

## Common Ground Consulting

| <u>Team Member Name</u> | <u>Year</u> | <u>Major</u>                      |
|-------------------------|-------------|-----------------------------------|
| Elliot Codispodi        | 2024        | MBA – Sustainability & Leadership |
| Lianne Huberdeau        | 2023        | MBA – Leadership                  |
| Daniel Kokan            | 2025        | MBA – Leadership                  |
| Kaushal Patel           | 2023        | MBA – Finance & Supply chain      |

**Advisor(s):** Judith Jayasuriya, Arly Akerstream

**Topic Title:** Lavazza: Steeped in sustainability but pressed for time

**Audience:** Lavazza Board of Directors

### Sustainable Development Goal

**SDG #15** - Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

### Executive Summary

The Lavazza group is a 3<sup>rd</sup> generation family business that started as a small coffee shop 130 years ago. Today, they are the seventh largest coffee company in the world, manufacturing in 6 countries and exporting to 140. They have a portfolio of sustainability projects with goals of carbon neutrality and 100% sustainably sourced coffee. However, these efforts look only to future production and do not consider the ecological damage left behind by the company's operation.

Coffee is one of the most traded commodities in the world. Its growth and harvest are responsible for 10% of global deforestation causing significant reduction in biodiversity in areas where coffee is grown. Between deforestation and production, the coffee industry is responsible for 1.3% of global greenhouse gas emissions. Additionally, climate change is the biggest concern in the coffee industry. Recent reports estimate up to 50% of coffee growing areas could become unsuitable by 2050 due to rising temperatures and changing precipitation patterns. This will result in many coffee plantations being abandoned in favor of starting new ones in more suitable climates – putting a strain on the already volatile coffee commodity pricing and negatively impacting business operations and longevity.

Our proposal is that Lavazza enhance their sustainability efforts with a focus on minimizing the impact of coffee production on biodiversity and deforestation. Shifts in coffee varieties, and the adoption of technology and agroforestry techniques will support making these changes while balancing growth, longevity, and profitability. This will serve to promote biodiversity and restore the rainforest's capacity to absorb and store carbon from the atmosphere, mitigating the impacts of greenhouse gas emissions. Our plan ensures Lavazza will lead the fight against climate change in the coffee industry, while securing its operations for another 130 years.