

Disclosure of the Future

Our Commitment to Sustainability



Cork
Supply



**“For Cork Supply, Sustainability is
at the core of who we are and how
we do business.”**

Jochen Michalski

Cork Supply Founder & Harv 81 Group President





The Evolution of our Strategic Focus

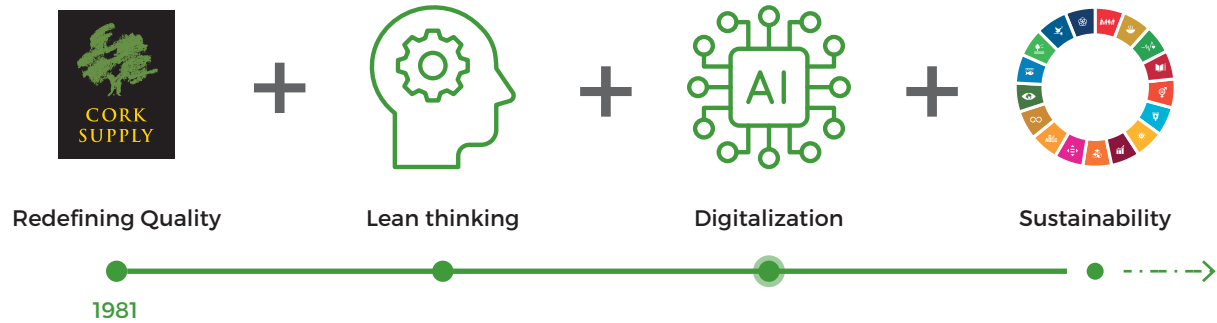


Figure : The evolution of Cork Supply's Strategy

As a company with a global scale, we have an even larger responsibility to care for the future. So to ensure that we have a global strategy that is in alignment with other global entities and truly impactful, we use the UN's Sustainable Development Goals (SDGs) as the base for our strategy. Every and any action that we develop is associated to one, or more, of the UN's SDGs.

At Cork Supply we understand that Operations management plays an important role in delivering positive results. With this in mind, in 2012 Cork Supply initiated a LEAN KAIZEN Roadmap towards Operational Excellence. **This Long-term thinking is transforming the organization into a LEAN company focused on the principles of respect for people and society, continuous improvement and process improvement.**

Cork Supply believes that between lean and sustainability there is an interaction that contributes to increasing competitiveness and making processes more efficient. It also considers that lean represents the holistic vision of sustainability and streamlines processes in terms of costs, time, waste, and quality.

One of the lean operation goals is to use fewer resources to generate the same result, which aligns naturally with environmental efficiencies of processes and products. Reducing materials usage also leads to cost savings, thus addressing the economic sustainability dimension. Moreover, the continuous journey towards LEAN transformation encourages empowerment of all co-workers which boosts moral and talent, contributing to the social aspect of sustainability.



Harvesting for the Future – 3P Strategy

Today, in everything that we do, we are focused on being better in these core areas where we can have a more significant impact :

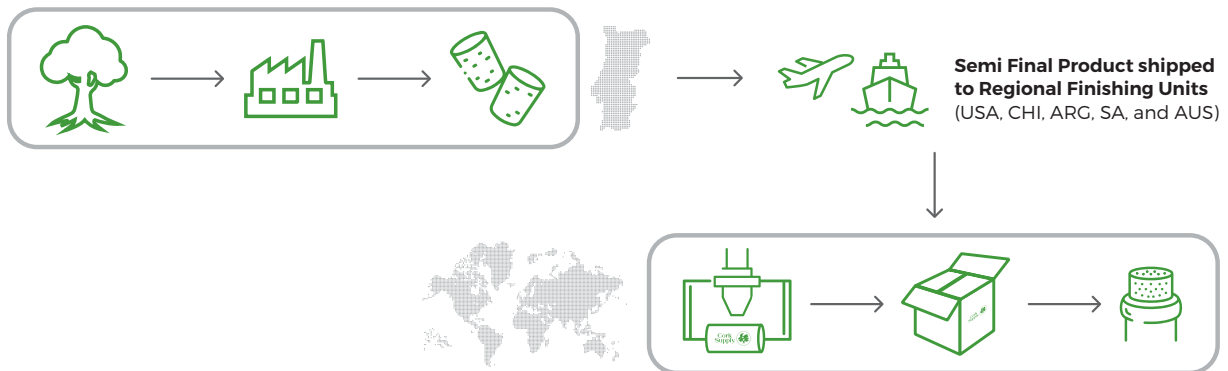


Forest to Bottle Operations

Cork Supply controls vertically integrated operations, from Forest to Bottle, to ensure that its cork closures are of the best quality. Our specialized team of forestry professionals in Portugal work with producers from the main cork oak forest regions in both Portugal and Spain, implementing advanced forest management programs and selecting the best quality raw material

for their corks. The cork preparation unit is in the South of Portugal, near the cork oak forests. The raw material that is purchased is stored here between 6 – 12 months. It is then prepared and shipped to the cork production units in the north of Portugal.

Cork Production Operations in Portugal - From Forest to Bottle





Planet & Operations

**It's ours to protect
and help care for**



Cork Supply promotes, enhances and enables forests that are important natural CO₂ sinks.

We are strongly committed to the use of resources more efficiently, thus minimizing the environmental impacts of our activity reducing our emissions. We have a daily focus on:

- > Minimizing the environmental impacts of our activities - the mitigation and adaptation to climate changes, the protection of biodiversity and ecosystems and pollution prevention;
- > Fostering a sustainable management of the value chain, which implies the sustainable use of resources;
- > Assessing the possibility of implementing environmental improvements, whenever there are changes in processes, people and products.

Cork Supply is aware of the importance of environmental preservation and commitment to minimize the company footprint. The team continually assesses and improves their environmental practices, so they address both inbound and outbound impacts. The actions performed prove our commitment towards the following SDGs:



Environmental Highlights



Biodiversity

- Partnerships with suppliers to develop an implement montado rehabilitation plans
- 5.300 Hectares of Recovered Properties
- 28 cork producers included in the program



Energy

- Energy Consumption Rationalization Plan in Place
- Estimated ~7% reduction of energy consumption in the next four years
- Substitution of natural gas by biomass sourced energy
- Utilizing cork dust as an energy source has annual savings of 535.6 ton of CO₂eq



GHG Emissions

- Both our Natural and Micro corks have a negative carbon balance (-530 to -300 and -600 to -330 kg CO₂ per thousand corks, respectively).
- 8018 ton CO₂ scope 1 & 2 in Portugal operations



Circular Economy

- Zero waste goal
- Zero waste of raw materials
- Centralized and automatic cork dust remover implemented
- 100% natural, renewable recyclable and biodegradable raw material





Products & Innovation

That are adding value
and quality driven



We are committed to:

- Producing products that comply with global regulations and are safe for food contact;
- Promoting Circular Economy by using 100% the of the raw material;
- Leveraging the rich and naturally environmentally friendly products our forests provide us with;
- Developing environmentally friendly technologies, processes, products and packaging materials;
- Producing products that are an added value to customers, meeting real market needs, with the highest quality possible;
- Investing heavily in R&D and QC to give our customers real guarantees.



Cork Closures: The Naturally Sustainable Option



- Zero Waste!
- Use 100% of the raw material we purchase;
- Produce products that comply with global regulations and are safe for food contact;
- Produce products with the least impact;
- Leverage the rich and naturally environmentally friendly products our forests provide us with;
- Promote Circular Economy.



Our complete portfolio of cork closures results from the efficient use of all cork materials. The recovery rate of all cork materials confirms the value added to by-products, integrating diverse production cycles (natural corks, discs, technical corks), therefore caring about efficient use of the raw materials.

Every year **5%** of the annual turnover at Cork Supply is invested back into **R&D and QC**. Together these two areas account for **18%** of all Cork Supply employees.

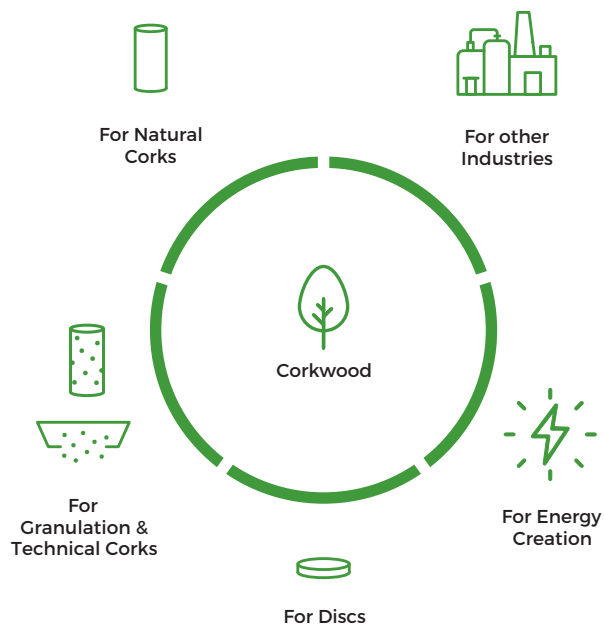


Figure: Cork materials breakdown - efficient use of all cork by-products.





Products for Still Wines



Products for Sparkling Wines



Products for Spirits (cork shank - capsule not considered)

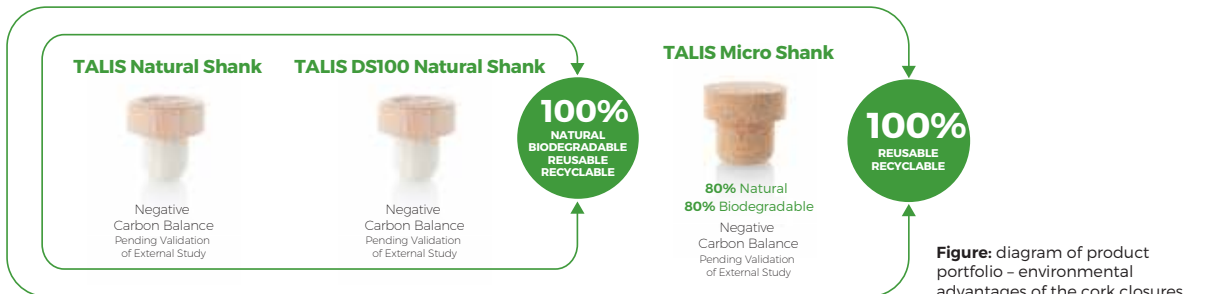


Figure: diagram of product portfolio – environmental advantages of the cork closures



**People &
Communities**
At the heart of what we
do & why we do it



Our Employees are our Heart & Soul

Everywhere we set up operations, we look to become an integral part of the community, and play a socially active and relevant role.

We know that we can make a difference and we work with that purpose: through the **creation of direct and indirect jobs, enhancing local economies**, being actively involved in **social development projects**, and through the **environmental management of our activities**.

We know that our employees are the heart and soul of Cork Supply's success. We believe that keeping a **health and safe workplace, improving our people skills and education**, while **promoting a good balance**

between work and personal life are essential to our strategic development.

The company recognizes the importance of diversity and gender equality, promotes the inclusion and non-discrimination of all employees, regardless of gender, age, race, religion, disability and / or individual sexual orientation, **guaranteeing all workers equal conditions and opportunities**.

Cork Supply promotes **gender equality for every function**, including an **equal pay policy for equal work**. Cork Supply also **integrates people with special needs** through collaboration with social institutions contracting collaborators for specific functions.





Commitment with Local Communities

The Company has been collaborating regularly with around 20 social institutions in Europe, in the United States and South Africa.

In fulfilment of its citizenship commitment, Cork Supply continues to promote and support social initiatives, aiming to integrate social responsibility into its culture. Aware that attention to others starts within the organization and extends abroad, social responsibility has been integrated in the Company's strategy and culture, having contributed to social solidarity actions, Programs and Projects.



Social Highlights



Employees and labor management

- 472 employees
- 10+ Nationalities worldwide
- 47% of the total workforce were women
- 31% of management positions are held by female employees
- Promotion of inclusion and non-discrimination, guaranteeing all workers equal conditions and opportunities



Community Engagement

- Support 20 associations and non-profit organizations
- Consistent collaboration with educational institutions to help train future professionals
- Promote voluntary actions by Employees



Training & Development

- Extensive academic and on-the-job training programs
- Awareness campaign for safety, health and environment issues
- Performed an employee satisfaction assessment



Our company is committed to sustainability.
That's why this brochure is printed on a high
quality smooth recycled paper FSC® certified,
made with 100% recycled material.

HARV 81
GROUP



www.corksapply.com

