
Fast Moving Consumer Goods Industry

Fast Moving Consumer Goods (FMCG), also referred to as Consumer Packaged Goods (CPG), are items that are purchased and consumed frequently by consumers. FMCG are products with a lifespan shorter than a year, which have relatively low prices. Think of food, beverages, tobacco, apparel, household products and personal care items. Some leading FMCG companies are; Nestlé AG, Procter & Gamble, PepsiCo, Unilever, L'Oréal, Coca-Cola Company and Danone.

So why did we choose this industry? As you can imagine, we all use FMCG in our daily routines, which makes the impact group gigantic. At the moment there are 7,6 billion people on this planet. A growing world population is inevitable and it is expected that by 2030 the world population is as big as 8,6 billion people, which would keep growing, even assuming that fertility levels will continue to decline. Just imagine how many FMCG per day are used! With an industry as big as the FMCG industry, you can only picture how many sustainable problems this industry could bring and how much better you can make the world with even a few sustainable solutions for the existing unsustainable products of this industry. And that is the reason why we choose this industry.

Sustainability Issues in the FMCG Industry

The inputs used to manufacture and package an organization's products and services can be non-renewable materials, such as minerals, metals, oil, gas, or coal; or renewable materials, such as wood or water. As a producer, or seller in the FMCG industry you have to deal with this environmental issue by the materials you use or sell. As an example, some issues for Unilever are in relation to deforestation are: Palm oil, Cattle, Soy, Pulp and paper, Sustainable and traceable commodity supply.

Energy

An organization can consume energy in different forms. Energy can be self-generated or purchased from external sources and it can come from renewable sources (such as wind, hydro or solar) or from non-renewable sources (such as coal, petroleum or natural gas). Energy is essential for combating climate change. In any industry energy consumption occurs throughout the value chain.

Water and its Waste

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The amount of water usage by an organization and the quality of its discharges, can impact the functioning of the ecosystem in many ways. It can have negative social and economical impacts on local communities and indigenous peoples. Also the FMCG industry uses water in their production processes, but also in their office buildings.

Emissions

Producing, packaging and transporting are some of the issues with FMCG, which often result in emissions. Emissions are a major contributor to climate change and are governed by the United Nations (UN) 'Framework Convention on Climate Change' and the subsequent UN 'Kyoto Protocol'.

Waste

Where there is production there is waste. This is not different in the FMCG industry and one of the major problems. This includes water discharges; the generation, treatment and disposal of waste; and spills of chemicals, oils, fuels, and other substances. This can harm water habitat, human health and more.

Social Issues

Social issues concern an organizations impact on the social systems within it operates. This concern al organizations and therefore also the FMCG industry.

Employment

This refers to job creation, hence the approach of hiring, recruitment, retention, working conditions and other related practices in a company. Health and Safety Healthy and safe work conditions involve both prevention of physical and mental harm, and promotion of workers' health. These conditions are recognised as a human right and addressed in several intergovernmental instruments.

Training and Education

This includes approaches to training and upgrading employee skills, and performance and career development reviews. It also includes transition assistance programs to facilitate continued employability, and the management of career endings due to retirement or termination.

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Diversity and Equal Opportunity

Diversity helps an organisation to access a larger set of potential employees. Equal Opportunity promotes social stability and supports further economic development.

Economical Issues

The economic dimension of sustainability concerns an organization's impacts on the economic conditions of its stakeholders, and on economic systems at local, national, and global levels. It does not focus on the financial condition of an organization.

Economic Performance

Economic performance is economic value generated and distributed (EVG&D) by an organization; its defined benefit plan obligations; the financial assistance it receives from any government; and the financial implications of climate change. Anti-corruption states that: "Corruption is broadly linked to negative impacts, such as poverty in transition economies, damage to the environment, abuse of human rights, abuse of democracy, misallocation of investments, and undermining the rule of law. Organizations are expected by the marketplace, international norms, and stakeholders to demonstrate their adherence to integrity, governance, and responsible business practices."

Ant-competitive Behaviour refers to actions of an organization or its employees that can result in collusion with potential competitors, with the purpose of limiting the effects of market competition. This can include fixing prices or coordinating bids, creating market or output restrictions, imposing geographic quotas, and allocating customers, suppliers, geographic areas, or product lines.

Anti-trust and monopoly practices are actions of an organization that can result in collusion to erect barriers for entry to the sector, or to otherwise prevent competition. This can include unfair business practices, abuse of market position, cartels, anti-competitive mergers, and price-fixing.

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