

A Goal in Every Cup. Lavazza Approach in Integrating the SDGs into Strategy*

Mario Cerutti**, Veronica Rossi***

Abstract

The achievement of the Sustainable Development Goals (SDGs) requires a multi-stakeholder approach, calling upon governments, international organizations, nonprofit organizations and companies to act, everyone in its own capacity and within its sphere of influence.

In their efforts to adopt an effective sustainability strategy, Lavazza and Lavazza Foundation gave themselves a mission, which is summarized in the so-called “Goal Zero”: spreading the SDGs message to as many stakeholders as they can, by using all possible and efficient ways and means.

The article describes how Lavazza’s people and suppliers, as well as young people and local communities, have been involved in an ambitious project to increase knowledge, understanding and achievement of the SDGs. Then, the article focuses on Lavazza’s categorization of the Goals into three levels: Priority, Impacted and Tool Goals.

Keywords: Stakeholders; Sustainability Strategy; Agenda 2030; SDGs; Lavazza; Goal Zero; Goal Prioritization; Global Markets

1. The Global Goals

The approval of the 2030 Agenda by 193 member countries of the United Nations in September 2015 marks a significant change in the global approach to sustainable development. This broad endorsement shows the inclusiveness of the Agenda, as well as the need for countries to set a common framework to enhance sustainable development through a multi-stakeholder approach.

The Global Goals provided the world with a framework helping set objectives and actions for the realization of a sustainable future. They recognized the importance of a multi-stakeholder approach, calling upon governments, international organizations, nonprofit organizations and companies to act, everyone in its own capacity and within its sphere of influence.

However, freedom of actions can be a risk: that of not being effective, or just “picking” some Goals for the sake of communication. The Global Goals can be achievable only if every organization makes the effort of scrutinizing its operations, inquiring what impacts on the Goals these operations have and try to shape a

* Invited Article

** Chief Institutional Relations & Sustainability Officer, Lavazza SpA (mario.cerutti@lavazza.com)

*** Sustainability Manager, Lavazza Foundation (veronica.rossi@lavazza.com)

strategy enhancing positive impacts while mitigating negative ones. In this process, a deep multi-stakeholder approach needs to be adopted also by companies. No company alone can change the world. No sustainability commitment alone can be powerful enough to achieve the SDGs' targets. Companies need to work together, systemically and pre-competitively, and they need to embed sustainability commitments into everyday's business. It is only through a joint work between companies and within companies that true change can be achieved.

2. Lavazza's Case

Lavazza is a company that has been recently living an important process of growth. From being an Italian company selling two thirds of its total business nationally, Lavazza is becoming an international Group: in 2015, it acquired Carte Noire in France, Merrild Kaffee in Denmark, Kicking Horse in Canada and Mars Drinks in USA and UK, whose name now is Lavazza Professional. In 2018 more than two thirds of revenues came from international businesses. This internationalization process also led to a new structured approach to sustainability: until 2016 in fact, Corporate Social Responsibility activities were carried out in a non-coordinated way by different departments such as Human Resources or Research and Development. In 2016 the Institutional Relations & Sustainability Department was created and now it is responsible for:

- Institutional Relations at global level;
- Lavazza Foundation development projects in more than 17 countries;
- Supply Chain sustainability management;
- Community Engagement projects;
- Environmental Impacts Assessments;
- International coordination of sustainability contact points in Lavazza Group companies

and last, but not least, the definition and implementation of Lavazza Group Sustainability Strategy according to the Sustainable Development Goals.

2.1 How to Address the Sustainable Development Goals?

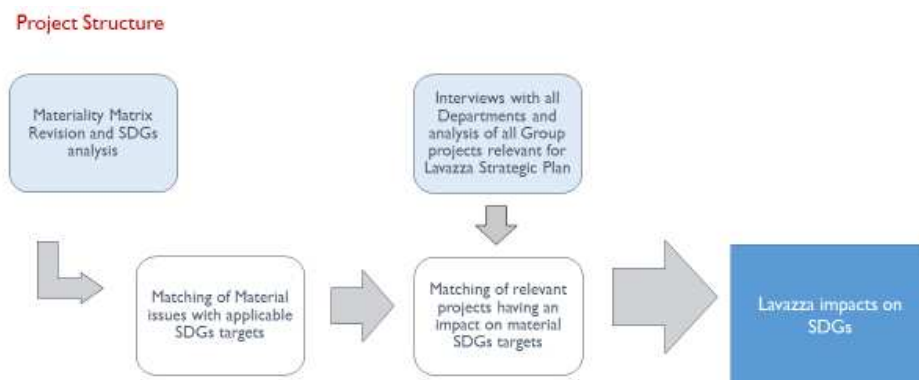
Defining a global strategy consistent with the Global Goals requires quite a large analytical effort.

Lavazza decided to proceed by carefully analyzing the Global Goals trying to understand which impacts both the company and the Lavazza Foundation have on them. When saying "impacts" we intend both positive and negative: how the company is enhancing some Goals, as well as how it is preventing some of them to be realized. To do this analysis, we started by looking at Lavazza materiality matrix. Material issues are in fact analyzed every year when drafting the Sustainability Report, in order to understand the company's approach evolution towards economic, environmental and social factors. Every material issue, which is disclosed on an annual basis through the Sustainability Report, written according to the Global Reporting Initiative Standards, includes different detailed issues, clustered into the macro material issues presented in the materiality matrix.

In the meantime, we analyzed the SDGs' 169 targets and tried to understand which of them could be applicable to the company and the Foundation's work.

In order to deeply understand Lavazza's actual impacts on the SDGs, we proceeded with a matching of detailed material issues with potentially applicable SDGs targets. Once completed this matching exercise, we organized a round of interviews with both top managers and associates in all Lavazza's Departments (Operations, Logistics, Procurement, Quality, R&D, Marketing, Human Resources) to enquire whether Lavazza's ongoing projects and initiatives were actually responding to previously identified SDGs' targets.

Figure 1: *Phase 1. Lavazza Impacts on the Goals*



What emerged from the analysis, the matching exercises and the interviews, was that 14 SDGs out of 17 were impacted by Lavazza's and Lavazza Foundation's activities, with different levels of engagement and investment. The need for prioritization emerged: we needed to find a method to choose priority SDGs to be pursued.

However, before proceeding with the prioritization phase, we decided to stop the process for one year, in order to put our efforts into an intermediate step, which we called "Goal Zero".

2.2 Goal Zero: Spreading Awareness

Goal Zero is a mission we gave ourselves, a new and additional commitment, a preliminary step to any engagement on the 2030 Agenda: spreading the SDGs message to as many stakeholders as we can, by using all possible and efficient ways and means.

The need for stakeholder awareness and engagement emerged during the analytical phase. We realized, in fact, that very few Lavazza internal stakeholders were aware of the 2030 Agenda and the commitments it implies. Very few people were aware of the fact that the 2030 Agenda is for everyone, and can be achieved by everyone's small daily actions. Very few people were aware of the fact that changing the way of doing business as usual could enhance a global agenda for the planet.

People working in the organization need to be aware of what sustainability commitments the company has embraced. A change in mindset is fundamental for

the company people: only through their commitment, sustainability goals can be achieved. And to be committed, they need to be aware and well informed.

These are the reasons why we realized that a new Goal was necessary before working on the others.

In order to concretely put in place Goal Zero, we decided to identify a set of relevant stakeholders to be involved in this process. Lavazza people, Lavazza suppliers, Institutions and Organizations, Young people and Local Communities were identified as the main stakeholders for Lavazza sustainability strategy.

We decided to put in place a wide plan of stakeholder engagement focusing on the Global Goals and here are some examples.

The first powerful stakeholder engagement initiative Lavazza put publicly in place was the launching of the 2018 Lavazza Calendar focusing on the Global Goals. American photographer and storyteller Anton Platon was engaged to tell, through his lens, the stories of 17 people striving for the realization of the 17 Goals in the world. The 17 stories captured by Platon's camera were spread across different channels, including social media and television campaigns. Exhibitions of the photographs were organized in 10 cities around the world engaging thousands of people with the provocative question: "2030: what are you doing?". From this very unique initiative, the idea of addressing Goal Zero to different stakeholders came out and we put in place a wide program involving a number of actors.

For **Lavazza people** we designed and delivered the first ever global internal communication plan called "2030: What are WE doing?". This plan consisted of several initiatives, like a global newsletter delivered to more than 3000 people every 20 days. Each newsletter, developed through a joint work between Sustainability and Human Resources Departments, was dedicated to one Global Goal and consisted of four sections. The first section was about the Goal of the month, explaining specific UN targets. The second section was about Lavazza's activities related to that Goal. The third section contained suggestions on how to contribute to that Goal in one's daily life and the last section displayed the story of a colleague who wanted to share his or her contribution on how to pursue that Goal in her or his personal or professional life.

17 newsletters were distributed worldwide and they were displayed in public spaces in production plants, in order for blue collars not having a professional email account, to access the newsletter.

In every coffee break area of Lavazza offices in the world, a "What are WE doing" box was made available all year to collect stories of colleagues who wanted their commitment to be displayed in the newsletter. The number of contributions was so high that, at the end of the year, we decided to gather all stories and newsletters in a book called "2030: What are WE doing?" which was distributed to all Lavazza Group employees around the world.

In addition to these initiatives, two events involving employees' children were organized and both of them were focused on the Sustainable Development Goals.

This internal stakeholder engagement process was the first global internal campaign done by Lavazza as a Group, and it was a fundamental step to start building a culture based on the SDGs. This new culture enables a change of mindset into non-sustainability professionals, who do not see sustainability just as

an institutional topic and far from daily business, but as an opportunity to do business differently and why not, attract new customers.

Other stakeholders were involved too.

Suppliers have been asked to sign and commit to a new Lavazza Supplier Code of Conduct specifying in details what are Lavazza's expectations in terms of human rights protection, labour rights, children's rights, environmental protection and anti-corruption. This new Code, based on relevant UN and ILO Conventions, was written by an internal group of Lavazza people coming from different Departments (Human Resources, Health Safety and Environment, Coffee Buying Department, Legal, Sustainability and Purchasing Departments). Moreover, institutions such as Oxfam, Save the Children, International Labour Organisation and the Organisation for Economic Co-operation and Development have contributed a lot in the initial phase and then, after revisions, the code has been published and shared with Suppliers. The drafting of the Code represented an extraordinary effort of engagement of both internal and external stakeholders. It was, for us, another way of putting in place the Goal Zero.

Young people too have been involved in this process, as they represent the future, and the 2030 Agenda is precisely about our common future. The idea we had to involve young people was to try to challenge them. We asked to a wide network of Universities in Italy to take part to a competition called "Lavazza and Youth for SDGs". Students coming from different academic backgrounds should form working groups with the aim of proposing a sustainability project benefitting coffee producing communities. In addition, they should demonstrate which of the 17 SDGs were impacted by their proposals. Proposals should be innovative, easy to implement and clearly linked to the 2030 Agenda's Goals. More than 80 students took part to the first edition and the Group winning the competition was publicly awarded during the Italian Festival of Sustainable Development and won a trip to Tanzania, where Lavazza Foundation is active with a sustainability project. Students could visit the Country and the project area in order to study the feasibility of their proposal. The main aim of this initiative was not just having innovative proposals for Lavazza Foundation projects: the idea was to encourage students to firstly think to sustainable solutions with an SDG lens.

In order to implement Goal Zero among **local communities**, several activities were carried out, but one in particular deserves a special mention. This is the "TOward 2030" project.

We needed to find a communication channel for sustainability messages, which could be appealing for the general public. We considered Art to be the right channel, and especially urban art. This is in fact, a form of communication accessible to all and able to attract people's attention during their daily life. From this intuition "TOward 2030" was born.

Lavazza partnered with the city of Turin (Torino in Italian. That is why the "TO" in capital letters in the project's name), in a project involving 18 artists from around the world. Every artist was asked to interpret a particular Global Goal and to represent it on a wall of the city. Also Goal Zero was represented in one of the walls. Every artwork is accompanied by an explaining metal plate, showing the 17 Goals symbols and inviting the observer to scan a QR code and explore the project.

The activities mentioned above had the objective of spreading the SDGs message and raising awareness among as many stakeholders as possible. They were undertaken during 2018 in order to prepare ourselves, as well as our stakeholders, to prioritize relevant SDGs.

2.3 How to Prioritize and Choose Relevant Global Goals?

The analysis phase and the Goal Zero-spreading awareness phase were followed by the prioritization and commitment phase. The first two phases helped Lavazza deeply understand the SDGs in order to proceed with a conscious choice of the priority Goals for the company. Many times, organizations are tempted to “choose” priority Goals in a superficial way, attaching the SDG seal to isolated activities, mainly in the sphere of charity, without making the effort of trying to see the SDGs as part of the daily business practice.

Starting from the 14 Goals identified during the first phase, we decided to systematize through the following approach:

- Identifying Goals which could be impactful, inclusive of other Goals and of all initiatives happening at the Group level and whose results and related activities could be measurable.
- Focusing on Goals which were able to include the company’s mission and overall actions. We really wanted to “force” a business perspective approach.
- Including Lavazza top management and shareholders in the choice of priority Goals. This particular phase was easy to realize after Goal Zero program and the process turned to be very smooth. Probably, asking the top management to choose priority Goals at the first stage would have been less effective.

We decided to categorize Goals into three levels:

1. Priority Goals;
2. Impacted Goals;
3. Tool Goal.

Priority Goals are those Lavazza wants to strategically commit to and focus on both the company and the Foundation work.

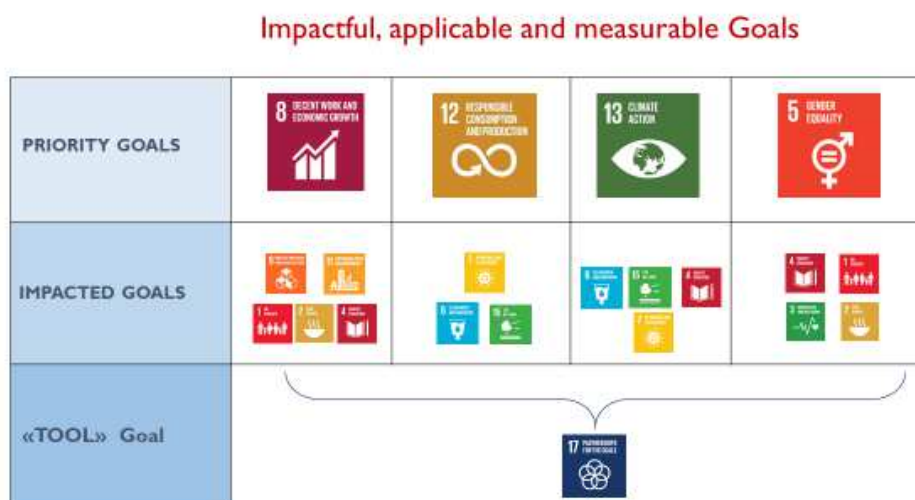
Impacted Goals are those in Lavazza’s sphere of influence. Lavazza can in fact have a good impact in the realization of these Goals, but they are not priorities because not directly linked with Lavazza’s mission. For example, Goal 7 on Clean Energy is impacted by Lavazza’s choice of using clean energy in its production plants, but this is not a priority Goal for Lavazza: priority Goal is number 12 “Responsible Production and Consumption”, which encompasses many different activities in the industrial world, including the choice of using clean energy. So, we consider Goal 7 as an impacted Goal by Priority Goal n.12. Another example can be Goal 1 “No Poverty”: this is a Goal impacted by Lavazza Foundation projects. But we cannot consider Goal 1 as a priority: however, we consider Goal 8 “Decent work and economic growth” as a broader priority Goal impacting Goal 1. Lavazza Foundation work has in fact the overall objective of supporting coffee producing communities developing decent life conditions from coffee production. These objectives can be linked to priority Goal 8, while impacting Goal 1 or Goal 2.

The other priority Goal we chose is number 5 “Gender Equality”. We chose it because in the coffee world, women’s participation is fundamental. Coffee production is a family business and empowering women coffee producers is one of the main Goals of Lavazza Foundation work. Also in the company, women’s presence is very high and we want to make sure both men and women working for Lavazza feel equally treated and cared. The work we commit to do to achieve this Goal includes many projects in the field of education and training, so also in this case, we are impacting other Goals such as Goal 4 “Quality Education”.

The same approach has been used when choosing Goal 13 as priority. Climate change is threatening coffee availability as well as coffee quality in many producing countries. We need to act to preserve it. And to do it, we support a number of projects both at the company and the Foundation level, which comprise action on water management, impacting Goal 6, or forest conservation and reforestation, impacting Goal 15.

Finally, we decided to consider Goal 17 “Partnerships for the Goals” as a **Tool Goal**. It is a way of working for the Goals. We believe partnerships and cooperation are fundamental for the achievement of the Goals and for the enhancement of sustainability in general. The SDGs are for all, and people need to work together in order to realize them. Lavazza has always had a collaborative approach in addressing sustainability challenges. In 2001 for example, Lavazza was a founding partner of International Coffee Partners, an organizations composed by roasters and traders working on a pre-competitive level to carry out sustainability projects in the coffee supply chain. Today, Lavazza is part of many different multi-stakeholder organizations focusing on sustainability and on the 2030 Agenda like the Global Compact, the European Coffee Federation, the SAFE Platform, the Italian Alliance for Sustainable Development and many others, working with different Universities and Research institutions to foster research and engagement on the 2030 Agenda. We firmly believe partnerships at all level are key to realize 2030 Agenda, but we consider them as tool for the enhancement of it.

Figure 2: Prioritization



3. Conclusion

The path towards the realization of the 2030 Agenda is long and complex, especially in a company, where often pressure on business results may be high and sustainability themes could be considered just as “a nice to have”.

When trying to integrate global sustainability goals, as the SDGs, into a company strategy, some challenges can emerge. The first, and most unexpected and undervalued is the one about knowledge and awareness. What many Sustainability practitioners do not take into consideration before starting applying ambitious sustainability strategies within companies is: are colleagues aware of what these Goals are and what they imply? It is fundamental to remember, when designing sustainability strategy, that those who will be more impacted by them are not the CSR or Sustainability managers. Those who will fill these strategies with results, be them numbers or initiatives or organizational changes, are all the others in the company: HR, Operations, R&D, Supply Chain, Communication, Marketing... all those working in these Departments will be fundamental to Sustainability managers in order for Sustainability Strategies to be realized. So, if these people inside the organization are not aware of what sustainability goals, namely the Global Goals, are and what they imply for organizations like Lavazza, the company will not be able to really integrate the SDGs into its business practice. Same applies to other stakeholders.

The second challenge is about choosing what SDGs should be a priority for the company. This could be a very complex challenge to face. Many of us are often tempted to consider all SDGs as priorities, but we need to look at our companies' missions and try to align business priorities and sustainability ones. We do not have to forget we are part of an organization whose aim is to make profits. Our work and mission is to help the organization adopt an approach to profit-making which is responsible and sustainable.

The third and consequential challenge is about engagement. Engagement of shareholders, top management and internal and external stakeholders. This is consequential to the other two because without awareness and alignment to business priorities, we will never be able to engage the company, and sustainability will never be really integrated to business practice.

These challenges require a continuous coordination and integration effort to be put in place and nurtured by Sustainability Managers inside the company. A daily, but exciting task that we named in Lavazza “A Goal in Every Cup”.

Bibliography

- Annan, K. (2002). The Global Compact. Corporate Leadership in the World Economy, *Symphonya. Emerging Issues in Management (symphonya.unimib.it)*, (2), 7-10.
<http://dx.doi.org/10.4468/2002.2.02annan>
- Bosetti, L. (2015). Social Networks and Stakeholder Engagement. Evidence from Global Compact Lead Participants, *Journal of Strategic and International Studies*, 10(6), 44-56.
- Bosetti, L. (2018). Web-Based Integrated CSR Reporting: An Empirical Analysis, *Symphonya. Emerging Issues in Management (symphonya.unimib.it)*, (1), 18-38.

- <http://dx.doi.org/10.4468/2018.1.02bosetti>
Brondoni, S. M. (2011). Global Networks, Knowledge Management and World Cities, *Symphonia. Emerging Issues in Management (symphonia.unimib.it)*, (1), 7-18.
- <http://dx.doi.org/10.4468/2011.1.02brondoni>
Brondoni, S. M. (2014). Global Capitalism and Sustainable Growth. From Global Products to Network Globalisation, *Symphonia. Emerging Issues in Management (symphonia.unimib.it)*, (1), 10-31.
- <http://dx.doi.org/10.4468/2014.1.02brondoni>
Brondoni, S. M. (2018). *Competitive Business Management and Global Competition. An Introduction*, S. M. Brondoni (ed.), *Competitive Business Management. A Global Perspective*, Routledge-Giappichelli, Abingdon-Turin.
- Brondoni, S. M., & Mosca, F. (2017). Ouverture de 'Integrated Corporate Social Responsibility', *Symphonia. Emerging Issues in Management (symphonia.unimib.it)*, (1), 1-6.
- <http://dx.doi.org/10.4468/2017.1.01ouverture>
Brondoni, S. M., & Bosetti, L. (2018). Ouverture de 'Integrated CSR Management', *Symphonia. Emerging Issues in Management (symphonia.unimib.it)*, (1), 1-17.
- <http://dx.doi.org/10.4468/2018.1.01ouverture>
Candelo, E., Casalegno, C., Civera, C., & Büchi, G. (2019). A Ticket to Coffee: Stakeholder View and Theoretical Framework of Coffee Tourism Benefits. *Tourism Analysis*, 24(3), 329-340.
- <http://dx.doi.org/10.3727/108354219X15511864843830>
Candelo, E., Casalegno, C., Civera, C., & Mosca, F. (2018). Turning Farmers into Business Partners through Value Co-Creation Projects. Insights from the Coffee Supply Chain. *Sustainability*, 10(4), 1018.
- <http://dx.doi.org/10.3390/su10041018>
Cerutti, M., & Büchi, G. (2018). Sustainability and Supply Chain Empowerment: The Lavazza Case. *Symphonia. Emerging Issues in Management*, (1), 39-47.
- <http://dx.doi.org/10.4468/2018.1.03cerutti.buchi>
Civera, C., De Colle, S., & Casalegno, C. (2019). Stakeholder Engagement Through Empowerment: The Case of Coffee Farmers. *Business Ethics: A European Review*, 28(2), 156-174.
- <http://dx.doi.org/10.1111/beer.12208>
Civera, C. (2018). *Integrated Company Responsibility in the Food and Beverage Industry*. Giappichelli.
- Freeman, R. E., & Dmytriyev, S. (2017). Corporate Social Responsibility and Stakeholder Theory: Learning from Each Other, *Symphonia. Emerging Issues in Management (symphonia.unimib.it)*, (2), 7-15.
- <http://dx.doi.org/10.4468/2017.1.02freeman.dmytriyev>
Goodstein, J. D., & Wicks, A. C. (2007). Corporate and Stakeholder Responsibility: Making Business Ethics a Two-Way Conversation. *Business Ethics Quarterly*, 17(3), 375-398.
- <http://dx.doi.org/10.5840/beq200717346>
Greenwood, M., & Van Buren III, H. J. (2010). Trust and Stakeholder Theory: Trustworthiness in the Organisation–Stakeholder Relationship. *Journal of Business Ethics*, 95(3), 425-438.
- <http://dx.doi.org/10.1007/s10551-010-0414-4>
Mosca, F., & Civera, C. (2017). The Evolution of CSR: An Integrated Approach. *Symphonia. Emerging Issues in Management (symphonia.unimib.it)*, (1), 16-35.
- <http://dx.doi.org/10.4468/2017.1.03mosca.civera>
Salvioni, D. M. (2003). Corporate Governance and Global Responsibility. *Symphonia. Emerging Issues in Management (symphonia.unimib.it)*, (1), 2003, 44-54.
- <http://dx.doi.org/10.4468/2003.1.05salvioni>

- Salvioni, D. M., & Bosetti, L. (2006). Corporate Governance Report and Stakeholder View, *Symphonia. Emerging Issues in Management (symphonia.unimib.it)*, (1), 24-46.
<http://dx.doi.org/10.4468/2006.1.03salvioni.bosetti>
- Salvioni, D. M., & Bosetti, L. (2014). Stakeholder Engagement and Integrated Reporting: Evidence from the Adoption of the IIRC Framework, *Journal of Strategic and International Studies*, 9(3), 78-89.
- Salvioni, D. M., & Bosetti, L. (2014). Sustainable Development and Corporate Communication in Global Markets, *Symphonia. Emerging Issues in Management (symphonia.unimib.it)*, (1), 32-51.
<http://dx.doi.org/10.4468/2014.1.03salvioni.bosetti>
- Salvioni, D. M., & Gennari, F. (2017). CSR, Sustainable Value Creation and Shareholder Relations, *Symphonia. Emerging Issues in Management (symphonia.unimib.it)*, (1), 36-49.
<http://dx.doi.org/10.4468/2017.1.04salvioni.gennari>
- Salvioni, D. M., & Astori, R. (2013). Sustainable Development and Global Responsibility in Corporate Governance, *Symphonia. Emerging Issues in Management (symphonia.unimib.it)*, (1), 28-52.
<http://dx.doi.org/10.4468/2013.1.03salvioni.astori>
- Upendranadh, C., & Subbaiah, C. A. (2012). *Small Growers and Coffee Marketing – Issues and Perspective from the Field*. Centre for Development Studies, India.
- Utting, K. (2009). Assessing the Impact of Fair Trade Coffee: Towards an Integrative Framework. *Journal of Business Ethics*, 86(1), 127-149.
<http://dx.doi.org/10.1007/s10551-008-9761-9>
- Valkila J., Haaparane P., Niemi N. (2010). Empowering Coffees Traders? The Coffee Value Chain from Nicaragua Fair Trade Farmers to Finnish Consumers, *Journal of Business Ethics*, 97(2), 257-270.
<http://dx.doi.org/10.1007/s10551-010-0508-z>
- Visser, W. (2012). The Future of CSR: Towards Transformative CSR, or CSR 2.0. Kaleidoscope Futures Paper Series, 1.
<http://dx.doi.org/10.2139/ssrn.2208101>