



Driving Sustainability: The Strategic Shift in Procurement for a Circular Future

By Karen Daniels, Principal, Pedersen & Partners:

In my 20 years as a Procurement Professional I have witnessed and been part of the evolution of procurement from a back office operational activity to a strategic function. Gone are the days when procurement was just about squeezing suppliers for the best deals, placing orders and making sure the goods arrived on time. There has been a professionalising of the function and radical developments over the last 2 to 3 decades elevating procurement to a strategic partner to the business.

In organisations today, where sustainability is the new license to operate, it is the procurement teams that are the unsung heroes leading the charge towards a more sustainable future. By prioritising suppliers who are embracing sustainability in their operations and responsible sourcing, procurement is closing the loop on waste and emissions. They're not just buying products; they're transforming how things are made.

From Raw Materials to Remanufacturing:

- Procurement favours bio-based and recycled raw materials
- They push for low-carbon, energy-efficient manufacturing
- Remanufacturing old parts saves up to 85% of energy vs. new

But it's not just about the planet – it's about people too!

- They champion fair labor practices and living wages
- Prioritise suppliers who support local communities
- Good governance and transparency are non-negotiable

And they are including these fundamentals in their supplier screening and on-boarding, asking their suppliers about their sustainability goals, how are they ensuring human rights best practice in their operations and their strategies for reducing their impact on the environment.