Sustainability Performance Report 2024

1. Introduction

This Sustainability Performance Report 2024 provides a concise overview of Neumann Kaffee Gruppe's key environmental and sustainability performance, summarizing progress, results, and reporting for the year. This report is structured into two main parts. First, NKG's Environmental Impact section summarizes NKG's Corporate Carbon Footprint (CCF) in 2024, including how emissions are measured, key results and trends, and highlights of the actions taken across the Group. Second, the Sustainability KPIs section outlines the three key performance indicators embedded in NKG's Financing Framework and explains how they are calculated, verified, and reported against NKG's sustainability priorities.

2. NKG's Environmental Impact

Corporate Carbon Footprint Highlights

At Neumann Kaffee Gruppe, we are committed to meaningful climate action rooted in transparency, continuous improvement, and science-based methodology. Each year, NKG measures its Corporate Carbon Footprint (CCF) taking responsibility for its operational impact and the emissions embedded in its global supply chains. In 2024, NKG surpassed the annual reduction target for the Energy Inventory emissions, making significant progress on its journey towards renewable electricity, and continued to mature the data quality and verification behind its climate reporting. This summary highlights NKG's key achievements, methods, and emission trends as NKG works toward long term, measurable climate impact.

How we measure: Our CCF method and verification

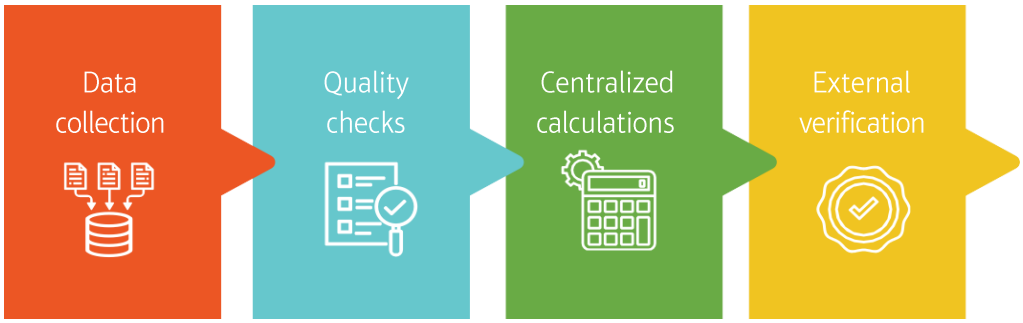

Figure 1: Overview of NKG's Corporate Carbon Footprint calculation process

The Corporate Carbon Footprint boundary covers 43 companies: 17 exporters, 18 importers, 5 service companies, 3 coffee farms. Each year, the group companies collect activity data via WeSustain, followed by multiple quality-assurance rounds. The emissions calculation is then carried out by the NKG Sustainability Reporting & Communications team using best-practice methodologies. Lastly, the GHG emission reduction target for 2024 was verified through limited assurance audit by SGS Institut Fresenius GmbH on 19 June 2025.

Emission reduction targets

The 2023 Climate Action Plan outlines NKG's commitment to reducing greenhouse gas emissions across its own operations and coffee farms. For Scope 1 and 2, reductions are driven primarily by improvements in energy efficiency and the transition to renewable energy sources. With the launch of the Climate Action Plan, NKG committed to achieving the following reductions in 2024 compared with the 2022 baseline:

- 3% reduction for the energy inventory, covering Scope 1 and 2;
- 3.03% for the FLAG inventory, covering Scope 1 within the 3 NKG Farms

Emission results at a glance

In 2024, NKG achieved 23% emissions reduction under the energy inventory compared to the baseline. Therefore, overachieving the reduction target of 3%. The main contributor of reduction was the transition to renewable electricity in at least eight of NKG's largest facilities. In the FLAG inventory, the reduction target was not met.

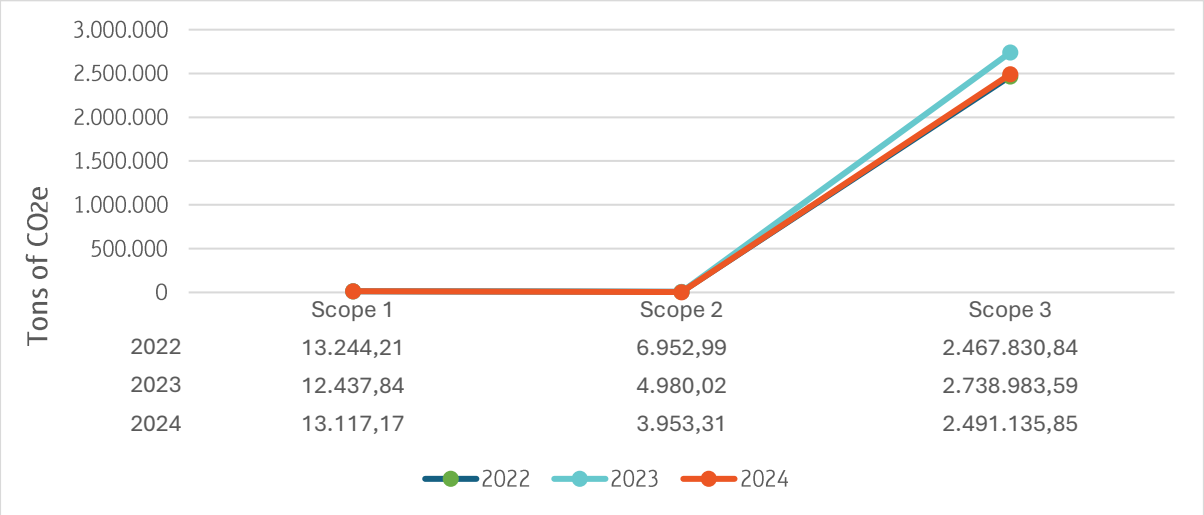

Figure 2: Breakdown of corporate emissions in Scope 1, 2 and 3

The total NKG Corporate Carbon Footprint (CCF) in 2024 was 2,508,206 tons of CO2e. The CCF through the years 2022 (the baseline) to 2024 (the most recent calculation) is presented in Figure 2.

Considering the different companies' profiles, importing companies account for a larger share of emissions due to longer and more complex value chains and overall higher trading volume of coffee.

The distribution of NKG's emissions shows a clear dominance of Scope 3 activities in 2024, accounting for an average of 99.32 % of total emissions, as seen in Figure 2. In comparison, direct operational emissions under Scope 1 contributed roughly 0.52 %, while Scope 2 emissions related to electricity and heating consumption just 0.16 %. This distribution highlights that the vast majority of NKG's carbon footprint lies within its broader value chain, particularly upstream agricultural activities.

Overall, NKG's total corporate carbon footprint increased by 8.2 % from 2022 to 2023, before it decreased by 5 % in 2024 compared to the previous year. This is mainly due to the variation of purchased coffee volumes over the years, since coffee farming is the largest emission category in NKG's CCF.

Global highlights

Several NKG companies throughout all world regions have taken important steps and realized significant investments towards reducing emissions.

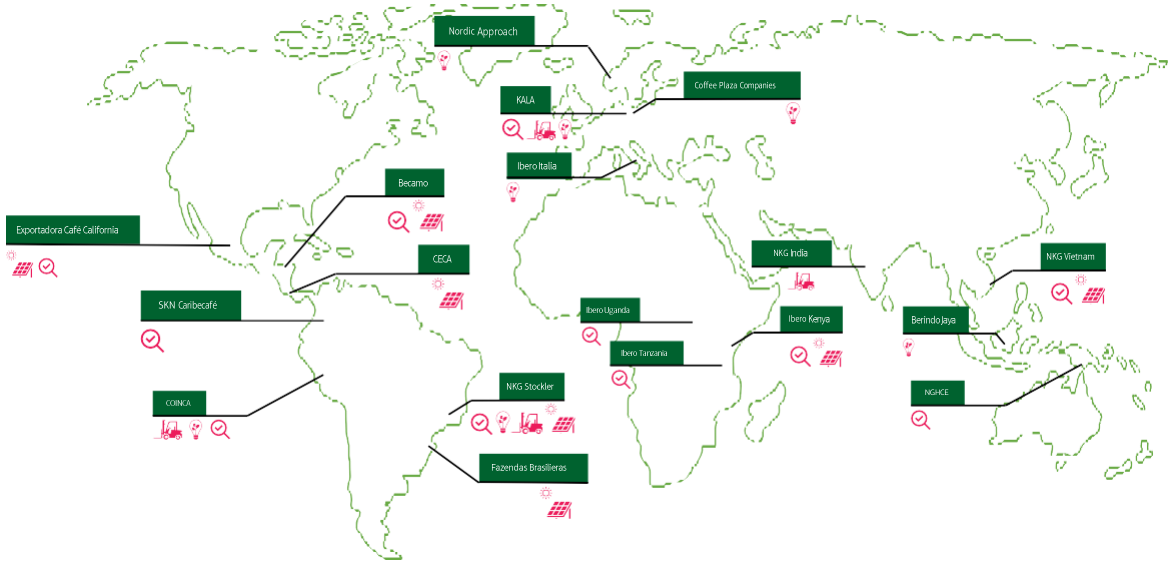

Figure 4: Highlights of the many measures taken worldwide

Solar panels and plants

Purchase of renewable energy

Use of electric forklifts

Conducted energy audit

Exportadora Café California in Mexico has taken a leading role in renewable energy generation, with a production capacity of more than 800,000 kWh of renewable electricity annually through its two solar plants. With an expected return on investment of 2.5 to 3 years and a guaranteed lifetime of 20 years, this initiative drives multi-million cost savings and strengthens long-term sustainability. In 2024, these efforts contributed to a 28% reduction in Scope 2 emissions compared to the previous year.

The company is preparing for further growth with the increased capacity of electricity generation in its Veracruz facility and the expansion of solar plant to Huixtla warehouse executed in 2025.

In 2024, NKG KALA, NKG's green coffee service company located in Hamburg, replaced more than 99% of conventional electricity consumption with purchased renewable electricity, resulting in a reduction of over 500 tCO_2e compared to 2023. The service company is NKG's largest operation in terms of Scope 1 and 2 emissions in Europe, and it's operating entirely on renewable electricity in 2025, fostering low-carbon operations.

NKG's East African companies made notable progress in reducing their carbon footprint. Energy efficiency measures implemented across all operations, along with the installation of solar panels at Ibero Kenya, drove a 35% reduction in Scope 1 and 2 emissions: equivalent to over 200 tCO_2e.

NKG companies in Asia are making progress on energy efficiency and sustainability, with promising initiatives already underway. At NKG India, the usage of electric forklifts resulted in a 50% decrease in costs compared to diesel forklifts over their lifecycle while reducing fuel consumption. At NKG Vietnam, the installation of solar panels in March 2025 is expected to save approximately 800,000 USD over the lifetime and significantly lower emissions from electricity use. These results highlight the potential for further improvements and the positive impact of ongoing sustainable practices.

Packaging and waste management

Packaging and waste management are addressed as part of the company's broader Climate Action Plan and its commitment to reducing greenhouse gas emissions across operations. In the context of the company's coffee operations, packaging primarily refers to bags used for the transport and storage of green coffee. Although the company's plastic packaging currently does not contain secondary, reused, or recycled material, most plastic packaging is directed to recycling through established waste management practices, with 99.8% being recycled at end of life.

In NKG, all packaging materials are recyclable or compostable. These materials include jute, polypropylene bags, Ecotact, and GrainPro bags, which are selected for their ability to protect product quality while supporting circular material flows where infrastructure allows.

In 2024, the company generated 19,173.2 tonnes of waste from its coffee operations, including organic, recyclable, hazardous, and general waste associated with production and processing activities. This figure excludes farm-level waste that is reintegrated into agricultural cycles. The company continuously monitors waste streams and material use as part of its broader environmental management approach, recognizing that improved resource efficiency and recycling contribute to improving its environmental performance.

3. NKG's Sustainability KPIs

This Sustainability KPIs section focuses on three Sustainability Key Performance Indicators (KPIs) embedded in NKG's Financing Framework and directly linked to the Group's core sustainability priorities.

The three KPIs reflect NKG's long-term approach to responsible sourcing, farmer engagement, and climate action. Together, they represent measurable outcomes across three strategic pillars of NKG's sustainability actions:

- Certified and sustainable supply chains
- Farmer services and livelihoods
- Climate action and emissions reduction

Sustainability KPIs within NKG's Financing Framework

As part of its Financing Framework, Neumann Kaffee Gruppe has defined a set of Sustainability KPIs. These KPIs are designed to translate NKG's sustainability strategy into clear, verifiable performance targets that can be tracked consistently over time.

The KPIs covered in this report address both upstream supply chain impacts and NKG's own operational footprint. They are aligned with international sustainability standards and reflect NKG's ambition to scale sustainable sourcing, strengthen services for coffee farmers, and reduce greenhouse gas emissions across Group operations.

KPI I: Share of Sustainable Coffee Sales

Strategic relevance

The first Sustainability KPI addresses the share of sustainably certified coffee within NKG's total green coffee sales to third parties.

It reflects the Group's commitment to expanding certified and responsibly sourced supply chains and supports broader market transformation toward more sustainable coffee production.

NKG works with a wide range of certification and verification schemes, including recognized industry standards, to support responsible farming practices, improved environmental performance, and compliance with social safeguards. Certified coffee plays a central role in NKG's sourcing model, enabling traceability and alignment with customer and regulatory expectations.

2024 performance

For the 2024 financial year, NKG set a target that at least 30% of total coffee sales should qualify as sustainable coffee. In 2024, this target was exceeded, achieveing 37.2% and demonstrating continued growth in certified and sustainably sourced volumes across the Group.

The calculation of the sustainable coffee share is based on consolidated sales data for all NKG Group companies and covers certified volumes sold to non-Group entities during the reporting period.

KPI II: Expansion of NKG Bloom Farmer Services

Strategic relevance

The second KPI focuses on farmer services delivered through NKG Bloom, the Group's overarching farmer service platform. NKG Bloom bundles training, technical assistance, and sustainability programs aimed at improving farm productivity, resilience, and long-term livelihoods.

Through NKG Bloom, NKG works directly with smallholder coffee farmers in multiple origin countries, addressing key challenges such as agronomic performance, climate resilience, environmental management, and social risks. The program is a core pillar of NKG's sustainability approach and supports continuous engagement beyond certification requirements.

2024 performance

NKG committed to achieving a minimum annual increase of 3% in the number of smallholder farmers receiving NKG Bloom services compared to the previous financial year. In 2024, this target was exceeded, reflecting the continued expansion of farmer engagement activities across countries of origin.

The KPI is calculated based on verified participation lists from NKG Bloom programs and reflects farmers actively receiving services during the reporting year.

KPI III: Reduction of Scope 1 and Scope 2 Greenhouse Gas Emissions

Strategic relevance

The third Sustainability KPI addresses climate action and focuses on the reduction of NKG's Scope 1 and Scope 2 greenhouse gas emissions. This KPI is aligned with the Group's Climate Action Plan and supports NKG's commitment to reducing emissions from its own operations through energy efficiency measures and the transition to renewable energy sources.

NKG measures its Corporate Carbon Footprint annually using centralized calculation processes and internationally recognized methodologies. Emission reductions are pursued across exporters, importers, service companies, and company-owned farms.

2024 performance

For the period from 2022 to 2024, NKG committed to achieving a cumulative reduction of at least 3% in Scope 1 and Scope 2 emissions. In 2024, this reduction target was surpassed, driven primarily by improvements in energy efficiency and increased use of renewable electricity across operations.

External Assurance

All three Sustainability KPIs included in this report were subject to an external limited assurance engagement conducted by SGS Institut Fresenius GmbH. The assurance was performed in accordance with ISAE 3000 (Revised) and covered the accuracy and reliability of the data and calculations used to determine KPI performance for the 2024 reporting year.

The assurance activities included document reviews, sample-based verification of underlying data, and an evaluation of calculation methodologies. SGS concluded that the Sustainability KPI target values set for 2024 were achieved and that the reported information provides a fair representation of NKG's sustainability performance for the reporting period. Numbers from the external assurance might deviate from the figures of the CCF in this document as NKG continuously improves its calculation methods and corrects errors when they are found. In addition to minor optimizations, one misinterpretation in reporting an agricultural input product on one NKG farm, which led to a small discrepancy in Scope 1 emissions, was corrected. However, the overall conclusion of the assurance by SGS that the targets for Scope 1 and 2 reductions were fully met remains valid.

Closing statement

The achievement of NKG Sustainability KPIs in 2024 and the track record of environmental impacts demonstrate NKG's continued progress towards scaling sustainability through different dimensions. By subjecting NKG's sustainability performance to external assurance, NKG reinforced its commitment to transparency, accountability, and continuous improvement across its sustainability strategy.