistic, S.A.	(a)	Santiago	CHILE	16%	16%
<b>Floor &amp; Wall Coverings</b>					
<b>Amorim Cork Flooring, S.A.</b>		<b>S. Paio de Oleiros</b>	<b>PORTUGAL</b>	<b>100%</b>	<b>100%</b>
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.	(c)	Vancouver	CANADA	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		Mölnådal	SWEDEN	84%	84%
Amorim Flooring UK, Ltd.		Manchester	UN. KINGDOM	100%	100%
Amorim Japan Corporation		Tóquio	JAPAN	100%	100%
Cortex Korkvertriebs, GmbH		Fürth	GERMANY	100%	100%
Dom Korkowy, Sp. Zo. O.	(b)	Kraków	POLAND	50%	50%
Korkkitrio Oy		Tampere	FINLAND	51%	51%
Timberman Denmark A/S		Hadsund	DENMARK	100%	100%
<b>Composite Cork</b>					
<b>Amorim Cork Composites, S.A.</b>		<b>Mozelos</b>	<b>PORTUGAL</b>	<b>100%</b>	<b>100%</b>
Amorim (UK), Ltd.		Horsham West Sussex	UN. KINGDOM	100%	100%
Amorim Cork Composites, LLC		São Petersburgo	RUSSIA	100%	100%
Amorim Cork Composites, GmbH		Delmenhorts	GERMANY	100%	100%
Amorim Cork Composites, Inc.		Trevor - Wisconsin	U. S. AMERICA	100%	100%
Amorim Industrial Solutions - Imobiliária, S.A.		Corroios	PORTUGAL	100%	100%
Amorim Sports, Lda.		Mozelos	PORTUGAL	70%	70%
Amorim Sports North America, Inc.	(c)	Madison - Wisconsin	U. S. AMERICA	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.	(c)	Madison - Wisconsin	U. S. AMERICA	90%	-
Corticeira Amorim - France, SAS		Lavardac	FRANCE	100%	100%
Florconsult – Consultoria e Gestão, Lda.		Mozelos	PORTUGAL	100%	100%
Korko - Made By Nature, Lda	(a)(c)	Mozelos	PORTUGAL	50%	-
Postya - Serviços de Consultadoria, Lda.		Funchal - Madeira	PORTUGAL	100%	100%
<b>Insulation Cork</b>					
<b>Amorim Cork Insulation, S.A.</b>		<b>Vendas Novas</b>	<b>PORTUGAL</b>	<b>100%</b>	<b>100%</b>

Company	Head Office	Country	2021	2020
<b>Holding</b>				
<b>Corticeira Amorim S.G.P.S., S. A.</b>	<b>Mozelos</b>	<b>PORTUGAL</b>	<b>100%</b>	<b>100%</b>
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%
Grówancork - Estruturas isoladas com cortiça, Lda.	(g) Mozelos	PORTUGAL	-	75%
TD Cork - Tapetes Decorativos com Cortiça, Lda.	(a) Mozelos	PORTUGAL	25%	25%
Soc. Portuguesa de Aglomerados de Cortiça, Lda.	Montijo	PORTUGAL	100%	100%

- (a) Equity method consolidation  
(b) Corticeira Amorim directly or indirectly controls the relevant activities – line-by-line consolidation method  
(c) Company set-up in 2021  
(d) Company acquired in 2021

- (e) Decrease in the percentage of interest  
(f) Increase in the percentage of interest  
(g) Company liquidated in 2021

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 50% of Cold River’s Homestead, S.A.

On 24 June, Corticeira Amorim, through its subsidiary Amorim Florestal II, S.A., reached an agreement with Banco Comercial Português to acquire 50% of Cold River’s Homestead, SA, which has a set of assets (movable and immovable property) related to agro-forestry exploitation, which constitutes a part (3,300 hectares) of the so-called Herdade do Rio Frio, located in the Setúbal district, for the total sum of EUR 14,525 K€.

Corticeira Amorim has also reached an agreement with Parvalorem, SA, to acquire the remaining 50% of Cold River’s Homestead, SA, which is conditioned to the verification of certain requirements, whose implementation is expected to be possible in the short term.

As it is widely known, Corticeira Amorim has a Forest Intervention Project underway, which aims to ensure the maintenance, preservation and enhancement of cork oak forests and the development of cork oaks, to increase their production through innovative processes and technologies already tried out in other areas and, in this way, to increase the carbon sink of cork oak forests and contribute to the carbon neutrality of the company and the country. Within the scope of this acquisition, Corticeira Amorim intends to improve the productivity of the agro-forestry activity of Herdade do Rio Frio, namely through densification to be implemented in this unique cork oak forest, with processes already experimented in other locations.

At the balance sheet date, Corticeira Amorim does not control this entity, the fair values of assets and liabilities identified under this transaction include essentially the Herdade do Rio Frio. Therefore, the transaction value was attributed to the acquired tangible assets and no goodwill resulted.



## 7 – EXCHANGE RATES USED IN CONSOLIDATION

Exchange rates		December 31 2021	Average 2021	Average 2020	December 31 2020
Argentine Peso	ARS	116.727	112.348	80.877	102.687
Australian Dollar	AUD	1.562	1.575	1.655	1.590
Lev	BGN	1.956	1.956	1.956	1.956
Brazilian Real	BRL	6.310	6.378	5.894	6.374
Canadian Dollar	CAD	1.439	1.483	1.530	1.563
Swiss Franc	CHF	1.033	1.081	1.071	1.080
Chilean Peso	CLP	967.530	897.723	902.158	866.820
Yuan Renminbi	CNY	7.195	7.628	7.875	8.023
Czech Koruny	CZK	24.858	25.640	26.455	26.242
Danish Krona	DKK	7.436	7.437	7.454	7.441
Algerian Dinar	DZD	157.009	159.140	144.517	160.674
Euro	EUR	1.000	1.000	1.000	1.000
Pound Sterling	GBP	0.840	0.860	0.890	0.899
Hong Kong Dollar	HKD	8.862	9.191	8.855	9.468
Forint	HUF	369.190	358.516	351.249	363.890
Yen	JPY	130.380	129.877	121.846	126.490
Moroccan Dirham	MAD	10.514	10.626	10.817	10.872
Zloty	PLN	4.597	4.565	4.443	4.560
Ruble	RUB	85.300	87.153	82.725	91.467
Swedish Krona	SEK	10.250	10.146	10.485	10.034
Tunisian Dinar	TND	3.263	3.280	3.195	3.290
Turkish Lira	TRL	15.234	10.512	8.055	9.113
US Dollar	USD	1.133	1.183	1.142	1.227
Rand	ZAR	18.063	17.477	18.765	18.022

## 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:

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	-
<b>Total Sales</b>	<b>191,453</b>	<b>593,317</b>	<b>123,214</b>	<b>116,700</b>	<b>14,546</b>	<b>4,920</b>	<b>-206,332</b>	<b>837,820</b>
<b>EBITDA (current)</b>	<b>19,432</b>	<b>101,203</b>	<b>2,813</b>	<b>9,992</b>	<b>2,064</b>	<b>-1,722</b>	<b>617</b>	<b>134,399</b>
<b>Assets (non-current)</b>	<b>55,388</b>	<b>210,063</b>	<b>36,677</b>	<b>49,053</b>	<b>4,909</b>	<b>708</b>	<b>25,484</b>	<b>382,282</b>
<b>Assets (current)</b>	<b>149,402</b>	<b>323,839</b>	<b>77,014</b>	<b>58,109</b>	<b>7,196</b>	<b>79,893</b>	<b>3,556</b>	<b>699,008</b>
<b>Liabilities</b>	<b>49,993</b>	<b>173,637</b>	<b>47,533</b>	<b>35,289</b>	<b>2,987</b>	<b>10,932</b>	<b>137,635</b>	<b>458,006</b>
<b>Capex</b>	<b>5,873</b>	<b>24,440</b>	<b>5,541</b>	<b>5,946</b>	<b>895</b>	<b>867</b>	<b>-</b>	<b>43,563</b>
<b>Year Depreciation</b>	<b>-4,721</b>	<b>-24,712</b>	<b>-5,951</b>	<b>-4,600</b>	<b>-579</b>	<b>-171</b>	<b>-</b>	<b>-40,735</b>
<b>Gains/Losses in associated companies</b>	<b>300</b>	<b>2,697</b>	<b>1</b>	<b>-16</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>2,995</b>
2020	Raw Materials	Cork Stoppers	Floor & Wall Coverings	Composite Cork	Insulation Cork	Holding	Adjustm.	Consolidated
Trade Sales	11,234	516,595	109,172	92,772	10,218	124	-	740,113
Other BU Sales	168,738	10,747	2,924	2,413	2,119	5,795	-192,737	-
<b>Total Sales</b>	<b>179,972</b>	<b>527,341</b>	<b>112,096</b>	<b>95,185</b>	<b>12,337</b>	<b>5,919</b>	<b>-192,737</b>	<b>740,113</b>
<b>EBITDA (current)</b>	<b>15,493</b>	<b>97,253</b>	<b>1,837</b>	<b>8,342</b>	<b>877</b>	<b>-2,674</b>	<b>1,384</b>	<b>122,512</b>
<b>Assets (non-current)</b>	<b>38,545</b>	<b>206,705</b>	<b>36,882</b>	<b>47,500</b>	<b>4,619</b>	<b>1,722</b>	<b>31,013</b>	<b>366,986</b>
<b>Assets (current)</b>	<b>167,081</b>	<b>309,193</b>	<b>68,118</b>	<b>51,584</b>	<b>9,209</b>	<b>49,823</b>	<b>-16,309</b>	<b>638,699</b>
<b>Liabilities</b>	<b>42,565</b>	<b>142,403</b>	<b>41,736</b>	<b>28,726</b>	<b>2,290</b>	<b>14,015</b>	<b>157,293</b>	<b>429,029</b>
<b>Capex</b>	<b>5,232</b>	<b>27,203</b>	<b>3,300</b>	<b>5,514</b>	<b>979</b>	<b>443</b>	<b>-</b>	<b>42,670</b>
<b>Year Depreciation</b>	<b>-4,083</b>	<b>-22,212</b>	<b>-6,174</b>	<b>-3,487</b>	<b>-496</b>	<b>-95</b>	<b>-</b>	<b>-36,547</b>
<b>Gains/Losses in associated companies</b>	<b>-</b>	<b>2,111</b>	<b>0</b>	<b>3</b>	<b>-</b>	<b>-9</b>	<b>-</b>	<b>2,105</b>

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 393 M€, and are mostly composed by inventories (131 M€), trade receivables (128 M€) and tangible fixed assets (70 M€).

In non-current assets, it is important to note the 214 M€ (2020: 211 M€) of tangible fixed assets, 5.3 M€ (2020: 5.4 M€) of property investment, 12.8 M€ (2020: 10.4 M€) of intangible assets and 0.4 M€ (2020: 0.1 M€) of other financial assets, located in Portugal.

#### Sales distribution by market

Markets	2021		2020	
European Union	561,102	67.0%	477,744	64.6%
From which: Portugal	59,748	7.1%	44,753	6.0%
Other European countries	29,783	3.6%	28,777	3.9%
United States	141,312	16.9%	138,131	18.7%
Other American countries	57,760	6.9%	47,660	6.4%
Australasia	36,422	4.3%	37,530	5.1%
Africa	11,442	1.4%	10,271	1.4%
<b>TOTAL</b>	<b>837,820</b>	<b>100%</b>	<b>740,113</b>	<b>100%</b>

thousand euros

The value of sales relates in its entirety, as in 2020, to contracts covered by IFRS 15 - Revenue from contracts with customers.



Automated lines for choosing raw materials that use a sophisticated mapping of the cork planks through robotisation, laser scanning, artificial intelligence, machine learning and optical vision.

## 9 – TANGIBLE ASSETS

	Land and Buildings	Machinery	Other	Tangible Fixed Assets in Progress	Total Tangible Assets
Gross Value	282,493	469,983	38,047	30,416	820,940
Depreciation and impairments	- 166,386	- 344,808	- 31,146	-	- 542,340
<b>Opening balance (Jan 1, 2020)</b>	<b>116,107</b>	<b>125,175</b>	<b>6,901</b>	<b>30,416</b>	<b>278,600</b>
Increase	8,645	18,227	1,354	8,394	36,621
Period deprec. and impairments	- 5,783	- 24,441	- 1,848	-	- 32,072
Sales and other decreases	- 317	- 1,051	- 387	- 159	- 1,914
Transfers and reclassifications	508	12,600	778	- 12,096	1,790
Translation differences	- 1,065	- 216	- 48	- 20	- 1,349
<b>Gross value</b>	<b>291,734</b>	<b>485,471</b>	<b>38,207</b>	<b>26,536</b>	<b>841,948</b>
<b>Depreciation and impairments</b>	<b>- 173,640</b>	<b>- 355,176</b>	<b>- 31,456</b>	<b>0</b>	<b>- 560,272</b>
<b>Closing balance (Dec 31, 2020)</b>	<b>118,094</b>	<b>130,296</b>	<b>6,751</b>	<b>26,536</b>	<b>281,676</b>
Gross Value	291,734	485,471	38,207	26,536	841,948
Depreciation and impairments	- 173,640	- 355,176	- 31,456	-	- 560,272
<b>Opening balance (Jan 1, 2021)</b>	<b>118,094</b>	<b>130,296</b>	<b>6,751</b>	<b>26,536</b>	<b>281,676</b>
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
<b>Gross Value</b>	<b>296,569</b>	<b>519,249</b>	<b>38,960</b>	<b>20,838</b>	<b>876,743</b>
<b>Depreciation and impairments</b>	<b>- 179,984</b>	<b>- 381,013</b>	<b>- 31,756</b>	<b>0</b>	<b>- 592,753</b>
<b>Closing balance (Dec 31, 2021)</b>	<b>116,586</b>	<b>138,236</b>	<b>7,204</b>	<b>20,838</b>	<b>283,990</b>

Impairment losses recognised in 2020 and 2021 were recognised on the “Depreciation/Amortisation” line in the consolidated income statement by nature.

thousand euros

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	18,613	13,847
Depreciation and impairments	- 7,761	- 103
<b>Opening balance (Jan 1, 2020)</b>	<b>10,852</b>	<b>13,744</b>
Increase	7,662	-
Period deprec. and impairments	- 1,894	-
Sales and other decreases	64	-
Transfers and reclassifications	- 489	- 152
Translation differences	- 24	154
Gross value	25,934	13,849
Depreciation and impairments	- 9,764	- 103
<b>Closing balance (Dec 31, 2020)</b>	<b>16,170</b>	<b>13,746</b>
Gross Value	25,934	13,849
Depreciation and impairments	- 9,764	- 103
<b>Opening balance (Jan 1, 2021)</b>	<b>16,170</b>	<b>13,746</b>

Increase	5,599	-
Period deprec. and impairments	- 2,951	-
Sales and other decreases	- 763	- 3,903
Transfers and reclassifications	- 865	-
Translation differences	75	-
<b>Gross Value</b>	<b>30,239</b>	<b>9,946</b>
<b>Depreciation and impairments</b>	<b>- 12,974</b>	<b>- 103</b>
<b>Closing balance (Dec 31, 2021)</b>	<b>17,266</b>	<b>9,843</b>

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:

2020	Opening Balance	Increase	Decrease	Reclassification	Translation differences	End Balance
Bourrassé	9,745					9,745
Elfverson	3,901			- 152	154	3,903
Korkkitrio	98					98
<b>Goodwill</b>	<b>13,744</b>	<b>-</b>	<b>-</b>	<b>- 152</b>	<b>154</b>	<b>13,746</b>

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
<b>Goodwill</b>	<b>13,746</b>	<b>-</b>	<b>- 3,903</b>	<b>-</b>	<b>-</b>	<b>9,843</b>

thousand euros

As stated in note 2 b), impairment tests are carried out annually. In the case of Bourrassé, cash flows were projected, based on the budget and plans approved by management. The growth assumptions considered the expected growth for the wine, champagne and sparkling wine market, as well as the evolution of the subsidiaries' market share in this business. In the tests, operational cash-flow growth rates of 10% were used for the period 2022-2024 and 1.4% for the following years, at Bourrassé and Elfverson, respectively. The cash flows forecast for 2022-2024 have been adjusted, in relation to the original business plan, to adapt to the current market conditions in which the prospect of recovery is slower, compared to the initial assumption. The discount rate used was 6.98%. In the case of Elfverson, considering the assumptions defined by the board, the impairment test was based on the fair value less cost to sell value. In the test, the same multiple of EBITDA considered in the acquisition of Elfverson was applied.

## 11 – RIGHT OF USE

	Right of use
Gross Value	10,187
Depreciation and impairments	- 4,150
<b>Opening balance (Jan 1, 2020)</b>	<b>6,037</b>
Increase	2,167
Period deprec. and impairments	- 2,253
Sales and other decreases	-
Transfers and reclassifications	287
Translation differences	4
<b>Gross Value</b>	<b>11,531</b>
<b>Depreciation and impairments</b>	<b>- 5,289</b>
<b>Closing balance (Dec 31, 2020)</b>	<b>6,241</b>
Gross Value	11,531
Depreciation and impairments	- 5,289
<b>Opening balance (Jan 1, 2021)</b>	<b>6,241</b>
Increase	1,913
Period deprec. and impairments	- 2,451
Sales and other decreases	- 42
Transfers and reclassifications	510
Translation differences	1
<b>Gross Value</b>	<b>13,114</b>
<b>Depreciation and impairments</b>	<b>- 6,941</b>
<b>Closing balance (Dec 31, 2021)</b>	<b>6,173</b>

thousand euros

Depreciation of the right of use includes leases previously classified as financial, included in tangible assets.

## 12 – INVESTMENT PROPERTY

	Investment Property
Gross Value	22,116
Depreciation and impairments	- 16,730
<b>Opening balance (Jan 1, 2020)</b>	<b>5,387</b>
Increase	5
Period deprec. and impairments	- 113
Sales and other decreases	-
Transfers and reclassifications	124
Translation differences	-
<b>Gross Value</b>	<b>22,121</b>
<b>Depreciation and impairments</b>	<b>- 16,718</b>
<b>Closing balance (Dec 31, 2020)</b>	<b>5,403</b>
Gross Value	22,121
Depreciation and impairments	- 16,718
<b>Opening balance (Jan 1, 2021)</b>	<b>5,403</b>
Increase	-
Period deprec. and impairments	- 92
Sales and other decreases	0
Transfers and reclassifications	0
Translation differences	-
<b>Gross Value</b>	<b>22,121</b>
<b>Depreciation and impairments</b>	<b>- 16,810</b>
<b>Closing balance (Dec 31, 2021)</b>	<b>5,311</b>

thousand euros

The amount of 5,311 K€ in Investment Property (December 2020: 5,403 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. This item also includes a property (Interchampagne with a value of 1,307 K€) with a recent valuation that corresponds to the book value. At the end of the year, the management made an analysis of these evaluations considering that they were kept up to date.

These properties are not generating income and conservation and repair costs are insignificant.

# 13 – INVESTMENTS IN ASSOCIATES AND JOINT-VENTURES

	2021	2020
Opening Balance	2,046	22,366
In / Out (note 6)	15,403	-
Results	2,995	2,105
Dividends	-1,822	-350
Exchange Differences	53	-1,863
Other	1,726	1,789
<b>End Balance</b>	<b>42,401</b>	<b>24,046</b>
Equity method	2,995	2,105
Gains on disposal of associates	-	-
<b>Share of (loss)/profit of associates and joint-ventures</b>	<b>2,995</b>	<b>2,105</b>

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:

2021	Share in net assets	Goodwill	Total	Contribution to net income
Trescases (50%)	5,481	1,715	7,196	791
Wine Packaging & Logistic (50%)	1,138	-	1,138	-
Corchos Argentina (50%)	4,174	-	4,174	-577
Vinolok (50%)	13,768	-	13,768	2,483
Cold River's Homestead (50%)	15,553	-	15,553	300
Others	572	-	572	-3
<b>End Balance</b>	<b>40,686</b>	<b>1,715</b>	<b>42,401</b>	<b>2,995</b>

2020	Share in net assets	Goodwill	Total	Contribution to net income
Trescases (50%)	5,041	1,715	6,756	656
Wine Packaging & Logistic (50%)	1,270	-	1,270	50
Corchos Argentina (50%)	3,516	-	3,516	224
Vinolok (50%)	12,099	-	12,099	1,181
Others	404	-	404	-6
<b>End Balance</b>	<b>22,331</b>	<b>1,715</b>	<b>24,046</b>	<b>2,105</b>

thousand euros

A summary of the respective financial information is presented below:

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	NA	346,012	990,876	1,699
Non-current assets	1,376	NA	518,619	6,261,922	29,079
Assets	21,171	NA	864,631	7,252,798	30,778
Equity	12,076	981,476	687,281	3,343,374	30,680
Current liabilities	9,095	NA	127,351	729,192	98
Non-current liabilities	0	NA	49,999	3,180,232	-
Sales	39,132	NA	515,658	2,298,474	1,253
Operating profit	1,762	NA	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

thousand euros

NA - Financial statements of the associate were not finalized on the date of approval of the consolidated accounts

2020	Trescases (50%)	Corchos Argentina (50%)	Vinolok	Wine Packaging & Logistic (50%)	
	K €	K ARS	K CZK	K CLP	
Current assets	25,369	761,961	334,191	838,109	
Non-current assets	1,387	80,192	453,160	6,526,874	
Assets	26,756	842,153	787,352	7,364,983	
Equity	11,496	728,373	583,424	3,336,201	
Current liabilities	9,260	110,875	69,062	1,328,782	
Non-current liabilities	6,000	2,906	83,333	2,700,000	
Sales	36,097	1,213,052	397,902	2,476,983	
Operating profit	1,520	234,020	64,962	449,180	
Net income	1,083	130,902	62,506	146,780	
Comprehensive income	1,083	130,902	62,506	146,780	

In addition to the above, the Group has significant influence on a set of other individually immaterial associates.

## 14 – OTHER FINANCIAL ASSETS

Assets included in other financial assets (December 31, 2021: 1,868 K€, December 31, 2020: 1,603 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.

## 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 -2,617 K€ (31/12/2020: 279 K€).

On the consolidated statement of financial position this effect, excluding tax contingencies, amounts to 12,131 K€ (31/12/2020: 14,672 K€) as asset, and to 51,041 K€ (31/12/2020: 50,570 K€) as liability.

Deferred tax related with items directly registered in equity was -94 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.

	2021	2020
Related with inventories and third parties	6,860	7,637
Related with tax losses carry forward	1,450	2,177
Related with fixed tangible assets / intang. / inv. prop	981	1,049
Related with other deductible temporary differences	2,841	3,809
<b>Deferred Tax Assets</b>	<b>12,131</b>	<b>14,672</b>
Related with fixed tangible assets	4,190	4,613
Related with other taxable temporary differences	3,205	2,624
Tax contingencies	43,646	43,332
<b>Deferred Tax Liabilities</b>	<b>51,041</b>	<b>50,570</b>
Current income tax	-15,805	-11,781
Deferred income tax	-2,617	279
<b>Income Tax</b>	<b>-18,422</b>	<b>-11,502</b>

thousand euros

The difference between the variation in the financial position (net of -3,012 K€) and the value recognised in income statement (-2,617 K€) is justified by the exchange rate effect in the non-euro subsidiaries financial position, by the variation in deferred tax related with other comprehensive income of 94 K€ (credit).



## 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	2021	2020
<b>Income Tax - Legal</b>	<b>21.0%</b>	<b>21.0%</b>
Effect of additional tax rates over base rate (Portugal)	3.4%	4.7%
Effect of tax benefits	-7.8%	-5.1%
Effect of provisions for contingencies	0.3%	-3.4%
Effect of non-taxable gains and losses	0.1%	0.1%
Effect of different tax rates (foreign subsidiaries)	2.0%	0.5%
Effect of recognising/non-recognising of differed taxes (foreign subs.)	0.0%	0.0%
Equity method	-0.6%	-0.6%
Effect of tax benefit related to subsidiaries issued shares	0.0%	0.0%
Effect of excess tax estimate and others	-0.3%	-2.8%
<b>Income tax - effective tax rate (1)</b>	<b>18.2%</b>	<b>14.4%</b>

(1) Income Tax / Pre-tax Profit

Contributing to the increase in the effective rate was the capital gain of the property in Chile, with Chile's tax rate being higher than the average for Corticeira Amorim in 2020. The fact that goodwill impairment has no tax impact also contributed to this increase in effective rate. It should also be noted that, in 2020, there was a reversal of provisions for taxes, without significant cash outflows from Corticeira Amorim. 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 a positive impact on the result that should be maintained in the coming years.

During 2020, a total of 18.6 M€ (2020: 6.4 M€) of income tax was paid. Of this amount, 9.4 M€ (2020: there was a receipt of 15 K€) was paid in Portugal. In 2020, part of the advance payments for the R.E.T.G.S. of 2019 was received, since they were higher than the tax calculated in that year. In 2021 there was no similar situation. In terms of income tax, the increase in the effective rate was mainly due to the fact that in 2020, provisions for tax losses of a subsidiary in Spain and other contingencies were reversed.

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.

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%.

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 2021 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 -94 K€ (-38 K€ in 2020).

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 12.5 M€, of which around 6.2 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:

2021	Before tax	Tax	After tax
<b>Items that could be reclassified through income statement:</b>			
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
<b>Other comprehensive income</b>	<b>1,464</b>	<b>- 94</b>	<b>1,370</b>

2020	Before tax	Tax	After tax
<b>Items that could be reclassified through income statement:</b>			
Change in derivative financial instruments fair value	257	- 38	219
Change in translation differences	- 3,317	-	- 3,317
Share of other comprehensive income of investments accounted for using the equity method	- 76	-	- 76
Other comprehensive income	2	-	2
<b>Other comprehensive income</b>	<b>- 3,134</b>	<b>- 38</b>	<b>- 3,172</b>

thousand euros

### Provisions for tax contingencies

Provisions for tax contingencies related to income tax ended with a value of 43.6 M€ (31.12.2020: 43.3 M€). During the year, the provisions in the statement of financial position increased by 314 K€.

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 years 1997, 1998, 1999 and 2003 to 2015. The most recent fiscal year analysed by Portuguese tax authorities was 2019.

These tax cases are basically related with questions like non-remunerated guarantees given between group companies, group loans (stamp tax), interest costs of holding companies (S.G.P.S.), and with the acceptance as tax costs of losses related with the closing of subsidiaries.

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 2021 accounts amounted to 8.2 M€, being fully provisioned.

In addition to the tax provisions referred to above, Corticeira Amorim has recorded a provision to cover the tax benefits to apply for 2021 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 4.9 M€. The reduction in the provision for tax benefits for the year was 5.4 M€. This provision at the end of 2021 has a value of 33.7 M€.

The provision related to a Spanish subsidiary, which at the end of the year totaled 1.4 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 has a large number of other favourable processes. They refer, in essence, to payments related with 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 10.3 M€ (including amounts paid under the RERD and PERES).

## Income tax – statement of financial position

	2021	2020
Income tax - minimum advances	167	9
Income tax - advances / to be recovered	9,943	4,733
Income tax - withholding	288	95
Income tax - special payment (RERD)	2,093	2,093
Income tax - special payment (RERD) impairment	- 2,093	- 2,093
Income tax - special payment (PERES)	5,330	5,383
Income tax - special payment (PERES) impairment	- 5,330	- 5,383
<b>Income tax (assets)</b>	<b>10,398</b>	<b>4,838</b>
Income tax - Estimation and others	4,421	1,767
<b>Income tax (liabilities)</b>	<b>4,421</b>	<b>1,767</b>

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 partially adhere 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. The remaining payments are still 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 proceedings 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 2020 is presented.

## 16 – INVENTORIES

	2021	2020
Goods	21,320	14,858
Raw materials	183,653	206,702
Finished and semi-finished goods	117,900	129,182
Work in progress	25,172	21,757
Finished and semi-finished goods impairments	- 5,876	- 7,353
Raw materials impairments	- 2,002	- 1,036
<b>Inventories</b>	<b>340,167</b>	<b>364,109</b>

	2021	2020
<b>Impairment losses</b>	<b>2021</b>	<b>2020</b>
<b>Initial Balance</b>	<b>8,390</b>	<b>7,492</b>
Increases	1,873	2,351
Decreases	2,385	1,453
<b>End Balance</b>	<b>7,879</b>	<b>8,390</b>

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

	2021	2020
Gross amount	192,320	173,534
Impairments	- 9,668	- 12,174
<b>Trade receivables</b>	<b>182,653</b>	<b>161,360</b>

Impairment losses	2021	2020
<b>Initial Balance (reported)</b>	<b>12,174</b>	<b>13,695</b>
Increases	1,654	7,032
Decreases	- 3,984	- 7,876
Others	- 176	- 677
<b>End Balance</b>	<b>9,668</b>	<b>12,174</b>

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:

	2021	2020
Due	141	125
Past due between 0 and 90 days	40	31
Past due between 90 and 120 days	2	2
Past due between 120 and 180 days	2	3
Doubtful and past due over 180 days	7	12
	192	174

million euros

## 18 – OTHER DEBTORS AND OTHER ASSETS

### Other debtors

	2021	2020
Advances to suppliers	7,107	5,828
Hedge accounting assets	1,154	1,973
VAT	23,585	20,790
Stamp tax/VAT - special payment (PERES)	2,051	2,051
Stamp tax/VAT - special payment (PERES) impairment	- 2,051	- 2,051
Others	21,851	7,133
<b>Other debtors</b>	<b>53,697</b>	<b>35,724</b>

thousand euros

As of December 31, 2021, and 2020, there were no overdue amounts of VAT.

Other non-current debtors include advances to suppliers (3,238 K€) and part of the value of the sale of properties in Chile, which will only take place over 12 months.

### Other assets

	2021	2020
Accrued income	478	455
Deferred costs	2,011	1,947
<b>Other assets</b>	<b>2,489</b>	<b>2,402</b>

thousand euros

## 19 – CASH AND CASH EQUIVALENTS

	2021	2020
Cash	924	493
Bank Balances	105,948	61,997
Term deposits	2,706	7,638
Others	26	137
<b>Cash and cash equivalents as for statement of financial position</b>	<b>109,604</b>	<b>70,266</b>
Overdrafts	- 42,544	- 45,957
<b>Cash and cash equivalents as for cash flow statement</b>	<b>67,060</b>	<b>24,309</b>

thousand euros

## 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, 2021, Corticeira Amorim held no treasury stock. No transactions were registered during 2021.

### 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

At the General Meetings of Corticeira Amorim, held on 23 April 2021 and 3 December 2021, distributions of dividends equivalent to 0.185 euros and 0.085 euros per share, respectively, were approved. Payments were made on May 17, 2021 and December 22, 2021.

	2021	2020
Approved dividends	35,910	24,605
<b>Dividends paid</b>	<b>35,910</b>	<b>24,605</b>

thousand euros

### Results per share

As of December 31, 2021 and 2020, there are no dilutive effects on the number of shares outstanding.



## 21 – NON-CONTROLLING INTEREST

	2021	2020
<b>Initial Balance</b>	<b>26 948</b>	<b>30 081</b>
In	48	70
Out	-4,687	-5,056
Results	8,281	4,285
Dividends	-2,232	-1,948
Exchange Differences	-1,072	-264
Others	50	-220
<b>End Balance</b>	<b>27,336</b>	<b>26,948</b>

thousand euros

The amount of dividends corresponds to the amounts paid by the entities to non-controlling interests.

Out value for 2021 is essentially related to the acquisition of 10% of Bourrassé.

	2021			2020		
	Balance Sheet	Net Income	Dividends paid	Balance Sheet	Net Income	Dividends paid
Amorim Bartop	2,058	- 979	950	2,738	- 5	1,011
Amorim Top Series	2,423	2,111	-	1,532	1,063	-
Ets. Christian Bourrassé	1,988	106	-	3,670	271	-
Francisco Oller	1,578	7	-	1,575	- 46	-
Industria Corchera	10,326	4,869	303	6,798	732	144
Socori	2,705	53	-	5,317	622	-
Elfverson	- 1,069	76	-	- 1,131	- 31	-
Trefinos	1,923	526	364	1,761	425	364
Victor y Amorim	1,094	420	330	1,004	332	345
Others	4,311	1,091	285	3,685	923	84
<b>End Balance</b>	<b>27,336</b>	<b>8,281</b>	<b>2,232</b>	<b>26,948</b>	<b>4,285</b>	<b>1,948</b>

thousand euros

Main financial indicators as they result from the statutory accounts  
are as follows

2021	Bourrassé	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

2020	Bourrassé	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	19,315	42,403	16,710	11,636	28,349	2,355	16,408	12,342,167	2,548
Non-current assets	13,595	15,917	16,141	21,160	18,496	12,061	4,394	4,308,561	892
Assets	32,911	58,320	32,850	32,796	46,845	14,416	20,801	16,650,728	3,440
Total Equity	19,401	34,770	19,574	25,218	20,333	11,005	11,071	11,711,824	2,010
Current liabilities	12,968	19,444	11,392	4,913	8,108	3,411	8,467	4,938,904	1,279
Non-current liabilities	542	4,106	1,884	2,665	18,404	-	1,264	-	152
Sales	40,967	50,123	41,034	21,003	49,136	-	38,444	16,310,603	7,382
Operating profit	1,314	3,471	6,381	-920	1,864	5,010	6,472	1,673,029	885
Net Income	923	3,176	4,695	-688	115	4,979	5,061	1,364,269	664
Comprehensive income	923	3,176	4,695	-688	115	4,979	5,061	1,364,269	664
Cash flow from operating activities	-1,397	8,539	7,753	3,978	-2,069	99	8,786	1,524,410	902
Cash flow from investing activities	-204	-2,970	-2,262	-1,559	-2,299	2,976	-962	-580,253	-140
Cash flow from financing activities	-635	-1,520	-4,208	-2,373	-257	-2,999	-7,821	-337,834	-709
Net cash flow	-2,236	4,050	1,282	46	-4,626	76	3	606,323	53

thousand euros

## 22 – INTEREST BEARING DEBT

At year-end, current interest-bearing loans was as follows:

	2021	2020
Overdrafts and bank loans	62,863	61,810
Leasing	1,779	1,893
Factoring	5,462	89
Commercial paper	-	25,000
<b>Interest-bearing loans - current</b>	<b>70,103</b>	<b>88,791</b>

thousand euros

Loans were denominated in euros, except 28% (Dec. 2020: 15%).

Non-current interest-bearing loans was as follows:

	2021	2020
Bank loans	21,190	27,514
Leasing	4,015	4,760
Commercial paper	22,450	20,000
Bond loans	39,918	39,918
<b>Interest-bearing loans - non-current</b>	<b>87,573</b>	<b>92,192</b>

thousand euros

At the end of the period, 98% of loans were denominated in euros (Dec. 2020: 96%).

As of December 31, 2021, maturity of non-current interest-bearing debt was as follows:

Between 01/01/2023 e 31/12/2023	7,577
Between 01/01/2024 e 31/12/2024	37,813
Between 01/01/2025 e 31/12/2025	37,590
After 01/01/2026	4,593
<b>Total</b>	<b>87,574</b>

thousand euros

From non-current and current interest-bearing debt, 95.4 M€ carries floating interest rates. Remaining 62.3 M€ carries fixed interest rate. Average cost, during 2020, for all the credit utilised was 0.89% (2020: 1.01%).

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.

As of December 2021, 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, 2021, one foreign subsidiary has a 269 K€ 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 2021 (a total of around 49 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, 2021, of 206.2 M€ of credit lines approved, but not used.

## 23 – TRADE PAYABLES

	2021	2020
Trade payables - current account	72,036	55,814
Trade payables - confirming	72,752	40,852
Trade payables -invoices pending	16,036	13,736
<b>Trade payables</b>	<b>160,825</b>	<b>110,402</b>

thousand euros

From the total values, 53% comes from Cork Stoppers BU (202019: 51%) and 22% from Raw Materials BU (2020: 24%).

## 24 – OTHER FINANCIAL LIABILITIES AND OTHER LIABILITIES

### Other financial liabilities

	2021	2020
Repayable grants	14,527	16,389
Agreement to acquire non-controlling interests	-	5,007
Other	117	40
<b>Other financial liabilities - non current</b>	<b>14,644</b>	<b>21,436</b>
Repayable grants	2,870	1,597
Agreement to acquire non-controlling interests	4,962	4,955
Accrued costs - supplies and services	5,789	3,208
Accrued costs - others	7,777	6,697
Other deferred income - others	68	302
VAT	6,271	6,458
State and social security - withholding and others	7,605	6,673
Other	10,541	11,348
<b>Other financial liabilities - current</b>	<b>45,883</b>	<b>41,238</b>

thousand euros

In Other financial liabilities is included a value of 1,126 K€ (2020: 164 K€), which refers to exchange rate hedge derivatives.

In Other financial liabilities – non-current (14,744 K€), maturity is as follows: from 1 to 2 years (3,448 K€), from 2 to 4 years (8,834 K€) and more than 4 years (2,461 K€).

The agreement to acquire non-controlling interests results from the purchase of S.A.S. ETS CHRISTIAN BOURRASSÉ, 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 BOURRASSÉ'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 June 2022 the fourth and final tranche will be acquired. The amount recognised in other financial liabilities corresponds to the remaining amount payable for the missing 10%, discounted at Corticeira Amorim's average financing rate. Changes to the present value are recognised in financial income and expenses. The increase of 1 p.p. of the financing rate would have an immaterial effect on the liability recognised.

## Other liabilities

	2021	2020
Non-repayable grants	4,326	3,116
Accrued costs - staff costs	13,308	14,100
<b>Other liabilities - current</b>	<b>17,634</b>	<b>17,216</b>

thousand euros

The balances related to grants had the following variation:

Non-repayable grants	2021	2020
<b>Opening Balance</b>	<b>3,116</b>	<b>3 081</b>
Transfer to gains	- 2,487	- 2,436
Received during the year	1,245	1,982
Reclassifications/Transfers	2,452	489
<b>Closing Balance</b>	<b>4,326</b>	<b>3,116</b>

Repayable grants	2021	2020
<b>Opening Balance</b>	<b>17,985</b>	<b>15,032</b>
Paid during the year	- 2,403	- 613
Received during the year	4,390	3,775
Reclassifications/Transfers	- 2,574	- 209
<b>Closing Balance</b>	<b>17,397</b>	<b>17,985</b>

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

	2021	2020
Tax contingencies	122	612
Guarantees to customers	677	475
Others	2,900	2,262
<b>Provisions</b>	<b>3,698</b>	<b>3,349</b>

thousand euros



		Tax Contingencies		Customer Guarantees	Others
		Stamp tax	Others		
<b>Opening balance 2020</b>		<b>62</b>	<b>645</b>	<b>936</b>	<b>2,133</b>
Recognition	Other costs - Note 30				135
	Sales			- 462	- 462
Reversal	Other gains - Note 30		- 95		- 152
	Income tax				-
Translation differences					- 8
Perimeter variation					-
Direct allocation					154
<b>Ending balance 2020</b>		<b>62</b>	<b>550</b>	<b>475</b>	<b>2,262</b>

		Tax Contingencies		Customer Guarantees	Others
		Stamp tax	Others		
<b>Opening balance 2021</b>		<b>62</b>	<b>550</b>	<b>475</b>	<b>2,262</b>
Recognition	Other costs - Note 30				623
	Sales			202	202
Reversal	Other gains - Note 30				- 58
	Income tax				-
Translation differences					59
Perimeter variation					-
Reclassification			- 490		- 490
Direct allocation					13
<b>Ending balance 2021</b>		<b>62</b>	<b>60</b>	<b>677</b>	<b>2,900</b>

thousand euros

In the year ended December 31, 2021, the item customer guarantees (which are essentially from the Floor and Wall Coverings business unit) increased by 202 K€, and are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The reclassification of the Others item in tax contingencies was made against the tax contingencies item in deferred taxes.

Claims by the tax authorities are related with stamp tax and marginally VAT

### Other contingencies

Other contingencies essentially include provisions for termination of employment (1.9 M€) and ongoing processes (0.5 M€). The increase in the item others was essentially in the item provisions for termination of employment.

Regarding the ongoing proceedings, it should be noted that, following the acquisition of 100% of the shares of the subsidiary Cosabe, carried out in October 2018, and subsequent legal action by a third party invoking preemptive rights, Corticeira Amorim informs that, after two decisions favorable in the first instance and in the Court of Appeal of Coimbra, the Supreme Court of Justice, following an appeal filed by the alleged preference, definitively confirmed the position defended by Amorim Florestal (Corticeira Amorim Group). The decision of the Supreme Court of Justice is final and unappealable. In this sense, Amorim Florestal will proceed with the investments planned in Herdade da Baliza as an integral part of its Forest Intervention Project.

## 26 – POST-EMPLOYMENT BENEFITS

Post employment benefits	
<b>Opening balance 2020</b>	<b>1,687</b>
Recognition	Others 382
Reversal	Non-current costs
	Other gains - Note 30
Translation differences	
Perimeter variation	
Direct allocation	
<b>Ending balance 2020</b>	<b>2,068</b>

Post employment benefits	
<b>Opening balance 2021</b>	<b>2,068</b>
Recognition	Others 116
Reversal	Non-current costs
	Other gains - Note 30
Perimeter variation	
Direct allocation	
<b>Ending balance 2021</b>	<b>2,184</b>

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 970 K€ (2020: 962 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 780 K€ (2020: 636 K€).

Remaining amounts related mainly to the liabilities of the Bourrasé (225 K€), Korken Schiesser (141 K€) and Portocork Italia (64 K€).

## 27 – THIRD PARTY SUPPLIES AND SERVICES

	2021	2020
Communications	1,302	1,241
Data systems	9,402	7,263
Insurance	3,992	3,895
Subcontractors	3,451	2,128
Energy	26,181	14,291
Security	1,209	1,278
Professional Fees	1,165	1,229
Tools	2,221	1,955
Oil and gas	2,296	1,954
Royalties	1,018	1,187
Rentals	4,755	4,999
Transports	33,749	28,830
Representation expenses	502	628
Travel	2,826	2,555
Commissions	9,196	8,036
Specialized Services	10,931	11,000
Advertising	5,066	5,107
Maintenance	13,323	13,072
Others	9,970	12,552
<b>Third party supplies and services</b>	<b>142,554</b>	<b>123,200</b>

thousand euros

## 28 – STAFF COSTS

	2021	2020
Board remuneration	858	606
Employees remuneration	114,551	107,574
Social Security and other	22,722	22,321
Severance costs	510	400
Post-employment benefits	546	783
Other	6,953	6,490
Capitalized Costs	- 41	- 119
<b>Staff costs</b>	<b>146,098</b>	<b>138,054</b>
<b>Average number of employees</b>	<b>4,502</b>	<b>4,420</b>
<b>Final number of employees</b>	<b>4,642</b>	<b>4,357</b>

thousand euros

Board's remuneration includes Corticeira Amorim, S.G.P.S, S.A. and any of its subsidiaries. Includes also General Meeting board members expenses.

## 29 – IMPAIRMENTS OF ASSETS

	2021	2020
Receivables	- 2,184	- 548
Tangible, intangible assets and others	- 64	- 97
<b>Impairments of assets and non-current costs</b>	<b>- 2,249</b>	<b>- 645</b>

thousand euros

Receivables impairments include customers and other debtors.

## 30 – OTHER INCOME AND GAINS / OTHER COSTS AND LOSSES

	2021	2020
Exchange rate hedging: exchange differences (note 3a))	1,778	-
Exchange rate hedging: var. derivative fair value (note 3a))	-	1,697
Gain in fixed assets and p. investment disposals	- 116	21
Provisions reversals	58	152
Operating subsidies	403	372
Investment subsidies	2,487	2,436
Supplementary income	2,470	3,159
Building revenues	287	282
Other	4,549	5,390
<b>Other income and gains</b>	<b>11,915</b>	<b>13,509</b>

	2021	2020
Exchange rate hedging: exchange differences (note 3a))	-	2,077
Exchange rate hedging: var. derivative fair value (note 3a))	1,983	-
Taxes (other than income)	1,887	1,937
Provisions	623	199
Loss in fixed assets and p. investment disposals	198	49
Bank charges	533	448
Bad debts	791	920
Loss in inventory differences	106	194
Donations and fees	664	684
Other	145	242
<b>Other costs and losses</b>	<b>6,930</b>	<b>6,752</b>

thousand euros

## 31 – NON-RECURRING RESULTS

Non-recurring results include the capital gain on the sale of the property of the subsidiary Industria Corchera (due to the change of premises of the subsidiary in Chile), the impairment of goodwill (see note 10) and restructuring costs, mainly resulting from indemnities paid in the BU Stoppers and Floor and Wall Coverings.

	2021	2020
Restructuring costs	- 1,007	- 2,691
Goodwill impairment	- 3,903	-
Reversal of provisions in the investment in Amorim Argentina	-	- 3,125
Transaction costs	11,296	-
<b>Non-current results</b>	<b>6,386</b>	<b>- 5,816</b>

thousand euros

## 32 – FINANCIAL COSTS AND FINANCIAL INCOME

	2021	2020
Interest costs - bank loans	811	1 186
Interest costs - other entities	401	543
Stamp tax	123	145
Interest costs - other	354	493
	<b>1,688</b>	<b>2,368</b>
Interest gains - bank deposits	7	15
Interest gains - other loans	72	20
Interest gains - delayed payments	15	172
Interest gains - other	8	20
	<b>102</b>	<b>227</b>
<b>Net financial costs</b>	<b>1,586</b>	<b>2,140</b>

thousand euros

Interest costs – other entities includes 39 K€ (2020: 60 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, 2021, 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 11,855 K€ (2020: 11,862 K€).

Sales from Quinta Nova, S.A., AMORIM - INVESTIMENTOS E PARTICIPAÇÕES, S.G.P.S., S.A. subsidiary to Corticeira Amorim subsidiaries was 13 K€ (2020: 28 K€). Purchases totalled 41 K€ (2020: 32 K€).

Cork acquired during 2021, from companies held by the main indirect shareholders of Corticeira Amorim, amounted to 450 K€ (2020: 1,339 K€). This corresponds to less than 2% of total acquisitions of that cork raw-material.

Balances at year-end 2021 and 2020 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%.



## 34 – AUDITOR'S FEES

EY auditor's remuneration for the group of subsidiaries and for Corticeira Amorim was 357 K€ (2020: 323 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	39,000	26,200	-	65,200
		%	60%	40%	0%	100%
	Entities that integrate the group	Value	158,550	3,710	13,050	175,310
		%	90%	2%	7%	100%
	Total	Value	197,550	29,910	13,050	240,510
		%	82%	12%	5%	100%
EY global network companies	Corticeira Amorim	Value	0	0	0	0
		%	0%	0%	0%	0%
	Entities that integrate the group	Value	116,860	-	-	116,860
		%	100%	0%	0%	100%
	Total	Value	116,860	0	0	116,860
		%	100%	0%	0%	100%
Total	Corticeira Amorim	Value	39,000	26,200	0	65,200
		%	60%	40%	0%	100%
	Entities that integrate the group	Value	275,410	3,710	13,050	292,170
		%	94%	1%	4%	100%
	Total	Value	314,410	29,910	13,050	357,370
		%	88%	8%	4%	100%

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, 2021, independent review of the sustainability report, Independent review of the obligations report greens and certification of expenditures included in the scope of subsidized investment project.

The Other services item includes the carrying out of life cycle studies and/or carbon footprint analysis of various products of the Cork Stoppers and Floor and Wall Coverings Business Units.

# 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

	2021	2020
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)	74,755	64,326
Net Profit per share (euros)	0,562	0,484

thousand euros

## b. Guarantees

In the course of its operational activity, Corticeira Amorim issued guarantees to third parties amounting to 283 K€ on 12/31/2021 (Dec. 2020: 1,023 K€).

Beneficiary	Amount	Purpose
Government agencies	77	Capex grants / subsidies
Other	206	Miscellaneous guarantees
<b>TOTAL</b>	<b>283</b>	

thousand euros

Commitments relating to the purchase of cork amount to 21,279 K€ (2022: 12,620 K€; 2023: 3,390 K€, 2024: 1,389 K€ and 2025 and onwards 3,880 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	Derivatives not designated as hedging	Total
Trade receivables (note 17)	161,360				161,360
Other debtors (note 18)	27,923		1,973		29,896
Other financial assets (note 14)		1,603			1,603
Cash and cash equivalents (note 19)	70,266				70,266
<b>Total as of December 31, 2020</b>	<b>259,549</b>	<b>1,603</b>	<b>1,973</b>	<b>-</b>	<b>263,125</b>
Trade receivables (note 17)	182,653				182,653
Other debtors (note 18)	45,436		1,154		46,590
Other financial assets (note 14)		1,868			1,868
Cash and cash equivalents (note 19)	109,604				109,604
<b>Total as of December 31, 2021</b>	<b>337,693</b>	<b>1,868</b>	<b>1,154</b>	<b>-</b>	<b>340,715</b>

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)	180,983					180,983
Trade payables (note 23)		110,402				110,402
Other financial liabilities (note 24)	17,985	34,491	9,962	23	212	62,674
<b>Total as of December 31, 2020</b>	<b>198,968</b>	<b>144,893</b>	<b>9,962</b>	<b>23</b>	<b>212</b>	<b>354,058</b>
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
<b>Total as of December 31, 2021</b>	<b>175,073</b>	<b>197,866</b>	<b>4,962</b>	<b>1,086</b>	<b>41</b>	<b>379,028</b>

thousand euros

Customers balances are denominated in USD (9.7%), CLP (5.2%), AUD (1.8%), GBP (3.4%), DKK (1.0%) and ZAR (0.7%) 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

# 36 – SUBSEQUENT EVENTS

## SACI Group acquisition

As announced to the market on January 11, 2022, Corticeira Amorim, through its subsidiary Amorim Cork, S.G.P.S., S. A., reached an agreement for the acquisition of 50% of the share capital of SACI S.r.l. (“SACI Group”), based in Ivrea (near Turin), for 48.7 M€. The SACI group was owned, in equal shares, by the Getto and Perlich families, based in Italy and Germany respectively. The group includes 17 companies operating in different sectors, whose main activity is the production and sale of muselets, with a team of around 340 employees and a presence in more than 30 countries.

Corticeira Amorim considers that it controls Saci Group, holding 50% of the voting rights. This assessment occurs because Corticeira Amorim has assigned responsibilities that allow it to direct the relevant activities of the Saci Group. These activities include, among others, the supply chain, distribution network and management reporting. This ability to direct relevant activities includes establishing operating and capital budgets and appointing relevant managers or service providers.

## Military conflict in Ukraine

Global markets, logistics chains and economic developments in general have been significantly affected by the conflict between Russia and Ukraine as well as its consequences in terms of economic sanctions. The current situation, together with potential fluctuations in raw material prices and exchange rates, restrictions on imports and exports, the availability of local materials and services and access to local resources, will impact Corticeira Amorim, which has operations and makes transactions in Russia, Ukraine and Belarus.

Despite being a subsequent non-adjustable event, the following disclosures show the degree of exposure that Corticeira Amorim has to the main markets affected by the conflict:

- The Group has two subsidiaries in the region (Amorim Cork Composites LLC and Amorim Flooring Russia LLC) with a total of 11 employees;
- 2021 sales to the three countries represented 1.5% of Corticeira Amorim's total sales;
- As at 31 December 2021, the total contribution of the assets of those subsidiaries to the consolidated assets amounted to 2.1 M€, and the liabilities to 0.5 M€;
- The total balances receivable from third parties in the three countries, at the end of March 2022, was 2.6 M€.

In view of the great economic and financial constraints currently being exerted on Russia, the risk of insolvency has increased, a risk that also reflects the potential continuation of a Western boycott of products originating in Russia. In terms of financial operations to cover currency exchange risks, there are generally no restrictions on foreign exchange transactions in Russian rubles. However, there has been a marked reduction in liquidity and increased volatility, which makes transactions particularly difficult to execute.

European financial institutions (together with institutions from countries that have imposed sanctions on Russia) are processing flows from Russia/Belarus with a considerable delay. This is because they need to validate whether these flows comply with or contravene sanctions and prudential practices from the originator to the issuing bank, as well as the financial flow itself.

Corticeira Amorim will continue to monitor the evolution of the situation in order to make the decisions it deems appropriate for its business activity. At the present date, these cannot be estimated with a reasonable degree of confidence.

Apart from these events and up to the date of publication of this report, there were no other relevant facts that could materially affect the financial position or future results of Corticeira Amorim or the affiliated companies that make up its consolidated group.







# REPORT AND OPINION OF THE AUDIT COMMITTEE

07

World leader in cork processing, Corticeira Amorim aims to further enhance the intrinsic qualities of this unique raw material.

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

# REPORT AND OPINION OF THE AUDIT COMMITTEE – 2021 FINANCIAL YEAR

Dear Shareholders,

Pursuant to the Law and the mandate given to us, we hereby submit our Report on our supervisory 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. for the financial year ended 31 December 2021.

## 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 and the Executive Committee, as administration and management bodies, and the Audit Committee and Statutory Auditor as supervisory and control bodies. The Committee was preceded, in its role as a supervisory body, by a Supervisory Board in office until that date.

The Audit Committee regularly monitored the operations of the Company and its main subsidiaries and oversaw the compliance with the Law and the Articles of Association, having monitored the Company's management, the effectiveness of the risk management systems, whose policy it was able to assess, the internal control and internal audit systems 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 that they adequately reflect the company's assets and its individual and consolidated results and cash flows.

In this financial year, all the meetings and other work that are part of the functions of the Audit Committee were conducted by telematic means. This did not prevent the necessary meetings and interactions with the contact persons of the Supervisory Board from being conducted with the necessary frequency and detail, as a result of which we believe that, overall, there was no significant impact on the performance of our functions. The members of the Committee were also present, also by telematic means, at the meetings of the Board of Directors that took place in the financial year 2021, since their election as non-executive members of that body. 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 Committee met with the departmental representatives with responsibility for preparing the individual and consolidated accounts, as well as with the Internal Auditor and the heads of the Legal and Tax Departments, 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, which it was able to appraise. During the 2021 financial year, as was the case in 2020, it was particularly important to monitor the impacts of the COVID-19 pandemic on the Group's activities, as well as the measures adopted for mitigating them, with regard to the continuity of industrial and commercial operations, and to protecting all employees in on-site activities.

In carrying out its duties, the Audit Committee met regularly with the representatives of the Statutory Audit Firm, in order to monitor the auditing work carried out, from the planning stage to the respective conclusions of the final audit, positively assessing their contribution to the overall process of preparing and disclosing financial information. The Audit Committee also assessed their competence and independence, having in this regard analysed the proposals submitted to it for the provision of services other than auditing services by the Statutory Audit Firm, and approved those concerning permitted services that would not affect the independence of the Statutory Audit Firm - in terms of the amounts paid and in terms of execution -, and fulfilled other legal requirements.

The Audit Committee analysed the Legal Certifications of the Accounts and Auditors Reports on the Individual and Consolidated Financial Statements for the financial year of 2021, which comprise the Consolidated and Individual Statements of the Financial Position on 31 December 2021, 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 related notes. 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 Audit Firm, both sent on the date of completion of the auditing work.

In accordance with its duty and responsibility, the Audit Committee monitored the transactions carried out with related parties, and also monitored the operation of the system for reporting irregularities.

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

Within the field of competence of the Audit Committee, it is hereby stated that, to the best of our knowledge and belief, the aforementioned financial statements have been prepared in accordance with applicable accounting standards and 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, and 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. 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 2021 should be approved;
2. The Individual and Consolidated Financial Statements for the financial year of 2021 should be approved;
3. The proposal for the appropriation of profits presented by the Board of Directors, which is duly substantiated, should be approved.

Mozelos, 06 April 2022  
**The Audit Committee**

Chairperson:  
José Pereira Alves

Board member:  
Marta Parreira Coelho Pinto Ribeiro  
Maria Cristina Galhardo Vilão  
António Lopes Seabra



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Since 1963, Corticeira Amorim has used the by-products of its industrial processes to develop new products, solutions and applications.



(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 2021 (showing a total of 1.081.289 thousand euros and a total equity of 623.283 thousand euros, including a net profit for the year attributable to the equity holders of the Group of 74.755 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 2021, 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 2021, Inventories amount to 340.167 thousand euros, net of impairment losses of 7.879 thousand euros, and represent around 31% 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"> <li>▶ 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;</li> <li>▶ We attended the physical counts of inventories in all relevant subsidiaries and geographies, carried at or near year-end,</li> </ul>

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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"> <li>▶ We verified the underlying contractual terms for an extended sample of contracts with suppliers of the main raw material;</li> <li>▶ 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;</li> <li>▶ 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;</li> <li>▶ We were alert to any adverse impacts arising from the covid-19 pandemic on the net realizable value of inventories; and</li> <li>▶ We evaluated the consistency of the criteria utilized in comparison with prior years.</li> </ul> <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 2021, liabilities from tax contingencies related to income tax amount to 43.646 thousand euros (Note 15) and provisions for tax contingencies amount to 3.698 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"> <li>▶ Understanding and evaluating the monitoring processes for tax contingencies and reviewing all existing documentation;</li> <li>▶ Performing an analysis of pending tax claims, as well as potential tax contingencies, with the support of our tax specialists;</li> <li>▶ 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;</li> <li>▶ Analysing the replies to the information requests made to the external lawyers; and</li> <li>▶ Evaluating the consistency of the criteria utilized in comparison with the prior years, considering the provisions of IFRIC 23.</li> </ul> <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>

## 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.

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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 2021 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, 6 April 2021

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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# CONSOLIDATED ANNUAL REPORT

## 2021

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