

USING THE EXPERIENCE OF BUSINESS PARTNERS IN IMPLEMENTING THE CONCEPT OF SUSTAINABLE DEVELOPMENT (ON THE EXAMPLE NORTHWOOD)

Katarzyna WŁODARCZYK^{1*}, Agata GÓRSKA²

¹ University of Szczecin; katarzyna.wlodarczyk@usz.edu.pl, ORCID: 0000-0002-6020-8378

² AGENZA Agata Górka, Poland; biuro@agenzia.pl, ORCID: 0000-0001-5626-8928

* Correspondence author

Purpose: The aim of the article is to answer the question: whether and to what extent less experienced companies can benefit from the experience of more developed business partners using their sustainable development practices?

Design/methodology/approach: The first part of the article presents selected aspects of the literature on sustainable development issues. The empirical part of the article uses materials made available by Northwood in the form of internal company materials for the years 2009-2022.

Findings: The article shows that not only the financial side of business is important, but also far-reaching awareness and long-term implementation of cooperation, and partnership for cooperation and environmental protection is particularly important.

Research limitations/implications: The considerations carried out for the purposes of the article were based on data provided by business partners, however, it must be aware that due to competition, some of the information was not obtained (e.g. financial data).

Practical implications: The results of the analysis are a signal to companies, including managers and people managing production companies, that for the purposes of company development it is worth using the experience of partners, building partnership and implementing sustainable development goals.

Originality/value: The article and the company presented in it can be both an example and a source of inspiration for other companies, not only those operating in the same industry.

Keywords: sustainable development, Agenda 2030, partnership.

Category of the paper: Case study.

1. Introduction

In-depth discussions on implementing sustainable development initiatives and analyzing the processes accompanying this development, continuously occurring in modern times, are aspects that should always remain of interest to both science and practice. The idea of

sustainable development involves meeting the needs of the present generation without compromising the ability of future generations to meet their needs. Sustainable development represents intergenerational solidarity, which involves finding solutions that ensure continued growth while allowing all social groups to actively participate in development processes and benefit from economic growth (Agenda na rzecz zrównoważonego rozwoju, 2023).

The 2030 Agenda for Sustainable Development, adopted in 2015 by 193 United Nations (UN) member states, is a program of unprecedented scope and significance that defines a model for sustainable development at a global level. However, discussions and preparations for the Agenda began much earlier, in the 1980s and 1990s. Initially, discussions on sustainable development focused on emphasizing the issue and the need to reduce the negative impact of economies on the natural environment. Over time, however, the concept of sustainable development has gained a fuller meaning, with a parallel focus on the coexistence and necessity of harmonizing three aspects of development: environmental protection, social progress, and economic growth (Agenda 2030; Błasiak-Nowak, Rajczewska, 2018).

Today, the concept of sustainable development has become a horizontal principle reflected in all national development policies and in all areas of economic, political, and social activity. One of the goals of the 2030 Agenda is to build stable infrastructure, promote sustainable industrialization, and support innovation. This issue will be the focus of the considerations in this article. The authors have concentrated on the activities of a company in the wood production sector. Their goal is to highlight the benefits that can arise from cooperation and the exchange of experiences between companies operating in different countries and market conditions, while simultaneously sharing their own experiences and positive practices in daily operations and activities for environmental protection and sustainable development. An additional aspect of the considerations undertaken was the issue of using the experience of enterprises that have been operating on the market longer and have numerous experiences by enterprises that have shorter experience and lower achievements in their activities. A classic approach to selecting companies was used here, according to the phases of the enterprise life cycle proposed by J. Lichtarski (2007). He assumes that enterprises go through the following stages: establishment, i.e. bringing an enterprise into existence; development, i.e. increasing product sales, increasing market share and increasing territorial expansion; maturity, i.e. a period of stagnation in which there are periods of both growth and decline in sales, with the possibility of re-entering the development phase; and decline, i.e. reduced production and reduced market share.

Therefore, the aim of this article is answer the question: To what extent can less experienced companies benefit from the practices of more developed business partners in implementing sustainable development practices? The article is based on the experiences of the Polish company Northwood (a wooden packaging manufacturer). To achieve this aim, the first part of the article outlines selected aspects of the literature related to sustainable development issues and highlights the role of business cooperation in implementing this concept. Subsequently,

based on Northwood's activities, it presents how the company has used the experiences of its business partners to implement sustainable development concepts. The presented Danish companies are companies that have been operating on the market longer than Northwood, have more experience in the wood industry as well as in the implementation of sustainable development activities and are in the maturity phase. Northwood, inspired by the activities of Danish companies, is a company with a shorter history, less market experience, is in the final stage of development and is looking for new market challenges. The empirical part of the article uses materials provided by Northwood, in the form of internal company documents, covering the period 2009-2022.

2. The Concept of Sustainable Development – Theoretical Considerations

Sustainable development means the socio-economic development of modern societies in a way that meets their needs without reducing the ability of future generations to meet their own needs. Achieving the idea of sustainable development requires global environmental protection, solidarity between different countries—especially between wealthy and poor nations—as well as solidarity with future generations, and the treatment of economic, political, social, and ecological activities as interdependent. The document that sets the conditions for implementing the concept of sustainable development is the 2030 Agenda for Sustainable Development developed by the UN (document: Transforming our world: the 2030 Agenda for Sustainable Development). In September 2015, UN member states, including Poland, adopted this document, which outlines five action areas, 17 goals, and 169 related tasks, corresponding to the three dimensions of sustainable development: economic, social, and environmental (Przekształcamy nasz świat...).

The concept of sustainable development describes a process that enables achieving a high quality of life for residents over a long-term horizon, while respecting natural resources and the environment, and simultaneously allowing for development in social, economic, and spatial domains. This development is achieved through the implementation of a sustainable framework as a model level of development that integrates all dimensions of sustainable development, often defined as economic, social, environmental, and institutional-political frameworks (Przekształcamy nasz świat...).

According to UN documents, sustainable development of the Earth is one that meets basic human needs while preserving, protecting, and restoring health, maintaining the balance of Earth's ecosystems, without threatening future generations' ability to meet their needs. The 17 goals of the 2030 Agenda address the following aspects: ending poverty; zero hunger; good health and well-being; quality education; gender equality; clean water and sanitation; affordable and clean energy; economic growth and decent work; industry, innovation,

and infrastructure; reduced inequalities; sustainable cities and communities; responsible consumption and production; climate action; life below water; life on land; peace, justice, and strong institutions; partnerships for the goals (The 17 goals...).

It is worth noting that the vision of sustainable development outlined in the 2030 Agenda focuses on five areas known as the 5Ps: People, Planet, Prosperity, Peace, and Partnership (Agenda 2030, Ministerstwo Rozwoju, Pracy i Technologii). From the perspective of this study, the area of partnership deserves special attention, as it emphasizes collaboration between market entities. Within the 2030 Agenda, partnership means actions based on solidarity, cooperation, responsibility, and transparency between governments, local and regional administrations, scientific communities, businesses, and all stakeholders and groups. This indirectly suggests that the concept of sustainable development can be implemented through the exchange of experiences between business partners, as illustrated in the subsequent section of this study.

It is worth pointing out that in scientific studies the concept of sustainable development is indicated as an idea shaping the sustainability of management, on the one hand, on the macroeconomic scale, but also on the micro scale, including in the development of the enterprise. Companies in their strategies have been forced, by the challenges of the 2030 Agenda, to treat economic, ecological and social goals equally, which is also related to the implementation of the concept of corporate social responsibility (Bartkowiak et al., 2016). However, it should be remembered that such changes for many enterprises are of a long-term nature, as they require not only changes in the process or production profile and management method, but also in the awareness of both the management staff and employees (Urbanowska-Sojkin, 2023). In the case of Poland, the concept of sustainable development is developing to varying degrees among entrepreneurs, but in general it is only the initial phase. There is certainly an insufficient level of knowledge on environmental and social issues among Polish entrepreneurs. This requires the implementation of intensive information and promotion activities. The second significant limitation in the implementation of the concept of sustainable development in Poland seems to be the attitude of Polish companies to current affairs and the implementation of short-term strategies aimed at maximizing profit. Meanwhile, in developed countries, the activities of enterprises include not only ensuring and providing appropriate quality products and services, but also engaging in socially important matters related to the protection of the natural environment. Therefore, Polish entrepreneurs and business owners cannot afford to ignore environmental issues, and thus they have been forced to take into account economic goals in their strategies along with ecological and social ones, which in the future will contribute to increasing their competitiveness not only on the domestic market, but also internationally (Jaźwińska, 2016; Klima, 2017). In relation to this perspective of action, it seems important to use the innovative experience of business partners who have already initiated such activities in their operation, which in the case of debuting enterprises creates the opportunity to implement already proven concepts (Bojewska, 2024; Bargieł, 2023).

3. International Cooperation and Using Partners' Experiences in Implementing of Sustainable Development Principles by Northwood¹ – A Case Study

The Polish company Northwood, established in 2009, has focused on the production of wooden pallets intended for markets in Western Europe. Among its foreign partners, Danish companies play a special role. They are not only the main recipients of pallets but also the inspirers and initiators of many production and logistical solutions and standards, primarily due to their international experience. From the beginning, Northwood has emphasized sustainable development and environmental protection. The entire production process was designed to minimize its negative impact on ecosystems. The wood used in the company has always come exclusively from certified, sustainable sources, and the material processing is carried out in a manner that maximizes the conservation of natural resources. The company continues to prioritize energy optimization and reducing carbon dioxide emissions.

Northwood specializes in producing wooden pallets primarily for the transportation and distribution of industrial products, especially for the food, chemical, and metallurgical industries. The production process includes the comprehensive processing of wood—from transforming raw, round logs into pallet components like boards and supports, through their assembly, heat treatment, and storage of finished products. Production is organized to minimize the waiting time for customer pick-up, meaning that finished pallets do not remain in storage for more than three days before being transported to logistics centers in Germany and Denmark. A key element of the technological process is the heat treatment of pallets, which is required for 95% of orders due to the need to meet international phytosanitary standards, including the IPPC (International Plant Protection Convention) standard. This treatment eliminates potential pests and ensures the safety of pallets in international transport.

Northwood produces various types of pallets, adapting them to specific customer requirements, including different load capacities. Key construction elements, such as top and bottom boards and supports, vary in size and parameters depending on the intended use. Approximately 90% of produced pallets undergo both heat treatment and phytosanitary certification, ensuring compliance with international standards. The entire production process at Northwood is geared towards maximizing operational efficiency and ensuring the highest quality products that meet stringent industrial and logistical requirements.

Based on its collaboration with Danish partners, drawing inspiration from their experiences and leveraging advice and suggestions from business partners, Northwood has introduced and expanded numerous initiatives in recent years (2020-2023) that align with the concept of sustainable development. Notable among these efforts are the actions outlined in Table 1.

¹ Information about Northwood is available at www.northwood.pl, 10.10.2024.

Table 1.

Actions Undertaken by Northwood for Sustainable Development as a Result of Cooperation with International Partners (2020-2023)

Agenda Goal 2023	Agenda 2030 Area	Northwood's Actions for Sustainable Development	Initiatives Undertaken
Goal 7 - Clean and Affordable Energy, Goal 9 - Industry Innovation and Infrastructure, Goal 12 - Responsible Consumption and Production	Planet, Prosperity	Implementing the Circular Economy Concept (CEC))	Adopting closed production cycles for pallets and other wooden packaging through optimal use of raw materials. Minimizing production waste and striving for its reuse in the production process.
Goal 7 - Clean and Affordable Energy, Goal 9 - Industry Innovation and Infrastructure, Goal 12 - Responsible Consumption and Production	Planet	Investments in Renewable Energy Sources	Construction of an in-house photovoltaic power plant for production needs.
Goal 9 - Industry Innovation and Infrastructure, Goal 12 - Responsible Consumption and Production Planet Infrastructure Modernization	Planet	Infrastructure Modernization	Modernization and upgrade of the machinery park. Implementation of recovery systems (e.g., energy and raw materials).
Goal 9 - Industry Innovation and Infrastructure, Goal 12 - Responsible Consumption and Production	Planet	Certification of Activities	Certification of raw materials.
Goal 17 - Partnerships for the Goals	Planeta Partnership	R&D Investments	Research on optimizing eco-friendly production, implementing eco-friendly production technologies, and efficient waste management. Establishment of an expert team. Collaboration with academic centers, research institutions, and business partners. Conducting market research. Development of new technologies,

Source: Own elaboration based on data for 2020-2023 provided by Northwood.

Based on the data presented in Table 1, it can be observed that Northwood undertook several actions for sustainable development, primarily driven by leveraging the experiences of its foreign business partners.

In the context of the circular economy (CE) concept, Northwood implemented measures that promoted and continue to promote the circulation of raw materials and products, waste minimization, and thus, increased efficiency of production processes. Through collaboration, the company adopted established procedures from Danish firms, using production models and technologies essential for a comprehensive production transformation. This enabled Northwood to meet global ecological challenges while raising production and environmental standards. Danish partners, known for their advanced circular technologies, contributed to the development of innovative methods for resource optimization, recycling, and energy

management. The transfer of knowledge and technology was crucial in adapting production practices, such as the full utilization of wood resources and transforming production waste like offcuts and sawdust into high-value marketable semi-products. Offcuts and sawdust, once considered waste, are now turned into products like MDF boards, briquettes, pallets, and pallet blocks. Thus, inspired by Danish models, Northwood introduced processes that maximize raw material value through recycling and upcycling, thereby reducing environmental impact and operational costs. Importantly, Northwood also promotes its circular economy efforts among Polish companies collaborating locally within the region.

Another initiative taken by Northwood for sustainable development, based on ideas from Danish companies, was investment in renewable energy sources. These investments have significantly reduced greenhouse gas emissions and decreased dependency on traditional, high-emission energy sources. Northwood built its own photovoltaic power plant, aimed at reducing carbon dioxide emissions and lowering reliance on external energy suppliers. Using renewable energy from photovoltaics has lowered operational costs, and by stabilizing energy costs and reducing exposure to international market price fluctuations, the company has increased its long-term competitiveness. The long-term stability of energy costs thanks to the photovoltaic power plant allows Northwood to better plan its production activities, without the risk of sudden increases in electricity prices. This results in improved financial performance, which in turn enables further development and investment in innovation. The use of the photovoltaic power plant at Northwood not only yields economic benefits but also positively impacts the natural environment and local communities. This power plant enables the company to power its production processes using renewable energy, directly contributing to reducing air pollution. Emission reductions resulting from renewable energy usage support the achievement of global environmental protection goals. Additionally, the use of green energy in production processes enhances the company's appeal to customers, who increasingly seek products from environmentally responsible sources. Such actions build a positive brand image, which directly influences relationships with business partners and customers.

Based on its collaboration with Danish partners, Northwood also modernized its machinery, introducing technologically advanced machines with reduced energy consumption and increased efficiency. A key solution was the use of heat recovery systems, which allow for the recovery of heat generated during production processes and its reuse in other operations. Implementing heat recovery systems and technologies, modeled after Danish solutions, enabled optimal use of thermal energy generated in production processes. Thanks to these technologies, the company reduced energy costs by over 20% and lowered CO₂ emissions by around 15%. As a result, Northwood not only improved the efficiency of its operations but also enhanced its market competitiveness by offering products with environmentally friendly parameters.

Inspired by the Danish approach to sustainable production, Northwood committed to using raw materials sourced from forests managed according to sustainable development principles. FSC (Forest Stewardship Council) and IPPC (International Plant Protection Convention)

certifications confirm that the wood used in production comes from responsible sources. Danish partners have long emphasized such standards, and observing their practices prompted Northwood to adopt similar practices in its own production processes.

Another action taken by Northwood, inspired by its Danish companies collaboration, involves research and development (R&D) initiatives. In an era of increasing ecological awareness and intensified global environmental protection efforts, industrial enterprises are compelled to introduce innovative solutions for sustainable production. Northwood, aware of these challenges, is conducting extensive R&D efforts aimed at implementing advanced technologies supporting the circular economy. The research focuses on optimizing production processes in terms of energy efficiency, waste reduction, and maximizing resource utilization. The adopted CE strategies align with global industrial trends aimed at reducing the environmental impact of economic activities. In this study, the authors merely highlight Northwood's R&D efforts for sustainable development. Given that these actions are highly advanced and innovative, they will be explored in detail in another article.

4. Summary

The implementation of changes at Northwood, inspired by long-term collaboration with Danish companies, has resulted in numerous business and environmental benefits. With support from Danish partners, the company achieved an ambitious plan of operational transformation, which improved production efficiency and reduced its negative impact on the environment. Danish models, combined with investments in renewable energy and modern technologies, enabled Northwood to strengthen its position as a leader in sustainable production in the wood sector within the region. Northwood not only improved its financial results, fully utilized raw materials, reduced waste, and lowered energy costs, which led to increased profitability and stabilized production costs, but also—ecologically—reduced its impact on the environment. The reduction of greenhouse gas emissions, particularly CO₂, and the minimization of production waste are direct outcomes of the implementation of circular technologies and renewable energy sources. The company's strategy includes producing products in line with FSC and IPPC certifications, supporting sustainable forest resource management and contributing to biodiversity conservation. Additionally, by reducing harmful emissions, Northwood has contributed to improved air quality in the region of its operations, which is significant for both local communities and natural ecosystems.

Using the experience of a business partner clearly brings both tangible (financial) and intangible (such as brand building and image creation) benefits to the recipient company. The presented example fully supports this conclusion, positively answering the question posed in the introduction. Another conclusion is that such actions undoubtedly require the consent and

assistance of the other party—the company willing to share its experiences. It is also worth mentioning that the jointly realized idea of sustainable development, if consciously adopted by both collaborating parties, undoubtedly fosters experience sharing. Thus, observations made for the purposes of this article suggest that financial considerations are not the only important aspect of business; long-term awareness, commitment to ongoing collaboration, and focus on a company's strategic objectives are equally critical. A strategy that aims to achieve sustainable development goals and aligns with the 2030 Agenda cannot exist solely in documents or theoretical assumptions; it must translate into practical actions, where partnership for cooperation and environmental protection is crucial.

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