

Chapter 1

The Sustainable Development Goals – SDG#12 Responsible Consumption and Production

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Introduction

The 2030 Agenda for Sustainable Development, adopted by all member states of the United Nations in 2015, is a shared blueprint for people and the planet, with the aim to achieve peace and prosperity for all. The Sustainable Development Goals (SDGs) are a call to action, to develop innovative solutions to some of the world's most complex, societal and environmental challenges. Businesses play a crucial role in forging this path and since family businesses account for more than two-thirds of businesses worldwide and contribute to 70–90% of the world's GDP, we believe it is important to showcase the role they play in facilitating the achievement of these SDGs.

The 2030 Agenda for Sustainable Development is a call to action for all countries to address 'the global challenges of poverty, inequality, climate change, environmental degradation, peace, and justice'. These challenges are identified by 17 SDGs as depicted in [Fig. 1](#) and within the SDGs are a total of 169 targets. These 17 SDGs acknowledge that ending poverty and other global challenges need strategies that improve health and education, reduce inequality and spur economic growth – all while tackling climate change and working to preserve our oceans and forests ([United Nations, 2021](#)).

This book makes an important contribution to research on family businesses by highlighting how businesses promote particular SDGs through their work. There are several streams of research emerging in the literature on family business and sustainability that are relevant to this book. [Ferreira et al. \(2021\)](#) identify four streams of research in family business and sustainability:

Attaining the 2030 Sustainable Development Goal of Responsible Consumption and Production, 1–10



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Fig. 1. 17 Sustainable Development Goals <https://www.un.org/sustainabledevelopment/>. Source: United Nations (2021).¹

family business capital, family business strategy, family business social responsibility and family business succession. The case study approach of this book provides insights into how SDGs can be used to advance the family business’s sustainability strategy and social responsibility. How a family’s trans-generational sustainability intentions positively influence the strategy of the business and the family’s concern for its reputation has been identified as a driver of sustainability in family businesses. Additionally, family businesses routinely combine innovation and tradition to achieve and maintain a sustainable competitive advantage.

During the COVID-19 pandemic, many family businesses have shown to be more resilient and operate more sustainably than standard businesses (such as the shareholder approach). The reason for this lies in family businesses generally taking a long-term perspective on stakeholder relationships and the real need for long-term continuity planning to sustain the people within their businesses. The people in their business are most likely to be family members. However, like all businesses, the COVID-19 pandemic has placed financial pressures on family businesses. One needs to ask the question: *How then can family businesses extend their capacity to operate more sustainably and with more social impact during times of business stress?* Well, family businesses can offer unique insights into how sustainability and social impact can be part of the regenerative response to the impacts of the COVID-19 pandemic. The idea for the book came from two observations. The first observation was that family businesses that had sustainability at their core were performing well despite the impacts of the pandemic. The second observation was that the SDGs were being used as a framework for regeneration after the impact of the COVID-19 pandemic.

The global pandemic of COVID-19 has presented challenges to those working towards achieving the goals. The social and economic impacts of COVID-19 are predicted to increase the divide between people living in rich and poor countries (UNEP, 2020). However, if there can be concerted action using the blueprint of the SDGs, then human development can exceed pre-COVID development trajectories (UNEP, 2021). What is needed is a combination of political commitment from all levels of government, investment in green economy initiatives, socially oriented innovation and a (re)focus on the purpose of business to align with SDGs.

This book focusses on SDG number 12 (SDG#12) which focusses on sustainable consumption and production. As the United Nations states “Goal 12 is about ensuring sustainable consumption and production patterns, which is key to sustain the livelihoods of current and future generations. Unsustainable patterns of consumption and production are root causes of the triple planetary crises of climate change, biodiversity loss and pollution. These crises, and related environmental degradation, threaten human well-being and achievement of the Sustainable Development Goals” (United Nations, n.d.). The main targets within SDG#12 goal are shown below (Table 1).

Table 1. SDG #12 Targets.

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- 12.1 Implement the 10-year framework of programmes on sustainable consumption and production, all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries.
 - 12.2 By 2030, achieve the sustainable management and efficient use of natural resources.
 - 12.3 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.
 - 12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment.
 - 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.
 - 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and integrate sustainability information into their reporting cycle.
 - 12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities.

Table 1. (*Continued*)

- 12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.
- 12.a Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production.
- 12.b Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products.
- 12.c Rationalise inefficient fossil-fuel subsidies that encourage wasteful consumption by removing market distortions, in accordance with national circumstances, including by restructuring taxation and phasing out those harmful subsidies, where they exist, to reflect their environmental impacts, taking fully into account the specific needs and conditions of developing countries and minimising the possible adverse impacts on their development in a manner that protects the poor and the affected communities.
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Source: [United Nations \(n.d.\)](#).

These targets can be translated to business through the strategic alignment of goals and actions of a particular business. The target aligns with many sustainability-oriented initiatives and strategies in business. Some of these include

- Circular economy
- Eco-efficiency
- Reporting and environmental management in organisations
- Environmental Management Systems (ISO Standards)
- Sustainable supply chain management
- Sustainable food management
- Education for sustainable development
- The five capitals approach
- Pollution and waste management
- Social responsibility

The above list provides a framework for how family businesses can focus on achieving strategic sustainability actions that align with the SDGs. Progressive family businesses that have a focus on sustainability and social responsibility are likely to already be focussing on such priorities but may not realise they contribute to a country's SDG target and in particular SDG#12.

The circular economy is integral to SDG#12. The concept of circular economy has become more popular despite closed-loop production being recognised by

scholars and advocates decades ago (Verga & Khan, 2022). The recent interest in the concept and practice stems from the framing of circularity within the neoliberal economic paradigm through the promise of decoupling economic growth from the consumption of finite resources. Not all experts agree that businesses can have their cake and eat it too. They disagree that perfect decoupling is not possible with many concluding that market forces cannot alone lead to the standards needed to achieve this and that regulation is needed (Flynn & Hacking, 2019). If this is the case, then businesses need a mentality of going beyond compliance to achieve the greatest level of resource minimisation. The circular economy is an extension of eco-efficiency, which the latter involves saving money because of efficiently using resources. Achieving circular economy and eco-efficiency contributes to the achievement of many other SDGs including SDG#6 (clean water and sanitation), SDG#7 (affordable and clean energy), SDG#8 (decent work and economic growth) and SDG#15 (life on land) (Schroeder et al., 2019).

SDG#12 also has a target concerned with reporting on consumption and production. This target reflects the growing importance of reporting the whole of business activity in sustainability, namely integrated reporting of sustainability. Family businesses have seen an increase in the importance of integrated reporting (Patuelli et al., 2022). This is because family businesses have a stronger connection to their stakeholders than other forms of business and when coupled with the increased focus on sustainability strategy means a more holistic reporting process including the stakeholders of the business. This SDG target has also been identified as the goal which has the highest trade-offs (Fonseca et al., 2020). Trade-offs are defined as the negative effect of achieving another SDG. For SDG#12 it has been identified that to achieve many other SDGs there will be a negative impact on SDG#12. For example, there will be increased consumption because of decreasing poverty and increasing economic growth. How family businesses conceive SDG#12 through integrated reporting will mean that those trade-offs will need to be included in strategic leadership decisions related not only related to SDG#12 but all other SDGs.

Supply chain management has previously been identified as a problem area for achieving the SDGs (Fritz et al., 2021). Addressing stakeholder requirements upstream and downstream is very challenging especially when the supply chains for a particular company are considered to be long. Given that family businesses are focussed on the social dimension of sustainability these businesses have tended to place additional institutional pressure on supply chains to become more sustainable. Actions that address supply chain stakeholders' requirements upstream and downstream of the family business have an additional impact of challenging the sustainability action and strategy of the family business. Thus, focussing on the social dimensions of family business influences collaboration and cooperation with supply chain stakeholders.

A target which is not obvious when looking at the overall goals term for SDG#12 – sustainable consumption and production – is the target of SDG#12.8 'By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature'.

Family businesses, because of their general social orientation and collaborative approach to stakeholders, are well-placed to advance education for sustainable development. Family businesses can do this by focussing on the learning approaches and topics:

- Using the family business to educate about ecological foot-printing
- Analyse and provide information about different products (e.g. cell phones, computers and clothes) using Life Cycle Analysis (LCA)
- Being part of films about sustainable production and products
- Providing education packages for stakeholders and supplies.

Many family businesses use their social orientation to promote these types of educational approaches which are linked to their core business models.

This book aims to contribute positively to providing evidence of the role of sustainable consumption and production in family businesses in effectively achieving SDGs on a global basis. The case studies on a family business display support and embody the principles of an SDG in their operations, culture, and/or business philosophy. The book is one of 17 vignette book series in which each book will be comprised of a set of short, easy-to-read family business cases related to the unique SDG being discussed in the book. The format of the book series allows the works to be accessible to those working in the field beyond academia such as family business practitioners, family business owners, family business advisors, government and business policymakers, members of NGOs, business associations and philanthropic centres, as well as to those who have a general interest in entrepreneurship and business.

SDG#12 Book Series Focus

The chapters in this book focus on businesses that have prioritised sustainable consumption and production – SDG#12. Five businesses have been profiled in the book.

The HOYER Group is a 100% family-owned business. It is one of the world's leading bulk logistics businesses with comprehensive national and international transport services and complex logistics solutions to the chemical, food, gas and petroleum products industries. The company employs nearly 6,500 people and has had a recent annual sales output of €1.292 billion. Sustainability has been the focus of the HOYER Group for a very long time. It was already the case when Thomas Hoyer handed over the CEO post to non-family hands. Since then, the company has introduced innovative digitalisation processes to support and dive into sustainability efforts. The HOYER Group was well and truly on the path of sustainability before the SDGs arrived on the scene. HOYER mapped existing sustainability activities to the SDGs and importantly use the SDGs as a communicative framework.

Klinglwirt is Munich's first organic Inn and is described as an unconventional, family-run and climate-friendly business. Not only does *Klinglwirt* serve beer as you would expect but it offers a selection of home-made regional food specialities. The meat used comes exclusively from organic and species-appropriate livestock farming, and naturalness and regionality are also the most important selection criteria for all other ingredients. The business is conscious of its waste. Large quantities of waste are produced every day in catering establishments and *Klinglwirt* has focussed on responsible consumption and production of the goods aligning its operations with SDG#12.5 which aims to substantially reduce waste generation through prevention, reduction, recycling and reuse. *Klinglwirt* is aware of the 11 targets and 13 indicators associated with SDG#12 and regularly addresses them. The business is yet to use the indicators to measure performance – but the following goals are being prioritised for action – material footprint (SDG#12.2.1), domestic material consumption (SDG#12.2.2) and recycling rates (SDG#12.5.1). The business has a positive attitude towards improvement in SDG#12 and this is evidenced by progress in its operations over the years.

The next business is Frosta, also from Germany. The family business was established in 1957 through the use of open sea blast freezing of fish fillets. In the 1960s the company developed into a market-leading manufacturer of frozen fish, ready meals, vegetables and fruits. Frosta AG generates sales of €552 million in Europe with around 1,800 employees in six countries, with international sales accounting for over 40% of the business (Frosta AG, 2021a). Frosta has positioned itself as a premium brand for healthy frozen food and promotes target SDG#12.4. Central to this objective is the removal of artificial additives to their products. The business has a focus on consumer needs for healthy and natural frozen food and also pays special attention to 'transparency and honesty' towards its customers. Dedicated ingredient lists going beyond legal requirements are intended to build consumer trust. Since 2008, reducing its CO₂ footprint in the production process has been a key element of the group's internal sustainability practice together to set up a climate-neutral vegetable plant. Frosta operates vegetable and herb farms at two locations in Germany. Frosta uses a stakeholder approach to measure and monitor impacts on sustainability.

Bewley's is a family business from Ireland which started in 1835. Joshua Bewley established the China Tea Company in 1840, which later became Bewley's coffee today. After gaining a reputation in coffee and tea trading, Bewley's opened its first café which offered the first in-store roast coffee in Dublin. The success of Bewley's is closely linked to the Quaker beliefs of the founding Bewley family. The Quakers carry a unique set of ethical and moral priorities such as the values of community, equality, honesty, fairness and integrity of character. This influences the way the business is managed and is aligned with sustainability. Bewley's is a proud advocate of the power of community where they build strong and genuine relationships with various stakeholders including the planet. Bewley's became the first Fairtrade-certified

coffee in Ireland, in 1997. Bewley's also became carbon-neutral in 2008. The chapter has many examples of sustainable production and consumption activities. One such activity is Bewley's initiative of social and well-being programmes by promoting gender empowerment at the farm level, supporting local food banks in Yorkshire, located its new southern UK office to a farm to encourage employees' well-being. The family business prioritises three global goals, i.e. SDG#10 Reduced Inequality, SDG#12 Responsible Consumption and Production, and SDG#13 Climate Action.

Atkinsons Coffee Roasters, based in the United Kingdom, has a purpose statement that is to provide a sustainable platform to work towards the benefit of the people they come into contact with and the planet we all are on, through prosperity and profit. They aim to achieve these goals by providing a rewarding and enjoyable workplace that harnesses the skills and talents of their team to give their customers a great user experience, offering best-in-class products and adding value to their suppliers further down the supply chain. Founded by Thomas Atkinson in 1837, Atkinsons Coffee Roasters is a family business that provides tea, coffee, spices, chocolate and refined sugars. It was originally established by the Atkinson family, but it is now being led by a new family, the Steel family, incorporating the first and second generations of Steel members. They are the last link in a long supply chain and have a sustainability focus on sustainable supply chain management. They have a particular focus on understanding their supply chain down the endpoint and thus know the regions and the local farmers whom they source their produce from. They use a business model called the Relationship Coffee model which is a vital part of the *modus operandi* and has the effect of adding value to the early links in the value chain. They offer financial security to coffee farmers by entering into long-term contracts, often agreeing to buy coffee that isn't even on the tree yet. The global reach of the sourcing extends into India, China and Indonesia for both Tea and Coffee.

Methodological Approach Adopted for the Book

The book used a case study method to gain insights into the practices of businesses using SDGs. The summary outline of the case study template is shown in [Table 2](#). The editors approached a range of potential authors to develop the case studies. They approached early career researchers, PhD students, family business academics, family business consultants, managers of family business centres and family business practitioners to consider submitting a case for the book. For interested authors, they were asked to choose the SDGs that best matched the family business of their choice and use a case study template provided by the editors of the book series to craft a case study on how the family business advanced the particular SDG. A truly global response was received for the book series with participants from all over the globe.

Table 2. Key Aspects of the Case Study Template Used by Authors in This Book.

<p><i>Vision and mission, services offered by the organisation</i></p> <p><i>Background to the company</i></p> <p><i>Historical development</i></p> <ul style="list-style-type: none"> • Founding date • Founder Details • Human interest angle of the founder • Quotes from the founder or key people • Size of the organisation 	<p><i>How do the vision mission and background of the organisation relate to the particular SDG?</i></p> <ul style="list-style-type: none"> • When did the SDG become important to the organisation? • Was there a person who championed the SDG? • Are the SDGs explicitly talked about by staff?
<p><i>How do key stakeholders relate to the SDG championed by the organisation?</i></p> <ul style="list-style-type: none"> • What stakeholders influence the organisation? • Has the adoption of the SDG in the organisation had an impact on stakeholders? • Have stakeholders influenced the actions of the organisation related to the SDG? 	<p><i>Outline the business model of the organisation and add how SDG is important.</i></p> <ul style="list-style-type: none"> • Outline key elements • An outline structure of the organisation is needed. • Provide a diagram of business model • Identify key activities and return on investment • How does the SDG relate to return on investment? • How do businesses monitor impacts?
<p><i>What are the challenges facing the organisation in implementing the SDGs?</i></p>	<p><i>How does the organisation see itself in relation to providing benefits outside the organisation? What's next for the organisation?</i></p>

Note

1. The content of this publication has not been approved by the United Nations and does not reflect the views of the United Nations or its officials or Member States.

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