



THE NKG CODE OF CONDUCT

OUR COMMITMENTS



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A MESSAGE FROM DAVID M. NEUMANN

01



Dear Friends and Colleagues,

I am pleased to present to you the reviewed and updated NKG Code of Conduct after its successful first launch about three years ago. The main goal of this document was and still is to expressly state our core values and beliefs and how we want to act as corporate citizens wherever we conduct our business in the world of coffee. Maybe the biggest challenge in putting the NKG Code of Conduct together was to attempt to find the right words for deeply held convictions and principles and bring them into a presentable form. This had to be done in a way that can be understood, valued and practiced across the world, taking into account the fantastic variety of cultures, habits and beliefs represented amongst ourselves.

I feel that, especially in a time of crisis, sensible and clear core values can be a compass and offer orientation wherever it may be lacking. Doing the right thing in our daily business practices does not only mean adhering to rules and applicable law but also acting on a shared view of what is right or wrong.

Our NKG Code of Conduct serves as a guiding framework for our corporate identity and behavior and sets forth what we stand for and where we want to go. Within NKG and beyond, we put people first. Our colleagues and their diversity are without doubt our single greatest asset. We share our unconditional enthusiasm for coffee and treat each other with respect. We want to be responsible citizens in the communities in which we work. As a business partner, we create fair and transparent commercial relationships that are reliable and enduring. Our role is to be an intermediary between producers and consumers. Thus, our focus is not on short term profits, we aim to create adequate long-term viability and increasing shareholder and stakeholder value.

I would like to thank everyone involved in this updated and advanced NKG Code of Conduct. Next to some clarification and an updated look, we have considered some important new and relevant topics. We hope you can find us and yourselves in the result and are looking forward to any and all feedback.

Sincere personal regards,

July 2020

A handwritten signature in black ink, consisting of a stylized 'D' followed by a horizontal line and a vertical stroke.

David M. Neumann, Group CEO

UPHOLDING THE NKG CODE OF CONDUCT

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02





What is the NKG Code of Conduct?

The NKG Code of Conduct provides us with best practices for compliant and responsible business conduct in accordance with our ethical standards and applicable laws and regulations. It allows us to accept and respect our differences so that they can be constructively channeled to work together to further the common goal that unites us. It reflects our NKG core values and inspires excellence in the workplace by setting forth our Group's mission and beliefs on what we collectively consider to be ethical behavior. At the same time, it defines the correct procedures for the confidential reporting of infringements. The NKG Code of Conduct has been formulated and unconditionally adopted by the shareholder and the Board of Management of Neumann Gruppe GmbH (NG) and NKG in order to enable us to uphold our continued commitment to integrity in our work and pass it on as a guiding core value to future generations at NKG. In a time of rapid and volatile global development and questioning of values and processes, it anchors us and can offer us guidance and a sense of community. We understand the NKG Code of Conduct as a process and a developing and moving target – it will require monitoring and input as we move ahead and our world continues to change. The NKG Code of Conduct is meant more as a guideline than a rulebook.



Who has to follow the NKG Code of Conduct?

Our NKG Code of Conduct applies to everyone at NKG (employees, managers, directors, shareholders and members of the supervisory board). We are committed to accepting it as guidance and should ensure that our professional conduct reflects the ethical standards that it describes. In addition, management must take responsibility for supporting and developing the principles set out in the NKG Code of Conduct throughout the Group in their own operations and fields of direct responsibility. Besides adhering to the NKG Code of Conduct, we take our responsibilities toward one another, our suppliers, communities, customers, and other business partners seriously. NKG endeavors to create value for the stakeholders that have put their trust in us. In order to do so, it is crucial that we familiarize ourselves with the policies and procedures that apply to our work and define our goals in this area.

We owe it to our stakeholders and ourselves to adhere to the highest professional standards. The NKG Code of Conduct reflects the increasing demand for formalized standards of compliance and ethics. Its principal intent is to provide guidelines for all within NKG in their individual business environments as well as to offer guidance and understanding of our values and standards for a variety of third parties. We expect our business partners to respect and apply similar values in their relationships with us. At the same time, we recognize that many of our business partners operate in different cultural, legal and practical environments

and that implementing some of these requirements may be challenging. We therefore encourage our business partners to initiate a dialogue and engage with us if observing these standards proves difficult.

In order to ensure its relevance and validity, the NKG Code of Conduct will continue to be periodically reviewed and developed. The NG Compliance department monitors the implementation and evolution of this commitment. The department will also provide appropriate support and guidance in understanding and applying these standards in daily professional life. To facilitate local compliance with the NKG Code of Conduct, all NKG companies have nominated a trusted colleague to take on the responsibility of local Compliance Representative. This person works closely together with NG Compliance in Hamburg.

What can I do if I learn about or suspect misconduct?

Although the NKG Code of Conduct addresses potential ethical or legal dilemmas, it cannot cover every challenging situation that may occur. When facing a difficult situation, the document and relevant policies and procedures should guide us. However, in more complex scenarios, further guidance may be necessary. Each of us has a responsibility to seek advice and the duty as a responsible employee of NKG to report misconduct. All NG and NKG management must foster open communication and a speak-up culture. If you need to point out any situation that may be in breach of the law or NKG's ethical standards, this can be done as follows: Begin locally:

- ☞ Wherever possible, contact your direct superior as she or he will be able to help resolve questions and complaints in most instances.
- ☞ Your local Compliance Representative or local management may be contacted as well.

If you have raised the issue within your company and you are not satisfied with the answer, or in case it is inappropriate to raise the issue locally, you may seek the advice of the NG Compliance department in Hamburg, using our reporting platform integrity.nkg.net. We guarantee that every complaint will be treated with the highest degree of confidentiality and respect.

As always, all topics and issues can also be raised with your company's Coach at NG, or any member of NG management. For contact information, please see the contact lists made available within the Group and on the NKG intranet.



Non-Retaliation

The NG Board of Management will not tolerate retaliation against employees that report in good faith non-compliant behavior and/or assist investigations of suspected violations of the NKG Code of Conduct. In good faith means without consideration of personal benefits and with plausible reason to believe it to be true.

➤ *Guideline "Reporting Complaints"*

What does the NKG Code of Conduct require from managers?

NKG management the world over consists of people who follow the highest professional principled standards in their duties. They must set a clear and practical example by living by and promoting our ethical business standards. That is to say, managers are expected to effectively communicate the NKG Code of Conduct including the related NKG Compliance Guidelines and make them available to employees. Where required, managers will establish processes and procedures to bring to life the principles outlined in this Code and related guidelines. They will provide training, education and resources to support employees in complying with the Code and underlying policies that impact their jobs. In addition, they should be prepared to answer questions about the NKG Code of Conduct. They must create and maintain a working atmosphere in which employees feel encouraged to express any questions or concerns. These activities will be facilitated by the local Compliance Representative as a nominated trusted colleague. The NG Compliance department is dedicated to supporting and sustaining an ethical and compliant working environment in collaboration with NG's management and in close coordination with the responsible Coaches. Managers will be provided with the support needed to fulfill our common responsibility to live up to the standards described in the NKG Code of Conduct. The NKG Compliance Guidelines further detailing specific topics of the NKG Code of Conduct are available on the intranet.

Respecting the law

Conducting business across five continents means adapting to a wide variety of cultures and political systems. **It also means that we comply with applicable laws of the countries in which we operate.** NKG seeks to share these principles with its business partners and to make sure, within our sphere of influence, that they too respect the relevant rules and regulations.

GOOD DECISIONS THROUGH DISCUSSION

If you encounter a situation for which the NKG Code of Conduct does not provide specific guidance, asking yourself the following questions may help you determine how to act appropriately.



We should be able to answer **NO** to each of these questions.

We as employees are encouraged to raise questions or issues with our superiors. Should direct dialogue not be viable for whatever reason, please follow the procedure described in the chapter "What can I do if I learn about or suspect misconduct?".

When in doubt, we should ask before acting.

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03



PROTECTING BASIC RIGHTS



The recognition of employees' rights is an absolute precondition for a positive working atmosphere based on trust and motivation. It is therefore essential to protect human rights and uphold employee rights that are at least in compliance with applicable International Labour Organisation (ILO) standards and local legal norms.



ILO Conventions

As an agency of the UN, the main aim of the ILO is to promote rights at work, encourage decent employment opportunities, enhance social welfare, and strengthen dialogue on work-related issues.

Equal opportunities and non-discrimination

Diversity is an integral part of our company culture and the basis for our business success. Each of us must contribute to an open and inclusive working environment that embraces the diversity of the communities in which we operate.

In such a working environment, there is no room for any form of discrimination based on gender or racial, ethnic or national origin, religion, political opinion, sexual orientation, social origins, age or physical or mental disabilities.¹

Every employee who is willing and skilled will get the opportunity to develop professionally within the possibilities available at NKG.

No child labor

NKG is strictly against exploitative child labor and ensures that there is absolutely no child labor on our farms, in our coffee mills, or in our offices.²

We adhere to the minimum age requirements as set out in the respective ILO conventions or as defined by local legislation, whichever is higher.

We understand that our ability to stop child labor along the supply chain is limited. Thus, together with other companies in the overall coffee sector, government agencies, NGOs, and other stakeholders, NKG is working on improving the living conditions of coffee farmers and is committed to the rights and well-being of their families.

No forced, trafficked or slave labor

NKG does not tolerate any form of forced labor, including human trafficking and slavery-like practices and ensures that there is no use of any form of forced labor on our farms, in our coffee mills, or in our offices.³ All work or service is offered voluntarily with the free and informed consent of the employees.

NKG is committed to eliminating forced labor within our sphere of influence.



What is exploitative child labor?

The term "child labor" is often defined as work that deprives children of their childhood, their potential, and their dignity, and that is harmful on their physical and mental development.

It refers to work that:

- ☛ *is mentally, physically, socially or morally dangerous and harmful to children; and*
- ☛ *interferes with their schooling by:*
 - *depriving them of the opportunity to attend school;*
 - *obliging them to leave school prematurely; or*
 - *requiring them to attempt to combine school attendance with excessively long and heavy work.*

➤ **Guideline "Working Standards at our Farms, Mills and Buying Stations"**

¹ Abiding by local law or ILO Conventions Nos. 100 & 111, UN Convention on Discrimination against Women

² UN Convention on the Rights of the Child, ILO Conventions Nos. 138 & 182, ILO definition of child labour

³ ILO Conventions Nos. 29 & 105

No harassment

We foster a professional working environment in which our employees are treated with respect and dignity.

Consequently, **we do not tolerate any behavior that interferes with these values and that creates an offensive, intimidating, abusive or hostile work environment.**⁴

At all times, we conduct ourselves appropriately and we pay attention to how our behavior might be perceived by others.



What is harassment?

Any form of behavior with the purpose or the effect of violating the dignity of a person and of creating an intimidating, hostile, degrading, humiliating or offensive work environment. Examples include unwanted sexual advances or remarks, threats and physical intimidation, as well as bullying, offensive comments, jokes, and slurs.

Freedom of association and collective bargaining

Workers have the right to join trade unions of their own choice and to bargain collectively. **Workers' representatives are not discriminated against and may carry out their representative functions in the workplace.**⁵



⁴ ILO Conventions Nos. 100 & 111, UN Convention on Discrimination against Women

⁵ ILO Conventions Nos. 87 & 98



FOSTERING A POSITIVE WORKING ENVIRONMENT

NKG recognizes its employees as an absolute and core asset of its business.

We want to continue to be the first choice of employer for the best coffee professionals in the world.

All NKG employees can rely on fair employment conditions which conform to internationally accepted good labor practices. The Group endorses stable gainful employment built on mutual trust and respect. Consequently,

NKG is committed to promoting a work environment that supports communication, productivity, creativity, employee dedication, and respectful cooperation throughout the organization.

WITHIN OUR GLOBAL NKG NETWORK,
COOPERATION AND COMMUNICATION ARE KEY
TO OUR SUCCESS.

Fair basic employment conditions

As a company active all over the world, we provide our employees with employment conditions and benefits that are equitable for their respective location and type of work.

Humane working hours and vacation regulations

Working hours must comply with applicable labor law and industry standards.

Requiring our employees to regularly exceed the applicable maximum number of working hours per day, per week or per month is not permitted.

In order to secure satisfactory working results, NKG ensures that employees follow the local break regulations.

All permanent employees are entitled to paid annual leave in accordance with national regulations.

Adequate compensation

Satisfactory work must be remunerated accordingly. We agree that every employee has the right to be adequately compensated for making her or his skills available to us and working with us to achieve our Group's business objectives.

Salaries and benefits of permanent employees shall always at least meet the minimum requirement under local and national laws and cover basic needs while also providing some discretionary income. NKG guarantees the right of the employee to receive all remuneration in local legal tender. Moreover, management must make sure that all employees are paid in a timely fashion, correctly and in accordance with applicable legal requirements.

No deductions from contractual wages are to be made for disciplinary purposes.

Physical and mental well-being

NKG is committed to pursuing the highest possible health, safety and security standards in each workplace.

NKG implements all necessary programs, training, and internal controls to consistently promote safe working practices. Through these practices, we seek to avoid risk to our co-workers, business partners and communities. **In order to prevent undue impact on safety, security, and health, it is important that we familiarize ourselves with, and follow, all relevant health and safety policies and procedures.**

Besides adhering to safety standards, workers should report unsafe workplaces or any potential hazards to prevent accidents in the workplace.

Employees must be updated and regularly trained on applicable health and safety regulations where needed.



Health and safety on our farms

- ☛ *To behave properly in the case of an emergency, we must familiarize ourselves with all instructions concerning first aid, emergency action plans, and fire prevention plans.*
- ☛ *Beyond that, activities for the prevention of diseases (such as vaccination, personal hygiene and nutrition campaigns) are promoted, depending on the issue in question.*
- ☛ *All farm workers and their families shall have guaranteed access to the health service.*

Communication and cooperation

Constructive communication opens up all kinds of possibilities.

Within our global NKG network, cooperation and communication are key to our success. Both are fundamental for our Group to function successfully as a global team. We cultivate an environment of communication and cooperation and an open interchange of compelling ideas. Only by sharing and honoring talent, knowledge, and ideas is NKG able to maintain and further expand its competitive edge and leadership.



Teamwork

Teamwork is the ability to work together toward a common vision – directing individual accomplishments to achieve organizational objectives. Effective teamwork requires relationship-building, respect, and sharing.

Praise and recognition

We want praise and recognition to be part of our culture. At NKG, there is no doubt in our minds that it is critical for the success of an organization to have a dedicated workforce. Employees need to know what it takes to be successful, so that they can make an adequate contribution.

We understand that praise and appreciation are essential to an outstanding workplace. Being appreciated is a fundamental human need; those who perform well must be recognized.

Annual employee appraisal is important to NKG, because each individual should know how to make a relevant contribution through their work to the overall performance of their company and thus the Group. At the same time, the appraisal allows us to align expectations and avoid misunderstandings early on.

Leaders must ensure that they know how to acknowledge good work. This can of course vary within different cultural contexts.

Not only are we committed to conducting these appraisals, we are also willing to communicate and teach techniques and methods when needed and desired.



Employee recognition

Employee recognition is the timely, informal or formal non-material acknowledgement of a person or team's behavior, effort, or business result that supports the organization's goals and values.

Issues with a superior

Should you experience problems with your superior, we suggest that you attempt to address this directly, as she or he might not be aware of the situation and should be willing to find a solution. **Should direct dialogue not be viable for any reason, please follow the procedure described in the chapter "What can I do if I learn about or suspect misconduct?"**

SUPPORTING CONTINUING EDUCATION



NKG is a learning company. We give room to new ideas, learn from and with one another, and create opportunities for professional and personal development. Committed and qualified employees are crucial to the success of our company.

HAVING COLLEAGUES IN 28 COUNTRIES CREATES A MELTING POT: A BOUNTIFUL DIVERSITY OF NATIONALITIES AND CULTURES WHICH MAKES US UNIQUE AND ALLOWS US TO EXPAND OUR PERSONAL AND PROFESSIONAL PERSPECTIVES.

Facilitating development and training

Ensuring the long-term success of our Group means adequate investment in human resources.

NKG facilitates trainee programs for newcomers to quickly familiarize themselves with NKG. In Hamburg and elsewhere, we continue to advocate training using the excellent, tried-and-tested German models for apprenticeships and other concepts. In addition to this, we strongly encourage long-term employees to share their experiences with newcomers.

In a dynamic competitive surrounding, it is important to be able to attract the best professionals from the outside. At the same time, we believe that it is essential to invest in long-term professional relationships. We therefore offer in-house training programs to further develop our human capital throughout NKG. In addition to in-person trainings, NKG has set up an online learning platform for sharing and accessing material. Find it at learning.nkg.net.

Our global presence opens up a great range of career opportunities, encouraging staff to achieve their career goals. This not only makes working life more satisfying; it also motivates people to achieve their best work, which in turn will help to achieve the company's goals. We will continue to invest resources in professional development and training.

Diversity – multifaceted, ambitious, and international

The world of coffee offers endless exciting tasks that we carry out with enthusiasm. We are present and conduct business all around the world, which we see as a privilege.

Having colleagues in 28 countries creates a melting pot: a bountiful diversity of nationalities and cultures which makes us unique and allows us to expand our personal and professional perspectives. We therefore encourage those willing to spend a significant amount of time in a foreign country to do so. Obviously, this needs to be in both parties' mutual interest and within the range of our possibilities.

SAFEGUARDING INFORMATION AND PROPERTY



Each of us has a duty to protect NKG assets – both tangible and intangible.

This includes NKG's physical property, confidential and proprietary information as well as intellectual property. We work to safeguard our Group's assets from loss, theft, damage, or misuse. Furthermore, we need to be aware of our responsibilities when accessing, using, modifying, storing or disclosing any NKG asset. In any case, the responsible use of resources must be kept in mind at all times.



What is Group property?

- Physical property, such as coffee, land, office equipment and supplies, facilities, plant equipment, tools and inventory, information systems, securities, and cash.
- Confidential and proprietary information, which includes information that has not yet been publicly disclosed and internal business information such as contract documentation, business procedures, corporate strategies, business plans, and budgets.
- NKG intellectual property, including patents, trademarks, copyrights, branding, trade secrets, designs, models, rights, inventions, software, processes, domain names, and other protected intangible rights.

Protecting confidential information

The property entrusted to us is to be treated in a professional manner and for the purpose of furthering NKG's business goals. Access to confidential and proprietary information is to be handled individually on a need-to-know basis. Be sure to utilize all appropriate security measures when handling such information, so that it is only disclosed to authorized colleagues or third parties who need it for justifiable business or legal purposes.

Moreover, we will not pass on trade secrets or other sensitive information to third parties – either during or after employment. When sharing company information with others, we ensure that appropriate measures are in place to protect our company's interests.

We are expected to retain and destroy documents in accordance with the records retention schedules and procedures put in place within our operative companies.

In the course of doing business with NKG, our customers, suppliers and other partners may entrust the Group with confidential and proprietary information. **To be a trustworthy business partner, we must handle third-party information with the same care we use with NKG information, not disclosing it to any unauthorized persons under any circumstances.**

Also, we must respect the valid intellectual property rights of third parties. We must not infringe the intellectual property rights of others, including violating copyrights or downloading data or software without the permission of the respective owner.



How should we deal with media inquiries?

In case of media inquiries, NG Communications in Hamburg should generally be involved to discuss the next steps. NG Communications will check whether responding to the press inquiry involves any sensitive topics or risks. Even if the inquiry exclusively deals with local conditions, there might be a hidden risk or relevance to the Group that may require central coordination. Inquiries from film or TV teams in particular must be dealt with cautiously. Please do not react spontaneously to such inquiries but involve your management and NG Communications. If you participate in a confirmed interview, please note: You are not speaking as a private person but on behalf of your company.



Data protection

NKG protects employees' and business partners' data privacy and fully adheres to applicable laws. This is not only a legal duty, but it is also a crucial part of upholding the Group's values and acting with integrity. No one should access, handle, process or transmit prospective, current or former employees' records or business partners' personal data without authorization.

Management of records

Our shareholders, business partners and government regulators rely on accurate, correct and detailed information to be contained in our business records. **We have a responsibility to ensure that the information we provide is timely, precise, complete, fair and understandable.**

Correct reporting

Financial statements should give a true and fair presentation of a given situation and moment and therefore must not be false or misleading in any material respect.

Audits and investigations

We are required to familiarize ourselves with how to deal with requests for information from third parties, warranted or not. When asked, we are expected to cooperate with investigations conducted by legitimate authorities. Any visit or query from a public official that relates to an investigation or inquiry must be coordinated with management beforehand.

Responsible use of internet and electronic communications

Electronic communication technology plays a vital role in how we conduct our business. Therefore, access to the internet and use of the intranet system, e-mail, telephones, mobile devices and fax machines are important. **We are expected to use technology in a responsible, cost-conscious and work-related manner consistent with the NKG Code of Conduct and other applicable company policies.** It may only be used for private purposes as long as it does not interfere with NKG business duties and applicable national laws or conventions.



RELATIONSHIPS WITH THIRD PARTIES

In order to fulfill our commitments to our business partners, we engage in proper business practices – we conduct our business with integrity and fairness, and we follow the respective laws. When doing business for NKG, we have the Group's interests in mind. Outside of the workplace, we should not forget that we are important representatives when it comes to our company's reputation in society.

AS A RELIABLE, PREDICTABLE AND TRANSPARENT
PARTNER TO COFFEE PRODUCERS AND ROASTERS ALIKE,
WE BRING TOGETHER THEIR NEEDS AND INTERESTS.

To what extent does my employment at NKG influence my personal surroundings?

Political and religious activities

NKG respects its employees' right to participate as individuals in the political process and in religious activities – as long as we make sure that, in doing so, we do not represent the company or break the law.

We should avoid all use of company resources – including company time, phones, paper, e-mail, and use of logos – to carry out or support personal political and religious activities.

Social media

Using social media is a popular way to share opinions and information.

When using social media, we must make it clear that we are expressing personal views and are not acting as an employee of NKG. We must not share confidential information relating to the company, co-workers or business partners, or content that is counterproductive or harmful to our company. The use of social media must not infringe data privacy law, copyrights or criminal law.



Social media

Social media is essentially a category of online media where people talk, participate, share, network, and bookmark online. Social media technologies take on many different forms including magazines, internet forums, weblogs, social blogs, micro-blogs, wikis, social networks, podcasts, photographs or pictures, video, rating and social bookmarking.



What happens if I see my colleague expressing personal views in the name of the company on Facebook or other social media platforms?

If you see your colleague expressing personal views in the name of the company, you should raise this issue with your colleague first, as they may not have realized that their actions could be against NKG's interests. If necessary, you may decide to discuss it with your manager or the NG Compliance department.

Managing conflicts of interest

As part of our efforts to protect NKG's reputation, we must ensure that our interactions with third parties are appropriate. **We must also make sure that we can make sound, fair, loyal and competitive business decisions on NKG's behalf.** As such, we must avoid both actual and apparent conflicts of interest. If we cannot avoid a conflict of interest, we must make it known to our superior. Professional conflicts of interest might also occur. When this happens and business cannot be safeguarded, we put affiliated companies first.



What is a conflict of interest?

A conflict of interest arises when our personal and professional interests interfere with our ability to perform our job in the Group's best interest. For instance, a conflict occurs when we or a family member have a personal stake in any customer, supplier, partner or competitor of NKG. A conflict of interest may also arise between sister companies.

➤ **Guideline "Dealing with Conflicts of Interest"**



Gifts and hospitality

Business courtesies, such as gifts and hospitality, given to or received from customers, suppliers and other business partners are commonly used to build goodwill and acknowledge appreciation in business relationships. However, these gestures of politeness must reflect a valid business courtesy and may not directly encourage any business decisions. Thus, we should only accept gifts of a symbolic value which may be seen as an expression of cordiality.

The acceptance of a gift must never place us in a position which makes us beholden to the giver while they are acting in their capacity as business partner or seeking to become one. If so, we should politely, but firmly refuse any gift when it appears inappropriate. In any case, its acceptance must not oblige us to give anything in return. If you are uncertain about how to react, please contact your superior or the NG Compliance department.



"I'm working for an NKG importer and regularly enjoy networking with our customers and business partners. I sometimes invite them for dinner. Which regulations do I have to follow?"

If you as a representative of your company issue invitations to customers or business partners, you need to ensure that the invitations are in line with local laws and regulations. Such invitations

- ✦ *must be appropriate considering the regional, social and cultural context*
- ✦ *must not be intended to influence a decision of a recipient*
- ✦ *must be recorded correctly in accordance with accounting requirements.*

➤ **Guideline "Preventing Corruption"**

Engaging in proper business practices

Honesty, integrity, and transparency should guide us in our business activities. When dealing with customers, suppliers or other business partners, NKG expects us to act in accordance with the Group's interests and in line with all relevant laws and regulations.

No tolerance for corruption

We adhere to the anti-corruption laws relevant to our work in the countries in which NKG is present. We must never promise, authorize or offer any sort of bribery to a public official or business partner with the ulterior motive of obtaining or retaining business or an improper advantage. Vice versa, bribes of any kind must never be accepted from a third party.⁶

Preventing money laundering

We must act diligently to prevent our business and/or companies from being used for money laundering by third parties and to detect suspicious activity in accordance with relevant laws and regulations.

Complying with international sanctions

Many countries where we conduct business impose sanctions or adhere to sanctions imposed by multi-national organizations such as the United Nations or the European Union. **We absolutely adhere to the sanctions imposed by the United Nations, European Union, and other sanctions wherever applicable.**

Competing fairly

We respect all stakeholders in our professional sphere, including our competitors.

We treat them as we wish to be treated ourselves. Our position as a world market leader gives us a special duty to set a good example in this area.

It is in our interest to work in an industry where business practices are reputable. This facilitates our work and reinforces the trust of our customers. Sharing any type of information such as pricing, costs or marketing plans can lead to the appearance, real or perceived, of price fixing or other types of manipulation or distortion of the free market.

As we are committed to fair competition, we should consequently comply with applicable competition laws in the countries where we conduct business. These statutes are complex and vary from one country to another. In general, they prohibit agreements or behavior that may restrict or alter competition or trade.

NKG supports responsible regulation as opposed to intervention, while believing that markets work best even in trying times. We believe in the freedom to operate; however, it must be earned. We compete fiercely, but adequate behavior, decency, and predictability must be a recognized basis for all our business activities.



What is bribery?

Bribery is promising, offering, or giving any benefit, monetary or otherwise, to another person so that this person, in violation of her or his duties, acts or refrains from acting, in order to obtain or retain an undue advantage in the conduct of business. Bribery also comprises the abuse of one's position to demand, to be promised or to accept anything of value.

➤ *Guideline "Preventing Corruption"*



What is money laundering?

'Money laundering' is a generic term used to describe the process of hiding the criminal origins of money or other assets within legitimate businesses or business activities.

➤ *Guideline "Complying with Sanctions and Preventing Money Laundering"*



What are international sanctions?

Sanctions prohibit or significantly restrict doing business with certain countries, private and public organizations or persons as well as with organizations or persons owned or controlled by any of the aforementioned. International sanctions are used to combat terrorism, organized crime, and other illegal behavior condemned by the international community or individual nations.

➤ *Guideline "Complying with Sanctions and Preventing Money Laundering"*

⁶ UN Convention against corruption

Partner for producers and roasters

We do not want to be mere buyers and sellers; instead we also aim to be partners to our suppliers and customers. With our broad variety of services and our wide product range, we strive to provide a tangible benefit to local, national and international clients – both large and small.

We continuously endeavor to develop our coffee expertise and apply it to all our business lines. At the same time, we look beyond our business activities and actively promote responsible supply chains.

As a reliable, predictable and transparent partner to coffee producers and roasters alike, we bring together their needs and interests. We understand that the needs, interests, limitations and possibilities of producers and roasters are not always the same. Our aim is to help resolve them. Continuous improvement toward common goals can only be achieved through fruitful dialogue and cooperative action.

In the end, our clients – whether on the supply or on the demand side – receive added value through our local presence, trustworthiness, accountability, reliability, and continuous constructive dialogue. We are an initiator in the fields of sustainability, quality, and food safety and continue to make innovative contributions to our sector throughout the entire supply chain. We therefore strongly encourage our business partners to adhere to the same values, standards, and principles as outlined in this code.

NKG is firmly rooted in the coffee business and has been successfully operating as a family enterprise for generations. The sustained profitability of our activities, the unconditional commitment of our shareholders, and the long-term orientation of the entire Group ensure our future success.

Beneficial and long-term relationships with suppliers

NKG is committed to sustaining fair and open relationships with its suppliers.

They deliver a high proportion of the value of NKG's products, and thus play an important role in customer and consumer satisfaction. We strive to promote ethical and mutually beneficial long-term relationships with these partners. Only by dealing with suppliers appropriately will we be able to ensure that there will be recurring business and we will become a preferred customer, thereby ensuring a commercially sustainable relationship. Each of us has a duty to ensure that issues with suppliers are dealt with professionally at all times. We understand ourselves to be an agent of their interests, needs and possibilities.

Quality and food safety

Our customers rely on the safety and contractual quality of our coffee. **It is our fundamental responsibility to comply with relevant food safety laws and standards and to follow the hygiene and safety regulations throughout our processes.** We work cooperatively with our partners and follow a continuous improvement approach to meet our customer expectations.





Safeguarding our environment

Coffee is an agricultural product and as such is particularly vulnerable to changing climatic conditions and weather patterns. Our main concern is the protection and conservation of the environment, and the reduction of negative climate change impacts. **NKG strives to improve its environmental performance, promoting environmental solutions in its operations.**

Throughout our own NKG business units, we use all resources responsibly and encourage our employees to take personal action toward protecting the environment in their daily work. On our farms, we apply responsible agricultural practices, with optimal use of inputs, active protection of ecosystems, and a particularly strong focus on the preservation of biodiversity.

Where possible, we build strategic partnerships and actively promote environmental solutions in the coffee supply chain. To enable smallholder coffee farmers to effectively respond to changing climatic conditions, NKG joined forces within the industry to establish the pre-competitive initiative Coffee & Climate (c&c) in 2010. Via c&c, we foster climate change mitigation and adaption practices in key producing areas worldwide.



Natural bio-corridors

Bio-corridors play a central role in preserving the diversity of flora and fauna. Our three farms – Finca La Puebla, Kaweri and Fazenda Da Lagoa – purposefully maintained or designed bio-corridors on their land to connect pre-existing sections of forest, including where this reduced available coffee crop areas. In total, 23 square kilometers of our farmland is dedicated to forests and bio-corridors.

The corridors and forests remain completely untouched, allowing mammals, birds, reptiles and insects to interact and repopulate undisturbed, making our farms important regional sanctuaries for many species. While the animals hide in the forests during the day, camera monitoring has shown that they are active across the entire farm area at night.

Corporate community involvement

At NKG, we strive to be good neighbors in the communities in which we operate. We therefore conduct our business with respect for local community rights, while complying with applicable legal regulations. Moreover, we consider our business purpose to go beyond profitability, aiming to make a positive, sustainable contribution to society and the environment. To this end, we engage in activities which are directed toward local needs and which are related to our coffee business. We build strategic partnerships with our stakeholders to ensure that our commitment has a positive impact.



Improving living conditions for rural youth

Future prospects for young people living in rural areas are limited. Together with the Hanns R. Neumann Foundation (HRNS), NKG has therefore introduced initiatives that go beyond coffee farming to create new opportunities for rural youth in the surrounding areas of its farms in Uganda, Mexico and Brazil. These initiatives offer local youth on- and off-farm training, educational courses and social and sporting activities to improve their prospects.

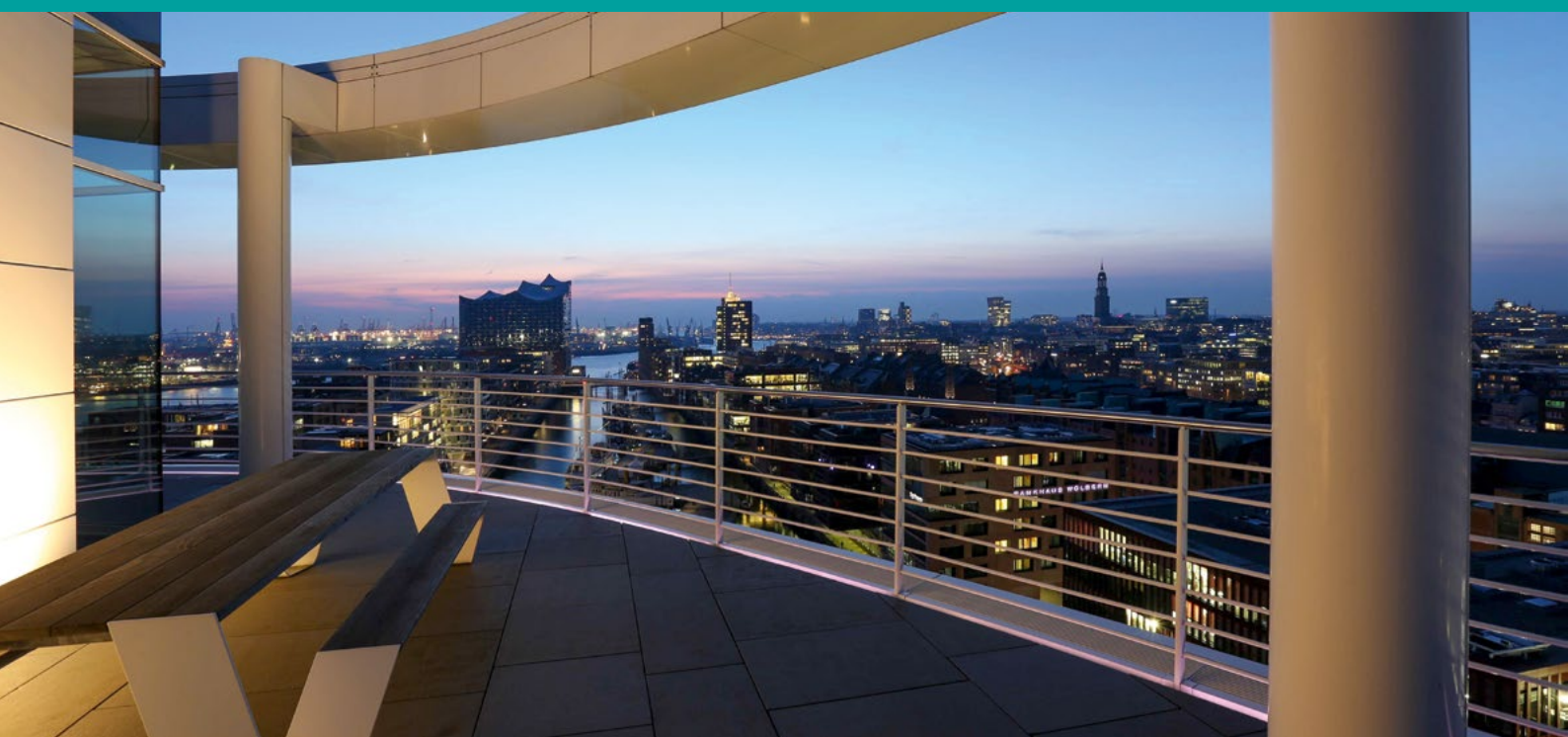


Global actions, local support

The NKG Hanseatische Natur- und Umweltinitiative (NKG HNUI – NKG Nature and Environmental Initiative) was founded in 1994 by the Neumann Kaffee Gruppe and aims to conserve natural habitats in Hamburg and in Northern Germany by providing financial support for selected projects. The initiative focuses particularly on projects which act as a model and which actively introduce children and young people to the topic of nature conservation. The HNUI supports small projects such as natural biotopes in schoolyards through large projects such as the “Langer Tag der StadtNatur Hamburg” (Hamburg’s Long Day of Urban Nature). Further information is available on the website: <http://nkghnui.org>

CONTACT INFORMATION

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