STRATEGIES FOR IMPLEMENTING GREEN PROCUREMENT IN THE FAST-MOVING CONSUMER GOODS (FMCG) INDUSTRY: ENHANCING SUSTAINABILITY AND MINIMIZING ENVIRONMENTAL FOOTPRINT

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ABSTRACT -Green procurement, also known as environmentally preferable purchasing, focuses on the environmental impact of the purchasing process within the supply chain. The Fast-Moving Consumer Goods (FMCG) industry is characterized by high-volume production and consumption of everyday consumer goods. Supply chain contributions are vital in this industry, with procurement playing a key role. This study endeavours to explore the effective implementation of green procurement in the FMCG industry to enhance sustainability and reduce environmental impact. The primary aim is to investigate opportunities and strategies associated with green procurement practices within the FMCG sector, providing actionable insights to industry stakeholders for fostering sustainable supply chain management and environmental stewardship. Employing purposive sampling techniques for sample selection, data acquisition ensued through semi-structured interviews. Subsequent to data collection, thematic analysis served as the analytical framework. The research identified stakeholder collaboration, supplier involvement, technology adoption, and regulatory compliance as key influencers for positive change and reducing environmental impact through the implementation of green procurement in the FMCG industry. These findings are significant for researchers, practitioners, and policymakers, guiding efforts to advance sustainability objectives and promote responsible business practices within the FMCG sector.

Keywords: *Green Procurement, FMCG Industries, Sustainability, Strategies*

1. INTRODUCTION

Green procurement entails the acquisition of goods and services with minimal environmental impact. Today, the operations of large and medium-scale manufacturing companies worldwide are significantly affecting the environment. Consequently, there has been a noticeable shift in the contemporary business landscape, with a growing emphasis on greener supply chains, particularly in procurement practices. Within the Fast-Moving Consumer Goods (FMCG) sector, supply chain performance holds paramount importance. The FMCG industry encompasses a diverse array of frequently purchased consumer products, including soaps, dairy items, confectionery, soft drinks, fruits, vegetables, and batteries. These products typically exhibit low unit costs but are characterized by high volumes [1]. Notably, in developing countries, the prevalence of FMCG industries tends to surpass that of other sectors. The environmental ramifications of procurement activities profoundly affect the quality and health of ecosystems. Since the 1990s, the concept of green purchasing has gained recognition as a potent mechanism for alleviating the environmental burdens stemming from production and consumption activities [2]. Presently, many developing nations are prioritizing green procurement within the FMCG sector, reaping various benefits in the process.

This study aims to explore how green procurement can be effectively implemented in the FMCG industry to bolster sustainability efforts and curtail environmental impact. The overarching objective is to delve into the opportunities, and strategies associated with the adoption of green procurement practices within the FMCG domain. By doing so, the study seeks to furnish industry stakeholders with actionable insights conducive to fostering sustainable supply chain management and environmental stewardship. The current study primarily utilizes qualitative methods, lacking quantitative analysis to statistically validate the impact of green procurement strategies on sustainability within the FMCG sector. It is focused on the Sri Lankan context, leaving a gap in comparative studies across different regions to understand cultural and regulatory influences.

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2. MATERIALS AND METHODS

In Sri Lanka, the 35 registered Fast-Moving Consumer Goods (FMCG) companies highlight the sector's economic importance. For this study, purposive sampling selected six FMCG companies practicing or planning green procurement, representing the industry. Data was gathered through 28 semi-structured interviews, observations, and secondary literature, enhancing the study's depth and context. During data collection, semi-structured interviews were the primary method for engaging stakeholders and obtaining detailed insights. Thematic analysis was then used to identify patterns and themes in the qualitative data, with Nvivo 11 software enhancing the process's efficiency and accuracy. To minimize subjectivity, triangulation was employed by using multiple data sources, including interviews, surveys, and secondary data, to ensure consistent theme identification. By applying these methodologies, the study aims to uncover the complex dynamics within Sri Lanka's FMCG sector. Analysing themes and patterns will contribute to scholarly discourse, guide strategic decisions, and promote evidence-based practices in the industry.

3. RESULTS AND DISCUSSION

In identifying actions conducive to establishing green procurement in the Fast-Moving Consumer Goods (FMCG) industry, derived from respondent data, the analysis delineates strategies underpinning four principal themes.
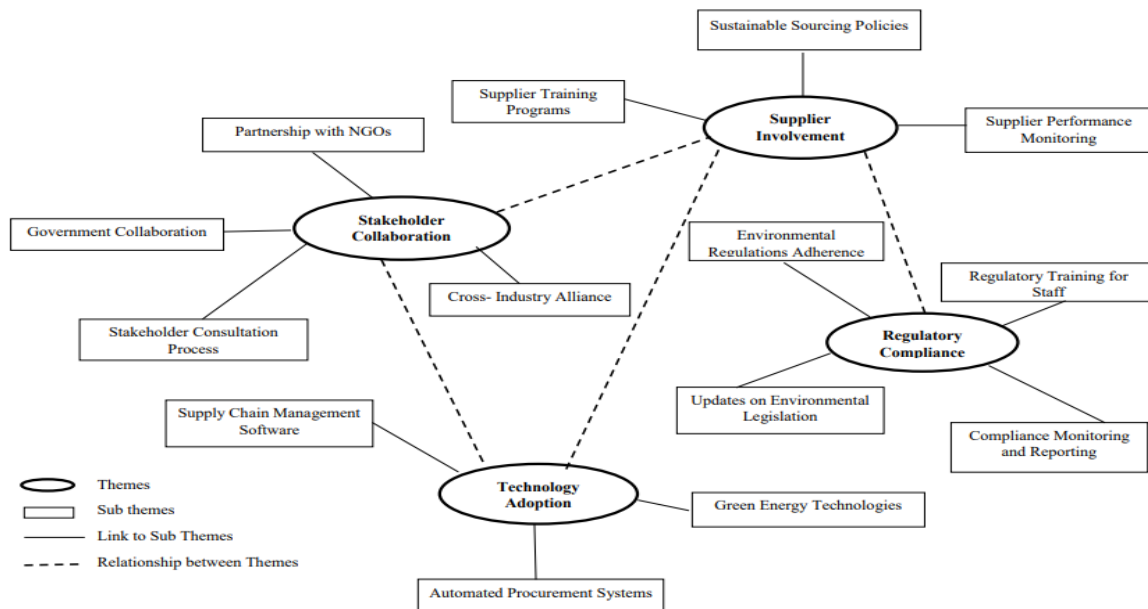
Figure 1: Thematic Map

Stakeholder Collaboration: Given the challenges inherent in implementing green procurement within the FMCG sector, stakeholder collaboration emerges as pivotal for its effective execution. Participants underscored key mechanisms aimed at enhancing industry sustainability, notably by fostering stronger ties with local non-governmental organizations, collaborating with governmental bodies to facilitate favourable processes, and augmenting partnerships with cross-industry alliances. Such collaboration not only fosters sustainable production but also facilitates the establishment of sustainable procurement practices across industries.

Supplier involvement: Analysis underscores the significance of supplier contribution and involvement in advancing sustainability throughout the FMCG supply chain. Participants emphasized the adoption of stringent sustainability assessments, implementation of training programs, and formulation of sourcing policies to ensure suppliers adhere to environmental and social standards. Through close monitoring of supplier performance and provision of feedback and support, companies can continuously enhance supplier sustainability practices. Such integration of suppliers within the supply

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chain serves to promote green procurement within the industry and contributes to achieving sustainability objectives.

Adoption of Technology: Thematic analysis highlights technology adoption as a pivotal facilitator of sustainability initiatives within the FMCG industry. Participants underscored the utilization of technologies such as advanced supply chain management software to monitor environmental metrics, analyse trends, and ensure supply chain transparency and traceability. Notably, technology adoption not only enhances sustainability but also augments efficiency and productivity within the industry. Investments in renewable energy technologies further underscore a commitment to reducing carbon emissions and promoting resource efficiency.

Regulatory Compliance: Thematic analysis underscores regulatory compliance as a cornerstone of sustainability endeavours within the FMCG industry. Participants stressed the importance of remaining abreast of environmental legislation. Compliance with environmental regulations not only fulfils legal obligations but also reflects ethical values and corporate responsibilities. Furthermore, extensive training sessions for organizational staff regarding environmental regulations and their significance were deemed imperative Prioritizing regulatory compliance fosters stakeholder trust and ensures environmental stewardship.

In summary, thematic analysis outcomes delineate potential strategies underscoring the multifaceted nature of sustainability practices within the FMCG industry. Emphasis is placed on stakeholder collaboration, supplier engagement, technology adoption, and regulatory compliance as pivotal avenues for effecting positive change and mitigating environmental impact.

4. CONCLUSION

In conclusion, this study underscores the essential strategies for implementing green procurement in the Fast-Moving Consumer Goods (FMCG) industry. Analysis based on data obtained from the sample reveals that stakeholder collaboration, supplier involvement, technology adoption, and regulatory compliance emerge as critical pathways to promote sustainability and mitigate environmental impact. By employing these strategies, FMCG companies can effectively navigate the complexities of sustainable procurement. Consequently, through the implementation of these identified strategies, companies can diminish their environmental footprint, enhance brand reputation, and align with the contemporary consumer demand for sustainable products.

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