

Responsibly sourced coffees, traceable supply chains

Introducing NKG Bloom
and NKG Verified





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Neumann Kaffee Gruppe (NKG) is committed to being a company of integrity and responsibility, which includes growing a more sustainable coffee industry.

As part of our active commitment, we've created two initiatives to serve the needs of coffee growers and coffee buyers around the world.



NKG Bloom is focused on improving farmer livelihoods

Key aim: Safeguarding the future of green coffee supplies by ensuring that coffee farming is a financially viable business that can provide financial security to families.

- Empowers farmers to run their businesses at full potential, through custom service packages that include training in coffee-farming and business best practices, plus access to markets, infrastructure, inputs and seedlings.
- Provides easy access to short- and long-term financing, so farmers can invest in their farms and enter a pathway out of poverty.



NKG Verified is focused on meeting key sustainability criteria

Key aim: Providing traceable coffees produced on farms that comply with specific social, environmental, and economic criteria.

- Offers customers insights into the economic, social and environmental performance of the farms producing their coffees.
- Provides sustainability assurance through internal and third-party audits from farm to export level.
- Aligns with industry standards and integrates easily into customers' sustainability plans.



Coffee Sourcing with a Purpose

What is NKG Bloom?

NKG Bloom is an initiative of Neumann Kaffee Gruppe (NKG) to ensure the future of green coffee supplies by offering smallholder farmers and farmer groups the opportunities and resources they need to run their farms at full potential, optimize their incomes for long-term success and enter pathways out of poverty.

Through dedicated teams within NKG export companies, NKG Bloom identifies and addresses barriers to farmer success and offers individuals and farmer groups bespoke combinations of services centered around financing.

Already changing lives in its first years of implementation, NKG Bloom's goal is to meaningfully improve the livelihoods of 300,000 coffee-farming families across 10 countries by 2030.

Value to farmers:

- Custom services to optimize their coffee business through access to seedlings, fertilizers, inputs, infrastructure, and trainings.

- Accessible financing, including quick mobile financing and substantial funding for larger projects, so families can invest in long-term farm health.
- Supporting an “inclusive sustainability” perspective so that farmers have the knowledge about practices to meet sustainable production criteria and address them effectively, to ensure a healthy and bright future of coffee.

Value to green coffee buyers:

- An active role in supporting coffee-farming families and addressing the key issues faced by the industry.
- The ability to take ownership of key performance metrics related to purchased coffees and share them with customers.
- Possibility to implement special projects at origin, by building on the knowledge, networks and enthusiasm of NKG Bloom Farmer Services Units.



Frequently asked questions (FAQs)

How does it work?

Farmers Services Units (FSUs) are permanent NKG Bloom teams set up within NKG export companies that elect to implement the initiative in their country. FSU members work closely with farmers and farmer groups to understand their needs and design custom services packages. These packages can include fertilizers, seedlings and access to markets, infrastructure, information, trainings and — critically and uniquely — quick and simple financing.

Why is financing unique to NKG Bloom?

Financing is a core bottleneck faced by farmers, who often lack access to, or don't qualify for, credit from banks or even microfinancers. Through a multi-year effort, NKG created a unique, risk-sharing credit solution with five lending organizations: USAID, IDH: The Sustainable Trade Initiative and European banks ABN-AMRO, BNP Paribas and Rabobank. The resulting \$25 million Smallholder Livelihoods Financing Facility makes it possible for farmers to quickly and easily borrow funds as needed.

Who can participate?

NKG Bloom is open to smallholder farmers (those who farm 30 hectares or fewer) and farmer organizations (with members farming fewer than 30 hectares each). These farmers agree to collaborate with FSUs, to run their farms as businesses, and to improve on prioritized social and environmental practices.

Are NKG Bloom coffees traceable?

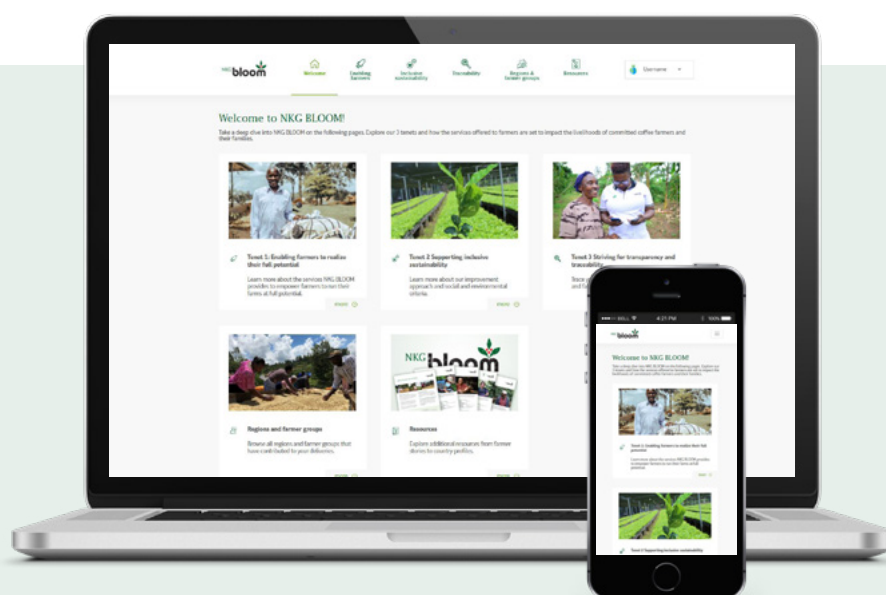
In short, yes, to either the region or farmer organization level. An NKG Bloom mobile app is used by field staff to efficiently share services and information along the value chain.

In some NKG Bloom countries, farmer groups and field staff can also share digital payment information with farmers, access coffee delivery histories and pay farmers more quickly and accurately. The transition from paper records to mobile apps has created greater clarity into the participants in each coffee.

So, how can I learn the details relevant to my coffees?

The NKG Bloom Portal is a comprehensive web portal where NKG Bloom customers can learn about the initiative's global efforts, participating regions, farmer groups and subgroups.

At trace.nkgBloom.coffee, they can also trace each purchased coffee to the region or farmer groups that produced it, see the service offerings being utilized by those producers and view the performance indicators tied to each coffee.







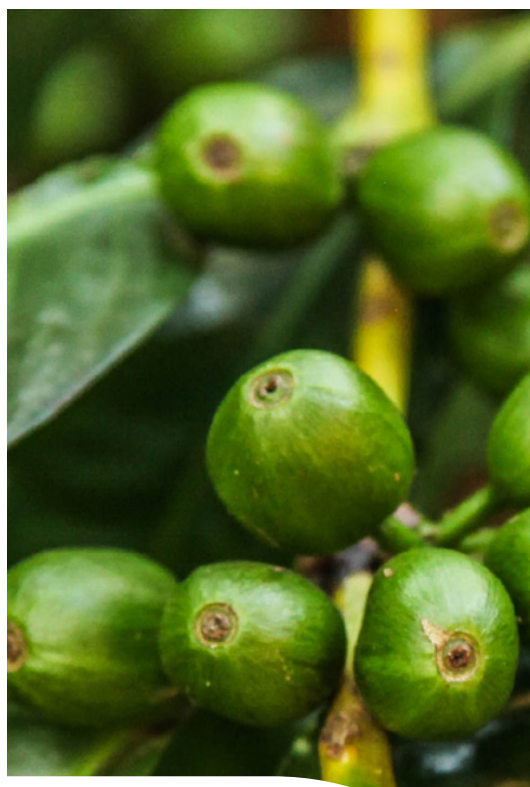
Traceable coffees and sustainability compliance, delivered.

NKG Verified offers customers traceable coffees that meet key sustainability criteria. It provides visibility into identified supply chains and their performance on key economic, social and environmental indicators — all verified by a third party. With every shipment of NKG Verified coffees, customers receive an easy-to-read sustainability report detailing each indicator and how it scored, as well as the coffee's overall sustainability score.

NKG Verified aligns with and contributes to United Nations' Sustainable Development Goals (SDGs) that support economic growth, address social issues and enhance environmental protection.

Value to green coffee buyers:

-  Compliance with key sustainability criteria.
-  Traceability to specific supply chains.
-  Assurances through internal NKG audits and external, third-party audits.
-  Easy integration into sustainable buying plans, plus the option to customize requirements.



Traceable coffees and sustainability compliance, delivered.

NKG Verified covers the following sustainability criteria:



Economic

- Record keeping
- Production & Processing practices
- Inclusion and Equity*
- Sustainability set-up
- Access to grievance mechanism
- Regulatory requirements
- Ethical conduct
- Traceability
- Pricing
- Services



Social

- No discrimination
- No harassment
- Freedom of association
- Collective bargaining
- Minimum wage
- Working hours
- Labor contracts
- Adequate housing
- Drinking water
- Access to facilities
- Occupational Health and safety



Environmental

- GMO
- Farm mapping
- Flora and Fauna
- Soil conservation
- Pesticide Use
- Integrated Pest Management
- Water sources and use
- Water pollution
- Energy use*
- Waste management
- Hazardous waste
- Climate change*



Critical

- Continuous improvement
- No worst forms of child labor
- No child labor
- School attendance
- No forced labor
- Forests and ecosystems
- Prohibited pesticides

* Will be assessed after 2022 - check verification guidance



Neumann Kaffee Gruppe Responsible Business Program

Defining sustainability — and success.

Responsible conduct and sustainability have always been integral to the work at Neumann Kaffee Gruppe, as coffee connects people, communities and their natural environments all over the globe. Their health and wellbeing are fundamental for NKG's long-term success. In 2020, the NKG Board of Management initiated the creation of a Responsible Business Program, in order to more intentionally define NKG's objectives in these areas, as well as its commitments to meeting them.

Ultimately, a cooperative effort between the Board and colleagues in departments across NKG identified four key objectives (highlighted in the boxes on the right), along with nine supporting strategic sub-goals.

NKG Verified addresses Objective 2, "Growing impact in our supply chains," as well as Goal 4: "Leverage technology to create sustainable supply chains."

NKG Bloom addresses Objective 3, "Improving farmer livelihoods," and contributes to Goal 6: "Enable smallholder farmers to maximize their incomes."

To learn more about our Responsible Business efforts, goals and successes, we invite you visit www.nkg.coffee/responsibility.



About Neumann Kaffee Gruppe (NKG)

Neumann Kaffee Gruppe (NKG) is the world's leading green coffee service group. Privately owned for more than three decades, it's comprised of more than 50 companies in 26 countries specializing in green coffee farming, exporting, importing and specialty services.

Its teams are composed of more than 2,600 coffee specialists worldwide, and together they represent an unparalleled knowledge of green coffee.

To find out more, please visit www.nkg.coffee