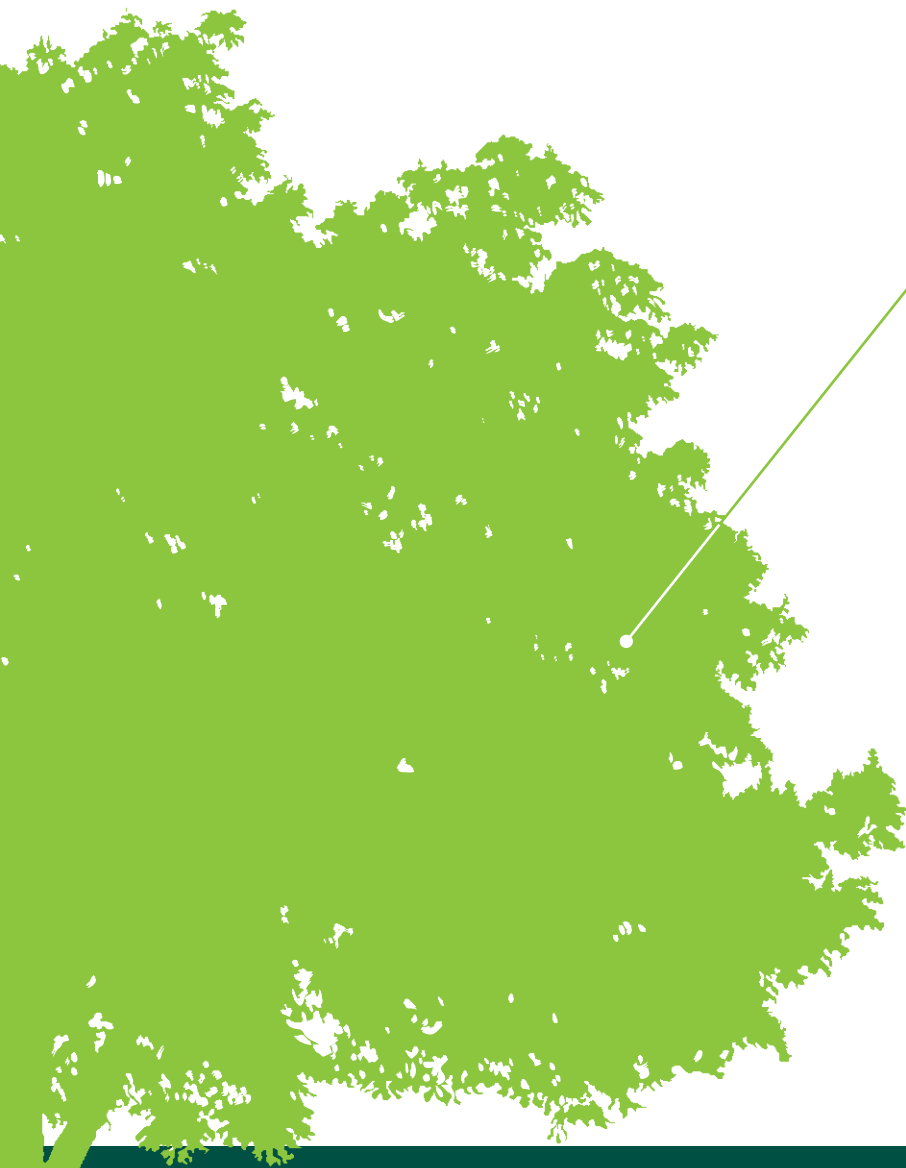


2007

CORTICEIRA AMORIM
Towards Sustainable Development



AMORIM



To add value to the raw material – cork – in an integrated, global manner, supporting current applications through competitiveness and differentiation and developing new products which are in perfect harmony with Nature. Mission of CORTICEIRA AMORIM.

“Cork forests and cork products are a unique example of a harmonious relation between Mankind and Nature, and how the conscientious use of natural resources is the true basis for Sustainable Development.”

Américo Amorim

An independent study confirms environmental benefits of using cork stoppers

In 2007 CORTICEIRA AMORIM promoted an analysis of the life cycle of cork stoppers v. plastic and aluminium stoppers with a view to assessing the impacts of these three different types of closures on the environment.

This study was carried out in line with the ISO 14040 and 14044 standards and was conducted by PricewaterhouseCoopers/Ecobilan.

The comparative analysis **does not consider** the environmental impacts resulting from some of the stages in the life cycle of non-cork stoppers, including:

- Aluminium caps: the negative environmental impacts related with the whole production process of transforming aluminium into screwcaps were not considered;
- Plastic stoppers: the impact of transforming the raw materials (derived from oil) into plastic stoppers was also not considered.

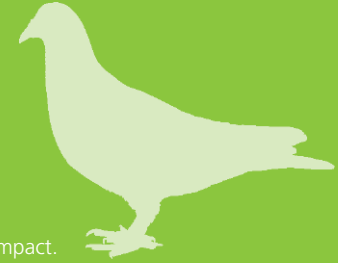
The study dealt with stoppers for bottling 750 ml bottles of wine consumed in the United Kingdom. The following aspects were studied:

	Cork Stopper	Aliminium Cap	Plastic Stopper
Production location	Portugal Sta. Maria de Lamas	France Chalon-sur-Saône	Belgium Thimister Clermont
Size (mm x mm)	45 x 24	60 x 30	43 x 22
Weight (g)	3.5	4.6	6.2

As far as the different indicators are concerned, the study concluded that cork stoppers possess environmental advantages in comparison with alternative stoppers.



Cork stoppers: the only wine stopper with a positive environmental impact.



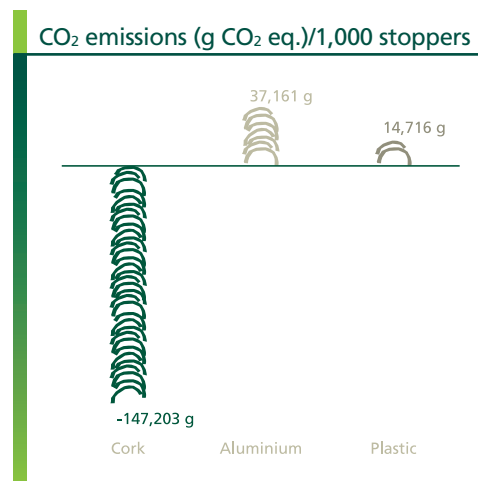
Due to the unique characteristics of cork and the sustainable practices adopted, CORTICEIRA AMORIM reveals itself to the wine-producing world as “the CO₂ retention partner”.

The study shows that **every plastic stopper emits 10 times as much CO₂ as a cork stopper** and **the CO₂ emissions from aluminium caps are 26 times higher** than the emissions from cork stoppers. The impact by stage in the life cycle is summarised in the following table:

CO ₂ emissions per stage of life cycle	Cork	Aluminium	Plastic
Production	-3,280.5	36,701.0	12,618.3
Transport	920.9	439.4	323.1
Bottling ¹	3,272.3	0.0	3,272.3
End of life	524.0	20.3	-1,497.5
Total Emissions (g CO ₂ eq./1,000 stoppers)	1,436.7	37,160.7	14,716.2

¹ Only the PVC capsule (usually used in cork or plastic sealed bottles) is considered.

Furthermore, considering that cork oak forests are an important CO₂ sink (4.8 million tons in Portugal alone) and that it is the cork industry and cork products that make this important ecosystem viable, part of this carbon credit should be associated with cork products. The diagram at left shows the results obtained by considering the carbon sink of cork oak forests associated with the use of cork stoppers averaging 3.5 g in weight.



CO₂ emissions of the stoppers analysed, by stages of life cycle, considering the sequestration of carbon associated with cork oak forests.



Note: The study conducted is currently being analysed by the experts consulted. The comments and suggestions of the experts will be analysed and included in the study, whenever pertinent.



In 2007 an area equivalent to the Gibraltar territory was covered with Amorim floor tiles. Sales of floor coverings exceeded 6.6 km².



Wood floor coverings emit 2.5 to 4 times more CO₂-equivalents than cork floorings, while the CO₂ emissions associated with vinyl tiles are 6.5 to 11 times higher than cork.

Innovation strengthens environmental advantages of cork floor coverings

The Floor and Wall Coverings Business Unit, in partnership with BASF, launched a new generation of cork floor coverings using an innovative and eco-friendly binding technology called Acrodur® – a water-based binder that does not contain ingredients such as phenol or formaldehyde, which significantly reduces emissions and shows an excellent technical performance.



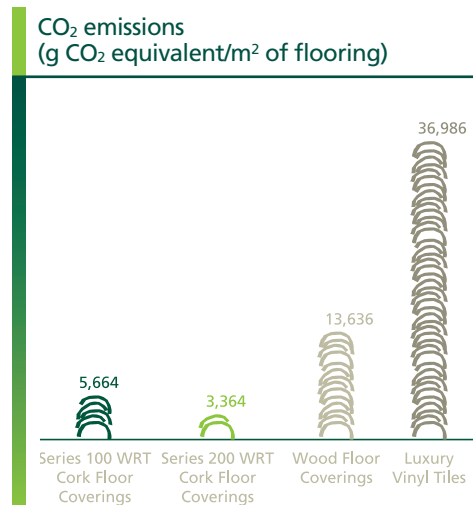
At the same time as it launched this new generation of products, the Business Unit presented the conclusions of an eco-efficiency study. The study was carried out by BASF according to a methodology validated by the independent agency TÜV Berlin.

The study compared two of the main families of cork floor coverings using real process data regarding CORTICEIRA AMORIM floorings with alternative products that compete in the same market segment. The products studied were:

Product	Series 100 WRT Cork Floor Coverings	Series 200 WRT Cork Floor Coverings	Wood Floor Coverings	Luxury Vinyl Tiles
Size (mm)	295 x 905	300 x 600	1220 x 190	300 x 300
Thickness (mm)	10.5	4.0	13.5	3.0
Weight (kg/m ²)	8.0	2.1	10.0	3.8

The conclusions of the study clearly demonstrated the superior eco-efficiency of cork floor coverings. Benefits included:

- lower consumption of resources (energy and raw materials);
- lower costs for the end consumer, given that cork flooring products can significantly reduce heating costs thanks to their thermal insulation properties;
- being the best option in terms of greenhouse gas emissions due to efficient production processes, reduced heating efforts and the ability of cork as a renewable raw material to absorb CO₂.





Children at one of the two Fairhills day centres (accredited Fairtrade project in South Africa) with cork flooring donated by CORTICEIRA AMORIM.



Ten new applications for patents were submitted in 2007, reaffirming the strategic commitment of CORTICEIRA AMORIM to innovation.

Priorities and challenges

Research, Development and Innovation

Main projects and activities of CORTICEIRA AMORIM's R&D Nuclei:

New approaches to the treatment and agglomeration process of cork.	Optimization of the extraction of cork compounds in order to characterise them.	Study of new glues obtained from cork: a more natural glue has been developed.	The second generation of Acoustic Core Materials which now incorporate fire-resistant materials.
International validation of the ROSA Evolution process.	Launch of a new cork stopper: SparkOne®.	Knowledge of the permeability of different closures.	Launch of a new varnish HPS (High Performance Surface), which increase the resistance of floor coverings.
The launch of a flooring collection using a new type of wood look.	Aerospace applications. Projects with ESA and EADS.	New sub-flooring solutions: ProfileCork, CRC and BackingCork.	Solutions for the electricity distribution and power transmission market.

Measures to reduce global warming

In 2007 there was an increase in biomass use and thus 59% of the energy needs were met using this renewable resource. In this context, CORTICEIRA AMORIM's **CO₂ emissions in 2007 reflect a decline of 3.4%** when compared to 2006, and a decrease of 4.6% in the CO₂ emissions per kg of cork consumed.

With a view to improving CO₂ emission performance, it should be noted the increase in the utilization of maritime transportation and subsequent decline in, more polluting, road transportation.

Transportation of products	2005	2006	2007
Ship	40.4%	46.8%	57.0%
Lorry	59.6%	53.2%	43.0%



More than 270 cork oaks were planted by Employees and local students in the thematic week: "Your action counts".



SW-COC-1336

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Compared to 2006,
CORTICEIRA AMORIM's
CO₂ emissions decreased
by 3.4% in 2007.

FSC Forest Management System

Although it does not own any forests, CORTICEIRA AMORIM is one of the key promoters of FSC certification of forest management systems in Portugal and its main industrial units have already obtained FSC certification.

With regard to the forest producers, there has been not only recognition of the importance of a Forest Management System but also a growing interest in its certification which, in 2007 and in Portugal alone, led to FSC certification of over 8,400 hectares of cork oak forest. As such, and **only in Portugal, the cork oak forest area certified by the FSC exceeded 12,000 hectares at the end of 2007.**

Biodiversity

Within the scope of the Business & Biodiversity initiative, an innovative agreement for the "Enhancement of the Value and Sustainability of Cork Oak Forests and Associated Biodiversity" represents a convergence of interests between the Portuguese Government, NGOs and the world leader in the cork industry, with the purpose of strengthening the economic sustainability tools for cork oak forests, widely recognising the essential role of this important national asset in supporting biodiversity and in the fight against desertification and climate change.





CORTICEIRA AMORIM embraces the cause of protecting the cork oak forest and assumes the role of ensuring economic viability – by making it part of an industrial operation geared towards sustained economic, social and environmental prosperity.



During 2007,
professional training
increased by 43%.

The protocol provides for a range of measures deemed appropriate to strengthen the cork sector such as:

- concerning good practice: on the one hand, provision of free counseling and technical assistance services to producers of cork products and, on the other hand, launch of an award aimed to identify and promote good practices as regards enhancement of the value and sustainability of cork oak forests and associated biodiversity;
- concerning research: establishment of the largest prize ever awarded to research work in this sector.

Training and qualification of human resources

One of the main purposes of the corporate social responsibility policy of CORTICEIRA AMORIM is to promote the adaptation of Human Capital to new environments and challenges within the Organisation. The importance given to the basic qualifications of the workforce should be highlighted. The Company's Skills Recognition, Improvement and Certification (RVCC) programme saw more than 100 Employees join the stages for certification of their secondary schooling level (Year 9) and for advanced schooling level (Year 12).

The amount of training grew in 2007 to 54,428 hours, an increase of 42.9% on the previous year.

Health, Hygiene and Safety

In 2007, CORTICEIRA AMORIM reaffirmed the priority given to issues related to Health, Hygiene and Safety (HHS) at Work. Training hours in this area reached about 10 thousand hours – an increase of 133% on the 2006 total.

CORTICEIRA AMORIM continues to register accident rates which are much lower than the average for the sector. In addition, the frequency and seriousness of accidents has decreased.

The year 2007 was also characterised by a large investment in promoting healthcare. There was a significant mobilisation of the workforce in this area: a series of medical examinations were carried out and information and awareness campaigns were implemented.



Today cork is a versatile material. Its new aesthetic characteristics are seen as challenges to be explored in new fields.



CORTICEIRA AMORIM transforms cork into products ideally positioned to answer the challenge of achieving harmonious development between Mankind and Nature. From natural cork stoppers to wine; from floor and wall coverings as well as insulation solutions for eco-construction to materials for major public works that have to comply with strict environmental standards; from state-of-the-art products and solutions for the aerospace industry to the most diversified products and solutions designed by great international fashion figures – CORTICEIRA AMORIM's portfolio is huge and illustrates clearly the great potential for using this natural raw material – the cork.



Source: Sustainability Report, available at www.corticeiraamorim.com