Neumann Kaffee Gruppe

OUR COMMITMENT TO SUSTAINABILITY

Sustainability
Report
2026

EDITORIAL

Dear valued stakeholders,

Doing well and doing good can be one. This conviction, reflected in NKG's Corporate Mission Statement, guides our approach to sustainability. We believe that long-term business success and responsible business conduct are closely intertwined.

As a privately owned company, we have always sought to think beyond short-term developments and create lasting value across our parts of the coffee chain. The values that unite NKG – Responsibility, Integrity, Service, Excellence, Courage, Curiosity, and Heart – also shape our sustainability journey.

This reporting year marked an important milestone for our group. We introduced a new sustainability strategy, providing a clearer framework for addressing the environmental, social, and economic challenges facing the coffee sector. Built around the pillars of Nature, Resilience, and Livelihoods, it will guide our efforts and priorities in the years ahead.
We also continued to strengthen our foundations for transparency and accountability. Significant progress was made on our roadmap towards alignment with the Corporate Sustainability Reporting Directive (CSRD), including improvements to governance, data quality, and reporting processes across the group.

We see this not merely as a regulatory requirement, but also as an opportunity to better understand and manage the impacts, risks, and opportunities connected to our business. Equally, we worry about the growing bureaucracy and costs around many issues and the fact that we are increasingly being held accountable for topics that are practically outside of our sphere of influence.

The broader debate around sustainability continues to evolve. Economic uncertainty, geopolitical developments, and shifting priorities have led many stakeholders to reassess previously stated ambitions and expectations. NKG's perspective remains dynamic but unchanged at its core. To us, sustainability is not a trend or a response to external expectations. It is an integral part of responsible business conduct and an important foundation for long-term success in coffee. This conviction is rooted in our values and in our responsibility towards the people, communities, and environments connected to our business.

I would like to thank our customers, suppliers, and partners – and especially our colleagues – whose dedication, expertise, and collaboration make this work possible. Their commitment reflects the values that define NKG and provides the foundation on which we continue to build our future together.

Sincerely,

David M. Neumann
Group CEO, Neumann Kaffee Gruppe

ABOUT

ENVIRONMENT

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About NKG

As a globally operating green coffee service group, we at Neumann Kaffee Gruppe (NKG) are all about coffee: It is the central and single product of our business. Over the years, NKG has continuously played a role in shaping the coffee industry through its network of more than 40 companies across 28 countries.

Our operations cover the coffee value chain from farming, exporting and milling, to importing and specialized services such as market research and quality. NKG is present in all main coffee origins, promoting sustainable agricultural practices and maintaining a close and long-lasting relationship with coffee suppliers through the hard work of our dedicated staff. As an independent company, we think long term and act with the conviction that doing well and doing good can be one.

Our mission is to ensure that everyone who contributes to the journey of coffee can prosper sustainably. We want to be active and constructive members of all communities in which we conduct business.

WE'RE ALL ABOUT COFFEE. TODAY. TOMORROW. TOGETHER.

SUSTAINABILITY HIGHLIGHTS 2025

350+
Staff
in our Farmer Service Units

33.9%
Reduction
in Energy Inventory Scope 1 and 2 emissions since 2022

20.9
Million
trees distributed

80%
of NKG companies worldwide
recognized as a **Great Place to Work**

2,400+
Colleagues
participating in the **NKG Awareness Day**

OUR VALUE CHAIN

Our activities span the full coffee value chain, from farming and processing to importing and service provision. Because of our strong presence at origin and our close relationships with suppliers and producers, the most significant sustainability impacts, risks and opportunities for NKG lie in coffee-producing countries and within our supply chain relationships.

These supply chains are highly decentralized. Around 125 million people depend on coffee for their livelihoods across roughly 12.5 million farms, ranging from subsistence farming families earning a modest income from coffee to professional estates. Producers operate as independent entrepreneurs, making decisions with little certainty and often limited resources. Our role is not to direct outcomes, but to expand the range of viable options so that farming families can choose pathways that improve their livelihoods.

Beyond producers, coffee production involves a wide spectrum of stakeholders, sometimes highly professional businesses, sometimes small enterprises, all relying to varying degrees on hired labor, both permanent and temporary. Working conditions, capacities, and risks differ significantly across this spectrum. Our approach is therefore adapted to this reality, recognizing the limits of our direct control and the need for context-specific engagement with different types of business partners.

VALUE CHAIN

OUR SUSTAINABILITY STRATEGY

Coffee is at the heart of what we do. It connects our business with people, places, and nature across the world. To build a successful future for our group and our industry, coffee must remain available, attractive to grow, and viable for trade.

That is why sustainability at NKG starts on the ground. We work close to producers and local realities, turn knowledge into action, and focus on what makes coffee possible: nature, resilience, and livelihoods.

As conditions around coffee continue to change, we have refined our sustainability strategy to reflect today's realities. We know there are no simple answers and that outcomes depend on factors beyond our direct control. Our response is not short-term fixes but thoughtful decisions that balance ambition with what is realistic and build on partnerships.

This is how we work to support coffee remaining, or in some instances becoming, a viable choice for producers, for our partners, and for our business.

THREE PILLARS: NATURE, RESILIENCE, AND LIVELIHOODS

Our sustainability strategy sets a clear direction for how we create long-term value in a rapidly changing coffee sector. We focus on what is material for our business and stakeholders, we prioritize action where we have leverage, and we work with partners where scale and shared responsibility are required.

Today. Tomorrow. Together.

ROOTED IN ORIGIN. RESILIENT FOR THE FUTURE.

ECONOMIC VIABILITY ⇆ SUSTAINABILITY AT SCALE

NATURE

Safeguarding and regenerating the natural systems coffee depends on.

We focus on protecting forests and biodiversity and the responsible use of natural resources to live up to our responsibility. While our influence differs by origin and supply chain organization, we set up biodiversity and deforestation assessments, prioritize action in high risk areas, and align our climate approach with the latest climate science. Without healthy ecosystems, there is no coffee.

RESILIENCE

Building the capacity to withstand shocks and adapt to disruption.

Future stability and quality of supply depend on the ability of both our operations and coffee producers to cope with climate impacts, volatility and change. We assess climate risks across our operations and integrated supply chains and support adaptation pathways that help keep coffee economically viable. Resilience is a core pillar because disruption is no longer the exception – it shapes coffee every season.

LIVELIHOODS

Supporting viable livelihoods and advancing human rights efforts.

We work with coffee-farming families to improve their livelihoods and advance human rights efforts — as an essential part of responsible business conduct and a reflection of our values. By strengthening human rights due diligence across our operations and supply chains, we build the data and partnerships needed to understand where livelihood gaps exist and how we can close them. Viable livelihoods are a prerequisite for a healthy sector that benefits all stakeholders.

ONE GUIDING PRINCIPLE: ECONOMIC VIABILITY

Economic viability guides all three pillars. Without viable participation along the value chain, sustainability cannot be scaled or continue. Today, farm-level viability is most at risk: If farming families cannot earn a living, they cannot absorb shocks, invest, or adapt, which will lead to their exiting the industry or worse outlooks. At the same time, long-term progress depends on viable supply chains and businesses, including our own. Where viability is secured, efforts can move beyond pilots and sustain impact. NKG's financial strength, independence, and shareholder commitment allow us to take a long-term view and complement commercial activities with pre-competitive and non-commercial efforts, such as our support for International Coffee Partners and coffee&climate.

13 ORIGINS: TURNING STRATEGY INTO ACTION

Across 13 origins, Farmer Service Units (FSUs) are central to implementation, working closely with purchase teams as the main link to producers. They build trusted relationships, translate requirements into practical action, and track progress on the ground. By working directly with farming families and producer organizations, local teams identify the services farmers need to strengthen their businesses and livelihoods. Their insights shape global targets, inform how they are applied, and ensure relevance across contexts. This close link between global direction and local execution is a core strength of our approach and key to building a more resilient coffee sector.

MAKING PROGRESS MEASURABLE

To make the strategy actionable, we have defined group-level key performance indicators (KPIs) for each pillar to guide implementation, track progress, and ensure accountability. We have set two aspirational targets: reaching 300,000 coffee farming families and reducing emissions under Scope 3. Both are ambitious and aspirational. They aim to strengthen our services, expand our reach, and drive innovation. Local teams translate all the KPIs into country-specific actions and targets, while at group level we focus on strengthening data, assessments, and governance. As methodologies and standards evolve, we will refine our approach while keeping our overall direction and commitment to economic viability consistent.

OVERARCHING IMPLEMENTATION LEVERS

Partnerships, Innovation, Data & Digital Tools, Communication

NKG INITIATIVES

NKG Verified & NKG Bloom

Strategy Targets

NATURE

1 Contributing to the protection of biodiversity and forests

- Set up deforestation and biodiversity assessments in our integrated supply chains by end of 2028.
- Take measures in all high-risk areas, prioritizing partnerships, by end of 2032.

2 Working to reduce emissions

- Reduce Scope 1 and 2 emissions by 42% by end of 2032.
- Reduce Scope 3 emissions by 31% by end of 2032 – an aspiration dependent on viable pathways.

RESILIENCE

3 Strengthening economic viability in light of climate change

- Set up climate risk assessments in our operations and integrated supply chains by end of 2028.
- Develop corresponding adaptation pathways working towards future economic viability by end of 2032.

4 Building coffee farm resilience

- Promote regenerative agriculture projects that support long-term economic viability across 300,000 hectares by the end of 2032.

LIVELIHOODS

5 Advancing our human rights efforts

- Set up human rights due diligence management system in our operations by end of 2027.
- Continuously improve the maturity of human rights due diligence from "started" to "intermediate" by 2032.

6 Supporting livelihood improvements of coffee farming families

- Set up living income assessments in our integrated supply chains by 2027.
- Offer 300,000 coffee-farming families services to improve their livelihoods by 2032 - an aspirational target.

INVESTING IN RESILIENCE IS A BUSINESS NECESSITY

Dr. Sarah Tischer
Head of Group Sustainability (Co-Lead) & Group Compliance

Carolin Ehrensperger
Head of Group Sustainability (Co-Lead)

What does the updated strategy mean for NKG in practice?

The updated strategy does not mean starting from scratch. Much of the work was and is already happening across NKG, in our Farmer Service Units, our companies at origin, and our partnerships. What's changing is that we now have a clearer common framework, and we are prioritizing more deliberately. Topics such as human rights due diligence and climate change adaptation pathways are now more clearly in focus, because they are highly relevant for the future of coffee and for our responsibility as a group.

In practice, this means applying specific KPIs and country-specific action plans under the three pillars of Nature, Resilience, and Livelihoods. It also puts our origin teams even more at the center, because they are the ones translating global priorities into practical solutions that work locally.

Why did resilience become a central pillar, and what does it mean beyond climate adaptation?

Resilience became a central pillar because disruption is no longer the exception in the coffee industry; it is becoming part of every season. Climate change is an important driver, but it is not the only one. Everyone involved in coffee's journey is facing price volatility, rising costs, changing regulations, labor constraints, and increasing expectations from customers and society. If we want coffee to remain available, attractive to grow, and viable for trade, we need to look at resilience more broadly.

Some targets are intentionally ambitious and aspirational. Why was it important to set them?

We set aspirational targets because they give us direction and help create momentum and inspire innovation. Some outcomes are not fully within our control, but clear ambitions help us mobilize action, investment, and collaboration across the group.

For us, aspirational does not mean symbolic. It means being transparent about dependencies while committing to a clear direction: prioritizing action, measuring progress, learning, and adjusting over time.

Why does NKG invest in sustainability?

Investing in sustainability is essential to staying in coffee long-term. Production is becoming more concentrated. The top 5 countries accounted for ~75% of global production in 2025, up from ~54% 25 years ago, while climate risks are increasing. That creates real exposure for supply and quality. Investing in resilience is therefore a business necessity. At the same time, we aim to live up to our responsibility and contribute to a supply chain where people can prosper sustainably, knowing this is still a journey.

How does the strategy add value for the coffee industry?

The risks we see, such as concentration of production and limited capacity to invest at origin, affect the whole sector. Continued engagement at origin helps address these risks and offers customers a credible way to build on existing efforts. More broadly, it's about scaling what works, strengthening transparency, and collaborating pre-competitively, but also about driving each other to do more. A level of constructive competition can help raise ambition and accelerate progress across the sector, so that coffee remains a viable crop for the next generation.

NKG INITIATIVES

Our NKG initiatives for sustainable supply chains, NKG Bloom and NKG Verified, continue to play a central role in how we translate our sustainability ambition into practice on the ground.

NKG Bloom was born in late 2017 as our sustainable sourcing strategy. Taking a farmer-centric perspective, NKG Bloom provides integrated services to coffee farming families, enabling them to turn their farms into viable businesses, improving their livelihoods, and securing a stable supply of coffee. NKG Verified was launched in late 2020 as a supplier-led program for coffee that meets key sustainability criteria. Starting with the requirements of green coffee buyers, NKG Verified scrutinizes performance on key social, environmental and economic indicators, coupled with visibility into supply chains.

During recent years of implementation, we realized that the success factors for both are the same: Strong field teams building trusted relationships with producers and serving as platforms for customers to engage with their supply chains. In this report, we look back over both programs in 2025. In line with the new sustainability strategy, we are reworking our initiatives to enhance synergies and value creation at both ends of our supply chain.

NKG bloom

At its core, NKG Bloom responds to a fundamental reality: The future availability and diversity of coffee depends on whether coffee farming remains, or for many smallholder farmers, becomes a viable choice that contributes positively to their livelihoods. NKG Bloom is designed to tackle this issue by understanding the constraints producers face, identifying services that NKG export companies can offer to address them, committing to long-term investments in our field teams and infrastructure, and sharing risk in areas such as farmer financing. There is no one-size-fits-all solution, neither across diverse origins nor across coffee-farming families with different needs, resources and aspirations. That's what makes it messy, and that's what makes it meaningful.

NKG Bloom is built for and works with producers and producer organizations. Only if producers see the value in the services we offer will they continue to use them and spread the word to their peers. That's how NKG Bloom aims to enable producers to increase their net income from coffee, contributing to improving their quality of life, ability to build assets, and capacity to become more resilient.

Providing technical assistance on sustainability standards and regulatory requirements, along with access to markets, are key to our work and can make a meaningful difference in producers' livelihoods. However, they are often not sufficient on their own. Producers tend to be aware that they should renovate their farms, yet may lack access to quality seedlings or financial resources to invest and cover the shortfall before trees become productive. That is where NKG Bloom steps in.

NKG Bloom in numbers

86,502
participating producers

10
tree nurseries in NKG Bloom countries

$15.5
million in loans disbursed under the Smallholder Livelihoods Facility

194
staff in Farmer Service Units in NKG Bloom origins

Cecilia Nyawira, a member of New Gikaru Cooperative Society, on her coffee farm in Komondo, Nyeri County, Kenya.

SERVICES OFFERED BY NKG BLOOM

- Technical Assistance
- Financing
- Market Access
- Information Services
- High quality inputs
- Renovation (planting materials)
- Infrastructure

Not everything we have tried has worked as intended; in particular, scaling access to finance remains a persistent challenge. Yet, the impact we see on the ground makes clear that continued effort is worthwhile, and the transition towards a resilient coffee sector requires much more investment and sharing of risk by all participants. The commitment and dedication of our partners and teams on the ground are what makes this work possible.

> *"Farmers are returning to coffee farms they once abandoned because they can see opportunity again."*
>
> **John Githinji**
> Chairman New Gikaru Cooperative Society

FURTHER PERSPECTIVES CAN BE FOUND IN OUR INTERVIEWS WITH

Milton Ramos
BECAMO - Technical Assistance Lead

Services for agroforestry systems in Honduras (Biodiversity and ecosystems).

Eddy Nkanagu
Ibero Uganda - Farmer Service Unit / Procurement Manager

Providing access to finance in Uganda (Workers and producers in the value chain).

Krista Maruca
NKG East Africa - Regional Sustainability Manager

Working with cooperatives and Tchibo in East Africa (Workers and producers in the value chain).

NKG Farmer Service Summit 2025

From March 30 to April 4, 2025, sustainability colleagues from 15 NKG group companies came together in Hamburg for the first NKG Farmer Service Summit as part of the Learning Agenda under NKG Bloom. The week was dedicated to exchanging knowledge, sharing experiences, and co-creating ideas on how to support producers in addressing current and future challenges in coffee production.

At the center of the discussions were key topics shaping the future of coffee and how to approach them as a global group of companies:

- Strengthening coffee farm resilience to climate change and increasingly volatile weather patterns
- Safeguarding and regenerating soil, ecosystems and water resources as the foundation of sustainable production and livelihoods
- Improving household incomes and supporting coffee farming as a viable economic activity
- Designing services that effectively support the adoption of promoted practices and maximize impact in the field

The summit benefited from contributions by external partners and experts. Their input helped deepen our understanding of complex topics such as climate change terminology and climate-smart agriculture, fertilizer strategies within regenerative systems, and the living income concept as a framework for analyzing coffee farm economics.

Beyond just technical exchange, the summit also strengthened collaboration across NKG's global teams, contributed to building a shared vision for NKG's Global Team Future of Coffee, and provided important insights for the development of the new sustainability strategy.

NKG:verified

NKG Verified offers coffee that meets key social, environmental and economic standards, in line with the standards on sustainability set by the coffee industry. A defining feature of our approach is our global field force, which provides support to producers to meet the expectations of global buyers. That has been our key success factor on the data-intensive journey of 100% alignment with the European Union Regulation on Deforestation (EUDR). Through NKG Verified, customers can gain greater visibility into their supply chains and have the ability to engage all the way up to the farm level.

NKG VERIFIED KEY CHARACTERISTICS

- **Coffee from a defined supply chain**
- **Seven critical sustainability criteria**
- **Continuous improvement over a broader set of criteria**
- **Combination of internal audits and third party audits covering farm-to-export level**
- **GCP Coffee Sustainability Reference Code equivalent - second-party assurance**

GLOBAL COFFEE PLATFORM
for a sustainable coffee world

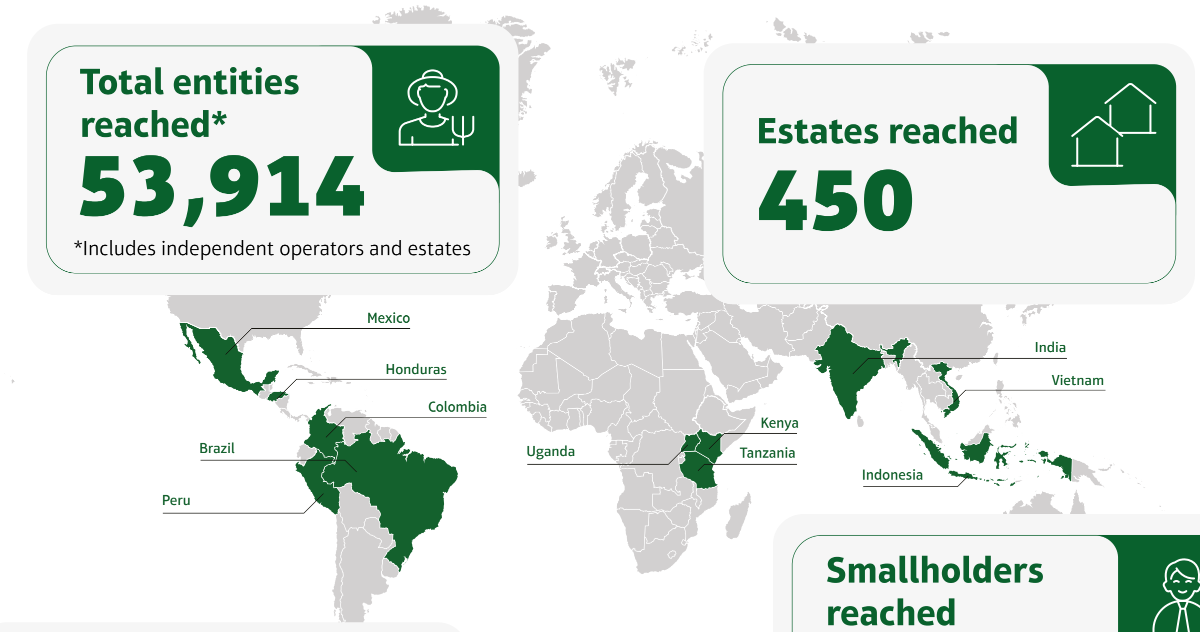
NKG Verified supply chains and sustainability criteria cover all stakeholders from farm to export, including producers, producers' groups, independent operators, and an NKG exporter. The coffees offered reflect the diversity of global coffee production, covering both Arabica and Robusta coffees and a range from smallholders and medium-sized farms to large estates. By the end of 2025, NKG Verified was available in 11 of our 13 origins with NKG export companies, and over 53,000 farms participated in the scheme compared to just under 13,000 in 2022.

At the core of the program lies a structured verification system. Compliance with sustainability criteria is assessed through sample-based annual internal audits conducted by NKG exporters and complemented by sample-based, independent third party audits every three years. A set of critical criteria must be met for participation in NKG Verified, while additional criteria are designed to support progressive improvement, recognizing differences in scale, resources, and local conditions.

CRITICAL CRITERIA

1. **Continuous improvement**
2. **No worst forms of child labor**
3. **No child labor**
4. **School attendance**
5. **No forced labor**
6. **Forests and ecosystems**
7. **No prohibited pesticides**

NKG VERIFIED IN NUMBERS



Total entities reached*
53,914
*Includes independent operators and estates

Estates reached
450

Smallholders reached
53,224

Verified supply chains
36

New origin 2025
Tanzania

Workers reached
170,700*
of whom: Permanent: **8%**
Temporary: **92%**
*Approximate

Our local NKG teams of agronomists and field technicians work directly with participating producers and other supply chain participants to identify challenges. Where gaps or instances of non-compliance are identified, regional improvement measures are planned and implemented together and monitored over time. This enables us to drive value for participating producers, by reducing their costs for meeting sustainability standards and improving market access.

We also benefit from deep insights into our supply chains, the ability to implement new regulatory requirements quickly, and a practical mechanism for operationalizing our human rights due diligence commitments.

"NKG Verified brought a lot of improvement to the farm; helping us with the organization, with activities, with the data, with future planning. It is an excellent initiative that benefits us every day. We are very happy and I'm sure that we will reap good fruit with it"

Felipe de Oliveira
Fazenda Serrinha, Brazil

"I've been part of NKG Verified for two years now and what I found most important about it is raising the producer's awareness about sustainable management that takes care of the environment, of us as producers."

Anderson Domingos de Souza Robadel
Sitio Casa Amarela, Brazil

OUR INVESTMENT IN THE FUTURE

Ole Kerbsties
Sustainability Director,
NKG Stockler

What is the greatest added value you see in NKG Verified?
NKG Verified is our investment in the future. It helps us to get closer to producers and prepare our supply chain to meet the ever-stricter regulations in Brazil and in importing countries, while giving us a solid base for projects with roaster partners.

What does it mean for customers?
Closer contact with producers not only gives us the opportunity to better assess the situation on the ground and make tailor-made project proposals, it also provides us with valuable first-hand data, data that customers especially in importing countries require to fulfill local regulations and consumer requests.

What has changed at the farm level?
Farmers receive additional free agronomic assistance. They get the opportunity to cup their coffees with us, gain access to our warehousing space and a chance to show their coffees not only when we receive visitors, but also during our NKG Verified exclusive cupping contest. We have also provided processing assistance and are able to include farm inputs in specific projects with roasters.

What are the biggest challenges you face?
Growing while maintaining the quality of the work performed is a major challenge. There have been various opportunities to accelerate the growth in size of our supply chains even further, but often this would have meant sacrificing audits or producer cooperation. None of that is negotiable.

What do you want to achieve in the next year?
We are currently negotiating over some interesting projects with key customers, all based on our NKG Verified supply chains, that will bring more benefits to our producer partners. We have also started to use the NKG carbon data tool. It would be great to find a way to monetize this, because it could support training and potentially even expansion of the team with the long-term target of really making NKG Verified our "main supplier".

Is there anything else you would like to highlight?
Maybe we don't always "talk the talk" like others, but thanks to the vision and the trust of our management in Brazil and Hamburg and the dedication of the teams, we are surely "walking the walk", something that we can all be proud of. All the customers, partners, producers who see what we are capable of and what we are doing are impressed. It is our responsibility now to extend this.

COLLABORATION AS A CENTRAL PRINCIPLE OF OUR ENGAGEMENT

PARTNERSHIPS

With the introduction of our updated sustainability strategy, NKG has further reinforced its approach to contributing to a more sustainable coffee sector.

We recognize that addressing the major sustainability challenges in coffee requires collective action and the joint commitment of industry stakeholders. Collaboration therefore remains a central principle of our engagement.

NKG is a founding member of International Coffee Partners and coffee&climate, and we continue to participate actively in initiatives that promote industry dialogue and address complex sustainability topics beyond our own supply chain, such as the ILO Child Labor Platform.

NKG was awarded the EcoVadis Bronze Medal in 2025. Earning the Bronze rating places us among the top 35% of companies committed to sustainable business practices.

BRONZE | Top 35%
ecovadis
Sustainability Rating
JUL 2025

DOUBLE MATERIALITY ASSESSMENT

Our material sustainability impacts arise directly from the context of the global coffee value chain. The coffee-producing countries where NKG operates often present structural, environmental, and social challenges, especially related to land pressure and human rights issues.

This context creates material risks and opportunities, including climate-related physical and transition risks and human rights violations, such as child and forced labor. In order to identify and assess these issues systematically, in 2024 we conducted our first Double Materiality Assessment (DMA) tailored to our organizational context and value chain exposure.

A STRUCTURED PROCESS

To ensure a comprehensive and robust identification and evaluation of impacts, risks, and opportunities (IROs), a dedicated team of sustainability specialists was established. This team carried out five main steps as part of the DMA process.

IDENTIFYING AND ASSESSING IMPACT, RISK & OPPORTUNITIES (IROs)

1 Evaluating the Organizational Scope

The organizational scope of the DMA was defined by analyzing NKG's own operations and their interactions within the upstream and downstream coffee value chain, considering all relevant stakeholders, from coffee producers and suppliers to roasters and end consumers. This step served as a foundation for subsequent phases.

2 Analyzing the Organizational Context

A review of our business context was conducted using internal documents (e.g., Sustainability Report, Climate Action Plan, Human Rights Risk Assessment) and external sources. These included industry analyses (e.g., Deutscher Kaffeeverband), academic literature, regulatory frameworks, and certification standards. Additional insights were drawn from peers, customers, and industry bodies in order to capture sector trends and stakeholder expectations.

3 Conducting External Stakeholder Interviews

Based on internal stakeholder mapping, we carried out 12 detailed interviews with key external stakeholders, including customers, supply chain partners, financial institutions, industry associations, and NGOs. These discussions aimed to capture stakeholder views on the most relevant IROs, assess perceptions of NKG's current sustainability approach, and identify areas for further improvement.

4 Assessment and Feedback from Global NKG Experts

A global workshop with NKG sustainability experts and selected internal departments was conducted to identify and assess IROs in line with the General Requirements ESRS 1, supported by prior due diligence inputs and relevant reports. The initial assessment was carried out by one expert, reviewed by another, and refined through topic-specific workshops across regions and functions. Standardized guidance, templates, and iterative plausibility checks ensured a consistent, accurate, and robust final assessment, with documented rationale where no IROs were identified.

5 Setting Thresholds for Materiality

To differentiate between highly material and less material topics and allocate resources accordingly, NKG defined thresholds aligned with ESRS 1 requirements. This was done in collaboration with internal stakeholders, including the project team and the Steering Committee. For more information about thresholds refer to Tables 1 and 2 in the Annex.
To find out more about NKG's Double Materiality Assessment, check out our website.

Material Impacts, Risks, and Opportunities

Building on the outcomes of the DMA, we identified that our most material sustainability topics are climate change (E1), biodiversity and ecosystems (E4), our own workforce (S1), workers in the value chain (S2), business conduct (G1). The identified impacts, risks, and opportunities (IROs) identified will further strengthen our approach to sustainability and were essential in the development of our new Sustainability Strategy.

The identified IROs describe the positive and negative impacts our business activities may have on people and the environment. They also outline how sustainability-related matters can affect the group's business performance, value creation, and financial position, either negatively (risks) or positively (opportunities). By addressing both impact materiality and financial materiality, these IROs support informed strategic decision-making while enhancing transparency and accountability toward our stakeholders.

	Topics & Sub-topics	Topics	Description	Impacts, Risks and Opportunities	Value chain	Time horizon	SDG
E1 Climate Change	Climate change mitigation	Coffee farms as carbon sinks	Coffee farms act as natural carbon sinks, storing CO2 in their biomass. Depending on practices, sequestration can exceed GHG emissions.	Positive impact	Upstream, Own operations	Long term	1, 8, 12, 13, 15
		Land use change	Conversion of rainforest or wetlands to coffee plantations often leads to GHG emissions.	Negative impact	Upstream, Own operations	Medium term	
		Extreme weather events (suppliers)	Coffee plants are temperature sensitive. Extreme weather events can reduce yield and quality, increasing costs.	Risk	Upstream	Long term	
		Changing rainfall patterns and water availability (suppliers)	Unpredictable rainfall pattern affects water availability and farming practices, potentially causing supply delays or losses and reduced revenue.	Risk	Upstream	Long term	
		Shortage of labor due to climate conditions	Climate-related migration can reduce labor availability on coffee plantations, disrupting harvest and processing and lowering revenue.	Risk	Upstream, Own operations	Long term	
		Application of CO2-intensive Fertilizer & agrochemicals	GHG emissions from production of fertilizers & agro-chemicals used on upstream and NKG farms.	Negative impact	Upstream, Own operations	Long term	
		Declining suitability of production areas	Climate change reduces suitability of some regions, causing asset value loss and relocation costs.	Risk	Own operations	Long term	
		Relocation of coffee production areas	Cost for migrating production to areas which are more suitable for coffee production due to climate-change.	Risk	Own operations	Long term	
		Adaptation costs (own farms)	Increased costs for climate change adaptation measures on own farms.	Risk	Own operations	Long term	
		Adaptation costs (suppliers)	Increased costs for coffee beans, due to producer' investments in climate change adaptation measures.	Risk	Upstream	Long term	
	Energy	GHG emissions in the supply chain	NKG contributes to emissions through production and processing in the supply chains.	Negative impact	Upstream	Long term	
E4 Biodiversity and ecosystems	Impact on the state of species	Intensive use of hazardous pesticides	Impact on species (plants, animals and other organisms) through heavy hazardous pesticide usage.	Negative impact	Upstream, Own operations	Medium term	3, 12, 13, 15
	Impacts and dependencies on ecosystem services	Promotion of regenerative agricultural practices	Promotion of Regenerative Agricultural practices to producers in coffee supply chains can result in more efficient use of agricultural inputs and in safeguarding natural resources.	Positive impact	Upstream, Downstream, Own operations	Long term	
		Pollination	Loss of insects and birds can decrease yield, especially from Robusta plantations, consequently decreasing revenue.	Risk	Upstream, Own operations	Long term	
	Impact on the extent and condition of ecosystems	Soil erosion	Soil erosion depletes nutrients and structure, reducing soil quality and water retention. That leads to declines in yields and quality of products.	Risk	Upstream, Own operations	Long term	
		Agroforestry	Agroforestry enhances biodiversity, soil health, water retention, and carbon storage, reducing need for chemical inputs.	Opportunity	Upstream, Own operations	Long term	
S1 Own workforce	Working conditions	Living wage	Group-wide payment of living wages increases workers' purchasing power and supports local economies.	Positive impact	Own operations	Medium term	1, 10, 4, 16, 8
		Skill shortage	Difficulty in finding qualified staff increases recruitment costs and reduces productivity.	Risk	Own operations	Medium term	
	Other work related rights	Child labor	Child labor in coffee cultivation harms children's health, education, and well-being, perpetuates poverty and exploitation, and violates their rights, with broad negative social and economic consequences.	Negative impact	Own operations	Medium term	

Positive impact · Negative impact · Risk · Opportunity · Upstream · Downstream · Own operations · Short term: < 1 year · Medium term: 1-5 years · Long term: > 5 years

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	Topics & Sub-topics	Topics	Description	Impacts, Risks and Opportunities	Value chain	Time horizon	SDG
S 2 Workers in the value chain	**Working conditions**	Working with suppliers to support good working conditions	By working with suppliers that adequately pay their employees and provide long-term work opportunities, NKG can support good working conditions in the producing regions.	Positive impact	Upstream	Long term	1, 4, 5, 8, 10, 15, 16
		Living Income	Enabling NKG suppliers to improve farm productivity and coffee quality towards achieving higher prices and earning a living income. This reduces poverty and can have a positive impact on the local economy.	Positive impact	Upstream	Long term	
		Shortage of labor on farms	Migration driven by social factors reduces labor availability, disrupting operations in coffee regions and lowering revenue.	Risk	Upstream	Medium term	
		Economic pressure on farmers	High inflation and price fluctuation put economic pressure on vulnerable farmers. This can lead to a potential business relationship loss if farmers decide to sell to other actors or abandon coffee production.	Risk	Upstream	Medium term	
	Equal treatment and opportunities for all	Gender inequality	Lacking gender equality and exclusion of women in important decisions lead to reduced consideration of women's needs.	Negative impact	Upstream	Medium term	
		Training	Small-holder producers which receive trainings and thus increase their yields are more likely to keep up their business relationship with NKG.	Opportunity	Upstream	Medium term	
		Succession planning	Engaging youth in coffee farming supports farm continuity and future supply stability.	Opportunity	Upstream	Medium term	
	Other work related rights	Child labor (upstream)	Child labor persists in some coffee regions. It has negative impacts on the physical health, mental well-being and on children's education.	Negative impact	Upstream	Medium term	
		Withholding wages	Withholding wages threatens living standards and harms physical and mental health.	Negative impact	Upstream	Medium term	
		Forced labor and modern slavery	There is a risk of forced labor and modern slavery in coffee-producing countries, which can harm workers' mental and physical health.	Negative impact	Upstream	Medium term	
		Fines for human rights violations	Potential human-rights violation can lead to legal disputes, fines and reputational damage.	Risk	Own operations	Medium term	
		Reputation exposure due to child labor	If incidents of worst form of child labor are revealed, there is a risk of losing business relationships with customers.	Risk	Upstream	Medium term	
		Reputation exposure due to forced labor	If incidents of worst form of forced labor are revealed, there is a risk of losing business relationships with customers.	Risk	Upstream, Own operations	Medium term	

	Topics & Sub-topics	Topics	Description	Impacts, Risks and Opportunities	Value chain	Time horizon	SDG
G1 Business Conduct	**Management of relationships with suppliers including payment practices**	Lack of transparency in the value chain	A lack of transparency along the value chain can have a negative impact on our sustainability management and performance.	Negative impact	Upstream	Medium term	8, 9, 10, 12, 16
		Enhance resilience of producers	Supporting farmers in long-term partnerships through sustainability programs strengthen farmer resilience, profitability, and sustainability performance.	Positive impact	Upstream	Medium term	
		Unequal value distribution	Imbalanced market conditions create price pressure and difficult payment terms, leading to financial difficulties for suppliers.	Negative impact	Upstream, Downstream, Own operations	Long term	
		Traceability	Implementing traceability and digitalization standards in the supply chain enhances alignment with NKG sustainability criteria and can be monetized with customers.	Opportunity	Own operations	Long term	
		Lack of due diligence of partners	A lack of due diligence in supply chain management can lead to non-compliance with regulations and NKG environmental and social standards. Potential risk of loss of reputation and of business partnerships with customers.	Risk	Upstream, Own operations	Long term	
		Increasing costs of pre-financing	With higher interest rates, prefinancing coffee becomes more expensive and operating costs are increased.	Risk	Upstream, Own operations	Long term	
		Crisis in the global logistic sector	Global logistics disruptions (e.g. natural disasters, political instability) can result in port closures, congestion, delays, strikes, and blocked transport routes, affecting financial performance.	Risk	Upstream, Downstream	Long term	
	Corruption and bribery	Corruption incidents and related fines	Revenue loss because of fines after incidents of corruption and fraud within operations of NKG.	Risk	Upstream, Own operations	Long term	
		Violations of anti-trust and competition law	Exceeding the pre-competitive area in trade associations can lead to violations in anti-trust and competition law.	Negative impact	Upstream, Downstream, Own operations	Long term	

Positive impact · Negative impact · Risk · Opportunity · Upstream · Downstream · Own operations · Short term: < 1 year · Medium term: 1-5 years · Long term: > 5 years

COMMITMENT TO CONTINUOUSLY ASSESS OUR SUSTAINABILITY FOCUS

ABOUT THIS REPORT

This Sustainability Report provides an overview of NKG's sustainability approach, activities and performance for the period from January 1 to December 31, 2025 unless specifically stated otherwise.

This is our first Sustainability Report aligned with the Corporate Sustainability Reporting Directive (CSRD). It marks an important step in strengthening our sustainability reporting and transparency and paves the way toward full CSRD compliance by 2028. In preparing this report, we have taken the outcomes of our (DMA) as a key foundation for identifying and structuring the sustainability topics that are most material to NKG and our stakeholders. That said, we remain committed to continuously assessing whether our sustainability focus remains appropriate and aligned with emerging priorities.

As a business-to-business group of companies, we have prepared this report to provide a transparent overview of our sustainable business approach, priorities and ongoing initiatives. The Report is intended to support dialogue about these topics with our business partners and other stakeholders by providing consolidated information on the group's sustainability journey and related developments.

Unless stated otherwise, the scope of this report therefore focuses mainly on NKG's activities in coffee-producing countries and on those parts of the value chain where we have the strongest operational involvement and leverage. At the same time, the report also reflects relevant sustainability topics related to our sustainability strategy.

For questions or comments regarding this report, please contact sustainability@nkg.coffee

Our work on environmental topics reflects a simple but critical reality: The future of coffee depends on a stable climate and functioning ecosystems. Increasing climate variability is already affecting growing conditions, while degraded soils, water stress, and biodiversity loss weaken the systems that coffee production relies on. These are interconnected risks that influence the resilience and long-term viability of coffee supply chains.

To strengthen the natural systems that sustain coffee production, NKG combines climate action with efforts to maintain and restore ecosystem functions at farm and landscape levels. Practices such as regenerative agriculture and agroforestry are central in this regard, as they support soil health, water management, and climate adaptation while maintaining economically viable farms.

E1

CLIMATE CHANGE

E1-3

STRATEGY

We recognize that climate impacts are closely intertwined with the long-term resilience of coffee supply chains. NKG is exposed to climate-related physical risks that may affect productivity, quality, and sourcing continuity across coffee-producing regions. At the same time, we accept our accountability for reducing greenhouse gas (GHG) emissions across our own operations and, as far as possible, throughout our value chain.

Within this context, NKG's climate strategy pursues two main objectives: Strengthening climate resilience along the value chain and contributing to global climate change mitigation efforts. Our strategy considers the complexity of agricultural supply chains and the need for context-specific and proportionate responses.

The strategy is operationalized through NKG's Climate Action Plan, first published in 2023. This plan provides a structured framework for our climate-related actions, integrating mitigation and adaptation considerations and linking emissions-reduction efforts with measures aimed at strengthening resilience at the farm and origin levels. The Climate Action Plan builds on the principles and priorities set out under the Responsible Business Program, which guided sustainability-related activities and is now replaced by our new Sustainability Strategy, and is informed by our Corporate Carbon Footprint Assessment, using 2022 as the baseline year.

Climate Resilience

We address climate resilience through the systematic identification and assessment of climate-related risks and their potential implications for our value chains. This considers both acute and chronic physical risks in coffee-producing regions, as well as relevant transition risks associated with evolving regulatory, market, and societal expectations.

Insights generated through climate risk assessments are used to inform adaptation pathways across coffee value chains. These pathways focus on strengthening resilience through the promotion of good agricultural practices, improved resource efficiency, and collaboration with suppliers and partners, while also supporting emissions reduction objectives. Particular emphasis is placed on measures that can improve long-term productivity and environmental performance at the farm level, while reducing the long-term impacts of climate-related physical and transition risks.

Topics	Description	Impacts, Risks and Opportunities
Coffee farms as carbon sinks	Coffee farms act as natural carbon sinks, storing CO2 in their biomass. Depending on practices, sequestration can exceed GHG Emissions.	Positive impact
Land use change	Conversion of rainforest or wetlands to coffee plantations often leads to GHG emissions.	Negative impact
Extreme weather events (suppliers)	Coffee plants are temperature sensitive. Extreme weather events can reduce yield and quality, increasing costs.	Risk
Changing rainfall patterns and water availability (suppliers)	Unpredictable rainfall pattern affects water availability and farming practices, potentially causing supply delays or losses and reduced Revenue.	Risk
Shortage of labor due to climate conditions	Climate-related migration can reduce labor availability on coffee plantations, disrupting harvest and processing and lowering revenue.	Risk
Application of CO2-intensive fertilizer & agrochemicals	GHG emissions from production of fertilizers and agrochemicals used on upstream and NKG farms.	Negative impact
Declining suitability of production areas	Climate change reduces suitability of some regions, causing asset value loss and relocation costs.	Risk
Relocation of coffee production areas	Cost for migrating production to areas which are more suitable for coffee production due to climate change.	Risk
Adaptation costs (own farms)	Increased costs for climate change adaptation measures on own farms.	Risk
Adaptation costs (suppliers)	Increased costs for coffee beans due to producer investments in climate change adaptation measures.	Risk
GHG emissions in the supply chain	NKG contributes to emissions through production and processing in the supply chains.	Negative impact

Positive impact Negative impact Risk Opportunity

POLICIES

NKG's Climate Action Plan serves as both our climate change mitigation and adaptation policy and our transition plan.

E1-1

Transition Plan

The Climate Action Plan sets out our emissions reduction targets, identifies key decarbonization levers, and defines implementation measures intended to support a transition aligned with the objectives of the Paris Agreement to limit global warming to 1.5 °C.

The plan reflects our assessment of where meaningful emissions reductions can be achieved, considering operational realities, technological availability, and the characteristics of agricultural supply chains.

In addition to the Climate Action Plan, we have established complementary policies that support our climate transition objectives. These include the Policy and Guidebook on Regenerative Agriculture and Ecosystem Action, which is described in further detail in the chapter Biodiversity and Ecosystems.

The Climate Action Plan defines our short-term, science-based emissions reduction targets using 2022 as the baseline year. By 2025, we aimed to achieve a cumulative absolute reduction of 9% in Scope 1 and Scope 2 emissions, excluding Forests, Land and Agriculture (FLAG) emissions. In parallel, under the FLAG inventory we have targeted a linear reduction of 6.06% in Scope 1 emissions over the same period.

To support the delivery of these targets, we have identified three main decarbonization levers, which are pursued in parallel and are essential to building long-term climate resilience.

DECARBONIZATION LEVERS

1. **Renewable energy and energy efficiency**
   Expanding the use of renewable electricity and improving energy efficiency through equipment upgrades and operational improvements at coffee processing and operational sites.
2. **Circular economy**
   Minimizing waste and maximizing resource efficiency, primarily through the recovery and valorization of by-products from coffee processing and farming activities.
3. **Sustainable farming practices**
   Supporting producers through training, incentives, and technical assistance to promote good agricultural practices and lower-carbon production methods at the local level.

The implementation of the transition plan is subject to assumptions and dependencies. These include the availability and affordability of renewable energy technologies in operating regions, the technical feasibility of efficiency improvements at facility level, continued engagement of suppliers and producers, and access to appropriate financing mechanisms. At this stage, we have not identified material risks related to locked-in greenhouse gas emissions from long-term assets that would be expected to undermine the achievement of the transition plan.

In this report, we have not yet disclosed quantified financial information on climate-related investments, such as detailed CapEx, OpEx, or forward-looking investment plans. While climate actions are being implemented and integrated into business planning, we are still developing our internal processes to consolidate and report this information consistently. We intend to enhance our financial disclosures progressively in line with ESRS requirements in future reporting periods.

The Climate Action Plan has been approved by the Board of Management and is overseen by the Climate Change Advisory Board, which is responsible for coordinating implementation, monitoring progress, and reviewing and adapting actions as the due diligence and transition framework continues to evolve.

In line with the introduction of our new Sustainability Strategy, the Climate Action Plan will be reviewed and revised moving forward. This review process is intended to ensure continued coherence between strategic objectives, targets, and implementation measures, and to reflect evolving insights, regulatory expectations, and operational experience related to climate change.

E1-2

CLIMATE-RELATED RISKS AND SCENARIO ANALYSIS

Our approach to climate-related risks and scenario analysis is based on a progressive, location-specific methodology that combines qualitative risk identification with targeted quantitative assessments.

As a first step, in 2023 we conducted an initial qualitative climate risk assessment as part of the development of the Climate Action Plan. It identified and classified key climate-related physical and transition risks across our main coffee-producing locations. The resulting risk categories were subsequently validated through our DMA, confirming their relevance from both impact and financial risk perspectives.

These assessments considered our upstream and downstream value chains, as well as our own operations. Given the structure of NKG, climate risks are concentrated in the upstream value chain, which is the main focus of further analysis and engagement.

Physical Climate Risks

Changes in temperature and rainfall patterns, along with the increasing frequency of extreme weather events such as frost, heat, and drought, pose risks to coffee productivity and quality in the short term, and may affect the long-term suitability of certain production areas.

MATERIAL PHYSICAL RISKS

Coffee is a climate sensitive crop that can only be cultivated within specific agroecological conditions. As a result, production systems are particularly exposed to climatic variability and longer-term climate change. In this light, we identified the following material physical risks:

- **Extreme weather events**
- **Changing rainfall patterns**
- **Loss of workers on farm**
- **Loss of production area**

Transition Climate Risks

In response to changing climatic conditions, coffee producers and supply chain actors are increasingly adapting production systems to maintain long-term viability. Such adaptation pathways may include investments in new practices and technologies and potential shifts in production towards more climatically suitable areas. These responses can raise material transition risks, particularly where significant financial investment or structural changes are required or negative side effects ensue.

These risks are considered across short-, medium-, and long-term time horizons, with particular attention paid to longer-term physical risks that may affect the future viability of sourcing regions.

Climate transition risks

In this context, we have identified the following climate transition risks as relevant for our value chains:

- **Migration to suitable production areas**
- **Adaptation measures on own farms and those of our suppliers**

Building on this foundation, we are developing a robust climate-risk assessment that considers both current weather variability and long-term climate change. The analysis uses a strong geodata approach using coffee plot-level data collection that is enriched with third-party climate datasets, including precipitation, temperature, and climatic suitability. The scope of our assessment currently includes all NKG Verified supply chains, using data from the past five years.

As part of this work, NKG conducted a quantitative long-term assessment for Arabica and Robusta, analyzing the probability of shifts in suitability from higher to lower levels and vice versa. This approach highlights increasing climate pressure rather than projecting an abrupt loss of suitability[1]. In addition, the methodology includes projected shifts in agroecological zones to evaluate how climate change may affect the future suitability of Arabica coffee-growing areas[2]. Robusta areas are not included in the second analysis due to methodological limitations. The analysis compares current climatic conditions with future projections for the period 2040–2069 under a single climate scenario (RCP 6.0), corresponding to an estimated average temperature increase of approximately 2.2 °C by the end of the century[3].

In addition to the long-term scenario analysis, we have incorporated an assessment of short-term weather variability, focusing on recent trends in rainfall patterns, temperature fluctuations, and evapotranspiration. This analysis provides insights into near-term weather dynamics that may affect coffee production and complements the longer-term projections used to assess structural climate change risks.

The findings of the climate risk assessment serve as a basis for structured dialogue with group companies. Through this process, local sustainability experts contribute with on-the-ground knowledge and operational observations. The result of these analyses is used to build adaptation pathways for each supply chain. Our aim is to identify resilient agricultural practices that are tailored to the specific conditions and risk profiles of individual supply chains and build a suggested adaptation pathway for each supply chain analyzed.

While our climate risk assessments are based on high-quality scientific data, the results rely on a set of assumptions, including the choice of a climate scenario, and do not consider factors such as microclimates or coffee varieties. They are intended to inform discussions and actions, not to predict a definitive future. We consider it our responsibility to translate the data into action and use it prudently, backed up by local expertise.

Going forward, we aim to progressively expand the coverage of both short- and long-term climate risk analyses across our supply chains and strengthen the analytical foundation underpinning our climate adaptation efforts from 2026 onwards.

Neumann Kaffee Gruppe - Sustainability Report 2026

COFFEE PRODUCTION IS HEAVILY RELIANT ON SMALLHOLDERS

Ana Wilks
NKG's Global Head of Research,
NKG Statistical Unit

From your perspective, how has climate change redefined the way the coffee industry operates today? Can you share a concrete example of this shift?

Weather is becoming more erratic and extreme across a large number of major coffee-producing countries. Recent years have definitely brought more frequent deviations from the norm. Brazil is an excellent example. The 20/21 Arabica harvest in Brazil showed a record volume. In the five seasons since then, the Arabica harvest has been significantly compromised by erratic weather. High temperatures and a delay to the start of the rainy season compromised the flowering and early fruitification of a few recent harvests, while lower absolute rainfall volumes compromised cherry growth. There were also frosts in 2021, one of which caused a near 10% decline in the subsequent Arabica crop in 22/23. There was also a crop compromised by excessive rainfall during a delicate fruit stage. Most recently, wetter than normal weather during the last harvest in 25/26 also compromised cup quality.

How has this growing uncertainty affected your own work and analysis?

We certainly need to monitor metrics such as rainfall and temperature on a more frequent and careful basis. We've also had to intensify the research that we do in the field to verify and validate the impact of such weather conditions on the ground.

Looking back at the crop losses and extreme weather events we have already experienced, what developments have been most striking to you?

The most striking has been the cumulative impact on the Brazil crop over the past 5 seasons, because Brazil is by far the world's largest producing country and hence these crop losses have translated into an unprecedented global cumulative deficit (i.e., production was not sufficient to meet demand). This has heavily depleted global stocks and caused coffee prices to rally to record levels in absolute terms. But I am also struck on a much smaller scale by the same comment that I hear whenever I visit farms, be it in Brazil, Vietnam, Colombia or elsewhere: the weather is just not as predictable as it used to be. Coffee production is heavily reliant on smallholders, and this unpredictability has a huge impact on their ability to plan their livelihoods.

Looking ahead, do you expect shifts within existing origins, or the emergence of entirely new coffee-growing regions?

Studies that look at how climate change will affect coffee production focus on a longer-term scenario, up to 2050. Despite having different methodologies, many studies see a net loss of suitability for coffee cultivation in most existing major coffee-producing countries. Given broader socio-economic constraints, I do not expect significant expansion into new coffee origins; instead, a more likely outcome is shifts within existing origins where suitability declines, alongside adaptation and potential productivity gains in areas where suitability remains stable.

E1-5

ACTIONS

Following the development of the Climate Action Plan, we have moved into an implementation phase focused on translating strategic objectives into concrete actions across our own operations and throughout the value chain. Climate-related actions are guided by a clear understanding of where greenhouse gas emissions occur, where we have direct operational control, and where progress depends on collaboration with suppliers, producers, and other partners.

Driving Emissions Reductions in Our Own Operations

Reducing emissions within our own operations is a key initial step in the implementation of the Climate Action Plan and focuses on the levers of renewable energy and energy efficiency. To establish a robust foundation for action, all NKG exporting companies conducted energy audits during 2024 and 2025 to better understand energy consumption patterns and to identify opportunities for efficiency improvements and the use of renewable energy.

The results of these assessments have been translated into prioritized action plans at the local level. Practical examples are provided by NKG East Africa, where targeted measures include the installation of LED lighting at Ibero Uganda, voltage optimization at Ibero Kenya, improvements to compressed air systems at Ibero Tanzania, and the enhanced use of natural lighting at City Coffee's warehouse.

In addition, other exporters around the world, such as NKG India Coffee, NKG Stockler in Brazil and SKN Caribecafé in Colombia, are transitioning to electric forklifts usage. This represents a gradual shift from fossil fuel equipment to technologies with lower emissions, replacing diesel and LPG consumption with electricity that in many cases comes from renewable and self-generated sources.

Taken together, these measures resulted in a reduction of 265 tCO_2e in Scope 1 emissions from our own operational energy usage compared to the 2023 level (prior to implementation).

Another achievement is that seven of our operational sites now generate renewable electricity through solar panels across Brazil, Costa Rica, Honduras, Kenya, Mexico, and Vietnam. Another eight sites have purchased renewable energy from external sources, which contributes to increasing the share of renewable electricity in NKG's mix.

Data Driven Action through Carbon Measurement

To support targeted climate action across the value chain, we have developed a Carbon Calculator in partnership with Meo Carbon Solutions, applying widely recognized product carbon accounting methodologies. The tool calculates the cradle-to-gate carbon footprint of green coffee, covering emissions associated with farming, wet and dry milling, warehousing, and transport. It is designed to reflect the specific characteristics of our supply chains.

A central element of this approach is the use of primary data collected directly in the field by our trained staff, using NKG's field-level data collection application. The data collection initially focuses on NKG Verified farms and project-related suppliers that are selected via a robust sampling approach. This direct engagement strengthens relationships with producers and enables a more detailed understanding of key emissions drivers.

Data validation and quality checks are coordinated by Group Sustainability through an iterative process with field teams. The analysis and reports are created centrally at headquarters to ensure methodological uniformity. The findings are presented and discussed with local teams to design supply chain-specific decarbonization and adaptation pathways.

Following an initial pilot in India, the Carbon Calculator is currently being rolled out by exporter companies in Brazil, Colombia, Honduras, Vietnam, Uganda, and Kenya. NKG aims to progressively expand this approach across its major coffee supply chains, while continuing to refine methodologies, tools, and analytical insights over time.

Reducing Emissions across the Supply Chain through Collaboration

Scope 3 emissions from green coffee, primarily generated at the farm level, account for the largest share of our corporate carbon footprint. At the same time, they are the most difficult for us to address, given the structure of our value chain. We are nevertheless setting ambitious targets to inspire innovation and are intensifying our efforts to reduce emissions within our supply chains.

Our operations across all major coffee origins and our long-standing relationships with producers and suppliers are strong assets when it comes to implementing initiatives in collaboration with value chain partners. Promoting regenerative agricultural practices is a highly effective ways to do this, addressing climate change mitigation, farm resilience and livelihoods simultaneously. For more on regenerative practices, see the chapter Biodiversity and Ecosystems.

Promoting biochar in Colombia

One of these projects is being conducted by our Colombian exporter SKN Caribecafé in partnership with biochar innovator Cotierra to support coffee producers in the Huila region. The project introduces scalable, on-farm biochar production solutions that help restore soil health, improve nutrient retention, and build climate resilience. At the same time, it enables producers to convert agricultural residues into valuable inputs, supporting a more circular production system that aims to increase farm productivity while reducing emissions at origin.

With a pilot project already conducted in a region that is home to over 84,000 coffee-farming families, this larger-scale initiative demonstrates strong potential to strengthen livelihoods and contribute to shared climate and sustainability goals.

GHG Project Brazil

The Regenerative Agriculture and Carbon Project implemented by NKG Stockler in partnership with NESCAFÉ focuses on advancing climate-smart coffee production in Brazil. Located in Sul de Minas (Minas Gerais) and Mogiana (São Paulo), the project aims to promote healthier coffee plantations while reducing greenhouse gas emissions. At its core, the initiative supports the transition to regenerative agriculture practices, combining improved soil management, optimized fertilizer use, and the application of organic and biological inputs to address climate-related challenges and strengthen long-term farm sustainability.

The scope of the project covers two NKG Verified supply chains, reaching more than 140 farmers across more than 20,000 hectares of coffee cultivation. A network of agronomists works closely with farmers to implement practices and provide hands-on support, while a network of model farms serve as demonstration sites to test and showcase regenerative approaches under real field conditions. Key intervention areas include improved soil health management, fertilization based on soil testing, composting, integrated pest management, and training to support the adoption and scaling of these practices.

To ensure transparency and track progress over time, the project includes continuous data collection and emissions accounting aligned with recognized methodologies. In addition, it generates co-benefits such as improved water management, increased biodiversity, and reduced input costs for producers, contributing to both environmental impact and economic viability at the farm level.

E1-6 to 10

METRICS AND TARGETS

The results of the most recent Corporate Carbon Footprint (CCF) are presented below. Overall, our CCF decreased from 2,542,841.2 tCO_2e in 2024 to 2,430,560.07 tCO_2e in 2025, representing a 4.42% reduction. This is mainly due to a slight decrease in purchased goods and services, primarily coffee, that consequently lead to a reduction in transport and energy consumption.

Scope 1

The increase in Scope 1 emissions is mainly due to fuel consumption associated with employee transportation in the group companies.
Special attention is given to the agrochemicals application category, which is responsible for 43% of emissions in Scope 1 and saw a 1.1% decrease, contributing to lower emissions in our FLAG inventory.

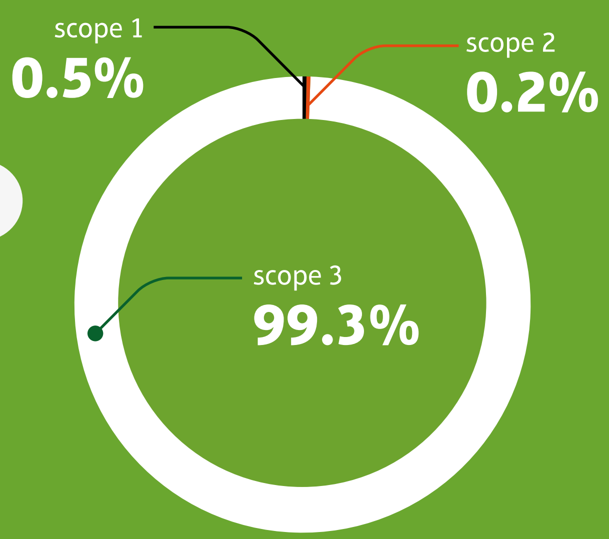
Scope 2

The decrease in Scope 2 emissions is associated with a general decrease in electricity consumption across operations. Currently, the electricity mix of NKG comprises 48.6% renewable electricity from self-generation, purchase from renewable sources, or compensation via Renewable Energy Certificates (RECs). That marks an important milestone for NKG, as our efforts to promote renewable electricity wherever possible are reflected in our emissions reduction achievements. For more information about energy consumption and mix, refer to Table 4 in the Annex.

Scope 3

In 2025, Scope 3 emissions fell 4.49%, mainly due to a decrease in coffee volumes purchased and upstream transport activities. From the FLAG inventory, the emissions related to agrochemicals manufacturing also decreased, following the reduction in application seen in Scope 1. For more information about Scope 3 categories, refer to Table 3 in the Annex.

DISTRIBUTION OF GHG EMISSIONS ACROSS SCOPES



CORPORATE CARBON FOOTPRINT RESULTS 2025

	2024	2025	% Change
Scope 1	11,238.2	12,490.3	11.14%
Scope 2 (market-based)	3,953.2	3,819.4	-3.38%
Scope 3	2,527,649.8	2,414,248.06	-4.49%
Total	2,542,841.2	2,430,557.76	-4.42%

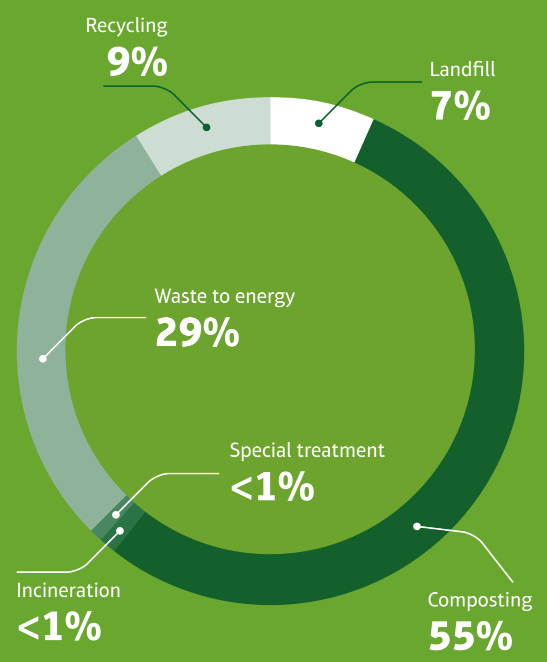
ELECTRICITY MIX ACROSS NKG OPERATIONS

In 2023, NKG defined the emissions-reduction targets that it aimed to achieve by 2025. Compared to our 2022 baseline, **NKG has achieved a 33.9% reduction in its energy inventory emissions, covering Scope 1 and Scope 2** (excluding FLAG), which is well beyond the original target of 9%.

This has mainly been driven by the transition from conventional to renewable electricity across key operations, such as NKG Vietnam and Kala. In addition, energy-related emissions from our own operations fell by 45% following the implementation of energy-efficiency measures identified through energy audits of our mills, warehouses and offices.

By contrast, NKG's FLAG emissions inventory recorded a 3.5% increase. To address this, NKG is focusing on reducing FLAG emissions by optimizing nitrogen fertilizer use, gradually introducing organic and climate-friendly alternatives across its farming operations, and implementing improvements over time.

DISTRIBUTION OF WASTE BY TREATMENT METHOD



Water

Our total water withdrawal decreased from 239.5 million liters in 2024 to 213.5 million liters in 2025, a reduction of 11%. Our water consumption (withdrawal minus discharge) decreased from 71.4 in 2024 to 63.9 million liters in 2025. At NKG, water was primarily used for irrigation and to process coffee cherries in wet mills.

In addition, we recycled and reused approximately 4.4 million liters of water in 2025. Our farms and mills have implemented measures such as reusing the water used to process all batches of coffee cherries for one day, recycling water from the workshop to wash implements, and fertigation of coffee fields using the treated wastewater from the wet mill.

In 2025, NKG Fazendas Brasileiras, our farm in Brazil, implemented the first irrigation system in the group. Covering around 15% of the coffee area, the system relies on drip irrigation that is monitored digitally to ensure water-efficiency and the correct timing of application. This measure is an important step in the farm's resilience and adaptation to a changing and uncertain climate.

Waste and Materials

In 2025, NKG generated 8.2 thousand tons of waste, of which 7% was disposed of in landfill. 133.4 tons of this total comprised hazardous waste. The strategies across the group for waste management include the implementation of new sorting systems, especially on processing sites, and an increase in the material being composted, mainly coffee residues such as pulp, husks and parchment, as well as organic waste from office operations.

We support the circular use of materials by incorporating recycled content into a range of materials, including office paper, cardboard, and plastic packaging. In 2025, 24.5 tons of recycled material were incorporated into purchased products.

TARGETS

Target 1

Reduce Scope 1 and 2 GHG emissions by 42% by the end of 2032

This target measures the percentage reduction in absolute Scope 1 and Scope 2 GHG emissions in tCO_2e. The 2022 baseline emissions were 21,350 tCO_2e.

Progress will be tracked annually using activity data provided by the group companies and collected centrally. Emissions are calculated using appropriate methods aligned with recognized standards.

The scope of the target is our own operations, including categories such as fuel and electricity consumption and agrochemicals application. The target is informed by science-based methods and its purpose is to align the group's decarbonization pathway with climate science and the goals of the Paris Agreement.

Target 2

Reduce Scope 3 GHG emissions by 31% by the end of 2032

This target measures the percentage reduction in absolute Scope 3 GHG emissions, in tCO_2e. The 2022 baseline emissions were 2,735,875 tCO_2e.

Since NKG has limited direct control over value chain emissions, this target is framed as an aspiration and is pathway dependent. Its purpose is to drive engagement with coffee suppliers and support industry-wide innovation and decarbonization.

Scope 3 emissions are estimated using a combination of activity-based calculations and secondary emission factors, depending on data availability and category. Progress will be tracked annually based on a similar process of data collection and emissions calculation, incorporating supplier-specific data obtained through the Carbon Calculator. The target applies to the upstream and downstream value chain, with a primary focus on coffee production and sourcing emissions.

Target 3

Set up climate risk assessments in our operations and integrated supply chains by the end of 2028

This is a process target, measured as the coverage of operations and integrated supply chains for which climate risk assessments have been completed. The baseline as of 2025 is 0% of supply chains and operations covered by systematic assessments as envisioned under the target.

Climate risk assessments will be conducted using the methodology described previously in this chapter. Assessments use a combination of internal data, climate models, geospatial tools, and local expert input.

Progress will be tracked based on the completion of assessments for each supply chain. The target applies to NKG exporting companies, NKG Verified supply chains, and supply chains under third-party certifications managed by NKG group companies. The primary purpose is to establish a structured understanding of climate-related risks and vulnerabilities to inform subsequent adaptation planning (see Target 4).

Target 4

Develop corresponding adaptation pathways to work towards future economic viability by the end of 2032

This target measures the coverage of operations and integrated value chains for which defined adaptation pathways have been developed and are under implementation. The baseline as of 2025 is 0% of supply chains covered with formal adaptation pathways.

The scope of this target is the same as Target 3 and progress of development will be monitored jointly. Adaptation pathways may include the implementation of targeted regenerative agriculture practices and measures to increase farm resilience, such as irrigation.

The purpose is to ensure the long-term economic viability and resilience of the business in the face of climate change, directly linking risk identification to action.

E4

BIODIVERSITY AND ECOSYSTEMS

STRATEGY

In view of climate change, it is becoming increasingly clear that coffee farms are not isolated production units: They are integral components of interconnected ecosystems. Without crucial ecosystem services such as pollination, soil health, water regulation, and climate buffering, the productive capacity of coffee farming erodes over time. We have therefore embedded biodiversity and ecosystem health firmly within our new Sustainability Strategy, under the pillars of Nature and Resilience.

Creating Impact Where We Are Strongest

Our work on ecosystems and biodiversity begins at the farm level: Promoting and enabling agricultural practices that protect, regenerate, and strengthen the coffee systems themselves and the ecosystems they are embedded in and surrounded by. This is complemented by partnerships in high-risk and high-value areas, ensuring that NKG's biodiversity ambitions remain grounded in operational reality.

Translating this strategic intent into scalable action has required building the right foundations first. We conducted a structured and thorough stocktaking of our positive forest and ecosystem actions across origins, recognizing that scaling impact credibly demands data-driven decision-making and the ability to monitor and report progress with rigor and consistency. In parallel, we developed a dedicated Policy and Guidebook on Regenerative Agriculture and Ecosystem Action.

Topics	Description	Impacts, Risks and Opportunities
Intensive use of hazardous pesticides	Impact on species (plants, animals and other organisms) through heavy hazardous pesticide usage.	Negative impact
Promotion of regenerative agricultural practices	Promotion of regenerative agricultural practices among producers in coffee supply chains can result in more efficient use of agricultural inputs and the safeguarding of natural resources.	Positive impact
Pollination	Loss of insects and birds can decrease yield, especially from Robusta plantations, consequently decreasing revenue.	Risk
Soil erosion	Soil erosion depletes nutrients and structure, reducing soil quality and water retention. This leads to declines in yields and quality of products.	Risk
Agroforestry	Agroforestry enhances biodiversity, soil health, water retention, and carbon storage, reducing the need for chemical inputs.	Opportunity

Positive impact Negative impact Risk Opportunity

Jointly they provide a shared language and common technical reference point that aligns producers, NKG field staff, partners and other stakeholders. On this foundation, we have sharpened our focus and accelerated action in the areas where our strengths are most effectively deployed: Strengthening farmer services including training, expanding regenerative agriculture practices, promoting agroforestry, and scaling seedling production.

E4-2

POLICIES

Our Policy and Technical Guidebook on Regenerative Agriculture and Ecosystem Action builds on established knowledge, prioritizing interventions that are in line with NKG's philosophy and operational strengths. It translates these into a structured, practical frame of reference that NKG field teams can use to design, assess, and implement actions on the ground. Equally, the policy provides the framework for structured monitoring and the evaluation of those actions and creates a common structure for knowledge exchange across our diverse origins and operations.

OUR IMPLEMENTATION PRINCIPLES
MAKING REGENERATIVE AGRICULTURE LAST

Farmer Agency
Producers and farming families are the primary decision-makers over their land, livelihoods, and risk exposure; our work aims to enable informed decision-making and share transition risks.

Alignment with Industry Standards & Guidebooks
Our approach follows and contributes to industry standards to ensure consistent definitions, approaches, and monitoring.

Alignment with Regulations & Certifications
Activities comply with applicable legislation and relevant certification and verification frameworks including NKG Verified.

Safeguards and Do-No-Harm
We see our activities through a Do-No-Harm lens, seeking to ensure that well-intentioned actions do not lead to unintended social, environmental, or economic harm.

Focus on Climate Change Adaptation
We prioritize climate adaptation and resilience, while aligning mitigation benefits where possible.

Context Sensitivity
We tailor our efforts to local ecological, social, and economic conditions, drawing on the expertise and ownership of NKG's field teams and producers.

The policy was developed through in-depth interaction among and with our field teams and practitioners across origins, while also addressing the material IROs from the DMA. The policy is organized around the four pillars of Regenerative Agriculture as defined by the Global Coffee Platform — Biodiversity, Soil, Water, and Resilient Livelihoods — reflecting our commitment to aligning ourselves with recognized industry frameworks rather than operating in isolation. Under each pillar, we define our priority actions and interventions, together with practical guidelines for how field teams and farming partners should approach implementation. This structure ensures that the policy functions not only as a statement of intent, but as a genuinely operational tool that connects strategic ambition directly to farm-level practice across NKG's origins.

THE FOUR PILLARS OF REGENERATIVE AGRICULTURE

BIODIVERSITY

Diverse, productive and resilient landscapes that protect and restore nature while producing high quality coffee.

Planned, cyclical and gradual renovation, rejuvenation and rehabilitation
Mixed age coffee plants; old trees strategically renovated.

Productive agroforestry and intercropping that maximizes coffee ecosystem benefits
Shade trees, bananas and food crops increase biodiversity, soil fertility and farm resilience.

Holistic ecosystems and biodiversity conservation
Natural habitat corridors, flowering plants and conservation of forest patches support wildlife and beneficial insects high quality coffee.

WATER MANAGEMENT

Protecting water sources and using water wisely for resilient farms and healthy ecosystems.

Freshwater Management
Protecting springs and streams with riparian vegetation and buffer zones.

Wastewater Management
Treating and reusing wastewater from the wet mill to minimize pollution and protect water quality.

SOIL MANAGEMENT

Healthy soils are the foundation of productive and climate resilient coffee systems.

Integrated Nutrient Management
Compost, manure and green manures recycle nutrients and improve soil fertility.

Soil Cover and Integrated Weed Management
Mulch and cover crops protect soil, conserve moisture and suppress weeds.

Integrated Pest Management
Monitoring, beneficial insects and botanical solutions keep pests in balance.

Biochar
Biochar improves soil structure, water holding capacity and carbon sequestration.

FARMER LIVELIHOODS

Stronger farmers, stronger communities and a sustainable future for coffee.

Stronger Farm Resilience & Profitability
Better practices and lower costs increase yields and incomes.

Viable & Diversified Livelihoods
Diversified crops, livestock and off-farm income strengthen household resilience.

Equitable Value & Stronger Sector
Working together for fair prices, quality coffee and stronger farmer organizations.

DIVERSITY TO CREATE A FAVORABLE ENVIRONMENT

Milton Ramos
Technical Assistance Lead,
BECAMO

What type of agroforestry system do you currently recommend to the coffee producers you work with? And does this system primarily adapt to the farmers' needs, environmental conditions, or both?

The agroforestry system we recommend is based on the integration of coffee, forest species, and fruit trees, always keeping coffee as the main crop.

Among the forest species, we promote high-value timber trees, selected according to the farm's location and environmental conditions. We also promote fast-growing species, mainly legumes such as Inga or guama, which help provide ground cover, contribute organic matter, and improve soil conditions.

In the case of fruit trees, in addition to contributing to the system's canopy cover and diversification, they also serve as an additional source of income or are used for on-farm consumption for farming families. Another important aspect is the use of disease-tolerant coffee varieties that are high-yield, of good quality, and adapted to the climatic conditions of Honduras's various coffee-growing regions.

We also place great importance on planting design, both in terms of coffee spacing—where we typically recommend 2.5 x 1 meter—and proper distribution of forest and fruit trees.

How does this agroforestry system differ from what many coffee farmers are doing today?

In many traditional systems, very narrow spacing is used for coffee, which significantly increases plant density per area. Although this may seem to be positive, it often increases nutritional requirements and does not necessarily translate into higher productivity.

We promote the establishment of species such as Inga to provide ground cover and improve soil condition, helping to reduce temperature, conserve moisture, increase organic matter, and support populations of beneficial microorganisms.

How do these systems benefit nature, particularly soil health, water retention, and biodiversity?

The diversity of trees, the different layers, and the ground cover create a favorable environment not only for coffee growth but also for many other species, especially local wildlife.

Significant populations of beneficial microorganisms also develop in the soil, helping with both natural disease control and the availability of nutrients that are often bound in the soil.

Furthermore, increased organic matter improves soil structure, and the canopy helps retain moisture - a critical factor under current climatic conditions.

When you reflect on your work so far, what are you most proud of in relation to agroforestry and farmer participation?

Mainly of the support for farmers. Despite the challenging conditions the sector is currently facing, such as climate change, production costs, and price volatility, they continue to make a great effort to produce coffee in the best way possible.

E4-3
ACTIONS

With our new Sustainability Strategy, we are in the process of systematizing and scaling our efforts in relation to ecosystems and biodiversity. On-the-ground action has already started across a wide range of settings. In 2025, we completed a group-wide stocktaking of those activities to establish a baseline for NKG's biodiversity and ecosystem actions across origins and our 19 partnership programs that focus on regenerative agriculture.

Biodiversity

Biodiversity is highly complex, and so are the efforts to protect it. At the same time, there is much more to learn about how to measure it effectively and translate that knowledge into practical actions to protect it.

One key effort across multiple origins is the promotion of agroforestry and intercropping systems adapted to local ecological and agronomic conditions. In 2025 we distributed 20.9 million high-quality coffee tree seedlings, native trees, and fruit and nut trees in line with local needs and landscape priorities.

Another important lever is the promotion of Integrated Pest Management (IPM) practices as part of broad regenerative agriculture training campaigns, with targeted actions to support the phase-out of certain hazardous pesticides. Sector action and more research into economically viable alternatives will be important success factors for IPM in the future. Integrated Weed Management approaches, including mulching and cover crops, tend to reduce chemical dependency and support soil health and economic outcomes at the same time.

Regular coffee rejuvenation programs reduce pressure for expansion into natural habitats. On our own farms, we continue to protect and restore ecosystems and implement measures to support pollination.

Soil

Soil health is a cross-cutting priority interlinking productivity, water retention, carbon storage, and biodiversity outcomes. In 2025, we scaled our soil and leaf analysis programs across multiple origins. Kenya and Vietnam are using handheld scanners to support field-level data collection, while Brazil and Honduras have significantly increased the number of soil and leaf analyses. These efforts provide farmers with the data needed to make informed, targeted decisions on integrated nutrient management and reduce the risk of over-application.

Cover crops were promoted and actively distributed across origins, ranging from simple solutions to locally adapted mixes, complemented by soil enhancement trials using biochar and beneficial microorganisms. Targeted training programs on soil management and soil health supported farmers in translating these inputs into lasting changes in practice.

Water

Our water-related actions address the efficiency of water use in coffee processing, the conservation of water resources in the landscape through improved agronomic practices, and the effective circulation and reuse of water across farming and processing operations.

In addition to our water-related training in regenerative agriculture, we promoted and distributed water-saving equipment for wet processing operations to reduce consumption and effluent volumes at farm and mill level in Honduras, Colombia and Kenya. Eco-pulpers can reduce water consumption in washed coffee production by 80-90% compared to traditional wet-milling methods.

Nature-based solutions, including green filters, were promoted as practical and low-cost approaches to effluent treatment. On our own farms, riparian buffer zones, watercourses, and the habitats associated with them are actively protected. At NKG Fazendas Brasileiras, the establishment of an irrigation lagoon and the deployment of efficient fertigation systems that reuse nutrient-rich washing water illustrates how water management and agronomic performance can be advanced together. We have strengthened our operational standards through the introduction of an Effluent Policy governing the management of processing wastewater at NKG's wet mills.

Livelihoods

Nature, Resilience, and Livelihoods are interlinked, and Regenerative Agriculture showcases this. Moving towards agroforestry systems, as in the example of BECAMO, supports producers in reducing dependency on a single commodity, builds adaptive capacity in the face of climate variability, and improves soil health, water retention, and biodiversity at farm-level.

In 2025, we distributed close to 100,000 fruit and nut trees in addition to 2.2 million forest trees, which, in combination with technical assistance, facilitated this transition. In addition, access to financing was extended to producers to support investment in farm and ecosystem strengthening and resilience, in recognition of the fact that economic barriers are among the most significant constraints to the adoption of regenerative practices at scale. More information about this can be found in the chapter Workers and Producers in the Value Chain.

Looking ahead, we will prioritize the scaling and integration of our regenerative agriculture efforts across all four pillars through a more data-driven, origin-specific approach. Building on the 2025 stocktaking baseline, we will improve monitoring and analytics to guide targeted biodiversity, soil, and water interventions, while expanding deforestation and biodiversity assessments to inform robust action plans at supply chain level. In parallel, we will extend producer training and expand access to financing mechanisms to enable adoption at scale, ensuring that regenerative practices are both technically accessible and economically viable. For us, resilient ecosystems and resilient livelihoods support one another.

E4-4 to 5

METRICS AND TARGETS

The metrics below reflect different dimensions of forest-positive action, including ecosystem conservation, agroforestry, regenerative agriculture, restoration efforts, and the partnerships and systems that help scale these approaches across origins. They provide a snapshot of the scale and reach of these efforts during 2025.

17
TREE NURSERIES

NKG operates 17 nurseries across coffee origins, helping ensure the availability of high-quality coffee, forest, and crop tree seedlings that support farm renovation, agroforestry systems, and long-term resilience.

2,513
HECTARES PROTECTED

Forest areas and natural ecosystems conserved within NKG farming operations through protection measures and responsible land management.

FOREST-POSITIVE ACTION

800
SOIL AND LEAF ANALYSES

Conducted within a regenerative agriculture program in Brazil, supporting data-driven decisions on soil fertility and nutrient management.

86,341
PRODUCERS TRAINED

In 2025, NKG reached 86,341 producers through regenerative agriculture training, supporting practical knowledge transfer on topics such as soil health, agroforestry, climate resilience, and resource efficiency.

We have defined three targets in the area of biodiversity and ecosystems within our new Sustainability Strategy, reflecting the priorities established in our Regenerative Agriculture Policy and the material impacts, risks, and opportunities identified through our Double Materiality Assessment. The targets span our upstream value chain and our own farming operations, and are designed to be tracked against the baseline established through the 2025 positive ecosystem action survey.

Target 1

Promote regenerative agriculture via projects aiming for long-term economic viability on 300,000 hectares by 2032

This target measures the cumulative area under regenerative agriculture promotion through NKG projects and programs, expressed in hectares. The baseline area as of 2025 is 153,000 hectares. The metric captures the reach of NKG's regenerative agriculture projects and programs, rather than the intensity or outcome of those interventions in any given hectare. Progress will be tracked annually on the basis of project and program records maintained by NKG's Farmer Service Units and field teams across origins. The target applies to the upstream value chain.

Target 2

Set up deforestation and biodiversity assessments in all our integrated supply chains by the end of 2028

This is a process target that involves measuring the percentage of NKG's sourcing origins and integrated supply chains for which a deforestation and biodiversity assessment has been completed. The methodologies are currently being finalized using satellite-based monitoring and maps overlaid with plot data and sourcing regions. In the context of our efforts to align ourselves with EUDR, we have already assessed over 450,000 plots.

Those efforts will continue and be supplemented by the risk assessments that zoom out from the plot-level. The primary purpose is to establish the evidence base needed to identify high-risk areas and design targeted interventions, directly linking to Target 3 below and to the broader objective of data-driven decision-making established in the Regenerative Agriculture Policy.

Target 3

Take measures in all identified high-risk areas, prioritizing partnerships, by the end of 2032

This target measures the proportion of supply chain areas identified as high risk in the assessments under Target 2 in which NKG has implemented active mitigation or restoration measures, with a target of 100% by 2032. The baseline will be established on completion of deforestation and biodiversity assessments.

Measures may include agroforestry interventions, deforestation prevention programs, restoration activities, and engagement with local partners, NGOs, and public authorities. The target applies to NKG's upstream value chain. The explicit preference for partnership-based approaches reflects the Regenerative Agriculture Policy's recognition that our work is amplified when actions are embedded within a broader landscape and stakeholder frameworks rather than delivered in isolation. The scope and nature of the measures will vary significantly according to origin and risk type and will be defined on a case by case basis as assessments are completed.

Social

The journey of coffee from bean to cup is often told through farms, mills, and warehouses, followed by containers, ships, and ports. Behind each of these stages are people whose hard work and dedication make this journey possible. At the same time, many coffee-growing regions face structural social challenges, such as income instability and labor risks. These realities weaken the resilience of farming communities around the world.

NKG's approach focuses on addressing these challenges through our own operations and through our supply chains. This includes strengthening human rights due diligence, supporting livelihood improvements, and promoting fair and safe working conditions across operations.

S1

OWN WORKFORCE

Topics	Descriptions	Impacts, Risks and Opportunities
Living wage	Group-wide payment of living wages increases workers' purchasing power and supports local economies.	Positive impact
Skill shortage	Difficulty in finding qualified staff increases recruitment costs and reduces productivity.	Risk
Child labor	Child labor in coffee cultivation harms children's health, education, and well-being, perpetuates poverty and exploitation, and violates their rights, with broad negative social and economic consequences.	Negative impact

Positive impact · Negative impact · Risk · Opportunity

STRATEGY

From HR to People

NKG's HR and People strategy is rooted in our Mission Statement, which places people at the center of long-term value creation and responsible business conduct. Employees are thus seen as strategic partners who help develop capabilities, strengthen trust and fairness, and shape a sustainable organizational culture.

Within the context of the CSRD, Human Resources plays a central role in translating this mission-driven People strategy into measurable contributions to sustainability. HR actively manages workforce-related risks, enables social opportunities, and contributes to the prevention and mitigation of negative social impacts within our own operations.

The three material IROs are embedded in our HR strategy and are directly linked to its People pillars, focusing on capability building, fair and responsible employment practices, and strong governance.

STRENGTHEN LEADERSHIP, TALENT, AND PERFORMANCE

Maren Uzarek
Group Chief People Officer (CPO)

In one sentence, what does "From HR to People" mean – and why are we making this shift now?

"From HR to People" means shifting from an administrative HR function to a people-centered, impact-driven role that strengthens talent, leadership, and performance in response to growing business demands.

What will employees and managers notice first, what specifically will change in their day-to-day experience?

Greater consistency, transparency, and clarity will be introduced across people related processes, making performance discussions more structured and comparable across regions, supported by clear standards and digital tools. At the same time, employees will benefit from more learning opportunities and clear follow up actions resulting from engagement surveys. Managers, in turn, will have better access to people data, dashboards, and practical guidance to support professional people management within their teams.

What three key actions/initiatives are we launching first, and what outcomes should they deliver?

1. Systematic use of the Global Employee Survey results will translate employee feedback into concrete action plans at global, regional, and local levels, with the goal of measurable improvement in engagement, trust, and retention.
2. Leadership and talent initiatives, such as global leadership development frameworks, LinkedIn Learning access, and structured succession planning, are designed to build critical capabilities and strengthen internal pipelines.
3. The continued rollout and optimization of Workday based people processes, including performance reviews, analytics, and leadership dashboards to improve transparency, data quality, and managerial decision making worldwide.

What are the top three priorities of the People strategy for the next 12 months?

1. Leadership and Performance Management – strengthening leadership capability and further embedding the global performance review process in our global HRIS as a meaningful leadership and development tool.
2. Employee Engagement and Internal Talent Development – translating insights from the Global Employee Survey into concrete action plans and reinforcing internal career development, succession planning, and talent programs.
3. Digitalization and Data Driven People Management – continuously improving use of Workday, data quality, and HR analytics to enable more consistent, KPI driven people decisions across regions.

S1-1

POLICIES

Occupational Health and Safety Policy

Employees across NKG operate in diverse environments and face varying risk profiles. We therefore establish a consistent group-wide approach to occupational health and safety (OHS), while allowing for implementation that reflects local conditions and operational realities. Global OHS requirements provide the foundation for preventive measures, awareness-raising, and the consistent application of safety standards. Risks are systematically identified, assessed, and mitigated, with preventive measures in place across all activities, from farming and machinery operations to warehouse and office work.

> *"Ensuring a safe and healthy working environment is a fundamental right of every employee and a basic principle for NKG."*
>
> **Maren Uzarek**
> Group Chief People Officer (CPO)

A strong focus is placed on training and awareness to promote safe working practices and foster a shared understanding that safety is everyone's responsibility. Employees are encouraged to report potential hazards and actively contribute to maintaining a safe working environment. In addition, appropriate tools and personal protective equipment are provided, and regular on site checks ensure that safety requirements are effectively implemented in practice.

Equality, Diversity and Non-Discrimination Policy

Promoting diversity and ensuring fair treatment is not only an expectation, but something we consider self-evident. People are different, bring diverse perspectives, and this diversity is something we value and actively support.

A respectful and inclusive working environment is a natural and essential part of how we operate. Recognizing that perceptions of fairness may vary across cultures and contexts, NKG defines clear expectations for respectful behavior and equal treatment across all operations. Our policy on non discrimination and equal treatment reflects a zero tolerance approach to discrimination, harassment, and any form of unequal treatment, reinforcing our commitment to fairness, respect, and dignity in the workplace.

We aim to create a working environment in which individuals feel respected, valued, and able to contribute without fear of disadvantage. All employees are treated equally, and employment related decisions, such as hiring, promotion, development, and compensation, are based on objective and transparent criteria. Equal treatment and gender equality are not only policy principles, but a fundamental component of our values and how we work together across all locations.

Grievance Mechanism Policy

A strong speak-up culture is essential to identify potential misconduct early and to protect the interests of employees, business partners, and other stakeholders.

> *"Ensuring that concerns can be raised and addressed openly, safely, and without fear of retaliation is a fundamental part of maintaining integrity and trust across NKG."*
>
> **Sarah Tischer**
> Head of Group Sustainability (Co-Lead) & Group Compliance

The global Grievance Mechanism Policy defines the group-wide framework for raising and handling concerns. It establishes clear minimum requirements for reporting channels, case handling, confidentiality, anonymity, protection against retaliation, documentation, and follow-up. All reports are treated in a structured, fair, and confidential manner.

It is informed by applicable whistleblowing and grievance-related requirements, including the EU Whistleblower Directive and the German Whistleblower Protection Act, where applicable.

Through this framework, we foster an environment in which individuals feel confident to speak up, knowing that their concerns will be taken seriously and contribute to strengthening integrity across the group. Further details are provided in the following section.

General Policy Scope

These policies apply to all NKG employees worldwide, regardless of position, function, or employment type, and extend to relevant business relationships. Their scope covers employees and temporary workers within NKG operations, as well as producers, workers, and other relevant individuals throughout NKG's supply chains, as explained in further detail under Workers and Producers in the Value Chain. Policies are communicated through onboarding, mandatory acknowledgements, and training via Workday, and are accessible to all employees via the group's Policy Portal on SharePoint.

NKG also expects contractors and business partners to act in line with these principles and promotes comparable standards across its value chain, including occupational health and safety, fair working conditions, equal treatment, and respect for human rights.

S1-2, S2-2

ENGAGEMENT WITH OUR OWN WORKFORCE

Grievance Mechanism and Integrity Platform

As part of the ongoing efforts to promote a culture of integrity and accountability, NKG operates an Integrity Reporting Mechanism. This mechanism enables employees, external stakeholders, and other potentially affected individuals, including workers and producers in the value chain, to report potential or actual concerns that may be caused by, exacerbated by, or directly linked to NKG's operations.

The grievance mechanism covers a wide range of issues, including human rights violations, discrimination and harassment, retaliation, corruption, occupational health and safety, environmental impacts, and breaches of the law or internal policies, including the NKG Code of Conduct and the NKG Supplier Code of Conduct. All reports are handled confidentially, may be submitted anonymously where permitted by law, and are protected by a strict non retaliation policy.

To ensure accessibility, NKG provides multiple reporting channels, including:

- **Global online Integrity Reporting Platform** available in multiple languages and accessible from any device with an internet connection, providing a secure mailbox and follow up communication.
- **Direct contact with local management** (e.g., via email, phone, or in person) remains available as an alternative reporting channel. While we encourage the use of the NKG Integrity Reporting Platform, individuals may choose to report concerns directly, by post, email, telephone, or by arranging an in person meeting if the platform is not accessible or suitable.
- **Additional local reporting channels**: In addition to these two options, group companies may offer further local reporting channels in line with national legislation or because they are more appropriate or accessible for certain groups of employees, workers, or stakeholders, such as producers, seasonal workers, and local communities.

Recognizing that accessibility may vary, NKG complements centralized systems with locally adapted solutions, such as on site contacts, QR codes, and informal reporting routes based on established relationships. These channels are communicated locally to ensure that all stakeholders, including less digitally connected or more vulnerable groups, can safely raise concerns.

The mechanism is aligned with international standards, including the United Nations Guiding Principles on Business and Human Rights (UNGP) and ILO standards, and complies with applicable whistleblower protection laws. Its effectiveness is regularly reviewed against recognized criteria, such as the UNGP effectiveness criteria for non-judicial grievance mechanisms.

Reported cases are systematically documented and analyzed to identify patterns, root causes, and areas for improvement. Group Compliance maintains oversight and supports local implementation where needed. Where adverse impacts are identified, we seek to provide or support remediation, working with business partners where necessary and prioritizing corrective action and continuous improvement. The recorded integrity cases for 2025 can be found under Governance – Metrics.

"A great workplace is one where employees trust the people they work for, have pride in the work they do, and enjoy the people they work with".

Maren Uzarek
Group Chief People Officer (CPO)

S1-3

ACTIONS

NKG Employee Feedback Survey

In 2025, we conducted our first global employee feedback survey in collaboration with Great Place to Work. For the first time, all our employees worldwide, including office and non-office employees, were given the opportunity to provide structured and anonymous feedback on workplace experience, leadership, culture, and collaboration. This marks an important milestone in strengthening a consistent, data-driven understanding of employee engagement across the group.

As we are convinced at NKG that "coffee is a people business", we put all our employees at the center of everything we do. However, in our global organization covering different regions and many local group companies, the work experience can vary significantly. With this employee feedback survey, we wanted first to assess the status quo of employee satisfaction in all NKG group companies, learn from those insights, and start working on measures that will strengthen our culture and enhance everyone's experience of the workplace.

82%
Global Participation Rate

85%
(1,373)
Office employees

79%
(1,305)
Non-office employees

2,678
Out of 3,281 invited total participants

95-100%
Participation rate at 8 NKG companies

High Global Participation Rates

The global participation rate reached 82%, with 2,678 colleagues out of 3,281 taking part. This broad response provides a solid and representative foundation for understanding employee perspectives across the group and highlights employees' strong commitment to actively contributing to workplace development.

Outlook

Since early 2026, results have been analyzed and shared at global, regional, and local levels. Based on these insights, structured action planning processes have been initiated to translate feedback into targeted improvement measures. The survey is being established as a recurring management instrument, with the next round planned for 2027. This will enable us to track progress over time and measure the impact of the actions we take.

While the primary objective of the first round of the employee feedback survey was to achieve high participation and gather broad insights into strengths and development areas, 80% of NKG group companies achieved such strong results that they were awarded the Great Place To Work® certification. This recognition reflects our ongoing commitment to fostering a positive, inclusive, and trust based workplace culture, and reinforces our ambition to create an environment where people feel valued, engaged, and empowered to grow together with the company. We are proud of this achievement, and even more grateful for the honest feedback behind it.

Looking ahead, we will be focusing on identifying local measures to strengthen and develop workplaces everywhere across NKG. We will be working towards running the survey again at the end of 2027, which will provide us with even more significant information, as we will be able to make comparisons and measure real change and the impact of our work.

Let your voice be heard.

83%
Of participating NKG employees say:

Taking everything into account, I would say this is a great place to work.

Great Place To Work® Certified

Development, Feedback, and Management Culture

A strong feedback and development culture is a key element of NKG's People strategy. In 2025, a structured Performance Review process was introduced as a pilot to support more consistent and meaningful conversations between managers and employees.

> *"We want to further strengthen an environment that promotes our employees' personal and professional development"*
>
> **Maren Uzarek**
> Group Chief People Officer (CPO)

The process is built around structured annual conversations, combining individual reflection with a joint discussion of performance, development, and future priorities. This creates a more transparent, forward-looking, and development-oriented dialogue.

To support implementation, NKG has provided specific support measures, including multilingual training modules and practical guidance for employees and managers. Around 400 employees have participated in these training courses.

Outlook

The process covers all employees who have worked with us for more than six months, with mandatory participation for selected senior roles to ensure a consistent global baseline. Local HR teams support implementation through communication, guidance, and progress monitoring.

Going forward, the Performance Review process will be further embedded as a core element of NKG's People Management approach, strengthening the link between performance, learning, and development.

Provide time and space to address work or personal issues.

Enable meaningful conversations between managers and employees.

Create an environment where people can perform to the best of their abilities.

Giving and receiving feedback & providing opportunities to discuss areas of potential and determine further development

Ensure that good performance is fairly considerd.

Learning

In 2025, we further advanced our learning and staff development approach, building on the foundation laid in previous years to strengthen a consistent learning culture across the group. The focus shifted from primarily mandatory training towards a more holistic, employee-driven development approach.

A key milestone in this development was the global introduction of LinkedIn Learning as a platform for voluntary and self-directed learning. While previous years focused on establishing mandatory training frameworks and raising awareness of learning as part of day-to-day work, the new platform significantly expands access to staff development opportunities. Employees now have access to more than 20,000 courses in 13 languages, covering a wide range of professional, technical, and leadership topics. This broad and flexible range reflects the needs of NKG's international workforce and supports learning across different roles, functions, and regions.

Employees are encouraged to engage with learning content regularly and to dedicate time to development activities, reinforcing the principle that building skills is a key component of everyday work rather than a one-time activity.

Top 10 LinkedIn Learning Course Topics by NKG employees

1. Microsoft Excel
2. Artificial Intelligence (AI)
3. Interpersonal Communication
4. Leadership
5. Cybersecurity
6. Personal Development
7. Time Management
8. Project Management
9. Communication
10. Emotional Intelligence

In parallel, NKG continued to provide mandatory training during working hours, ensuring a consistent baseline for compliance, governance, and safe and responsible working practices across all entities. These training courses remain a core element of the group's approach, particularly in areas such as health, safety, and ethics.

Looking ahead, NKG further structured and enhanced its learning approach through the introduction of a global Learning Journey in 2026. This initiative builds directly on findings from the 2025 employee feedback survey, which highlighted the importance of making staff development opportunities more visible, accessible, and easier to navigate.

NKG Awareness Day

While global e-learning ensures broad coverage, NKG also places heavy emphasis on interactive and locally driven formats that encourage dialogue and participation. One example of this is the NKG Awareness Day.

Introduced in 2019, the Awareness Day has developed into a cornerstone of NKG's compliance and engagement approach, particularly for colleagues working in operational environments such as farms and mills. It provides a space to step outside daily routines and engages with important topics in a more interactive and accessible way.

Each year, the initiative focuses on key themes such as occupational health and safety, mental health, and environmental topics. In 2025, the focus was on safety communication, emphasizing the importance of speaking up early and addressing concerns before risks materialize.

Across 13 countries, more than 2,400 colleagues participated, representing a participation rate of over 90%. The training combined practical exercises, discussions, and team-based activities, encouraging participants to actively engage with real-life situations and build confidence in raising concerns.

Beyond its training content, the Awareness Day has become an important moment of connection. It provides an opportunity to openly discuss challenges, share experiences, and strengthen collaboration, while addressing serious topics in an engaging and approachable way.

S1-4

TARGETS

Target 1

Expand and standardize performance reviews across the group

This target focuses on increasing the share of employees covered by formalized performance reviews, including the expansion of the mandatory target group, improvements in training processes, and stronger follow up mechanisms. It has the intention of enhancing transparency, consistency, and development opportunities, while supporting effective talent management and employee engagement.

Progress will be tracked through Workday data and internal HR reporting, focusing on coverage rates, quality of documentation, and completion of follow up actions.

Target 2

Establish a global leadership development framework

This target relates to the development and initial implementation of a standardized leadership framework aligned with NKG's vision and values, including adaptation to regional and local contexts. The aim is to strengthen leadership capabilities, promote consistent management practices, and support employee development across the group.

Implementation progress will be assessed by means of rollout status, the number of regions implementing the framework, and participation levels in leadership development initiatives.

Target 3

Enhance workforce skills through structured training and learning programs by 2027

This target centers on the rollout of structured learning initiatives, including HR and Workday skill development, onboarding improvements, and implementation of the NKG Learning Journey with regular employee participation. The aim is to improve employee capabilities, strengthen system adoption, and support continuous learning across the organization.

Progress will be measured through training participation rates, average training hours, and metrics related to digital-learning tools.

Target 4

Strengthen employee engagement and feedback mechanisms by 2027

This target focuses on the completion and follow-up of employee feedback surveys, including the repetition of the survey planned for 2027, as well as the implementation of resulting action plans. The goal is to enhance employee engagement, strengthen communication, and support continuous workplace improvement based on employee feedback.

Progress will be monitored through survey participation rates, implementation of follow-up actions, and regional coordination of improvement measures.

S1-5, S1-6, S1-9, S1-14

METRICS

Employment

Across all regions and companies, NKG employed a total of 3,203 permanent employees, 679 temporary employees, 2,341 non-guaranteed hours employees, and 638 non-employees, with an overall turnover rate of 28%. All figures are based on headcount within the reporting period, with an effective date of December 31, 2025. Of NKG's permanent employees, 78% received formalized performance and career development reviews across NKG. While 100% of employees received the applicable minimum wage, 94% earned wages above the statutory minimum, in accordance with national regulations, and 92% were entitled to parental leave in 2025, based on country-specific family leave provisions.

S1-7 & S1-13

Occupational Health and Safety

In 2025, a total of 30% of our total workforce was covered by collective bargaining agreements, with 46% having workplace representatives.

Across the whole of NKG, a total of 18 companies reported cases of work-related injuries or ill health during the 2025 reporting period. This resulted in 278 recorded cases, representing a rate of 36.37*. There were 27 near-miss incidents and a total of 1,334 lost workdays attributable to occupational injuries or ill health. Regrettably, one work-related injury resulted in a fatality. The incident occurred during a commute to work, when an employee was involved in a traffic accident.

Occupational health and safety (OHS) training is a key measure in preventing workplace accidents and promoting safe working conditions across NKG. In 2025, a total of 2,514 employees received OHS training, accounting for 24,028 training hours. In addition, 1,094 third-party workers participated in OHS training, totaling 3,922.5 hours, while 477 casual farm workers received training amounting to 1,472 hours.

The training approach is tailored to address the most common OHS risks and accident patterns in the respective regions, ensuring that it is both relevant and effective. Through this targeted approach, NKG aims to strengthen responsible workplace practices, reduce the occurrence of work-related injuries and ill health, and provide a safe and ethical working environment for all individuals across its operations.

* "rate of recordable work-related accidents" is calculated based on the Additional Requirement [25 for para. 36(c)] from ESRS S1 - Own Workforce

S1-12
Training

In 2025, a total of 1,767 employees participated in career- and skills-related training, with an average duration of 15.3 hours per participant. NKG spend an average of USD 1,038.71 per employee on career- and skills-related training. Learning priorities are typically identified in coordination with local management and cover a broad range of topics, including job-specific skills, language training, and environmental and climate-related subjects. In addition, 804 employees took part in environmental or climate-related training course, with an average of 5.11 hours per participant.

S1-5 & S1-8
Diversity

At NKG, we believe diversity is essential to a resilient global coffee business, and fostering an inclusive working environment is a fundamental priority for our workforce. In 2025, 31% of NKG's global employees were women. Of these, 105 women held management positions (defined as the company's highest management level, including heads of department) out of a total of 348, representing a share of 30%.

We recognize the ongoing challenge of achieving gender balance and remain committed to making further progress. Reflecting this commitment, nineteen companies within NKG have already reached a gender distribution of 50% or higher for their permanent employees, with Ibero Coffee Trading Tanzania among the most recent to achieve the 50/50 gender balance milestone in 2025.

For further information on the characteristics of NKG's workforce, including a comparison with the previous reporting period, please refer to the tables provided in the Annex.

GIVE DIVERSE VOICES A STAGE
Gender Equity at NKG

For International Women's Day 2026, NKG launched the "Give Diverse Voices a Stage" initiative to give women across the group a platform to share perspectives and represent NKG at an international industry event in London. The initiative aimed to amplify diverse voices and identify opportunities to further strengthen the role and impact of women at NKG. After an application phase, we voted for four preselected finalists. Get to know them on the next page.

JULIA HERRLING
Compliance Manager, Neumann Gruppe

"Ideally, gender equity would not begin with conversations about protection from harm, yet in the coffee sector this remains a necessary starting point."

Julia embeds gender equity into NKG's Compliance strategy and promotes the recognition of women as an at risk group. She complements this with practical tools that help employees identify and address unconscious bias, driven by a strong commitment to structural change and more inclusive systems.

One action to support gender equity at work recommended by Julia: Pause and question your own unconscious biases when making decisions that affect others.

VALENTINA MOLANO PAREDES
Strategic Planning & Communications Coordinator in Sustainability, SKN Caribecafé

"It's not about putting one gender above the other but about recognizing the value each person brings."

Valentina translates insights into the challenges faced by rural women into practical strategies that promote their empowerment. Grounded in hands on field experience, she links women's participation to stronger commercialization, leadership, and long term sustainability across the coffee value chain.

One action to support gender equity at work recommended by Valentina: Recognize and allow others to shine through their own strengths.

VICTORIA KIGO
Junior Trader, Ibero Uganda

"Gender equity means creating an environment where women are not required to out-perform to be considered equal."

As the first female trader in NKG East Africa, Victoria focuses on breaking structural barriers in commercial roles. She combines strong personal resilience and credibility as a role model at origin with a performance driven perspective on equity and leadership.

One action to support gender equity at work recommended by Victoria: Actively question assumptions around role allocation and opportunity.

WENDY CAROLINA CALIX CRUZ
Senior Trader, BECAMO

"Talent and dedication, not gender, should define success."

With over 20 years of trading experience, Wendy supports women through education, technical assistance, and access to financing, helping improve productivity and strengthen the long term sustainability of Honduran coffee.

One action to support gender equity at work recommended by Wendy: Promote and support programs that highlight women's contributions.

S2

WORKERS AND PRODUCERS IN THE VALUE CHAIN

STRATEGY

Our mission at NKG is to ensure that everyone contributing to the coffee journey can prosper sustainably. We are aware that this is often not yet the reality and want to live up to our responsibility and act within the opportunities we have and in partnership to ensure that we advance on this journey. This is why Livelihoods is the third pillar of our new Sustainability Strategy, focusing on advancing our human rights efforts and supporting improvements to the livelihoods of coffee-farming families.

Building on our internal pilot program SCIP (Supply Chain Integrity Program), and the work by our teams in coffee producing countries, we are setting up a comprehensive Human Rights Due Diligence System. The risk based human rights due diligence approach is aligned with internationally recognized standards and focuses on identifying and addressing actual and potential adverse human rights impacts. The same fundamental expectations regarding respect for human rights apply across the value chain, including producers, workers on estates, and workers employed by intermediaries, with measures tailored to risk, context, and NKG's level of leverage.

Initiated under NKG Bloom, projects and NKG Verified, we aim to further deepen and scale the work of our field teams at origin, providing meaningful services to coffee farming families to enable them to improve their livelihoods. This means further professionalization of our teams, refining and expanding our scope of service offer and reaching more coffee producers. As a starting point, we will be undertaking Living Income Gap Analysis for each NKG origin. The objective is to understand the key levers for improvements in livelihoods and identify barriers that cannot be addressed by us, at least not alone, such as farm size and alternatives to coffee income.

Topics	Description	Impacts, Risks and Opportunities
Working with suppliers to support good working conditions	By working with suppliers who pay their employees adequately and provide long-term work opportunities, NKG can support good working conditions in the producing regions.	Positive impact
Living income	Enabling NKG suppliers to improve farm productivity and coffee quality. Allowing them to move towards achieving higher prices and earning a living income. This reduces poverty and can have a positive impact on the local economy.	Positive impact
Shortage of labor on farms	Migration driven by social factors reduces labor availability, disrupting operations in coffee regions and lowering revenue.	Risk
Economic pressure on farmers	High inflation and price fluctuation put economic pressure on vulnerable farmers. This can lead to the potential loss of business relationship if farmers decide to sell to other stakeholders or abandon coffee production.	Risk
Gender inequality	The absence of gender equality and exclusion of women from important decisions lead to less consideration of women's needs.	Negative impact
Training	Smallholder producers who receive training and thus increase their yields are more likely to keep up their business relationship with NKG	Opportunity
Succession planning	Engaging youth in coffee farming supports farm continuity and future supply stability.	Opportunity
Child labor (upstream)	Child labor persists in some coffee regions. This has negative impacts on physical health, mental well-being and on children's education.	Negative impact
Withholding wages	Withholding wages threatens living standards and harms physical and mental health.	Negative impact
Forced labor and modern slavery	There is a risk of forced labor and modern slavery in coffee-producing countries, which can harm workers' mental and physical health.	Negative impact
Fines for human rights violations	Potential human-rights violation can lead to legal disputes, fines and reputational damage.	Risk
Reputational exposure due to child labor	If incidents of the worst forms of child labor are revealed, there is a risk of losing business relationships with customers	Risk
Reputational exposure due to forced labor	If incidents of the worst forms of forced labor are revealed, there is a risk of losing business relationships with customers	Risk

Positive impact · Negative impact · Risk · Opportunity

S2-1
POLICIES
Human Rights Due Diligence Policy
In early 2026, we introduced a group-wide Human Rights Due Diligence Policy, which provides a common risk-based and saliency-focused framework for how we address human rights across our own operations and our value chain.

It applies across our own operations and relevant business relationships. It covers employees and temporary workers within our operations, as well as producers, farmer households, workers, labor intermediaries, and other individuals who may be affected through NKG's supply chains and business activities. This policy is aligned with the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the Ten Principles of the UN Global Compact. It provides reference points for how NKG understands its responsibility to respect human rights and how it structures its due diligence processes.

We seek to prevent and mitigate human rights risks in our business relationships by applying and developing leverage. This includes dialogue with suppliers, clarification of expectations, engagement in corrective action, and collaboration with partners and initiatives. Disengagement is considered only in cases of severe violations, where remediation is not feasible, or meaningful improvement is not pursued.

Employees in direct contact with suppliers, such as sourcing, trading, and sustainability teams, are essential for implementation. Through their day-to-day interactions, they help identify risks, raise concerns, and share guidance with business partners, supporting the implementation of preventive measures and responsible practices across the value chain.

As NKG's due diligence system continues to evolve, insights generated through these processes help us to refine our actions, identify meaningful indicators, and progressively develop measurable targets.

NKG Supplier Code of Conduct
To translate its human rights commitments into clear expectations for business partners, NKG has established a Supplier Code of Conduct. The Code sets out minimum standards that suppliers are expected to respect when providing goods or services to NKG. It applies across NKG's upstream value chain and serves as a key reference point for communicating expectations related to responsible business conduct and respect for human rights.

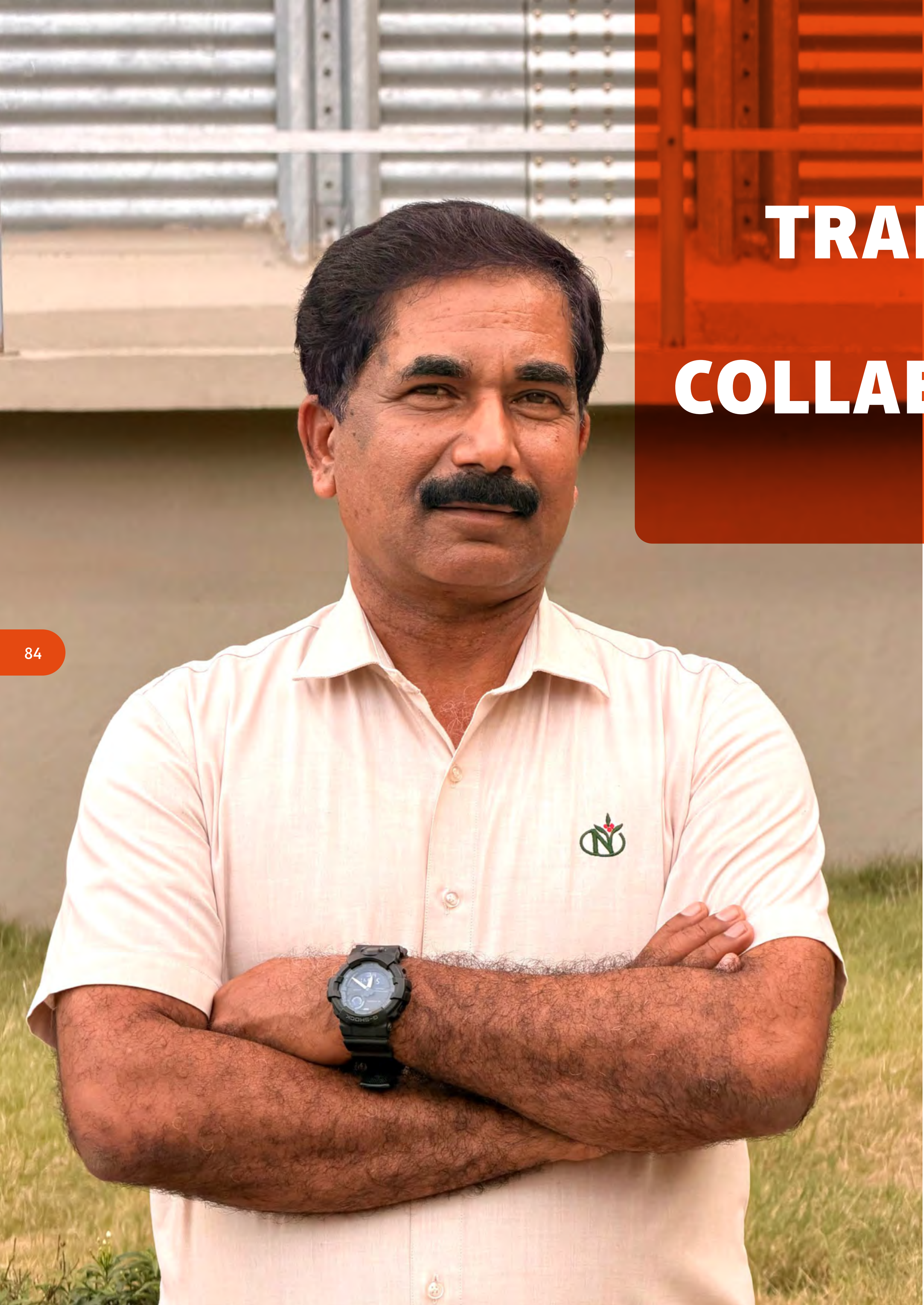
The Supplier Code of Conduct is grounded in internationally recognized standards, including the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. It addresses core human rights related topics relevant to NKG's value chain, including labor rights, the prohibition of child labor and forced labor, non discrimination, safe working conditions, and respect for applicable laws and regulations.

Formal acknowledgement of the Code is used as a due diligence measure for key suppliers, documenting communication and the understanding of expectations. In practice, this acknowledgement takes the form of confirming (ticking a box) within the osapiens Business Partner Questionnaire. For suppliers without system access, a paper version of the same questionnaire is completed and later uploaded into the system by exporter staff. NKG continues to strengthen how the Code is rolled out, embedded, and monitored across different supplier groups and regions.

S2-2
ENGAGEMENT IN THE VALUE CHAIN
Coffee trading has always been a relationship-driven business, and many of our key sourcing relationships are long standing, having been built over years and, in some cases, generations. Knowing our suppliers, understanding local realities, and maintaining open dialogue at origin are fundamental to NKG operations.

This long-term presence and proximity shape how engagement happens in practice. Local teams spend a significant amount of time visiting farms and facilities, meeting suppliers, answering questions, and maintaining close working relationships built over many years. These interactions create opportunities to listen, learn, and respond to concerns as they arise, often through informal and trust-based exchange rather than formal consultation processes.

NKG Supplier Engagement in Practice: Stories from Origin
Even within large and complex sourcing operations, engagement can be close, personal, and built on long standing relationships with individual producers. In India, sourcing and purchasing teams maintain close, ongoing contact with a large network of suppliers. Regular visits, phone calls, and on the ground conversations allow concerns to be discussed early, practical challenges to be understood, and expectations to be clarified in real time.



FROM TRANSACTION TO COLLABORATION

Vinod Kumar
Head of Procurement,
NKG India Coffee

Procurement is often seen as a technical or commercial function. How do you personally describe your role at NKG beyond contracts, prices, and volumes?

Representing NKG, I see my role as a bridge between the company and the growers and suppliers we source from, translating what happens at origin into a consistent, responsible supply for the business.

A key part of this role is strong market intelligence, which involves keeping a close eye on market movements, understanding competitive dynamics, and using that insight to make informed buying decisions. Ultimately, my responsibility is to ensure that every bean of coffee reflects not just cost efficiency, but trust, transparency, and accountability across the supply chain.

You are known for being very close to your suppliers and producers. Where does this mindset come from, and why is it important to you?

That mindset comes from spending time at origin and realizing early on that coffee is not just a commodity to producers and suppliers, it is a livelihood. When you visit farms, engage directly with growers and suppliers, and understand the realities they face, it is clear that strong relationships are not just nice to have, they are essential.

From your experience, how does this closeness change the way suppliers engage with NKG?

Being close to suppliers changes the relationship fundamentally from transaction to collaboration. Because they know they are being listened to and treated fairly, discussions go beyond price to include long term planning, sustainability initiatives, and risk management. It also enables faster feedback on the quality of batches and better customization in line with supplier and producer needs.

Procurement often sits between global markets and local realities. How do you balance commercial pressure with the needs of producers and suppliers?

Markets move quickly and demand commercially sound decisions, but those decisions cannot be made in isolation from what is happening on the ground. I focus on long-term value rather than short-term wins. We actively manage risks related to physical delivery, logistics and execution timelines, support producers on interior estates with transportation where needed, and ensure the smooth movement of coffee to meet commitments.

If you could pass on one piece of advice to younger colleagues working in procurement at NKG, what would it be?

Integrity must always come before a 'quick win'. A deal that saves a few cents today is never worth the cost of a broken relationship tomorrow.

Spend time in the field, listen to producers and suppliers, and understand their realities. Some of the most valuable insights don't come from reports but from real conversations.

S2-3

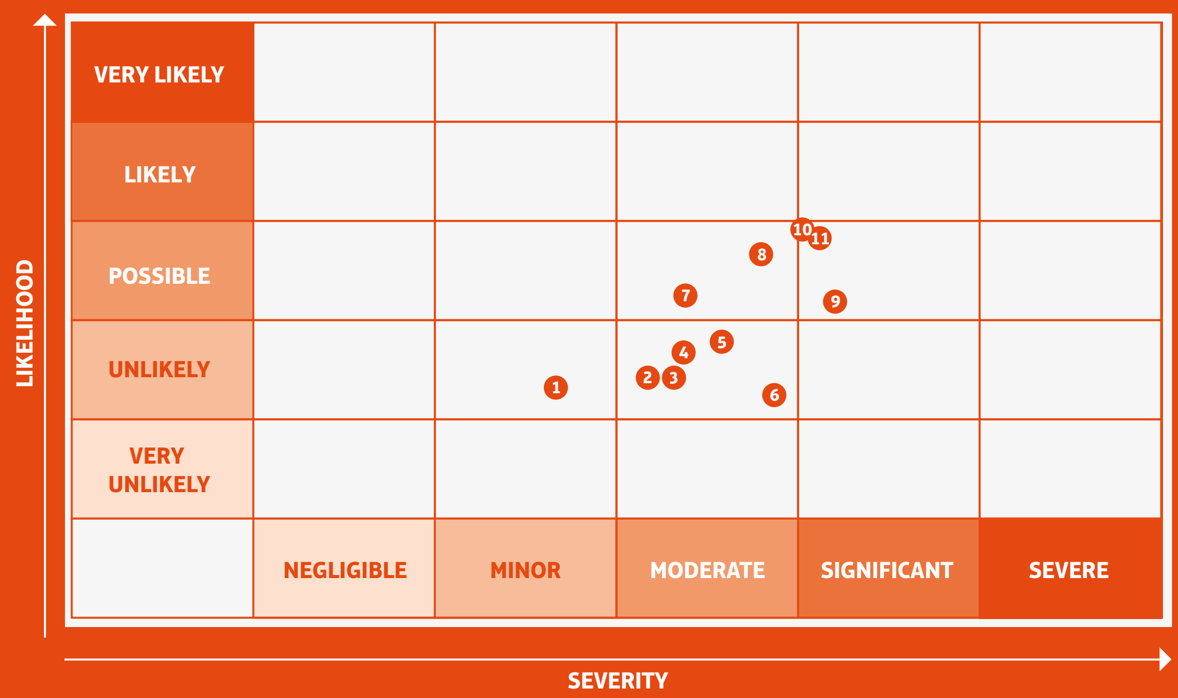
ACTIONS

Risk Identification, Prevention, and Mitigation

Our human rights due diligence is based on a context-specific risk assessment combining desk-based research with internal expertise. Publicly available data (e.g. country and sector indicators) provides an initial baseline, which is refined through input from local sustainability, sourcing, and supply chain teams. Their on-the-ground knowledge helps identify risks that may not be visible in aggregated data, ensuring that assessments are both credible and relevant. This process has led to the identification of key salient risks across the value chain, including child labor, forced labor and human trafficking, occupational health and safety, and, in certain contexts, gender inequality and inadequate wages. Risk relevance and severity vary by region and are addressed through tailored due diligence responses, as defined in the Human Rights Due Diligence Policy.

The results shown represent a consolidated view across numerous expert groups and countries and should therefore be understood as an aggregated assessment rather than a reflection of conditions in any individual origin. Topics such as child labor, forced labor, and other severe human rights impacts may appear differently across local contexts. While all expert groups assessed risks against a common severity-likelihood framework, the resulting ratings reflect subjective judgements informed by local experience and operating contexts. The consolidated results are therefore most useful for identifying broad trends and priority areas across the group rather than drawing conclusions from the precise positioning of individual topics. Despite some variations in individual assessments, clear patterns emerged across regions: occupational health and safety risks and the use of hazardous chemicals emerged as consistently significant concerns across regions, informing NKG's current due diligence priorities while not diminishing the importance of continued vigilance regarding all human rights risks.

1. Freedom of Association
2. Land Rights
3. Security Force Abuse
4. Forced Labor
5. Wage Violations
6. Worst Forms of Child Labor
7. Discrimination
8. Environmental Harm
9. Child Labor
10. Health & Safety
11. Hazardous Chemicals



Based on these assessments, we prioritize prevention and mitigation to avoid or reduce adverse impacts. Where impacts occur or are directly linked to business relationships, appropriate measures are taken to address them. Within our own operations, this is supported by internal policies on issues such as non-discrimination and occupational health and safety, which translate human rights commitments into concrete requirements across the employment lifecycle.

Uganda Coffee Landscape Action Partnership (U CLAP)

U CLAP is a pre-competitive initiative bringing together key coffee sector stakeholders, Export Trading Group (ETG), Neumann Kaffee Gruppe (Ibero Uganda), and Sucafina (Ugacof), to address human rights and sustainability risks collaboratively in Uganda's coffee supply chain. Supported by the Netherlands Enterprise Agency (RVO) and Impact Lines as an independent secretariat, the partnership aligns with evolving EU regulatory requirements, including the CSRD and EUDR.

In collaboration with 60 Decibels, U CLAP conducted a comprehensive risk assessment across eight districts in the Greater Masaka region. The study engaged 913 smallholder farmers and 198 hulling station workers to capture firsthand insights into supply chain risks. An innovative survey approach, allowing respondents to indicate the number of applicable issues rather than disclose specific experiences, revealed that the prevalence of sensitive risks may be up to five times higher than measured through direct questioning alone.

The findings establish a robust baseline for identifying and prioritizing human rights risks faced by vulnerable groups and strengthening the partners' ability to implement effective due diligence frameworks. Importantly, the assessment underscores the value of directly engaging affected stakeholders to improve transparency and ensure that interventions are responsive to local needs.

Building on these insights, U CLAP is currently developing mitigation measures that focus on two priority risks in collaboration with Solidaridad and CropLife Uganda. As the U CLAP partnership expands, it aims to scale its monitoring and intervention efforts beyond the original region, further enhancing responsible sourcing practices across Uganda's coffee sector.

IMPROVING FARMER LIVELIHOODS AND PROFITABILITY

Krista Maruca
Regional Sustainability Manager,
NKG East Africa

Which countries are you working in, and what are the key challenges in each?

We currently partner with Tchibo on farmer programs in both Tanzania and Kenya. In Tanzania, the main focus is on improving farmer livelihoods and profitability by addressing gaps in access to good agricultural practices, inputs, and support services. These challenges are increasingly compounded by climate pressures, as producers face less reliable water supply, extreme heat, and unpredictable rainfall patterns. In Kenya, producers face many of the same challenges, but one key difference is the much smaller average farm size.

How do you aim to tackle them together?

We are currently implementing four joint projects in the region to address these challenges. In Tanzania, City Coffee staff have spent the last year training “lead farmers” identified in the community and setting up demonstration plots showcasing low-cost, climate-smart practices in action, like appropriate pruning and mulching, use of shade trees, and organic and inorganic fertilizers. This year, those lead farmers will be training community members, with the goal of reaching 5,000 producers with this training by 2029. We do similar work at nearby secondary schools through the Coffee Club project, where students can learn these techniques at an on-site demonstration farm and put them into practice on their plots at home, instilling resilience in the next generation of coffee producers.

In Kenya, we are co-designing a project in the Mount Kenya region with three partner cooperatives to address some of the systemic barriers to productivity and profitability among farmer members. We are also implementing a joint project in collaboration with Rainforest Alliance, with additional components around financial inclusion, gender equity and social inclusion, and income diversification. This project takes a strong regenerative approach, integrating additional training on compost and vermicompost production.

Which factors lie outside NKG’s sphere of influence and therefore limit our ability to act?

Many of the deeper issues affecting farm productivity, profitability, and resilience cannot be solved by NKG alone, especially without strong partnerships across the sector. These include structural challenges such as policy and regulatory frameworks that are shaped through broader stakeholder processes, limited access to finance and availability of high-quality planting materials. Infrastructure gaps and social barriers can also limit participation by women and youth. At the same time, an aging farmer population and slow adoption of new technologies continue to affect long-term sector growth.

BRIDGING THE KNOWLEDGE GAP

Eddy Nkanagu
Farmer Service Unit / Procurement Manager,
Ibero Uganda

Limited access to affordable financing remains a key constraint in coffee supply chains, restricting farmers' ability to invest in productivity, climate resilience, and farm renewal. The Smallholder Livelihoods Facility (SLF), implemented under NKG Bloom, addresses this gap through tailored financial products and a broader service model combining finance with technical support, inputs, and market access. In this interview, Eddy Nkanagu, Farmer Service Unit (FSU) Manager, shares the realities of smallholder financing in Uganda and reflects on the tangible impact the SLF can have for farmers and sourcing regions.

When do Ugandan coffee producers face the biggest cash flow gaps across the year, and what types of finance work best for those moments?

Ugandan producers face the biggest cash-flow gap most commonly when tuition fees for their children are due. Schools here are generally split into 3 terms, so school fees have to be found 3 times across the year. Producers usually seek cash advances from financial institutions and under NKG Bloom, farmers receive this kind of support from us.

How are new market requirements (e.g., traceability and compliance expectations) changing financing needs and costs for producers and exporters?

Traceability is not much of a challenge to the producer as the onus is usually on the exporter to map the producers and ensure that their profiles are up to date. However, the newer, more robust compliance expectations mean that farmers have to adhere to stricter practices in waste management, for example, and application of specific pesticides and fertilizers, which can be quite challenging for them as it entails additional labor costs or require the purchase of products that are more costly.

Ideally, which outcomes can be unlocked most reliably through finance?

In the perfect scenario, which many of the NKG Bloom producers are already close to achieving, the financing supports productivity, while being able to have what some of them call: the luxury of time luxury to optimize quality.

If you could change one thing tomorrow, what would have the biggest positive impact?

If I could change one thing tomorrow - and that doesn't seem too far-fetched - it would be to develop more robust data around producers and have it centralized to establish reliable assessments. Today the risk and interest rates are high only because of the lack of trust and predictability that financial institutions have in relation to farmers. Digital information about cashflows would bridge the knowledge gap.

Childcare Centers for Coffee-Producing Communities in Honduras

Seasonal coffee harvesting in Honduras is associated with an increased risk of child labor, particularly in rural producing regions where families often depend on family labor during peak harvest periods. This risk is most pronounced during the harvest season, when parents work long hours on farms and have limited access to safe childcare alternatives.

Addressing this risk is part of NKG's broader approach to human rights due diligence in its coffee supply chains. During the 2025-2026 harvest season, BECAMO supported the operation of childcare centers in coffee-producing communities in western Honduras through local supply chain partners. Seven childcare centers operated for a period of 33 days between December 2025 and January 2026 in the departments of Intibucá, Lempira, and Ocotepeque.

The centers provided care for children aged 3 to 14. Each center was staffed with trained coordinators, educators, and support personnel, and operated under defined procedures for supervision, attendance tracking, and child safeguarding. In total, 512 children were enrolled across the seven centers, with an average attendance rate of approximately 70% during the operating period. Over the course of the program, the centers provided more than 47,000 meals, contributing to children's nutrition alongside daily care and activities. The project was implemented in collaboration with local cooperatives and community organizations supporting local ownership and operational continuity.

S2-4

METRICS AND TARGETS

We have defined four targets in the area of livelihoods within our new Sustainability Strategy, reflecting our core values and the material impacts, risks, and opportunities identified in our Double Materiality Assessment. Until now, we have only measured limited metrics on livelihoods at the global level.

Target 1:

Set up a human rights due diligence management system in our operations by the end of 2027

This target measures the establishment and integration of a human rights due diligence management system across NKG's operations by the end of 2027. The metric captures the extent to which key elements of the system, such as risk assessment, stakeholder engagement, mitigation measures, and governance processes, are being implemented and embedded in relevant functions and decision-making processes.

Progress will be tracked based on internal implementation milestones and system development indicators, drawing on records and reporting from group functions and operating companies. The target applies across NKG's own operations and is closely linked to the upstream value chain through risk-based due diligence processes.

Target 2:

Continuously improve the maturity level of human rights due diligence from started to intermediate by 2032

This target focuses on the maturity of NKG's human rights due diligence system, with the objective of reaching an intermediate level of maturity by 2032. Maturity refers to the extent to which due diligence processes are established, integrated, and effective across operations and supply chains, ranging from early-stage approaches to more advanced systems that are consistently implemented and continuously improved.

According to the Converged Human Rights and Environmental Due Diligence (HREDD) Assessment Tool developed by the FLA, AIM-Progress, The Consumer Goods Forum Human Rights Coalition, and Proforest, NKG's current human rights due diligence system is at an early stage of maturity. While foundational elements are in place, Group-wide KPIs that comprehensively capture outcomes for workers and producers are still under development. Progress will be tracked over time based on external, industry-developed assessment frameworks that provide standardized approaches to evaluating human rights due diligence maturity and supporting continuous improvement.

Achieving this target will require continued internal learning, reinforcement of the data infrastructure, and structured engagement with stakeholders to ensure that future metrics reflect the priorities and experiences of workers and producers.

Target 3:

Set up living income assessments in our integrated supply chains by the end of 2027

This target measures the number of coffee-producing origins in which NKG has established living income assessments, with full coverage across all 13 origins targeted by 2027. The metric captures the geographical rollout of a standardized approach to assessing household incomes against relevant living income benchmarks.

Progress will be tracked based on implementation records from origin operations, including the number of origins covered, the annual updating of assessment data, and the use of a consistent methodology supported by a central assessment tool developed at group level. The target applies to the upstream value chain and focuses on coffee producers engaged in NKG's integrated supply chains.

The assessments are intended to serve as a foundation for refining NKG's service offer by identifying key drivers of income gaps, clarifying which factors can be addressed directly by NKG, which require partnerships, and which remain beyond NKG's sphere of influence.

Target 4:

Work with 300,000 coffee farming families offering services to improve their livelihoods by the end of 2032

This target measures the number of coffee farming families engaged in NKG's service delivery by the end of 2032. Engagement refers to uptake of services provided through NKG's Farmer Service Units within origin operations building on NKG Bloom.

As of today, 86,502 farmers are reached, indicating that significant scale-up will be required to achieve the target. Progress will be tracked annually using records from NKG's Farmer Service Units and field teams across origins. The target applies to the upstream value chain. It is an aspirational target, as we aim to strengthen our engagement without focusing our efforts only on certain origins or extremely small producers or sacrificing depth of service for scale to meet a specific figure.

Governance

At NKG, responsible business relationships, transparent decision-making, and consistent standards of conduct are fundamental to how we operate. Governance therefore means more than having policies and procedures in place; it is about creating the conditions that enable people to make responsible decisions, raise concerns, and manage business relationships with integrity.

This understanding is closely connected to NKG's sustainability strategy. Coffee value chains are built on long-term relationships with producers, suppliers, customers, and local communities. These relationships can only remain viable where expectations are clear, risks are assessed, and concerns are addressed. Our governance approach therefore combines group-wide standards with local ownership, recognizing that implementation must be practical, accessible, and adapted to different legal, cultural, and operational contexts.

G1

BUSINESS CONDUCT

STRATEGY

The material impacts, risks and opportunities identified show that business conduct is closely linked to NKG's ability to maintain trusted relationships across its value chain.

A lack of transparency, insufficient due diligence, corruption risks, or violations of competition law can undermine stakeholder trust, expose NKG to legal and reputational risks, and weaken responsible sourcing practices. At the same time, traceability, supplier engagement, and long-term partnerships create opportunities to strengthen resilience, align with regulatory expectations, and improve sustainability performance.

NKG's response is structured around four mutually reinforcing elements: clear policies and standards, local implementation and ownership, risk-based due diligence of business partners, and accessible channels to raise and address concerns. Together, these elements form the basis of our business conduct approach.

Topics	Description	Impacts, Risks and Opportunities
Lack of transparency in the value chain	A lack of transparency along the value chain can have a negative impact on our sustainability management and performance.	Negative impact
Enhance resilience of producers	Supporting producers in long-term partnerships through sustainability programs to strengthen farmer resilience, profitability, and sustainability performance.	Positive impact
Unequal value distribution	Imbalanced market conditions create price pressure and difficult payment terms, leading to financial difficulties for suppliers.	Negative impact
Traceability	Implementing traceability and digitalization standards in the supply chain enhances alignment with NKG sustainability criteria and can be monetized with customers.	Opportunity
Lack of due diligence of partners	A lack of due diligence in supply chain management can lead to non-compliance with regulations and NKG environmental and social standards. Potential risk of loss of reputation and of business partnerships with customers.	Risk
Increasing costs of pre-financing	With higher interest rates, pre-financing coffee becomes more expensive and operating costs are increased.	Risk
Crisis in the global logistic sector	Global logistics disruptions (e.g. natural disasters, political instability) can result in port closures, congestion, delays, strikes, and blocked transport routes, affecting financial performance.	Risk
Corruption incidents and related fines	Revenue loss because of fines after incidents of corruption and fraud within the operations of NKG.	Risk
Violations of anti-trust and competition law	Exceeding the pre-competitive area in trade associations can lead to violations of anti-trust and competition law.	Negative impact

Positive impact · Negative impact · Risk · Opportunity

Overall responsibility for the compliance framework lies with Group Compliance, which develops group-wide standards and policies and provides guidance on their implementation. Compliance-related topics are integrated into the group's governance and risk management processes and are regularly reviewed to ensure continued effectiveness and alignment with regulatory developments.

The Compliance Management System is subject to regular reporting and oversight. The Compliance Annual Report provides the Board with an overview of the effectiveness of the Compliance Management System, while regular reports on compliance activities, developments, and risks are submitted to the CEO. Group Compliance operates independently from the business units, supporting objective oversight and escalation where required.

To ensure effective implementation of the governance framework, NKG combines group-wide oversight with local ownership. While Group Compliance in Hamburg develops policies, standards, and guidance, each group company is responsible for implementing these requirements within its respective operating environment.

This approach is supported by a global network of Compliance Representatives. Each group company is supported by a designated Compliance Representative who serves as a local contact point, promotes awareness, supports employees in compliance-related matters, and helps ensure that group policies are applied consistently in day-to-day operations.

Regular training sessions, workshops, and exchanges connect Compliance Representatives across regions. This ongoing dialogue supports the consistent application of group standards while allowing local legal requirements, cultural contexts, and operational realities to be taken into account.

Paula Caetano
Legal Manager and the Local Compliance Representative at NKG Stockler

Anthony Kasper
Head of Processing and Compliance Representative at NKG India Coffee

Diana Rola and Beatrice Radi
Compliance and Sustainability / HR Representative at NKG Bero Italia

Stephen Mutugi
Compliance and Farmer Services Unit Project Manager at Ibero Uganda

COMPLIANCE AROUND THE WORLD

What this looks like in practice becomes clear when looking at the work of our Compliance Representatives across different regions.

When you think about compliance in your day-to-day work, what does it actually mean in practice, beyond policies and procedures?

Paula: Fostering a culture where 'doing the right thing' is the natural choice, regardless of whether it is written down in a manual.

Anthony: In practice, it involves ensuring fair treatment, maintaining safety in the workplace, and fostering a culture where visitors, staff, workers and partners feel valued and secure.

Diana & Beatrice: Significantly increasing our efforts to raise awareness among business partners on both social and environmental topics; specifically at our CoffeeCulture training center.

Stephen: Compliance is a part of everyday decision-making. For me, it's important to ensure there is enough mutual understanding to make sure our key values are aligned.

Do you feel that compliance is approached differently in your region compared to others within NKG, and if so, how?

Paula: In Brazil, our local environment is characterized by an incredibly vast and complex web of legislation and regulations that is constantly changing.

Anthony: The diversity of our workforce means that compliance here is not just about regulations, but also about bridging cultural and operational differences to maintain consistency.

Diana & Beatrice: Compared to other countries, there is perhaps a stronger focus on formal documentation, reporting requirements, and regulatory compliance.

Stephen: Yes. We focus a lot on creating a shared understanding. We have Toolbox Talks every Friday from 2:00 p.m. to 2:30 p.m. Here, employees discuss, dissect, and challenge compliance topics openly.

With whom do you work most closely to make compliance effective (internally and externally)?

Consolidated answer: Compliance is a shared responsibility that relies on close collaboration across the organization. Internally, teams work closely with colleagues in Health and Safety, Legal, Human Resources, and local leadership, while local Compliance Representatives act as key points of contact for employees, supporting them in navigating day-to-day questions. Externally, there is continuous interaction with Group Compliance and other global functions, enabling alignment, guidance, and sharing of best practices across regions.

How do you see compliance evolving in your country or region in the coming years?

Paula: I see compliance in Brazil becoming increasingly integrated with the ESG agenda, moving beyond traditional legal monitoring to a more holistic approach.

Anthony: Compliance in India is evolving positively, especially regarding working conditions. With increasing digitalization, workers are more aware of their rights and expect fair treatment from employers.

Diana & Beatrice: Compliance in Italy will become increasingly integrated with sustainability, ESG reporting, supply chain due diligence, and risk management.

Stephen: The evolution has already begun, with the government amending laws and making compliance requirements stricter; focusing on specific compliance areas, especially workplace policies.

Continue reading on the next page…

Compliance around the world continued…

How do you ensure alignment with NKG's global compliance standards while taking different local realities and requirements into account?

Consolidated answer: Global standards provide a consistent foundation for all group companies, while practical implementation is tailored to local requirements and contexts. While NKG's policies provide a clear foundation, their application is adapted to local legal requirements, workforce diversity, and cultural contexts. In practice, this includes tailoring communication and training, translating policies into accessible and practical guidance, and maintaining close dialogue with both local teams and global functions to ensure expectations are clearly understood and effectively applied.

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POLICIES

Code of Conduct

At the heart of this approach is the NKG Code of Conduct, defining how we work together and how we engage with business partners and stakeholders.

Approved by the Board, it sets out ethical principles, behavioral expectations, and compliance obligations for all employees worldwide. It covers integrity in business relationships, human rights, labor standards, non-discrimination, environmental responsibility, and the prohibition of corruption.

The Code of Conduct is binding and is a prerequisite for working at NKG. It is available in multiple languages via internal systems and the corporate website.

In 2025, the Code of Conduct was rolled out as a mandatory document through Workday, requiring employees worldwide to confirm their understanding of it. For those without digital access, local processes ensured inclusion through printed materials and guided sessions. This resulted in a global completion rate of 90.4%.

The Code of Conduct is complemented by specific group-wide policies and procedures addressing key business conduct risks, including Anti-Corruption, Conflicts of Interest, Sanction Screening, and the Grievance Mechanism. Together, these documents translate NKG's ethical principles into practical requirements, responsibilities, reporting channels, and process requirements for employees and, where applicable, business partners.

Policy Governance

Group-wide compliance policies apply to NKG employees across the group and are implemented by the respective group companies in line with applicable local laws and operational requirements. Where policies also address business partners or third parties, this is reflected in the relevant policy or supporting procedure.

Implementation formats may differ depending on digital access, local requirements, and operational context.

The overarching policy, Policy on Policies, defines the framework for the development, approval, publication, communication, review, and maintenance of group-wide policies. It provides the basis for a consistent policy management approach across NKG and helps ensure that policies are clearly structured, accessible, regularly reviewed, and aligned with applicable requirements. Key compliance topics, including anti-corruption, conflicts of interest, sanctions screening, and the grievance mechanism, are embedded into onboarding, ensuring early awareness of expectations. These policies create a shared baseline for expected conduct across the group, while stricter local legal requirements must be followed where applicable. Policies and support materials are available centrally via the intranet.

Anti-Corruption Policy

Integrity in business relationships is fundamental to how NKG conducts business. We recognize that corruption risks can arise in many forms, including bribery, improper influence, gifts and hospitality, contributions, interactions with public officials, or relationships with business partners and third parties.

Our Anti-Corruption Policy provides a common framework for preventing corruption, bribery, and undue advantages. It defines corruption as the abuse of power for personal gain and gives employees practical guidance on how to recognize and avoid situations that could compromise, or appear to compromise, objective business decision-making.

A particular focus of the policy is the handling of gifts, hospitality, and contributions. Cash and cash-equivalent gifts are prohibited, and gifts, hospitality, or other favors must not be offered or accepted if they are intended to influence business decisions, create the impression of such influence, or oblige a return favor.

Conflicts of Interest Policy

Responsible decision-making requires transparency where personal, financial, professional, or other private interests could influence, or be perceived to influence, business decisions. In a relationship-driven business such as coffee, where long-standing relationships with suppliers, customers, and other business partners are central to daily operations, it is important to create clarity around situations that may affect objective judgment.

The Conflicts of Interest Policy provides a group-wide framework for identifying, disclosing, assessing, and managing actual or potential conflicts of interest. It recognizes that conflicts of interest are not always the result of intentional misconduct. They can arise in everyday business situations, for example where personal relationships, financial interests, outside activities, or other private circumstances overlap with professional responsibilities.

A key principle of the policy is that potential conflicts should be addressed early and transparently. Employees are encouraged to regularly reflect on their own situations and relationships and to consider whether these could influence, or appear to influence, their professional judgment. This includes, for example, personal relationships that may affect business decisions, financial interests connected to suppliers or business partners, outside employment, or other activities that could overlap with NKG responsibilities.

Implementation is supported by a Workday-based disclosure process. Employees are required to report actual or potential conflicts of interest through Workday, where they are forwarded to Group Compliance for evaluation and follow-up. This enables potential conflicts to be documented, assessed, and managed in a transparent and consistent manner.

By encouraging early disclosure and transparent handling, the policy supports a culture in which potential conflicts are not hidden, but managed responsibly. This strengthens trust in business decisions and helps protect both employees and NKG from situations that could compromise integrity or create the appearance of improper influence.

Sanction Screening Policy

Responsible business conduct also requires that NKG understands who it does business with. The Sanction Screening Policy and related procedures define requirements and workflows for screening business partners and transactions. Sanctions screening is embedded as a preventive control within the compliance framework and supports the identification of sanctions-related, integrity, and reputational risks before and during business relationships.

Each group company is responsible for ensuring that relevant business partner information is available and that applicable screening requirements are followed. NKG supports this process through central compliance tools and supplier management systems. Supplier data uploaded into osapiens is automatically screened against sanctions lists, while group Compliance provides additional screening support where needed.

The policy and related procedures also define how potential findings are handled. When a screening generates a potential match, the information is reviewed to determine whether it represents a true finding or a false positive. Relevant identifying information, such as business partner name, address, tax number, or other available details, may be reviewed as part of this assessment. If risks are confirmed, further review, enhanced due diligence, or discontinuation of the business relationship may be required.

Sanctions screening is closely connected to NKG's broader business partner due diligence approach. It complements supplier onboarding, reputational risk assessments, media monitoring, and other checks used to assess whether business relationships can be entered into or continued responsibly. In this way, the Sanction Screening Policy supports both regulatory compliance and the protection of trust in NKG's business relationships.

The results of sanctions screening are reflected in NKG's governance metrics. In 2025, NKG conducted business partner screenings through its central compliance system and broader due diligence checks across the group. Further information on screening results is provided in the Metrics section of this chapter.

Whistleblower Protection

NKG maintains a global Grievance Mechanism Policy that supports the reporting of potential misconduct by employees, business partners, and other stakeholders. The policy establishes group-wide requirements for confidential reporting, case handling, documentation, and follow-up, including the possibility of anonymous reporting where permitted by law. NKG is committed to protecting individuals who report concerns in good faith against retaliation and has implemented measures to prevent and address retaliatory conduct.

The policy is implemented in compliance with applicable whistleblower protection laws and regulations, including the German Whistleblower Protection Act (Hinweisgeberschutzgesetz), where applicable. The Integrity Reporting Mechanism is designed in line with internationally recognized standards, in particular the United Nations Guiding Principles on Business and Human Rights (UNGPs).

As the grievance mechanism is relevant not only for governance but also for own workforce and value chain topics, the detailed description is provided in the chapter Engagement with Our Own Workforce. This includes information on accessibility, reporting channels, confidentiality, anonymity, non-retaliation, and the types of concerns that can be reported.

Supplier Code of Conduct

The Supplier Code of Conduct complements the internal compliance policy framework by defining minimum expectations for relevant suppliers and business partners. It supports NKG's responsible business relationships by communicating expectations related to responsible business conduct, human rights, labor standards, environmental responsibility, and compliance with applicable laws.

Further details on the Supplier Code of Conduct and human rights expectations for suppliers are provided in the chapter Workers and Producers in the Value Chain.

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ACTIONS

Training and awareness

Training combines online and in-person formats to reach colleagues across locations. A central element is the annual Code of Conduct training.

In 2025, this focused on corruption prevention, conflicts of interest, and the grievance mechanism, reflecting identified risk areas. A total of 1,733 colleagues were enrolled in the training, and 1,676 successfully completed it, resulting in a high overall participation rate of 98%.

In addition to the group-wide Code of Conduct training, targeted sessions were conducted for management and trade teams on compliance policies, gifts and bribery, fair competition, and sanctions screening. These formats focused on practical application in higher-exposure roles and supported the rollout of new and revised compliance policies.

Responsible Business Relationships with Suppliers

Governance does not stop with the group's own operations but extends across the entire value chain.

Supplier onboarding, registration, and risk analysis are supported by the osapiens Supplier Intelligence module, with a focus on suppliers in scope of the European Union Regulation on Deforestation (EUDR). As part of onboarding, suppliers complete a standard questionnaire, which includes formal acceptance of the Supplier Code of Conduct.

G1-3

Suppliers are expected to acknowledge these principles or demonstrate equivalent standards. By 2028, NKG aims to ensure that all relevant suppliers have acknowledged these principles or demonstrated equivalent targets.

Suppliers are assessed using country- and sector-based risk indicators, including EUDR- and LkSG-related risk scores, and categorized into defined risk levels in osapiens. The system is supplemented by additional data sources, such as media monitoring and sanction screening, to ensure that ESG risks are considered both prior to and throughout business relationships.

Additional due diligence measures include sanctions screening and reputational risk assessments prior to entering into business relationships. Monitoring is supported through programs such as NKG Verified, including internal and external audits. Where risks or anomalies are identified, NKG applies a structured approach focusing on engagement, corrective actions, and follow-up.

EUDR Implementation

NKG began preparing for implementation of the regulation at an early stage, with key systems and processes in place from the initial date of applicability at the end of 2024. By the end of 2025, more than 400,000 plots had been assessed for deforestation risks.

NKG's approach provides a group-wide framework for EUDR compliance, operationalized by each relevant group company. It builds on a common due diligence framework, supported by osapiens, and a dedicated osapiens Excellence Team (oET) for internal support and knowledge transfer.

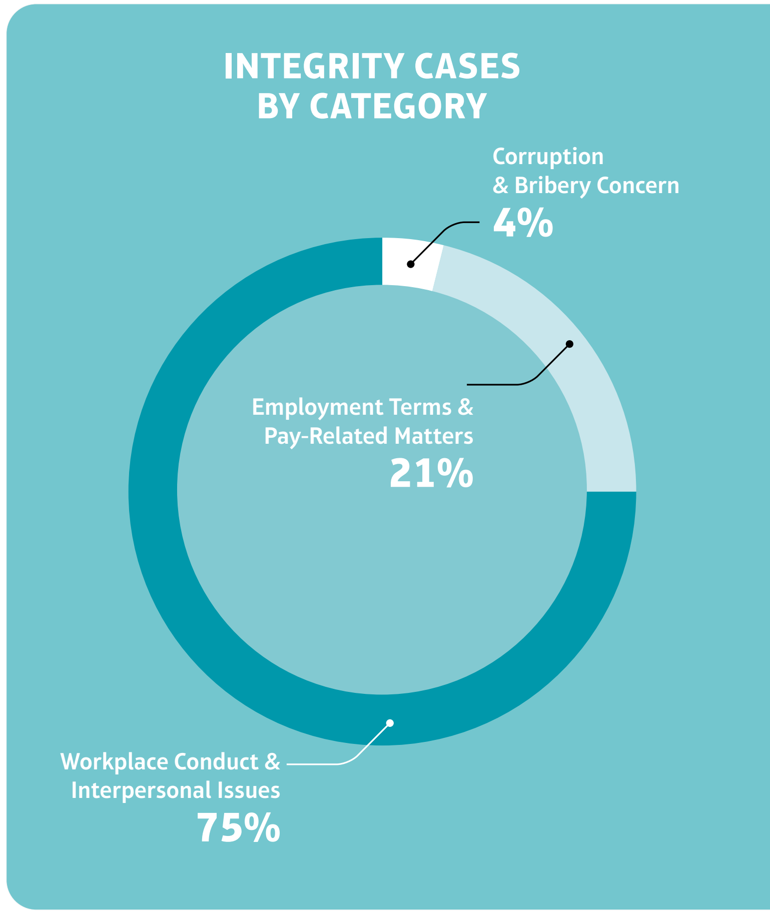
In 2025 our EUDR Protocol was launched, describing the common framework for data collection, validation, and risk assessment; it is currently being updated in line with European Commission guidance. This is supported by significant investments in internal capabilities, data collection support, and a specialist GIS team in Neiva. This work builds on NKG Verified, long-standing supplier relationships, and close collaboration with business partners.

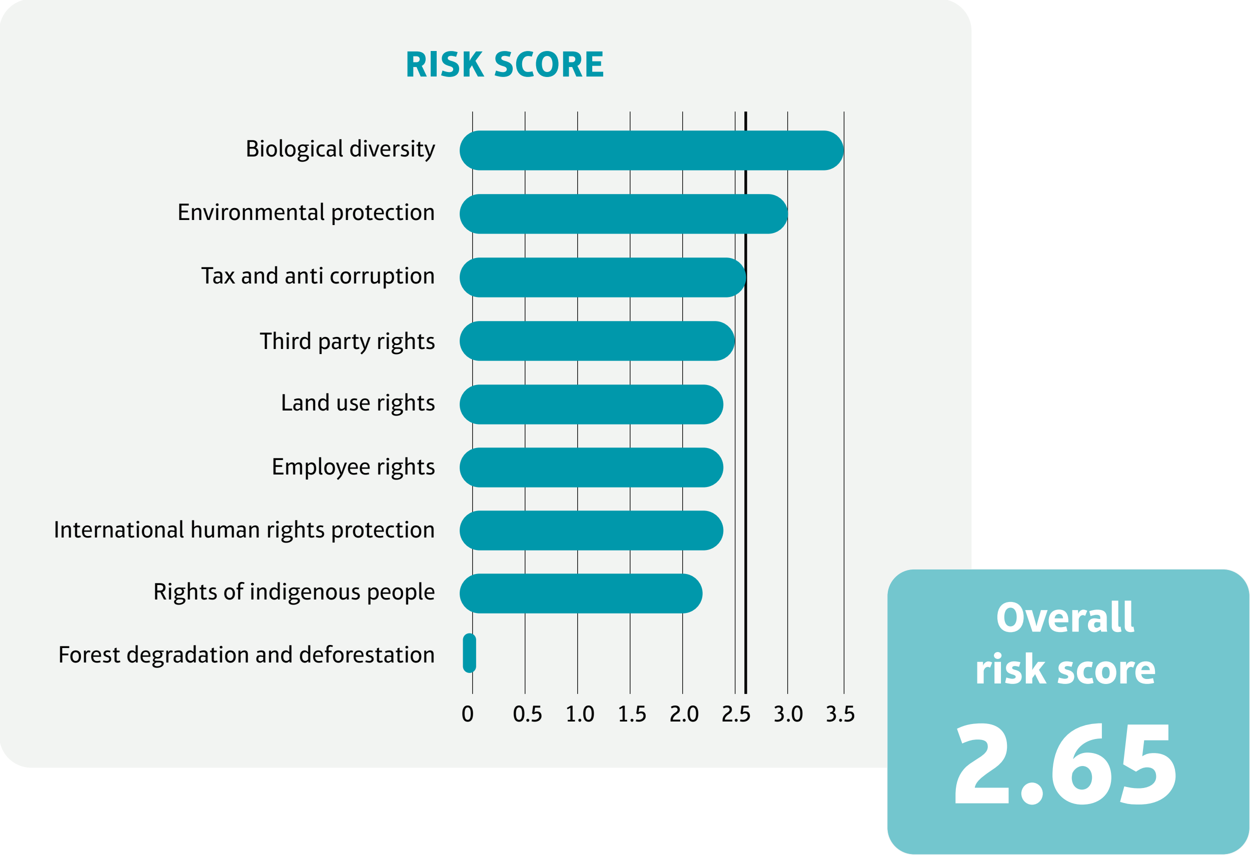
G1-4

METRICS

In 2025, a total of 24 integrity cases were recorded across the group. The majority related to interpersonal workplace issues, followed by working conditions and one compliance-related case.

Most reports (22) were submitted by employees, one by a former employee, and one report was submitted anonymously without further classification. In addition to these reports received through the Integrity Reporting Platform, two cases of child labor were identified in 2025 in the course of NKG Verified audits in Indonesia. Both cases were remediated within the required 60-day timeframe. Actions included a formal commitment by the producers to prevent hazardous child work, with follow-up monitoring and auditor validation. These cases highlight the importance of ongoing monitoring and clear remediation processes in traceable supply chains.





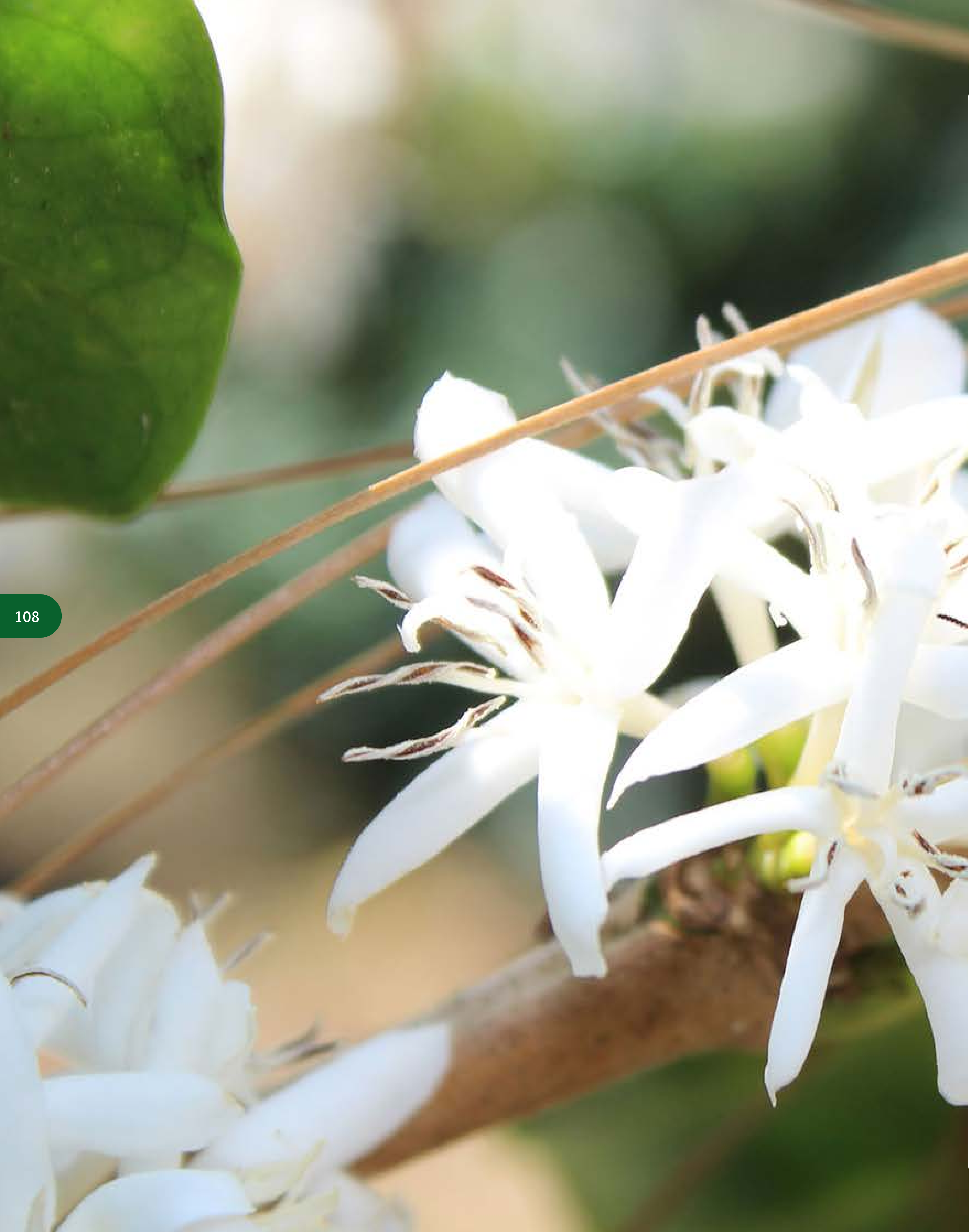
Category	Number of cases	Conclusion on nature of reports	Substantiation status	Follow-up measures
Workplace Conduct & Interpersonal Issues	18	The majority of reports related to workplace conduct, perceived disrespectful treatment, discrimination or harassment-related concerns. Each report was reviewed individually and addressed in line with the Integrity Reporting Mechanism.	17 cases could not be substantiated following review. One harassment-related case was substantiated.	Follow-up dialogues, awareness conversations, and targeted training measures were conducted where appropriate. In the substantiated case, disciplinary action was taken, including termination of employment.
Employment Terms & Pay-Related Matters	5	Reports in this category related to employment matters, including questions or concerns regarding employment terms, working arrangements, contractual conditions, and pay-related topics.	Cases were reviewed but could not be substantiated.	The matters were followed up by HR. Individual discussions were held with the employees concerned, employment terms and contractual conditions were reviewed where relevant, and explanations were provided to clarify misunderstandings.
Corruption & Bribery Concern	1	One report related to a potential case of bribery. The matter was reviewed in line with the Integrity Reporting Mechanism.	The allegation could not be substantiated following review. No evidence was found to confirm the concern.	As a follow-up, awareness of the Anti-Corruption and Conflict of Interest policies was refreshed. Relevant documentation was reviewed and retained and unannounced on-site checks were conducted.

In 2025, NKG conducted approximately 1,700 business partner screenings through its central compliance system to identify potential sanctions and integrity and reputational risks. This included both periodic rescreening of existing key partners and assessments of prospective new business partners.

Around 10% of screenings initially generated potential matches, the majority of which were identified as false positives following further review. In total, approximately 60 relevant findings were confirmed, primarily relating to adverse media, sanctions listings, state ownership, or politically exposed persons. As a result of these screenings, business relationships were not initiated or were discontinued in 20 cases where risks were deemed material. During the reporting period, NKG recorded no convictions or fines for violations of sanctions, anti-corruption or anti-bribery laws.

Across the group, a total of 22,503 due diligence checks were conducted, reflecting a broader scope that includes both central screenings and those carried out by individual group companies. This increase compared to previous years is largely driven by the introduction of the automated, continuous screening process by the osapiens supplier management system, in which registered business partners are screened automatically against sanctions lists. As this system operates in parallel with local processes, some overlap between individual checks cannot be entirely excluded.

NKG currently does not systematically collect or consolidate the data required to provide metrics related to payment practices. We are assessing the implementation of appropriate processes to enable future disclosure.



THE FUTURE OF COFFEE IS OUR BUSINESS

At NKG, we believe that safeguarding coffee's future starts with supporting the people who grow it. There is no one-size-fits-all solution; lasting progress depends on approaches that create value for both producers and our business.

From the hands that cultivate coffee to those who enjoy it around the world, coffee must remain an attractive and viable business. Our role is to connect these two worlds and help build a resilient, prosperous future for coffee.

Marianne López Franco, Maria Clara Lima and Matthias Hanselmann
Sustainability Reporting & Communications

CONTACT US!

Do you have any questions about the report or want to get in touch with us?
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ANNEX

TABLE OVERVIEW

DOUBLE MATERIALITY ASSESSMENT

Assessment scales for impacts (scale, scope, remediability): Severity was determined as the mean of the three dimensions. If any criteria reached a score 5, the overall severity was also set to this maximum.

Scale	Scope	Remediability
5 - Absolute	5 - Global/total	5 - Non-remediable/ irreversible
4 – Very high	4 - Widespread	4 - Very difficult to remedy or long-term
3 – High	3 - Medium	3 - Difficult to remedy or mid-term
2 – Medium	2 - Concentrated	2 - Remediable with effort (time and cost)
1 – Low	1 - Limited	1 - Relatively easy to remedy

Table 1: Impact assessment scale

ASSESSMENT SCALES FOR THE LIKELIHOOD

Scale	Frequency
5 - very high	81% - 100%
4 - high	61% - 80%
3 - medium	41% - 60%
2 - low	21% – 40%
1 – very low	0% – 20%

Table 2: Likelihood assessment scale

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ENVIRONMENT

Additional information about the Carbon Footprint

NKG continuously enhances its Corporate Carbon Footprint assessment by improving data quality, updating emission factors and refining calculation methodologies. As part of this process, NKG has recalculated its 2022 baseline, correcting inconsistencies in previous data and applying updated methods, particularly for Scope 1 emissions from agrochemicals application and Scope 3 related to coffee sourcing.

Currently, land-use change emissions of the supply chain (Scope 3) and other land management emissions as for treatment of pruning and crop residues of NKG own farms (Scope 1) are excluded from the assessment. NKG is working on the methodological development of calculations according to the newly published Land Sector and Removals Standard from the GHG Protocol, to be fully implemented in 2027.

GHG EMISSIONS AND ENERGY CONSUMPTION

Total GHG emissions from entities operationally controlled disaggregated by Scope 1 and 2 and significant Scope 3	Comparative Year 2024	Reporting year 2025	% Change
Scope 1 GHG emissions			
Gross Scope 1 GHG emissions (tCO2eq) excluding biogenic CO2 emissions	10,929.59	12,072.92	10.46%
Gross biogenic emissions	308.60	417.50	35.29%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	-	-	-
Scope 2 GHG emissions			
Gross location-based Scope 2 GHG emissions (tCO2eq)	4,001.65	3,821.72	-4.50%
Gross market-based Scope 2 GHG emissions (tCO2eq)	3,953.17	3,819.44	-3.38%
Significant Scope 3 GHG emissions			
1 Purchased goods and services	2,375,595.64	2,315,691.72	-2.52%
2 Capital goods	-	-	-
3 Fuel and energy-related Activities (not included in Scope1 or Scope 2)	61,668.50	19,922.71	-67.69%
4 Upstream transportation and distribution	51,768.44	34,954.34	-31.48%
5 Waste generated in operations	487.77	292.19	-40.10%
6 Business travel	792.33	586.26	-26.00%
7 Employee commuting	1,754.64	2,259.00	28.74%
8 Upstream leased assets	248.71	248.53	-0.07%
9 Downstream transportation	35.333,97	49,293.31	14.04%
10 Processing of sold products	-	-	-
11 Use of sold products	-	-	-
12 End-of-life treatment of sold products	-	-	-
13 Downstream leased assets	-	-	-
14 Franchises	-	-	-
15 Investments	-	-	-
Total Gross indirect (Scope 3) GHG emissions (tCO2eq)	2,527,649.89	2,414,248.06	-4.49%
Total GHG emissions			
Total GHG emissions (location-based) (tCO2eq)	2,542,889.72	2,430,560.07	-4.42%
Total GHG emissions (market-based) (tCO2eq)	2,542,841.24	2,430,557.80	-4.42%

Table 3: GHG Emissions by Scope

Energy consumption and mix		Comparative 2024	Reporting year 2025
(1)	Fuel consumption from coal and coal products (MWh)[1]	162.82	651.28
(2)	Fuel consumption from crude oil and petroleum products (MWh)1	22,090.24	21,843.85
(3)	Fuel consumption from natural gas (MWh)[1]	2,517.82	3,503.16
(4)	Fuel consumption from other fossil sources (MWh)[1]	-	-
(5)	Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)[2]	12,635.14	12,255.59
(6)	Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	37,406.02	38,253.88

		2024	2025
Share of fossil sources in total energy consumption (%)		**65.99%**	**57.91%**
(7)	Consumption from nuclear sources (MWh)[2]	-	-
Share of consumption from nuclear sources in total energy consumption (%)			
(8)	Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	7,084.55	16,215.29
(9)	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	9,444.86	8,035.63
(10)	The consumption of self-generated non-fuel renewable energy (MWh)	2,752.37	3,552.92
(11)	Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	19,281.78	27,803.84
Share of renewable sources in total energy consumption (%)		34.01%	42.09%
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)		56,687.80	66,057.73

Table 4: Energy consumption and mix

Total energy consumption increased from 56,687.80 MWh in 2024 to 66,057.73 MWh in 2025. The increase was primarily driven by higher consumption of coal products (162.82 MWh to 651.28 MWh) and natural gas (2,517.82 MWh to 3,503.16 MWh), while energy consumption from crude oil and petroleum products remained broadly stable. Despite the increase in overall energy use, the share of fossil energy in the total energy mix decreased from 65.99% to 57.91%, reflecting a gradual shift toward cleaner energy sources.

Renewable energy consumption increased significantly from 19,281.78 MWh in 2024 to 27,803.84 MWh in 2025. This growth was mainly driven by increased use of biomass-based fuels, including palm kernel shells (PKS), wood logs, coffee husks and bioethanol-blended fuel (7,084.55 MWh to 16,215.29 MWh), as well as higher consumption of self-generated renewable energy (2,752.37 MWh to 3,552.92 MWh). As a result, the share of renewable energy in our total energy consumption increased from 34.01% to 42.09%, demonstrating continued progress in the transition toward a more sustainable energy mix.

External References

[1] Bunn, C., Läderach, P., Ovalle Rivera, O. et al. A bitter cup: climate change profile of global production of Arabica and Robusta coffee. Climatic Change 129, 89–101 (2015). https://doi.org/10.1007/s10584-014-1306-x

[2] Bunn C, Läderach P, Pérez Jimenez JG, Montagnon C, Schilling T (2015) Multiclass Classification of Agro Ecological Zones for Arabica Coffee: An Improved Understanding of the Impacts of Climate Change. PLoS ONE 10(10): e0140490. https://doi.org/10.1371/journal.pone.0140490

[3] IPCC AR5

SOCIAL

Unless otherwise stated, all workforce figures presented in the following section are reported as headcount and not on a full-time equivalent (FTE) basis. The data covers the reporting period ending December 31, 2025, with all figures reflecting the workforce as of this reporting date.

S1-5
CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

Gender	Number of employees (headcount) – current reporting period (2025)	Number of employees (headcount) – previous reporting period (2024)
Male	2,677	2,479
Female	1,205	1,109
Other	0	0
Not Reported[4]	0	0
Total employees	3,882	3,588
Male %	68.96%	69.09%
Female %	31.04%	30.91%

Table 5: Total number of employees based on gender

[4] To the company's knowledge, no employee identified with a gender other than male or female during the reporting year 2025. For this reason, the category "non-binary" was omitted from the report for readability.

Country	Number of employees (headcount) – current reporting period (2025)	Number of employees (headcount) – previous reporting period (2024)
Brazil	843	874
Mexico	478	429
Colombia	348	291
Uganda	333	354
Germany	319	302
Honduras	311	237
Tanzania	232	90
Vietnam	183	149
PNG	153	145
Kenya	130	130

Table 6. Employee distribution by country (Top 10 with over 50 Employees)

	Male	Female	Other*	Not Reported	Total	Total male %	Total female %
Number of permanent employees (headcount) – Current reporting period (2025)							
	2,167	1,036	0	0	3,203	67.66%	32.34%
Number of temporary employees (headcount) – Current reporting period (2025)							
	512	167	0	0	679	75.41%	24.59%
Number of non-guaranteed hours employees (headcount) - Current reporting period (2025)							
	1,362	979	0	0	2,341	58.18%	41,82%

Table 7: Employee distribution by type of employee (S1-5 19. (b))

	current reporting period (2025)	previous reporting period (2024)
Total number of entries	1,323	1,432
Total number of leavings	1,056	1,220
Average head count	3,735	3,468
Employee turnover rate	28%	35%

Table 8: Employee entries, leavings and turnover rate

S1-6
CHARACTERISTICS OF NON-EMPLOYEES IN THE UNDERTAKING'S OWN WORKFORCE

	current reporting period (2025)	previous reporting period (2024)
Self-employed individuals	86	85
Workers contracted through employment agencies	552	309
Total	638	394

Table 9: Number of self employed and agency contracted individuals

S1-7
COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

	Collective Bargaining				Coverage Social dialogue	
Coverage Rate	Employees – EEA (for countries with > 50 employees included in the ten largest countries)		Employees – nonEEA		Workplace representation (EEA only) (for the EEA countries with > 50 employees included in the ten largest countries)	
	Current reporting period (2025)	Previous reporting period (2024)	Current reporting period (2025)	Previous reporting period (2024)	Current reporting period (2025)	Previous reporting period (2024)
0-19%	France, Spain, UK, Switzerland, Poland, Russia	France, Spain, UK, Italy, Switzerland, Poland, Russia, Norway			France, UK, Italy, Switzerland, Poland, Russia, Norway	France, UK, Italy, Switzerland, Poland, Russia, Norway
20-39%	Germany	Germany	Americas, APAC[5]	APAC[5]	Germany	Germany
40-59%			(E)MEA[5]	Americas, (E)MEA[5]		
60-79%						
80-100%	Italy, Norway				Spain	Spain

Table 10: Bargaining and workplace representatives' coverage by region

[5] NKGs group's regional structure is divided into the Americas, APAC, and EMEA. The Americas include North, Central, and South America, while APAC comprises Asia and the Pacific-Region. EMEA covers Europe, the Middle East, and Africa; however, for the purposes of this disclosure, Europe is reported separately and is therefore excluded and indicated in parentheses as "(E)MEA".

S1-8
DIVERSITY METRICS

Top Management[6]	current reporting period (2025)	previous reporting period (2024)
Male	243	269
Female	105	101
Total	348	370
Total male %	69.83%	72.70%
Total female %	30.17%	27.30%

Table 11: Gender distribution of top management

[6] Top management is defined as employees under contract with NKG who, as of December 31, hold top management roles (e.g., CEO, GM, CFO, COO) or lead a department, with professional and disciplinary responsibility over their department, including both permanent and temporary staff and those temporarily absent (e.g., sick leave, parental leave, a.o.).

S1-9
ADEQUATE WAGES

	current reporting period (2025)	previous reporting period (2024)
Total employees receiving exactly local minimum wage[7]	242	338
Total employees receiving a wage above local minimum wage	3,640	3,250
Total employees	3,882	3,588
Total exactly minimum wage %	6.23%	9.42%
Total above minimum wage %	93.77%	90.58%

Table 12: Employee wage distribution

[7] The term minimum wage refers to the lowest legally allowed compensation for employment per hour or other unit of time, set by local authorities (e.g., state, province, or municipality), excluding overtime.

S1-12
TRAINING AND SKILLS DEVELOPMENT METRICS

	current reporting period (2025)	previous reporting period (2024)
Total permanent employees who received regular performance and career development review	2,500	1,483
Total permanent employees regular performance and career development review %	78%	47%

Table 13: Number and percentage of regular performance and career development review

	current reporting period (2025)	previous reporting period (2024)
Total number of employees receiving career- or skill-related training	1,767	953
Total number of employees who received environmental or climate-related training	804	881
Average time spent on career or skill- related training per employee in hours	15.34	20.14
Average time spent on environmental or climate-related training in hours	5.11	7.15

Table 14: Number and average time of environmental and career or skill-related training

S1-13
HEALTH AND SAFETY METRICS

	current reporting period (2025)	previous reporting period (2024)
Total number of work related accidents or ill health	278	382
Total number of hours worked	7,643,079.58	6,970,936.18
Rate of work related accidents or ill health	36.37	54.80
Total number of fatalities from work related accidents or ill health	1	0
Total number of days lost due to work-related injuries, ill health and fatalities	1,334	4,193

Table 15: Occupational health and safety indicators

S1-14
WORK-LIFE BALANCE METRICS

	current reporting period (2025)	previous reporting period (2024)
Headcount of employees that were entitled to parental leave[8]	3,570	3,306
Employees that were entitled to parental leave %	92%	92%

Table 16: Employees parental leave eligibility

[8] Parental leave is defined as the leave granted to employees on the grounds of the birth of a child, applicable to male, female and non-binary employees.