

Early Warning System

# FMO-62234

## Neumann Gruppe GmbH

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### Quick Facts

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|---|---|
| **Financial Institutions** | Netherlands Development Finance Company (FMO) |
| **Status** | Approved |
| **Bank Risk Rating** | B |
| **Voting Date** | 2024-01-30 |
| **Borrower** | Neumann Gruppe GmbH |
| **Sectors** | Agriculture and Forestry |
| **Investment Type(s)** | Loan |
| **Investment Amount (USD)** | $ 2.00 million |

## Project Description

According to the Bank’s website, FMO participates in Neumann Kaffee Gruppe - NKG's Smallholder Livelihood Facility (SLF) which is a part of NKG's Responsible Business Program (NKG Bloom) to source sustainably produced coffee and support the livelihoods of smallholder farmers. The SLF was established in 2019 by NKG backed by IDH, BNP Paribas, Rabobank and DFC for financing individual smallholder farmers and cooperatives.

Through its sustainability program NKG Bloom, NKG aims to reach 300,000 smallholder farmers by 2030 (currently +81,000) via its impact-backed initiative SLF. In doing so, NKG fills the financing gap that smallholder farmers face (short term to long term financing opportunities), offers technical support and other production-related services. In the end, the initiative and the partnership brings access to financial services for smallholder coffee farmers.

### Early Warning System Project Analysis

The E&S category is B+, due to largely reversible impacts, which can be mitigated through good management practices and Good International Industry Practice. The Company's fixed assets are mainly coffee mills, buying stations, warehouses and washing stations. Current assets as well as the supply chain show exposure to IFC Performance Standard (PS) 1 to 4 (I.e. ESMS, occupational and community health and safety, promote more sustainable use of resources, including energy and water), as well as 5 and 6 (land acquisition legacy issue and possibly biodiversity loss / deforestation through enlargement small holder plots using SLF).

## Investment Description

- Netherlands Development Finance Company (FMO)

Funding: FMO NV

### Private Actors Description

German based Neumann Kaffee Gruppe (NKG) is a leading green coffee merchandiser with operations spread over 26 countries. The group is active across the entire coffee value chain, from owning and operating coffee farms to exportation of green coffee from origins and importation of green coffee into consuming regions. NKG also has service divisions which offer market research, coffee-related training and education, warehousing, milling, blending and logistics solutions.

| Private Actor 1 | Private Actor 1 Role | Private Actor 1 Sector | Relation | Private Actor 2 | Private Actor 2 Role | Private Actor 2 Sector |
|---|---|---|---|---|---|---|
| - | - | - | - | Neumann Kaffee Gruppe | Client | - |

## Contact Information

*No contacts available at the time of disclosure.*

Website customer/investment:

https://www.nkg.net/

ACCESS TO INFORMATION

As part of FMO's ex-ante disclosure (disclosure of transactions before contracting), you can send requests or questions for additional information to: disclosure@fmo.nl

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW). A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: https://www.fmo.nl/independent-complaints-mechanism