

## Latterie Inalpi S.p.A.<sup>1</sup>

In September 2022, Latterie Inalpi S.p.A. (Inalpi) was a leading company in the Italian dairy market, maintaining a strong regional identity in Piedmont. Founded in 1966, it had achieved this position through the establishment of a short and certified milk supply chain, implemented through synergies developed over the years with Compral Latte Cooperative (its main milk supplier), Grupo Ferrerom (its main customer), and the support of the Italian farmers' association, Coldiretti.

In the summer of 2022, Inalpi was awarded the PMI 2022 prize, a distinction given to companies that stood out for innovation, growth, and internationalization. Head of Marketing and Public Relations Matteo Torchio collected the award at the ceremony held in the Waldorf Astoria Cavalieri in Rome. In his speech, Matteo Torchio emphasized:

*"Inalpi changed the dynamics of milk procurement in the industry 12 years ago through a short supply chain that enabled an innovative production of powdered milk for industrial use. At that time, Inalpi had a turnover of just under 20 million EUR, and we made a 35 million EUR investment to create the first Italian powdered milk production plant. Now, we are proceeding to double our production capacity with a second spray drying plant that will be operational by the end of 2022 or early 2023."*

*"In 2021, we generated a turnover of 190.1 million EUR, and we are currently implementing an investment plan totaling 148 million EUR between 2021 and 2025. Our dairy farmers are at the heart of our project, which is why Inalpi has revolutionized the milk procurement relationship, a relationship that is not, and should not be, speculation but rather fair compensation based on objective and mathematical parameters."*

Through the awarding of the PMI 2022 prize, Inalpi saw its commitment as a company embracing the United Nations' Sustainable Development Goals (SDGs) of the 2030 Agenda recognized (see Exhibit 1). Inalpi embarked on a significant path of innovation and growth while maintaining its commitment to environmental stewardship and the

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<sup>1</sup> This is a case of the Research Division of San Telmo Business School, Spain. It has been written by Professor Miguel Ángel Llano Irusta and is intended as a basis for class discussion only and not to illustrate any judgment on the effective or ineffective management of a specific situation.

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well-being of individuals. This was achieved through a supply chain based on fair and transparent relationships, promoting sustainable growth of the region, and fostering the planning of an entire community.

This commitment was achieved through the design of sustainability initiatives, such as protecting water resources through water recovery and reuse projects, as well as the production of sustainable energy through modern, environmentally friendly plants. Inalpi made a significant commitment by converting its entire fleet of vehicles to hybrid models. In 2020, the company introduced new fully compostable and recyclable packaging for all its products.

The innovation, growth, and internationalization that the PMI 2022 award recognized encapsulated the essence of Inalpi's philosophy, which revolved around three core values: Fair, Good, and Safe. These values represented real, tangible, and concrete guarantees for their customers and consumers. Regarding the SDGs and the inflationary situation, Executive CEO and President of Inalpi Ambrogio Invernizzi said:

*"The SDGs are a set of 17 global objectives designed as a plan to achieve a better and more sustainable future for all, targeted to be accomplished by 2030. At Inalpi, we work diligently every day to contribute to the achievement of all 17 goals in favor of social, environmental, and economic sustainability. The increasing costs of energy pose a significant risk to the economic sustainability of businesses."*

## 1. THE COMPANY

### From its origins in Valsassina to Piedmont

Inalpi was founded by Egidio Invernizzi in 1966 in Moretta, a province of Cuneo in the Piedmont region. Fifty-six years later, it had become a modern and dynamic company with deep historical roots far removed from Piedmont that traced back to Valsassina, a valley in the Lombardy Alps within the province of Lecco, situated between the Grigne range to the west and the Prealps of Bergamo. Valsassina, renowned among experts in the dairy industry, was synonymous with high-quality milk and cheese. The great Italian cheese-producing families originated from that valley, rich in fragrant and lush herbs.

In the 1800s, Antonio Invernizzi began producing excellent quality cheese and butter using milk from cows in Valsassina. Egidio, one of his descendants, arrived in Moretta in the early 1960s as an employee of Locatelli, an Italian dairy and cured meats group. He brought with him a profound knowledge and craftsmanship passed down through generations, and great professionalism.

Guided by strong values, Egidio Invernizzi had two great loves that accompanied him throughout his life: his family and his work. While his historical roots were in Valsassina, his heart, life, and the company he conceived and created were firmly rooted in Moretta,

where they had flourished and thrived. Egidio loved that territory, a place from which he received so much and was able to give back even more. It was a land that he called home, where the "Bergamino de Valsassina" became a child of the Cuneo region.

In 1966, with a shed and a van, Egidio Invernizzi opened the doors of his company. His only wealth was his experience and a strong desire to work, accompanied by a uniquely enthusiastic family collaboration. Thus, Egidio, along with his wife Anna, Anna's sister Wanda, and his brother-in-law Silvano Barattero, gave birth to Inalpi. The trajectory and evolution of the company became intertwined with Piedmont, closely connected to the Invernizzi and Barattero families, who, over the years, successfully transformed the family business into an industry while maintaining a steadfast focus on ethical and human values that always guided them.

### **The Legacy**

Egidio always knew the course to follow. Together with his wife Anna, his siblings-in-law Wanda and Silvano, his sons Ambrogio, Pierantonio, Giovanni, and his nephews-in-law Marco and Mauro, who had always stood by his side, he maintained the unity of the family and steered the company forward. He also had the great ability to pass on his knowledge to the next generations, instilling in them the courage and awareness to make Inalpi a modern international industry.

Ambrogio Invernizzi was born in 1966, the same year the company was founded. Like his siblings, he was often in the factory and grew up surrounded by milk, breathing its aroma, and learning the secrets of the raw material from a young age.

Inalpi prospered over the years, becoming an S.p.A. (Società per Azioni) and a source of pride and support for the region straddling the provinces of Turin and Cuneo in Piedmont. Around 300 local farmers sent 650 tons of milk daily to the company, including holidays. This milk was transformed into butter, cream, sliced and triangular cheese, powdered milk, and excellent cheeses, thanks to the work of over 1,300 people directly involved with Inalpi.

The Invernizzi and Barattero brothers maintained a strong bond with the territory and cared for their company with passion and professionalism. By 2022, Inalpi had become a modern company with state-of-the-art technologies, but human relations continued to be based on the solid values of its founders: respect and care for others, just like within a family.

The company's attention extended to numerous activities and sponsorships involving children and youth, such as providing 410,000 free school breakfasts daily to numerous educational centers or supplying products to many kindergartens. Inalpi was a sponsor of Torino Calcio and the main sponsor of the Turin Fencing Grand Prix and undertook local initiatives such as supporting Moretta's football team or schools and summer camps, as well as other sports clubs in the area, as Inalpi firmly believed that the values and spirit of sacrifice in sports should be protected.