



CORTICEIRA AMORIM TOWARDS SUSTAINABLE DEVELOPMENT

A rare example of interdependence between industry and an ecosystem, generating wealth and preserving the environment.



CORTICEIRA AMORIM and climate change

CO₂

Cork oak forest's positive impact

Cork oak forests have an important role in fighting climate change. Estimates of CO₂-retention capabilities for Portugal's cork forests alone reach as high as 4.8 million tons annually, or approximately 5% of the country's total emissions.

These figures, based on research recently presented by Lisbon University's School of Agronomy, represent just 32% of the world's 2.3 million hectares of cork forests.

The viability of natural cork forests and thousands of farming communities, however, is determined by the creation of value-added products manufactured and distributed by companies such as Amorim.

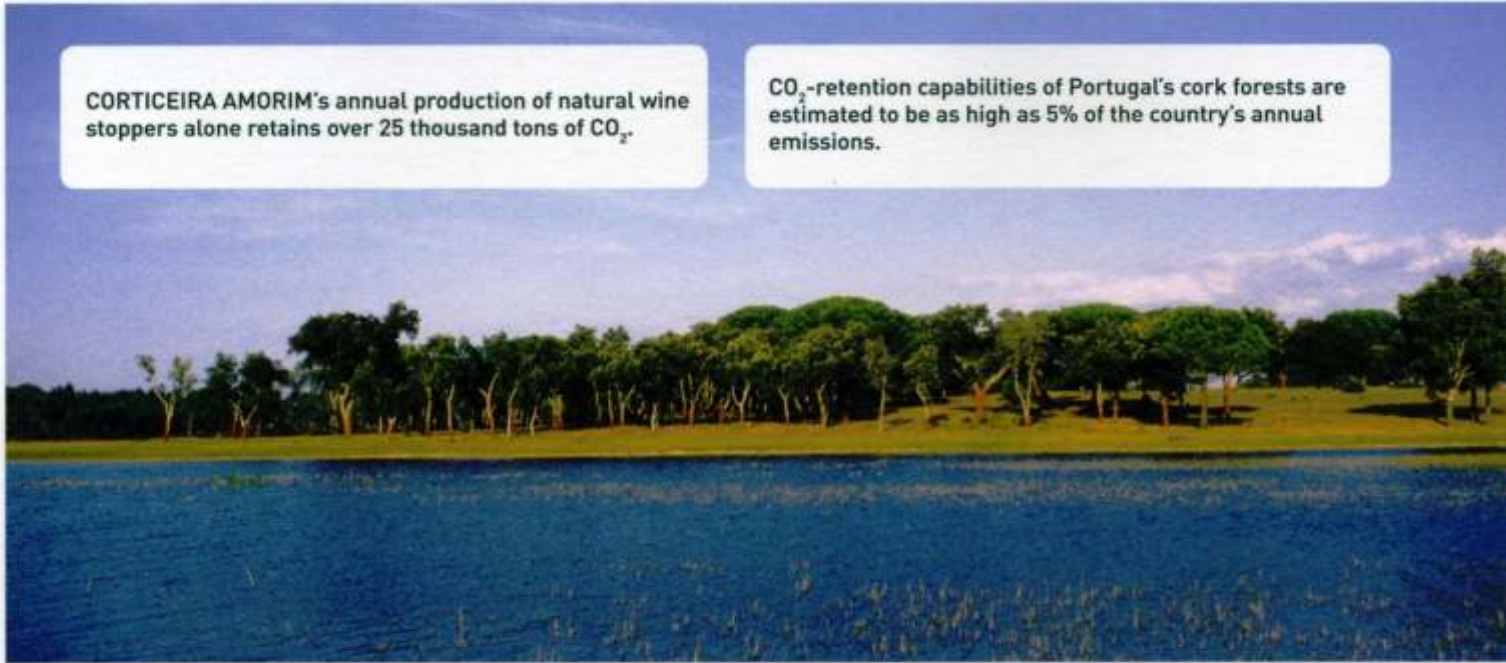
CORTICEIRA AMORIM's products as carbon sinks

The CO₂ retained by cork oaks is stored in the products manufactured by Amorim, and remains there throughout the entire product life-cycle.

In the case of natural wine cork stoppers, it is estimated that each one of the three billion units annually produced by Amorim retain approximately 8.8 grams of CO₂. The recycling of these products - an activity embraced by millions of wine drinkers worldwide - plays a significant role in extending these CO₂-retention capabilities.

CORTICEIRA AMORIM's annual production of natural wine stoppers alone retains over 25 thousand tons of CO₂.

CO₂-retention capabilities of Portugal's cork forests are estimated to be as high as 5% of the country's annual emissions.



Energy consumption

An important contribution made by CORTICEIRA AMORIM to reduce CO₂ emissions is the use of vegetable biomass waste deriving from its productive activities for energy production, given that the CO₂ emissions from burning of the biomass are considered neutral.

Total energy consumption (GJ/year)

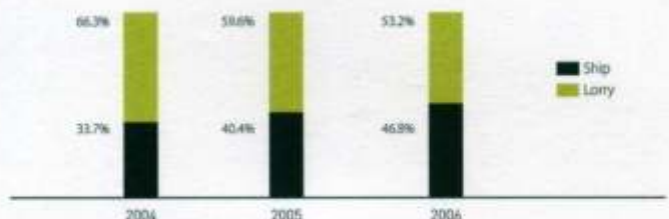


In 2006 about 410 000 GJ of biomass was used in energy production.

Transports

Owing to its impact in reducing CO₂ emissions, it is pointed out that priority is given to the transport of goods by sea instead of by road, as shown by the following graph:

Goods and products leaving Portugal by ship and lorry



CORTICEIRA AMORIM

CORTICEIRA AMORIM manufactures and sells 30% of the world's cork production, and has been the leader in the cork industry for over 130 years, generating a turnover of more than 440 million euros with going concerns in over 100 countries.

Vision / Strategic challenge

To obtain suitable and sustained return on the Capital Invested, providing products and services with a leading edge, recruiting and maintaining employees with a winning spirit.

Values

- **geared towards the Market**, encouraging Customer satisfaction and loyalty;
- **creation of value**, continually improving performance, namely through research and innovation;
- **responsibility**, respecting principles of sustainable development – economic, social and environmental;
- **motivation of the Human Resources**, creating conditions for the success of the Organisation.

"Amorim is number one, two, three, four and five in the cork industry"

Forbes Magazine

Mission

Add value to the raw material – cork – in an integrated and global manner, supporting the current applications with competitiveness and differentiation and developing new products in perfect harmony with Nature.

"Cork stoppers are the only responsible choice for wineries that want to have a positive environmental and social impact".

Jamie Lawrence - Rainforest Alliance

Main applications



The Business Units



Raw-Materials

- Dedicated to the purchase, storage and preparation of the unique common denominator of all the CORTICEIRA AMORIM activities – cork;
- Industrial plants set up in countries producing the raw material, which enables diversification of the sources and efficient management of the flow of the raw material throughout the production process.





Social performance

Training

Over 38 000 hours of training were given in 2006, a rise of 19% in comparison to the previous year. We highlight the implementation of programmes of Recognition, Validation and Certification of Skills, aimed at increasing the level of qualification of adults and stimulating life-long learning.

In 2006 professional training surpassed 38 000 hours, which translates into a 19% rise in comparison to 2005.



Prevention, Health and Safety

Prevention and a suitable response to emergencies are guaranteed through internal plans, and validated by external auditors, which define the responsibilities for acting in the event of a contingency.

Human Rights

Safeguarding and respecting Human Rights is a basic practice of CORTICEIRA AMORIM in all the countries it operates in. We highlight the certification by the Wine Industry Ethical Trade Association (WIETA) of Amorim Cork South Africa – the first Commercial and Organisational Ethics accreditation in the world granted to a cork company.



Certificates:



Cork Stoppers

- World leader in the production and supply of cork stoppers: 25% of the global market share of cork stoppers;
- The company's wide-ranging portfolio of products and supply network confers it an unrivalled position to supply the ideal cork in any segment of wine and in any part of the world.

Further information at www.amorimcork.com.



Floor and Wall Coverings

- World leader in the production and supply of cork floors: 65% market share;
- Acknowledged for the quality, innovation and unique features of its solutions for decoration of interiors (technical performance, design and comfort).

Further information at www.wicanders.com.

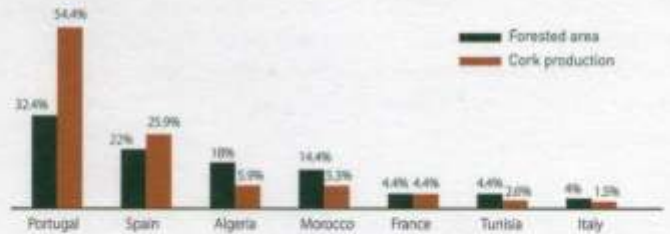
The importance of the cork oak

The cork oak (**Quercus Suber L.**) is a tree belonging to the oak family from which cork is extracted. Its value is based not only on the products extracted from the tree, but on all of the agricultural, forest, pastoral and hunting activities that revolve around the cultivation of the cork oak. Regular extraction of the cork (a process called stripping) is a fundamental contribution for environmental, economic and social sustainability of the rural areas of the Mediterranean region where the cork oak may be found. The cork oak is a slow growing tree that may live for 200 years, which allows it, on average, to be stripped 16 times during its lifetime.

The first stripping only takes place after 25 years with the others carried out every nine years.

World forested area and cork production

- World forested area of cork: 2.3 million hectares
- World production of cork: 340,000 t
- Portugal manufactures around 70% of the worldwide production



Source: Portuguese Cork Association (APCOR) and Portuguese General Directorate of Forest Resources (DGRF)



Fruit (acorn)
 - Cattle feed
 - Production of edible oils and animal feed
 - Seeds



Bark (cork)
 - Main raw material of the cork industry



Branches (pruning)
 - Firewood
 - Vegetable coa
 - Cork



Leaves
 - Cattle feed
 - Natural fertilizer

With regard to the environment, we highlight the essential role of the cork forest in the fixation of CO₂, in the preservation of the biodiversity and in fighting against desertification.



Composite Cork

- World leader in the production of cork granules and agglomerates: 55% market share;
- The properties of the cork and the existing technology allow the development of solutions for a wide range of sectors of activity such as the construction and footwear industries, the production of decorative articles and an abundance of industrial applications.

Further information at www.cai.amorim.com.



Biodiversity and fight against desertification

Biodiversity

The cork oak constitutes the basis of a unique ecological system in the world, contributing to the survival of many species of native fauna and the safeguarding of the environment. This ecosystem includes several species of ants, bees, butterflies and reptiles, as well as the Iberian lynx, the most endangered feline species on the planet.

Also noteworthy is the high variety of birds, some of which are equally threatened, such as the black vulture, the black stork or the imperial eagle.

Role of the cork forest in fighting against desertification

The cork forest plays an essential role in fighting against desertification by contributing to the fixation of the soil and the organic matter, diminishing erosion and increasing water retention. The cork forest is also particularly important in providing a barrier against the advance of the desert in North African countries such as Algeria.

Over 100 000 people depend directly or indirectly on cork production.



In 30-50 years time cork oak forest landscapes are maintained and restored, supporting economically viable and culturally and socially beneficial multi-purpose management systems. This leads to sustainable livelihoods, increased perceptions of the whole range of values, goods and services of cork oak landscapes and improved biodiversity.

Cork Screwed? Environmental and economic impacts of the cork stoppers market - a WWF Report, May 2006, page 29

CorkRubber

- World leader in the production and supply of cork rubber solutions: 60% market share;
 - Possesses a portfolio of products and solutions that enable it to supply diverse segments, such as the gas, electricity and petrochemical industries, anti-vibration insulation, the aerospace industry, railways, automotive and construction.
- Further information at www.amorimsolutions.com.



Insulation Cork

- World leader in the production of expanded insulation corkboard (the most ecological solution in the world): 80% market share;
- The unique features of the product confer it a high degree of thermal, acoustic and anti-vibration insulation, and it is used in oil pipelines, airports, buildings, cellars and in the refrigeration industry, as well as in leisure facilities.

Environmental performance

Cork value chain

Optimisation of the quantity of cork in the whole productive cycle is one of the sustainability strategies of CORTICEIRA AMORIM. Making full use of the cork which enters in the productive cycle is one of CORTICEIRA AMORIM's sustainability strategies. The cork waste produced during cork stopper production or the cork that is not of a suitable standard for their production, is incorporated into other high-value applications. Whatever cork is not used in either situation is used as an energy source (biomass). **With cork, nothing is discarded, everything is transformed.**

Waste management

82% of the waste produced is recycled.

Using recycled materials

Circumstances permitting, CORTICEIRA AMORIM opts to use recycled materials (265 t in 2006).



Certificates

- Implementation and certification of Environmental Management Systems in accordance with the ISO 14001 standard.

- While not owning any forest area, CORTICEIRA AMORIM is a key promoter of forest management system certification, having been the first company in the cork sector to certify industrial plants.



Ecological characteristics of the products

The Sustainability Report 06 contains additional information on the ecological characteristics of cork products for the construction industry, including the **most ecological insulation solution in the world**, as well as for the transportation industry.

"Cork insulates better, lasts longer and is environmentally friendly..."

Architect Nuno Graça Moura

Stoppers: Cork versus alternative materials

	Cork	Aluminium	Plastic
Origin	Non-polluting forest product, extracted every 9 years without damaging the tree	Mineral Non-renewable source	Oil Non-renewable source
Energy consumption	Low	High	High
Climate change	Cork is a carbon sink. A significant proportion of energy requirements for production processes are met using biomass	The primary production of one tonne of aluminium emits on average 12 t of CO ₂ *. Transforming aluminium into the final product (screwcap) originates further CO ₂ emissions	Petrochemical processes result in substantial gas emissions, causing the greenhouse effect
Recycling	100% recyclable with low energy consumption	100% recyclable with high energy consumption	Lower recycling rates
Biodiversity	The cork industry promotes and sustains the cork oak ecosystem on which many animal species depend	Bauxite mines have a potentially high negative impact on ecosystems	Extraction, transport and oil refining have a potentially high negative impact on ecosystems

* Source: www.world-aluminium.org

CORTICEIRA AMORIM around the world



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