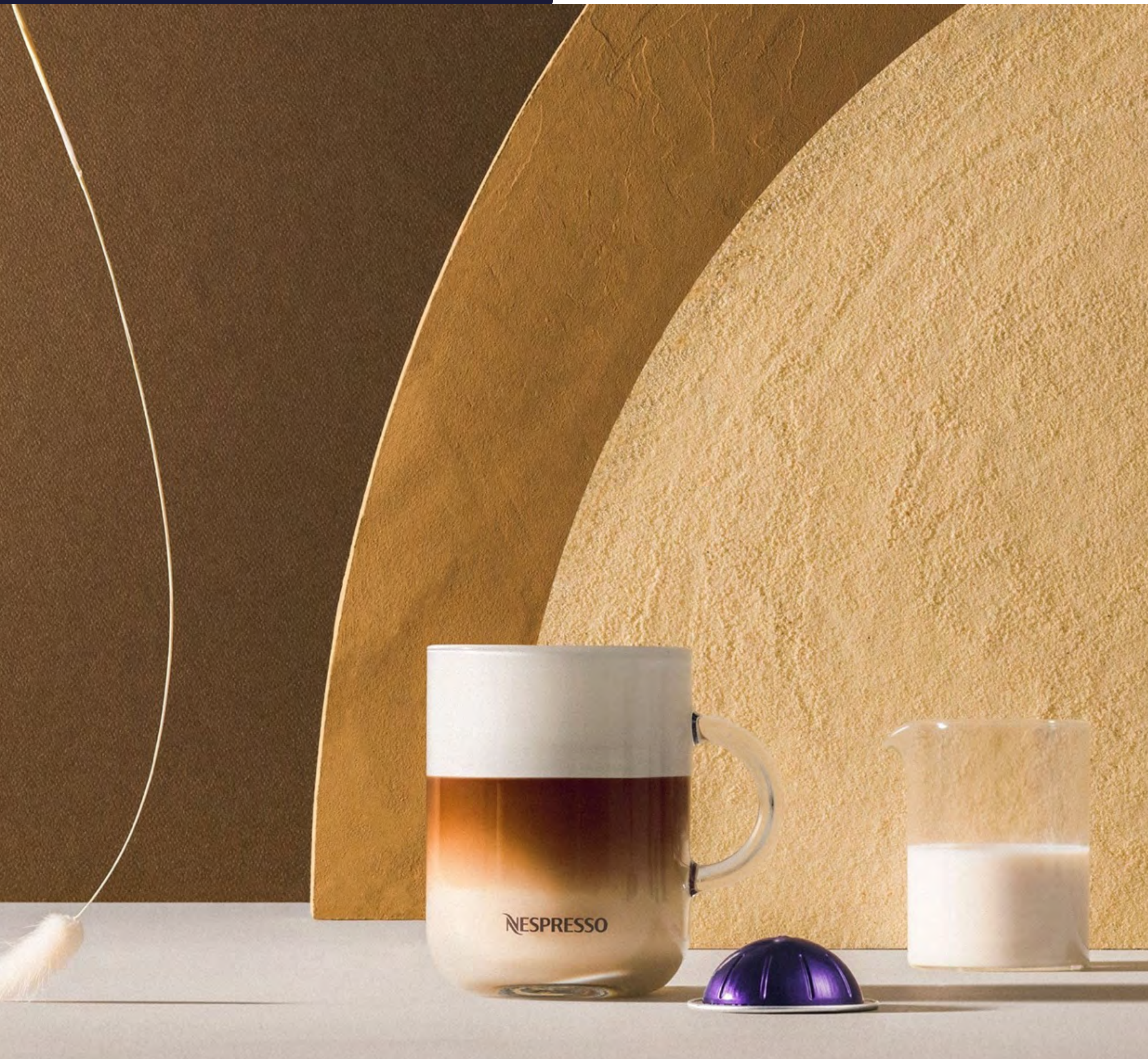


Nespresso and dss⁺

The B Corp™ journey

dss+

Protect. Transform. Sustain.

NESPRESSO®

The B Corp Journey

Certified B Corporation

In 2019 Nespresso embarked on pursuing B Corp certification, seeing it as an opportunity to validate a long-standing commitment to sustainability. After scoping and pre-screening, followed by 18 months of data collection, evidencing impact and rigorous verification phase, alongside dealing with a global pandemic, Nespresso was successfully achieved certification in April 2022.

It has been a long journey that has taken data-collection, collaboration, and transparency to new and often frustrating levels. But this is more than a certification. It's a movement, a community, and a way that businesses can make changes on a much bigger scale because they are associated to this world of business as 'a force for good.'

"B Corp certification reflects a 30-year Nespresso commitment to sustainability, transparency and responsible business. We are immensely proud to be joining a community of like minds who share our belief that profit and purpose go hand-in-hand. This certification brings added value for our customers and affirms to Nespresso fans that their favourite coffee brand is doing business the right way. Most importantly, B Corp certification inspires us to do more. It strengthens our commitment to our vision that every cup of Nespresso coffee has a positive impact on the world."

Guillaume Le Cunff, Nespresso CEO

What is B Corp™?

Certified B Corps are companies verified by B Lab to meet high standards of social and environmental performance, transparency, and accountability. B Lab looks at a businesses impact across the five pillars of governance, workers, community, customers and environment. Any business in any industry can take the assessment and would need to score at least 80, out of 200 points, in the B impact assessment to be officially certified. There are two scoring factors; the operational score that assesses policies and processes, and the Impact Business Model (IBM) which assesses the positive and direct impact on stakeholder groups. It's important to recognise that B Corps are also required to meet legal and transparency requirements which includes changing legal articles to ensure accountability, and re-certifying every 3 years.

" It is definitely not easy to certify. Just filling in the assessment isn't enough. The level of scrutiny that you go through during verification allows it to remain as a gold standard, which is a key aspect and part of the B Corp DNA itself."

Tom Stewart, Senior Consultant, dss+

" At the start of the journey it was all about having the external impact, but what we found instead is that it's all about the internal momentum and the change. We view B Corp completely differently now."

Lineke Roberts, Global Sustainability Integration Manager, Nespresso

Relevance to size and nature of business

Despite having grown from SMEs, the B Corp certification is relevant to all businesses and can be just as meaningful to larger corporations. However, being a big multinational with global operations and many legal entities will inevitably bring lot of complexities. The reality is that all companies need to be held accountable, need to find a way to live their values, and have the transparency and evidence of what they do. This will only become more and more relevant. For Nespresso, the driving factor was a deep conviction that coffee can be a force for good and shape lives and landscapes for the better. So the challenges that come with being a larger business were simply no excuse for not pursuing the B Corp certification and proving that they are living up to those standards.

More than just a stamp mark

If a business is considering B Corp certification and simply looking at ROI and consumer awareness, then they are missing the point. It's so much more than that. The process and certification help organisations to look at the whole business and structure it in a sustainable and holistic way. It's a huge undertaking, but if done correctly the process can bring everyone on board and be a force for positive change internally, as well as externally.

" My role is integrating sustainability into the business, then I took on B Corp, and these two things seamlessly became one. B Corp is the perfect vehicle to drive this change. Because of the breadth of topics covered by the certification, you can engage every area of the business which is very powerful. Everyone has a sense of ownership. I have worked on a lot of certifications before and we didn't need to do anything special with B Corp, people just got it and were really engaged from the start. People felt it was absolutely the right thing to do and champion it by contributing, which was wonderful. We didn't anticipate the amount of internal curiosity, engagement, and momentum."

Lineke Roberts, Global Sustainability Integration Manager, Nespresso

3 Top tips for multinationals from dss+

1.

Be prepared to allocate significant time and resources - contrary to ISO 14001 where a few people may be sufficient to deal with the application process, the B Corp process really needs stakeholders to be assigned to the project over a long period of time, which could be anything from 1-3 years for a large organisation.

" The B Corp certification process is a deep-dive into a company's positioning around sustainability. You are pretty much collecting every single KPI that relates to ESG. Commitment to put time and resources to it, beyond what you think, will likely be necessary."

Ben Berger, Senior Sustainability Consultant

2.

Understand the assessment – consider what the assessment is actually asking for and then look beyond that to see what other questions this may raise. There is also the need to interpret how this can be evidenced and the operational angle of who can supply the information required and the mechanisms in place to achieve this.

" dss+ helped us a lot with understanding the questions, as well as the evidence that may be required by B Lab. Their support in translating the B Corp jargon into our business language was very useful."

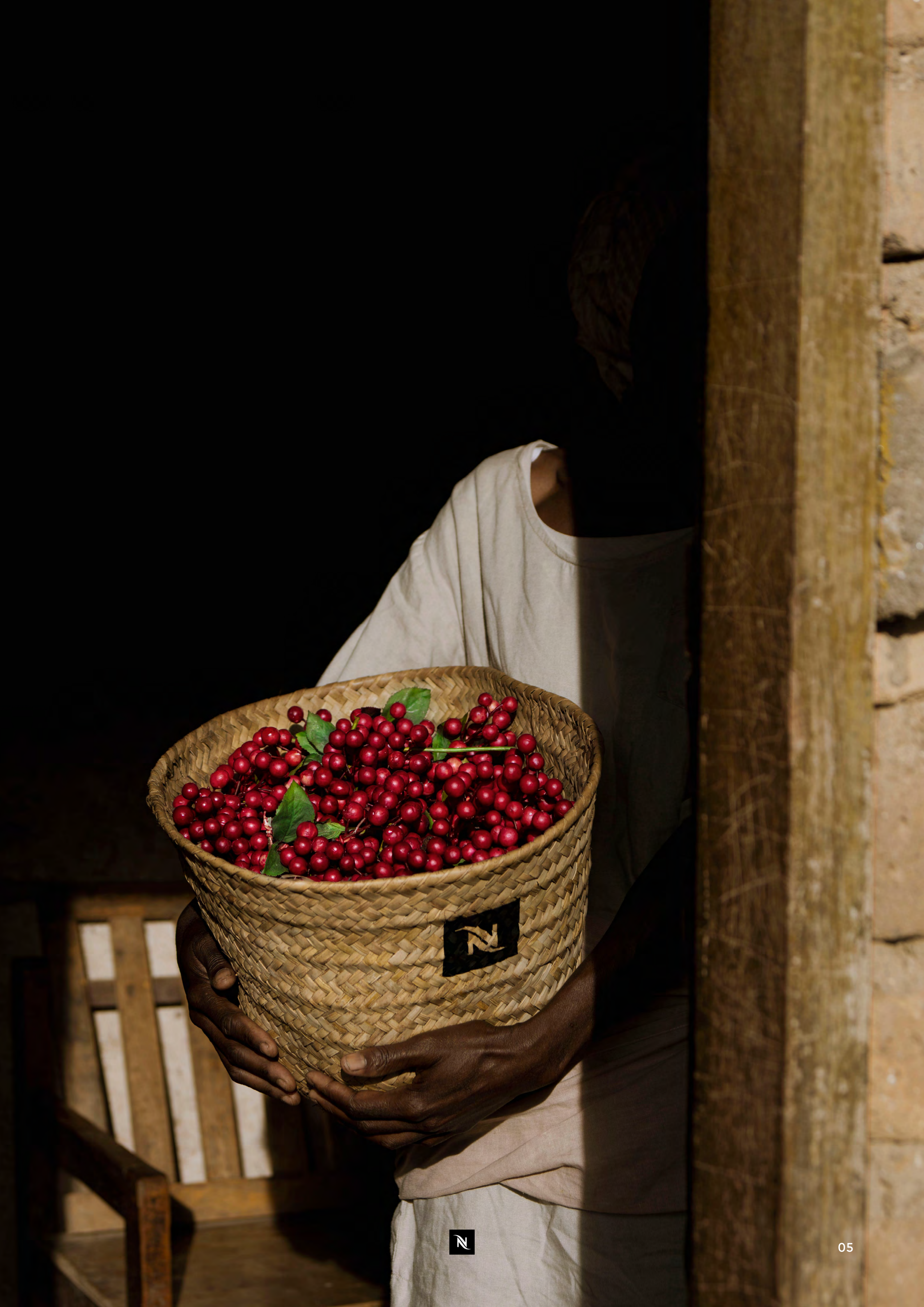
Lineke Roberts, Global Sustainability Integration Manager, Nespresso

3.

Align your top impact initiatives to Impact Business Models (IBMs) – consider the "impact initiatives and the ones to highlight and then find an IBM they align to, rather than vice versa.

" Measuring and improving impact opens doors. It's such a great way to create a sense of ownership."

Tom Stewart, Senior Consultant, dss+



Nespresso's key learnings for multinationals considering embarking on the B Corp journey

Management Support
High-level buy-in is important, so getting the governance right can be particularly useful if things get blocked or you get stuck in the process. We had very supportive board members on the B Corp Committee, including our CEO, and this commitment and passion for the topic cascades through the business.

Acknowledge that it's a massive exercise in data management
Realise and plan for the impact this will have and how it can be dealt with. For Nespresso, this involved 350 questions for each of the 38 markets which results in approximately 14,000 data points that you need evidence for. Successfully managing such a large scale of data requires careful consideration and prior planning, with particular considerations given to whether there is the IT expertise and analytical resource available.

Work with experts
(such as dss+ or another external company)
Without specialist support and knowledge, the learning curve would have been steeper and would have taken more time.

Establish an 'engine room'
It's important to ensure that your B Corp initiative has the resources required to make it happen. Not only is it necessary for the practical aspects of data gathering and managing stakeholders, it's also a great way to ensure corporate memory which will go a long way when it comes to recertification.

Open and honest communication
B Corp is about transparency and so the process should be too. Remind people what the business is doing, the reasons why, and provide updates on progress. If the timelines are red, explain the reasons to your stakeholders and get them involved in finding solutions. This is an opportunity to learn and grow together.

Be open minded to see the demands as opportunities for positive change
By aligning policies and processes it is important to be open to discover that they may not be as good as they have been considered to be. A lot of people over-estimate the impact they have, and B Corp really forces businesses to take a step back and check. This may be surprising to some business. But this then becomes an opportunity to make improvements.

Traps to avoid

Don't underestimate stakeholder management
The amount of internal and external management is quite surprising. It's not just one group or one community, so having strong governance in place will really help. In a large business, half of the problem at the start is simply knowing who to assign the question to. But this is also a great opportunity as an organisation to learn where accountability for key sustainability topics lie.

Don't panic about the uncertainties
There's no value in sugar-coating that things are known when they are not. Make a line in the sand and accept that there will be uncertainties. It's a mindset that says, 'we don't know everything, but we will at the end of this.' It's simply a different starting point and a different way of working but encourages a culture that is curious and willing to work to find a way to learn and grow together.

Be prepared for frustrations
As a well-established and organised business, bringing in new processes will inevitably cause frustration. Likewise, there may be some going back and forth to B Lab to better understand what's required, resulting in new information requests from teams. Be adaptable and accept that the process may evolve.

Don't rush
Be realistic and honest about the time required. Going too fast may mean that a business doesn't manage to take everyone along on the journey. By taking more time, businesses can be more organised and really make sure they are involving everyone and drive a culture change where sustainability becomes a part of everyone's role.

Continuous improvement

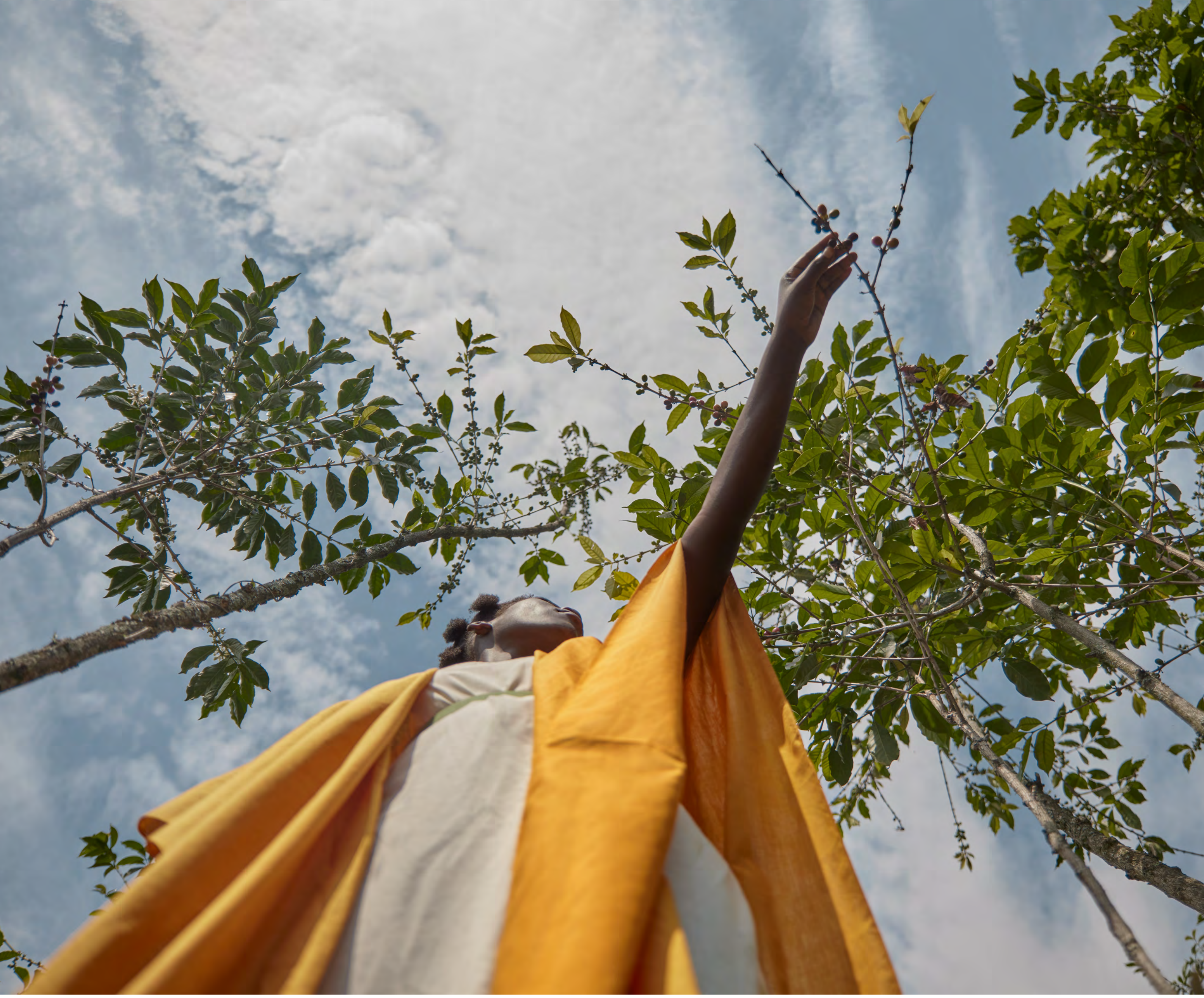
Becoming B Corp certified is really just the start of the journey. The next stage is to utilise all the data, impact information and expertise to make an even greater impact as a force for good. Nespresso will be re-assessed by B Lab in 2025 and will focus on key improvement areas.

Work is already underway to embark on this next stage and includes:

- **Working with dss⁺ to create a detailed action plan that addresses where further impact can be achieved.**
- **Considering what Nespresso can commit to and how dss⁺ can support this.**
- **Improving internal processes – more automated data and embedding the certification process into processes that already exist.**

" A real benefit of B Corp is the granularity of sustainability data. When you've gathered information on around 500 ESG KPIs across your business, you have an amazing overview, which helps make informed decisions."

Ben Berger, Senior Sustainability Consultant



Conclusion

Large companies interested in the B Corp certification should be mindful of the demanding process involved and be committed to support it with the necessary resource. But the true reward of the certification process is not merely achieving certification but also, perhaps more importantly, getting a deep understanding of your business, validation of the impact it has and tangible targets for opportunities to have an even greater positive impact on people and planet, not to mention the internal momentum and framework that can be used to engage employees and evolve the company sustainability culture.

Step by step

PHASE
1

Scoping and Pre-Screen

For Nespresso this involved working with dss+ and B Lab (the independent certifying body) to understand whether Nespresso would be eligible to pursue certification, which markets, products, and operations would be in scope and whether it was feasible to reach the minimum required performance standards points (80).

PHASE
2

Impact assessment

During this phase it's useful to consider if your operational structure allows some questions to be answered holistically (i.e. the same answer for all entities/geographies). That way you are able to divide the impact assessment into questions managed centrally and those where all markets contribute. The result is that it can relieve a bit of the resource pressures on the market.

PHASE
3

Verification

Along with the initial data crunching of phase 2, this is the most resource intensive stage. Many calls with the expert B Lab team to verify practices. Managing stakeholder expectation is important at this stage, to ensure that their time to address questions and provide clarification is planned for.

PHASE
4

Certification

When your company has met all the requirements, you're a certified B Corp. Nespresso started the process for making changes to the relevant legal documents very early on as it can take some time depending on jurisdiction, company governance etc. During this phase Nespresso also worked with B Lab on all the transparency documents which is an important part of the certification.

PHASE
5

Performance improvement strategy

Certification is not the end of the road. Businesses are re-assessed every three years to ensure they continue to meet the high B Corp standards which evolve to ensure that best practice and industry standards are accounted for.

* Please note that the certification process may vary slightly by organisation due to size, geography, complexity and industry

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More information:

W. dss+ website:
https://www.consultdss.com

W. B Corp website:
https://bcorporation.uk/b-corp-certification/

W. Nespresso B Corp journey:
https://www.sustainability.nespresso.com/b-corp-journey

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