



Why your business needs a **circularity** action plan

The UN Sustainable Development Goals represent both an obligation and an opportunity. Not only does pursuing these goals make sense for society and the planet but sustainability is estimated to be worth hundreds of billions in untapped opportunities. Yet in many cases sustainability has been a side effort parked under the CSR umbrella.

We spoke to industry leaders and innovators from GANNI and Circular IQ who are frontrunners in circularity and have implemented innovative approaches supporting the move from linear to circular value chains. This document is the executive summary from a Panel Talk which is also available online.

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Executive Summary

Rainmaking launched the SDG Compass in June 2020 along with a series of Webinars and Panel Talks on how innovation can be leveraged to meet the pressing sustainability challenges facing society. The second session of the four-part series focused on Responsible Consumption & Production - UN Sustainable Development Goal (SDG) 12.

Hosts:



Alex Farcet
Partner and Cofounder
Rainmaking



Carsten Brinck
Strategy Lead
Rainmaking

Panel of Experts:



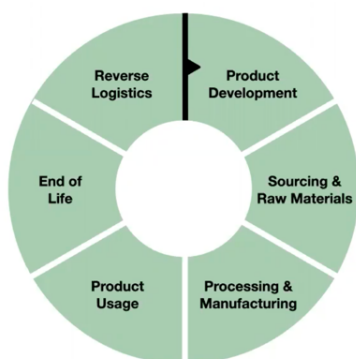
Lauren Bartley
Head of Sustainability & CSR,
GANNI



Roy Vercoulen
Partner & CEO,
Circular IQ

Circularity as an answer to SDG 12 challenges

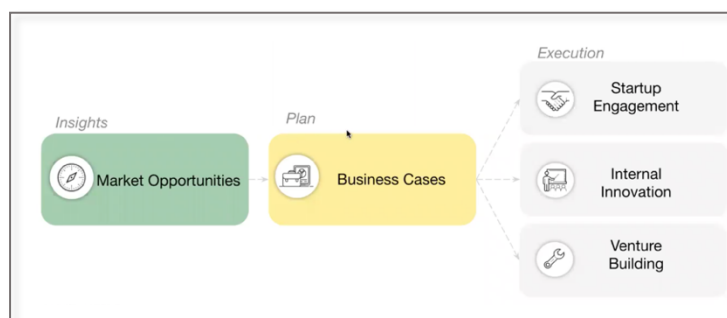
Corporations represent 69 of the top 100 economic entities in the world (Global Justice). That is why they have both power and responsibility to drive positive change. As outlined in the SDG Guide for Business Leaders, 300+ Danish executives participated in a workshop where they were asked to come up with concrete ideas through which they could incorporate different SDGs into their core strategy. Unsurprisingly, **SDG 12 – Responsible Consumption and Production – ended up with the highest density of ideas across multiple categories**. With its focus on production and consumption, SDG 12 covers a very large part of the global economy and is therefore an obvious focal point for large companies.



We believe that circularity is a big part of the answer to many of the SDG 12 challenges corporations are facing. The circular value chain outlined above showcases the multiplicity of drivers that exist within this vast topic. But where do you start as a single company trying to move the needle through circularity?

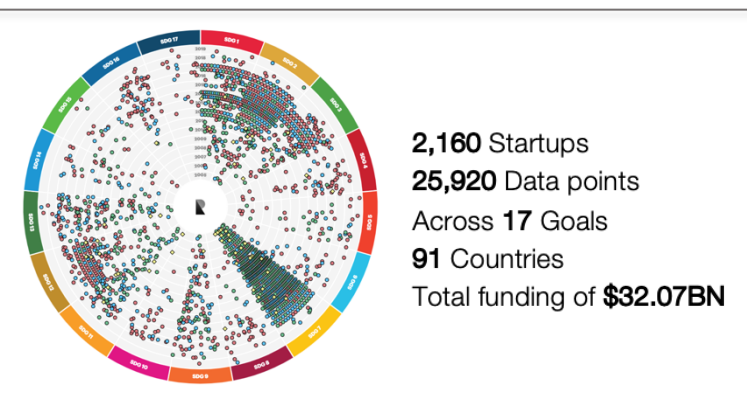
Examining early market insights paves the way to execution

When it comes to innovation, we see many companies start with innovation execution engines first. Instead, we believe companies should build balanced innovation portfolios using emerging technologies and business models as well as startup activity and funding, as early signals to identify areas of opportunities. Only then should innovation activities be planned and executed.



Startups represent early signals

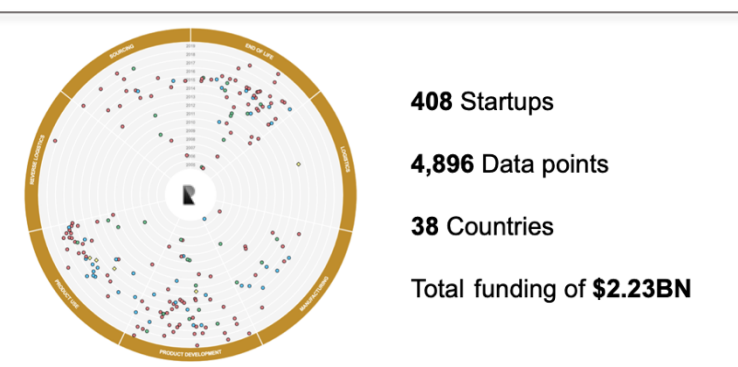
We believe startups act as the best proxy for early market insights and can propel companies on their journeys toward positive impact. There is a vast world of startups around the UN SDGs featured in our SDG Compass. **Rather than businesses reinventing the wheel, they can tap into the entrepreneurship of these startups to help solve their sustainability challenges.**



The SDG Compass maps over 2000+ startups across 17 SDGs and is useful when **crafting innovation strategies which balance risk and time horizons – core, adjacent, disruptive**. Click on the picture above to access the interactive interface of the Rainmaking SDG Compass.

Rainmaking SDG 12 Compass

As an expansion to the SDG Compass, we developed the SDG 12 Compass which **maps 400+ startups developing solutions impacting the production and consumption challenges outlined within goal 12**. Click on the picture below to access the interactive interface of our SDG 12 Compass.



Lauren Bartley

Head of Sustainability & CSR
GANNI



Solving circularity holistically, through innovation & collaboration

GANNI is a Danish fashion label founded in 2000 which is now represented in over 400 retail locations. According to Lauren, **looking at circularity from a holistic perspective requires identifying materiality first**, i.e. deciding where to focus first to have the biggest impact. In 2017 GANNI examined the company against the 4 action points outlined in the 2017 Global Fashion Agenda approach to circular economy. By connecting their findings to other internal initiatives, such as their CO2 reporting, they found out that materials in their production process had the highest negative environmental impact. This **allowed the agile team to zoom into this issue and devise innovative solutions that could mitigate GANNI's impact** in this area.



When you look at our team and what we stand for, it is all innovation. Essentially, what we're doing is going into an existing fashion system and trying to change it from all angles and areas.

Lauren shares that **many of GANNI's projects require help from other brands and stakeholders from the industry**. For example, their biggest problem, as for many other fashion brands, is textile recycling and dealing with unsold stock. This is an issue that GANNI keeps working on and is experiencing that **making real change takes several entities coming together**, including the government and the wider industry, to make a difference.



We can't go at it alone. While we may be very ambitious in certain areas, we do need so much support and we're so reliant on other stakeholders.

GANNI is also **testing out new business models** in their efforts of making the company more circular, e.g. renting repurposed Levi501 jeans online. Instead of focusing on profitability from the very beginning, **the company uses these tests to assess the readiness of the market before scaling** the solutions.



Now is a good time to explore new business models. They may not be commercially successful from the get-go, but that is not a reason not to try.



Roy Vercoulen

Partner & CEO
Circular IQ

Merging CSR with innovation through activating individuals

Circular IQ is a platform helping businesses and governments accelerate their transition towards circular economy. Circular IQ work with reporting, sustainability and procurement departments, which are a good place to start but are often removed from the core business. **Many companies struggle to transition from project-based approaches to fully embedded circularity.**



I see that businesses struggle to migrate CSR into the core business. And that's what has to happen to drive change.

However, it is not enough to merge different departments. **Willingness to change has to come from the organisation** - both leaders and employees. There is a lot of power in resisting change because of shareholder interest. According to Rob, **making business models more circular requires true leadership on multiple levels** within the company.



Our problems are related to our own individual ability as people within organisations to embrace and accept changes that are happening around us.

Starting to be responsible by picking the low hanging fruit

Companies have large purchasing power and can influence and work with their suppliers to achieve positive impact. What often ends up happening is the **realisation of how little information companies actually have about the materials they use** and their characteristics. According to Roy, **the biggest upside for circularity in companies** (99 out of 100 cases) **lies in potential recyclability of materials** used in production. Often, materials have excellent recycling potential on an individual level, however when combined with other materials throughout production this potential decreases. By examining this issue further, companies that are serious enough can make changes that trickle all the way through their design processes, thus improving the recyclability of their products and accelerating on their journey towards circularity.



I believe it is your responsibility as a brand and as a business to take ownership of what is in your product and how that impacts global themes like resource depletion, global warming and waste.

[You can watch the recorded Panel Talk here.](#)

Actions you can take today:

1. **Close the gap between innovation and sustainability** by educating all employees on the value of sustainable processes.
2. **Gain insights into the market** by exploring the world of startups - the business models and technologies they are working with.
3. **Define your materiality** and focus efforts and where your business can make the biggest impact.

Acknowledgements

We would like to thank Lauren Bartley and Roy Vercoulen for active participation in our Panel Talk and for sharing their interesting insights.

About Rainmaking

Rainmaking is one of the world's leading corporate innovation and venture development firms with 12 offices around the world. They create, accelerate, and scale new business, solving problems with the world's leading corporations. In the last 13 years, Rainmaking launched 29 ventures worth over \$2BN in value, including one of the world's most active global investors and accelerators, Startupbootcamp. Since 2006, Startupbootcamp has invested in over 900 startups that went on to raise almost \$1bn. Rainmaking has partnered with Fortune500 companies including IKEA, VISA, Airbus, Engie, HSBC and Jaguar. They are also a proud member of the UN Global Compact, driving major initiatives on a broad spectrum of social and environmental impact issues.

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