



NO. 3 | JANUARY 2022

A Founders' Guide to Changing Business for Good

MONEY



How to have impact:

creating better businesses

Start with the Why:

finding your purpose

Changing business for good:

starting up the Virgin way

People Profit Planet



As part of the leadership team at Virgin, I am so lucky that I get to dedicate my time to my passions: people, culture and purpose.

I believe purpose is one of the greatest untapped forces in the for-profit world. It is the cause that drives an individual or company to make a positive difference. And we need that now, more than ever.

The best companies in the world no longer ask what the least they can get away with is, but more what is the most positive impact they can have. Impact on communities, on the environment and ecosystems, on culture and people.

“At Virgin, we’ve always believed in combining purpose with profit. It’s baked into our DNA and front and centre of everything that we do.

We exist to change business for good.”

People Profit Planet

The future of business is clear to me; to be a good business you need to create lasting positive impact alongside profit.

Customers and employees are increasingly demanding that businesses do exactly that. If you don't, but your competitor does, you'll find your business is pretty quickly out of the race. This is where startups have a unique and powerful opportunity - as founders you can build your business from the ground up to reflect and embody the values you believe in.

It's inspiring to see so many founders already embracing this as they look to start and scale better businesses with Virgin StartUp, the not-for-profit we started back in 2013. Since then, Virgin StartUp have supported tens and thousands of founders, providing Start Up Loan funding to help more than 4,000 start up and thrive.

“My main goal as Chief Purpose and Vision Officer is to just make sure each and every one of our companies are putting people and purpose at the heart of everything that we do”

This guide is designed for purpose-driven founders like you. To help you define what purpose means to you and your business and then to outline some of the practical steps that you can take to embed purpose across your startup and have real, lasting impact.

Whether you're just starting out or scaling a business, whether you're well versed in purpose and impact, or coming to this for the first time - I hope you'll find this guide inspiring, insightful and above all else a useful tool to help you build a better business.

Good luck!

Holly

What's in this Guide?

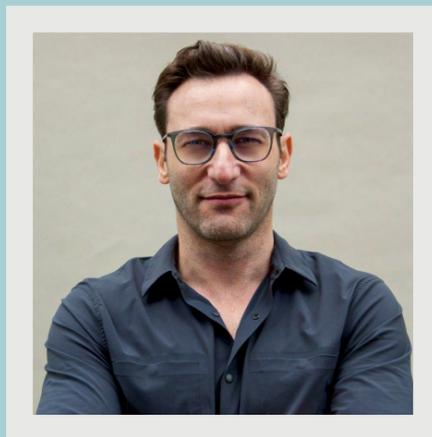
01. Changing business for good: Doing business the Virgin way	01
02. Finding your purpose	06
03. Beyond slogans: Embedding purpose in your startup	11
04. How to have impact: Building better business	15
B Corps and the Better Business Act	17
Circular economy	23
Sustainable packaging and supply chains	31
Carbon offsetting	33
Transparent production	35
Social enterprises	38
ESG	42

Featuring



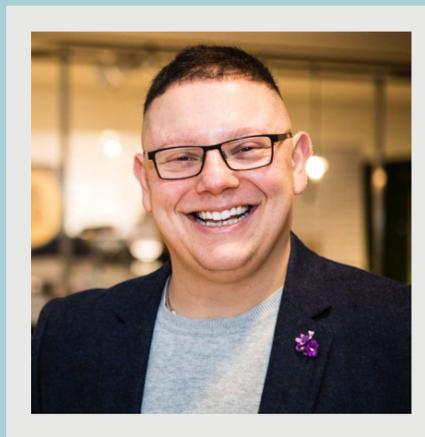
Holly Branson

Chief Purpose Officer
at Virgin



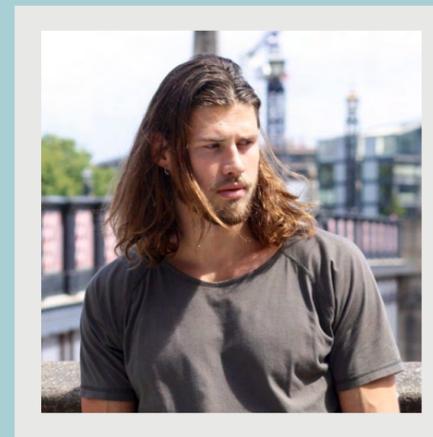
Simon Sinek

Author and Founder



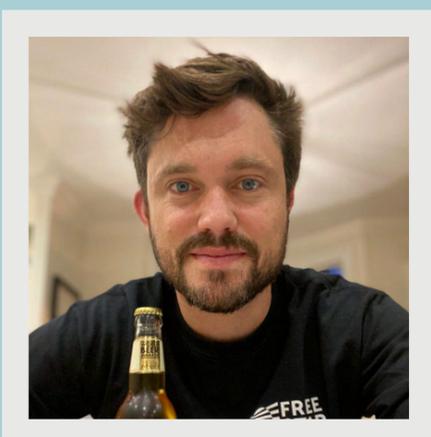
Cemal Ezel

Founder of Change
Please



Jake Wood

Founder of So We
Flow...



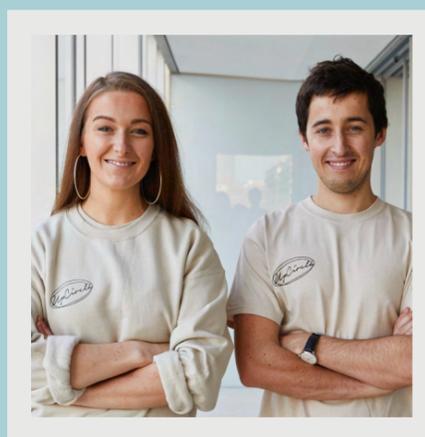
Eddy Dallas

Founder of Freestar



Emilie Vanpoperinghe

Co-founder of Oddbox



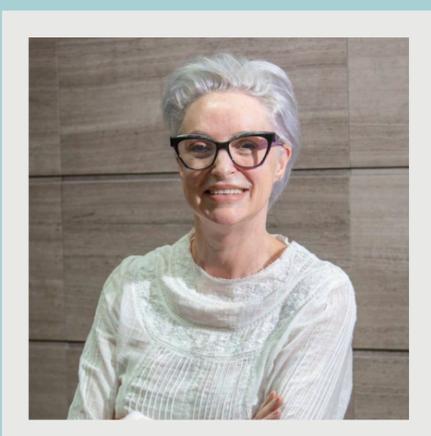
Anna and Will Brightman

Founders of UpCircle



Sanjay Patel

Co-founder of Packaging
Collective



Celia Hudson

Founder of Hey Girls



Graeme Sands

Interim Head of Business
Banking at Virgin Money

01.

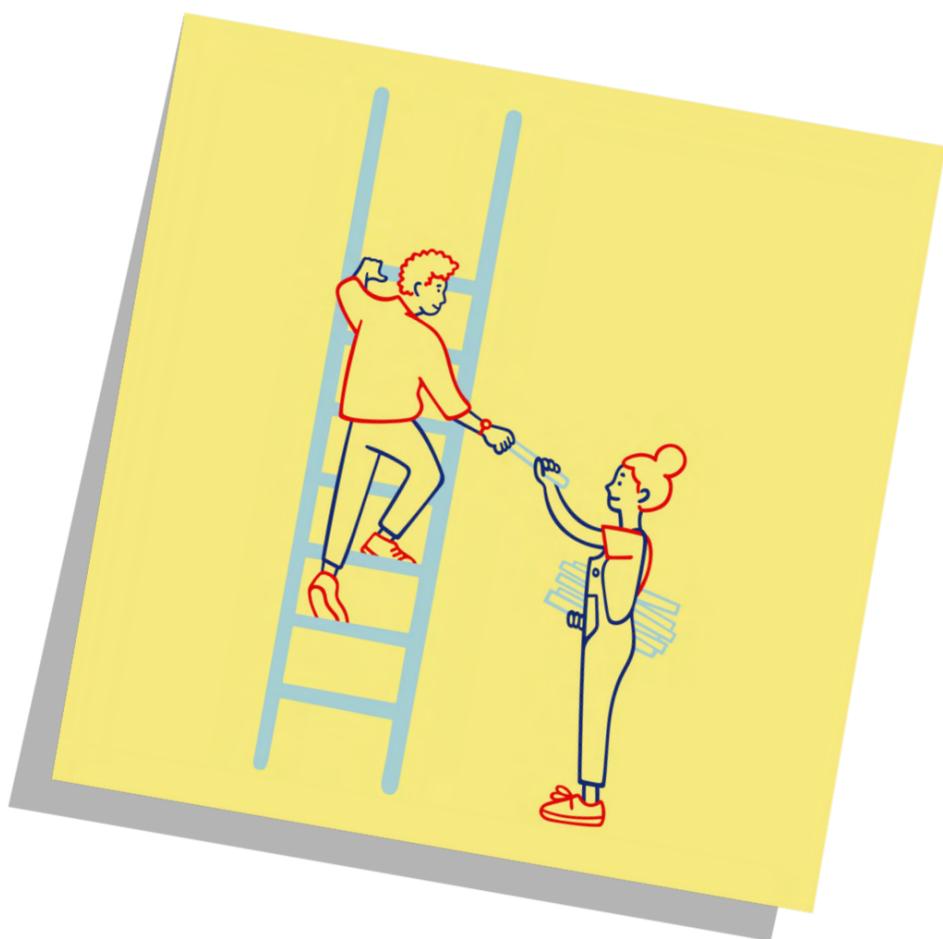
Changing business for good: Doing business the Virgin way

At Virgin, we exist to change business for good.

Beyond the words themselves, what does this mean for how we run our businesses, work with colleagues and ensure we're walking the walk and not just talking the talk? Below, we explain what it means to Virgin businesses, how it impacts everything we do and what you can learn when it comes to finding your own purpose.

To us, Changing Business for Good means:

- Thinking about the long-term impact of the business decisions we make today.
- Thinking about the role and meaning we want to have in people's lives.
- Having a clearly articulated, embedded and measurable purpose in every Virgin company that drives decisions and fuels success.
- Having a positive impact on employees, customers, communities, suppliers, partners and the environment.
- Putting our money where our mouth is – embedding our purpose, principles and values in existing and new business investments and throughout the value chain.
- Pioneering systemic change beyond the Virgin group.



Each Virgin company takes this and brings their own purpose to life in a unique way.

Virgin StartUp's purpose is to empower founders to startup and thrive. It means we put our founders first, and everything we do is to ensure that all founders up and down the UK have the best possible chance to start and grow sustainable businesses they're passionate about.

Find out more about Virgin StartUp at virginstartup.org.

Finding purpose

What purpose **is**:

- **Why you exist** – the role and meaning you play in people's lives;
- **Enduring** – it's a long-term view;
- **Insight driven** and **co-created**;
- **Distinctive** and **differentiated**;
- Aligned with **values** and **incentives**;
- **Embedded** in every aspect of the business;
- A driver for **decision-making**;
- Something **all employees** can deliver on;
- **A guiding compass** when faced with hard choices;
- A driver for **innovation**.

What purpose **isn't**:

- **What you do** and **how you do it**;
- **An annual plan** or **quarterly campaign**;
- **A strapline** that is not derived from insight;
- **Just a statement** on the wall – you need a strategy for embedding in the business;
- **An afterthought** when making decisions;
- **Restricted to leadership** decisions;
- **A standalone project** or **business unit**;
- Something you discard **when times are tough**;
- **A tool** to maintain the status quo;
- **Desirable**, rather than **essential**.

Start with the 'Why'

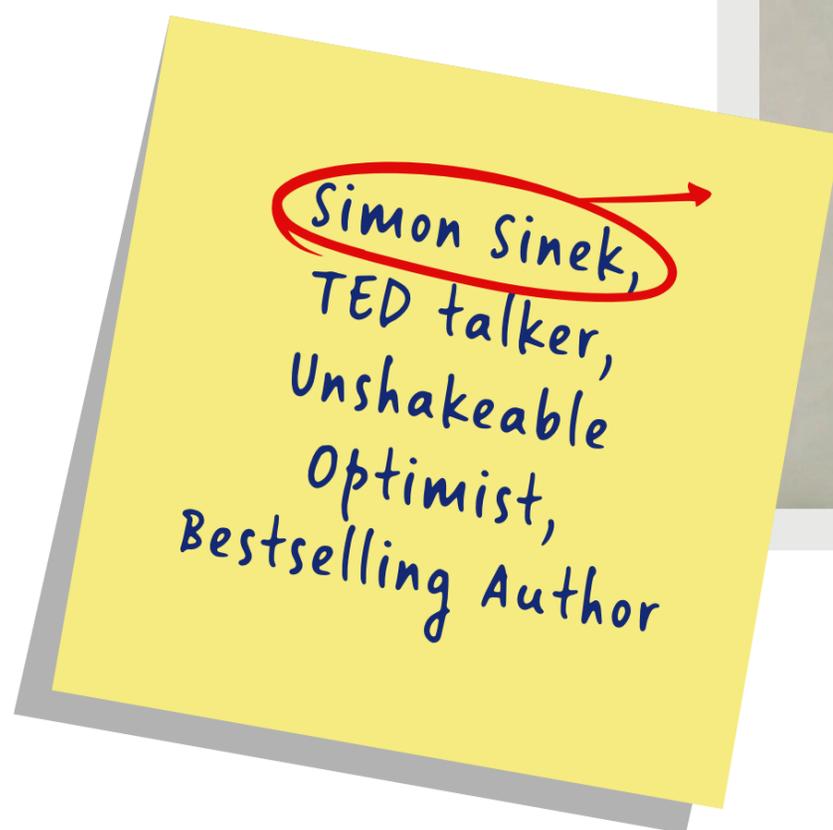
It's not what you do, it's why you do it.

Consumerism has changed, and customers are looking for a purpose to align themselves with, just as much as they're looking for a great product or service that fulfils a need and solves a problem.

No one knows this better than global thought-leader and unshakeable optimist, Simon Sinek. At Virgin StartUp, we partnered with Simon, the best-selling author and mastermind who's changed the hearts of business leaders worldwide, as part of our monthly MeetUps. Our MeetUp events are an opportunity for founders to come together, to hear from inspiring voices - such as Simon - to meet with fellow founders and to be part of a community of people building better businesses.

In our MeetUp with Simon Sinek, he challenges us all to start with the 'Why'. Not just for your own morals, not just for the 'greater good', not just to live up to your purpose, but also for **the long-term success of your business.**

If you're serious about business, then you need to be committed to change.



Business is an “act of service,” he told our founders.

“Your ambition should be to profoundly and positively change the lives of the people who need what you have.”

If you’re following that blueprint, then profit and longevity come hand in hand.



Businesses need profits to sustain growth and opportunities. Simon discussed how he believes the lofty adulation of 'changing the world' that's cast around with abandon in the startup space is "overused". It denies the very reality that, as a heavy consideration in business must come profits and livelihoods - the less 'heroic' tales of purpose.

But honing in on what initially lit that fire of 'purpose' within you, the thing that indeed does get you out of bed in the morning, that motivates you to help others, is in turn the very thing that will bring a monthly paycheck, and a return on investment.

"If not you, then who? If not now, then when?"

Simon Sinek



Listen to the podcast episode In Conversation with Simon Sinek



Watch Virgin StartUp In Conversation with Simon Sinek

02.

Finding your purpose

Your purpose may be clear to you from the outset; it may be the simple reason that you're in business in the first place – for example, “we exist to reduce waste in food supply chains”.

But for many, articulating your “why” can take time. We've put together a set of questions you can ask yourself, your team and your businesses, to help uncover your purpose.

Inspiration

- Which businesses do you think are a real force for good in the world?
- What is it that they are doing that you admire?
- What can you learn from them?

Purpose

- What role and meaning does your business play in people's lives?
- And how might this evolve even further in the future?
- What is it that customers want, expect and aspire to that they are not currently getting? (i.e. what is the critical and forensic insight that explains why your business needs to exist).

Vision

- What do we want to be able to say the business achieved in 5, 10 or 20 years? (Don't just think about growth, and commercial success but also the difference a purpose driven approach will have delivered).
- What would you want your investors or team to say about the business when you're not in the room?

Customers

- What do you think really matters to customers when it comes to your products and services?
- And how might this differ with the next generation of customers – will their expectations and relationships with your products and services be different?
- What do we want them to think, feel and do as your customers?
- Are there any tensions that exist that we need to help balance?

People

- Thinking about the employees of your business – what do your people expect from your business?
- Now think about others that you engage with - suppliers, consultants, freelancers - what would their expectations be?
- What culture do you need to create and strive to maintain as you grow?
- What do you want people to think, feel and do as employees of your business?

Innovation

- What industry are you in, will that be the same industry in the future?
- What trends are you seeing in relation to your business – consider the business model, consumption habits, emerging competitor activities and developments and the range of experiences you will offer?
- How will you stay agile and ensure that as the needs of your customers and people evolve over time - you constantly evolve your approach to respond to any shifts?
- What innovation might you borrow from other categories?

Society

- What are the pressing issues in society that your customers and people care about?
- What are you passionate about?
- What role might your business play in tackling them head on?

Environment

- What are the most significant impacts that your products and services have on the environment?
- How can you address them head on and ensure that you are designing, developing and delivering an environmentally sustainable business?
- What does “great” look like for your business? What would be really progressive?

Impact

- Is there anything negative about your products and services?
- Any reasons not to use your products and services?
- How might you tackle these issues head on?

Partners

- Who should you be doing business with?
- What are the most imaginative alliances you can think of that will help you to deliver your purpose?
- Anyone you won't do business with?
- How can you ensure that your purpose is evident and felt throughout your whole supply chain, beyond the obvious boundaries of your business?

Change Please

Award winning, life-changing coffee.



■ Founder:
Cemal Ezel

■ Type:
Social enterprise

■ Year:
2015

Founded in 2015 by Cemal Ezel, Change Please are an award-winning coffee company with a difference; a social enterprise supporting people out of homelessness through Life Changing Coffee.

The team provide training, employment paying the Living Wage and support with housing, finances and therapy to help people experiencing homelessness move forward. 100% of the profits of their coffee goes towards ending homelessness.





“I would always walk past homeless people in the street in London, and feel so hopeless about the situation - like I didn’t know how to help, but really wanted to. This image stayed with me in my mind, and I began searching for a product that would fulfil a need for the public, and enable me to help the homeless.”

Cemal Ezel | Founder of [Change Please](#)

“When I started Change Please six years ago, the coffee market wasn’t completely saturated, so it was the perfect opportunity for my cause and to build a sustainable business. It’s about isolating a market that holds a prime opportunity for founders.

“Change Please offers great coffee, but it also offers barista training to people experiencing homelessness. We provide these people with Living Wage jobs.

“Now we’re setting up a new business, Serious Tissues, which focuses on sustainable toilet paper and paper products. It’s the kind of product you don’t look twice at - most people just buy what’s ‘on offer’ at the supermarket. If you can disrupt loo roll, and provide an alternative, sustainable option, then you can pretty much disrupt anything! There’s a social option for everything - you just need to do some digging.”

“I realised if people are going to buy a product anyway, and they have the disposable income to do good at the same time, then it’s just a no-brainer that businesses can become social enterprises and give to a cause simultaneously.”



03.

Beyond slogans: Embedding purpose in your startup

Now that you've defined your purpose, it's time to embed it into your business at every stage.

Your purpose is more than a mantra or tagline to put under your logo. It's more than a campaign headline or a pledge. It's the heart of your business and the reason for its existence. Your company's purpose strengthens resilience and creates value - if it's genuine.

Purpose can be a north star for decision-making, from design choices to suppliers, operations, strategy and recruitment. Embedding it into not only how your startup operates but also how it behaves, can help you stay true to it as you scale.

It's normal if your startup doesn't engage with all cases of its wider impact from the start. In fact, it's often impossible to do so. But you can keep committing to constantly seek out ways to do better and to have long-term goals that become bigger than ourselves and even our businesses.

“Do your best. Don't beat yourself up like I did if your supply chain isn't perfect. If we all did things a little better by 1%, it would globally make a dramatic difference. Promise yourself that when you can do better, you will - and please don't lie to the customer.”

Jake Wood | Founder of [So We Flow...](#)

We've distilled what you need to be thinking about across your startup to ensure you can deliver on your purpose and scale your impact as you grow.

01. Strategy

Think about the products and services which you're offering your customers. As startups, you can do what established businesses cannot; you can design your propositions from the ground up to ensure they're aligned to your purpose.

Example:

At Change Please, they're on a mission to lift people out of homelessness by providing training and employment opportunities. Their product is quality coffee, by the cup from a kiosk or wholesale, and they help train people experiencing homelessness as baristas.

02. People and Culture

A company's purpose and culture is becoming a leading decision for where people choose to work. Building a culture that supports your purpose means empowering employees to live and breathe purpose, and giving them the chance to hold you to account. You can also recruit people who share the values that support your startup's purpose.

Example:

At Virgin, they champion purpose-driven behaviours that bring to life 'changing business for good'.

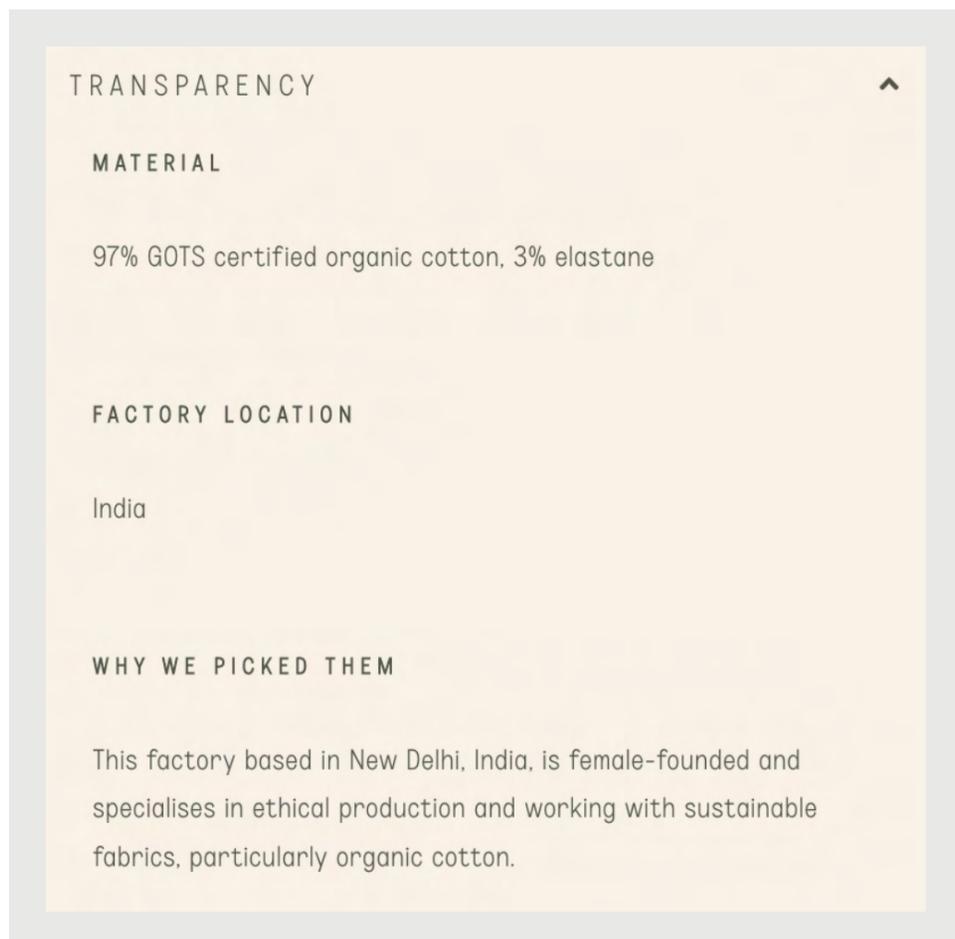


03. Processes, systems and supply chains

As well as ensuring that the operations in your startup are set up to help achieve your purpose, select partners and suppliers that you know should align with your values and purpose as an organisation.

Example:

Outdoor clothing company Patagonia publicly share the working practices of their manufactures:



04. Brand and communications

Communicating your purpose isn't just a PR exercise. It should be incorporated into every single customer touchpoint, from products, packaging and labels, through to websites and social media.

Example:

So We Flow..., a sustainable activewear brand, show manufacture information on their website product pages to help inform customers about their purchases.

05. Metrics

What gets measured gets managed. How do you know if you're achieving everything you want to as a purpose-led organisation? Define what success looks like from your purpose perspective, and create clearly defined metrics to measure your progress against them.

Example:

Rubies in the Rubble turn ingredients which would have gone to waste into condiments. They measure kilograms of food "saved" from waste, the CO2e which would have been used to process this waste, and the food travel miles saved from not discarding this waste.

Help is on hand:

To help startups hit their sustainability goals, Virgin Money have launched an app to help you track and improve the metrics that matter.

The **Virgin Money Sustainable Business Coach** is free for all UK businesses to use and you can download it [here](#).

It has been developed through partnerships with fintech data experts Life Moments and Future-Fit Foundation, a non-profit helping the transition to a society that is environmentally, socially and economically fair. The app provides an objective assessment of a business' environmental, social and governance - ESG - impacts and gives advice on how to improve.

As well as scoring businesses and giving them actions to take to improve, the **Virgin Money Sustainable Business Coach** has been designed to encourage businesses to track their progress over time.

With growing requirements for companies to report on their environmental and social impact, the app is an easy first step to help businesses of any size to get started.



04.

How to have impact: Building better business

Founders, do you want to change the world?

Every part of your business, from how it's designed, how it operates, to what it sells and to whom, will influence the impact it has. If you're inspired to create a startup which does good, and not harm, which gives back, not just takes, and which protects and preserves communities and ecosystems, then the good news is: you can. And you can start today.

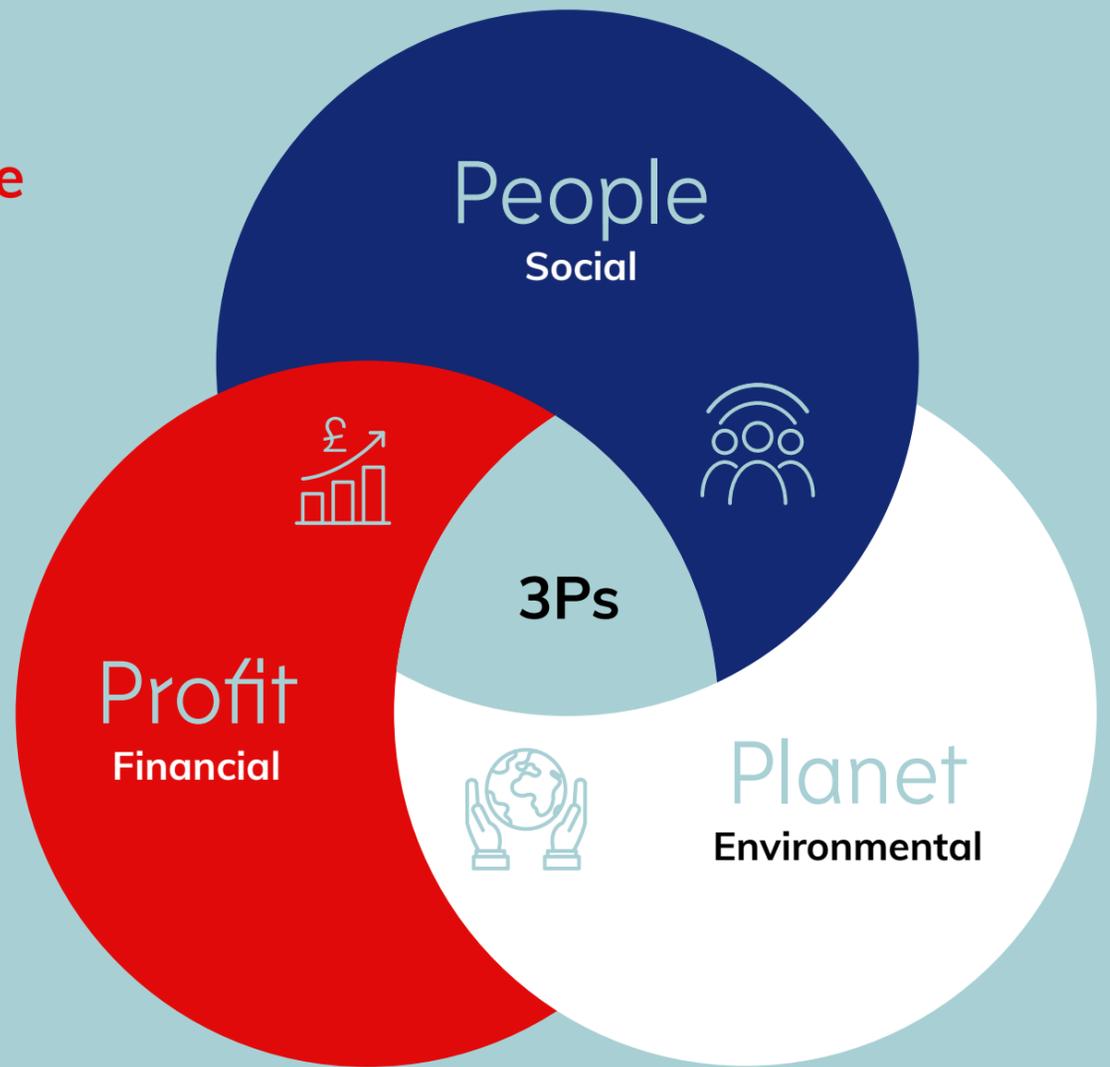


"I don't think we can solve the world's problems unless we do it through business."

Cemal Ezel | Founder of [Change Please](#)

Introducing: the Triple Bottom Line

You're going to hear a lot about the "Three Ps" or Triple Bottom Line as a founder. The phrase was coined in the 90s but it's the practical impact it's having today which matters. Standing for **People, Profit and Planet**, the Three Ps are a new way of understanding and analysing the performance of your business. Instead of just looking at the bottom line in terms of profit, businesses and their boards now look at people and the planet alongside profit, to provide a fuller picture of the impact that it has on the wider world. Find out more below:



People

As a founder, it can be hard to grasp the impact your startup can have on the people it touches. These are not just your partners and employees, your suppliers and their employees, too - it's the communities your business operates in, and, of course, it's your customers.

Planet

We are in the midst of a climate emergency. Fossil fuel emissions generated by commercial operations are a key driver of climate change, and it's up to us as founders to start designing sustainable solutions. We all have a responsibility. From carbon offsetting and careful supply chain choices, to building products which people actually need - that last - and reducing the purchasing cycle and eliminating waste, businesses can do better. And Section 3 of this guide is all about showing you how.

Profit

Profit is essential for all businesses. Companies that contribute to the local and national economy, create employment for people and design products, services and experiences of value, are the lifeblood of our economy. How do we ensure that profit is generated not at the expense of people and resources, but to benefit them?

B Corps and the Better Business Act

What

In the UK, a movement quickly gathering pace for businesses to ensure they use their profit for good is through the B Corporation Certification, known affectionately as the B Corp. The B Corp certificate enshrines in a business a commitment to operate in a way which is conscious of the impact it is having beyond the bottom line. To make profit not just to benefit a founder, or a shareholder - but to benefit the community and beyond, too.

With high street names such as Innocent Drinks and The Body Shop now on board, 'B Corp' is becoming the mark of practicing what you preach when it comes to changing business for good.

It's a movement that fuses profit and purpose, to consider business beyond shareholders. It's not just a certification: it's a community of like-minded founders who are committed to making a positive change.

It's a legal requirement as a B Corp to consider and monitor the impact of all business decisions on the entirety of the supply chain. From employees, to consumers, to suppliers - and the effects these will have on communities and the planet, B Corps must commit to sustainable and inclusive business.



Can small startups make a difference?

It might seem that as small startups - sometimes with sole founders - we can't affect change. But whilst systems, governments, institutions and massive corporations will be instrumental in changing the way the world works, it's the founders of tomorrow who will build the movements that kickstart these changes. As the B Corporation website states: "Society's most challenging problems cannot be solved by government and non-profits alone."

Research from Virgin StartUp shows 60% of Brits support small business more than ever before, following the impact the coronavirus pandemic has had on customer values. People want to shop small. And they're doing it in their masses.

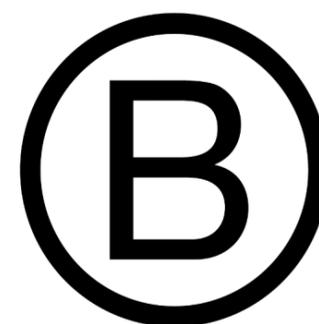
How

How does the B Corp Certification work?

Assessing and evaluating the entire structure of your business, the B Corp Certification looks at your product or service offering, how your business works, and the impact it has on the world.

Certified B Corporations must edit any legal governing documents to ensure its Board of Directors balance profit and purpose within the business. It's a rigorous process both the business world and consumers trust, and it helps hold your business accountable.

Certified



Corporation

Why

The Better Business Act

The Better Business Act is a national campaign calling on governments to change the law on how businesses are governed, which would require them to report on their societal and environmental impact alongside financial, and change what "success" means in business.

Virgin StartUp signed up to the Better Business Act, and we're encouraging purpose-driven founders up and down the UK to do the same. Businesses of all sizes, big and small, have an opportunity to help be part of the solution of the challenges facing society today, and the Better Business Act is an important step toward creating real and lasting change.

better business
act

Freestar



World Beer Award winner and better for the planet.

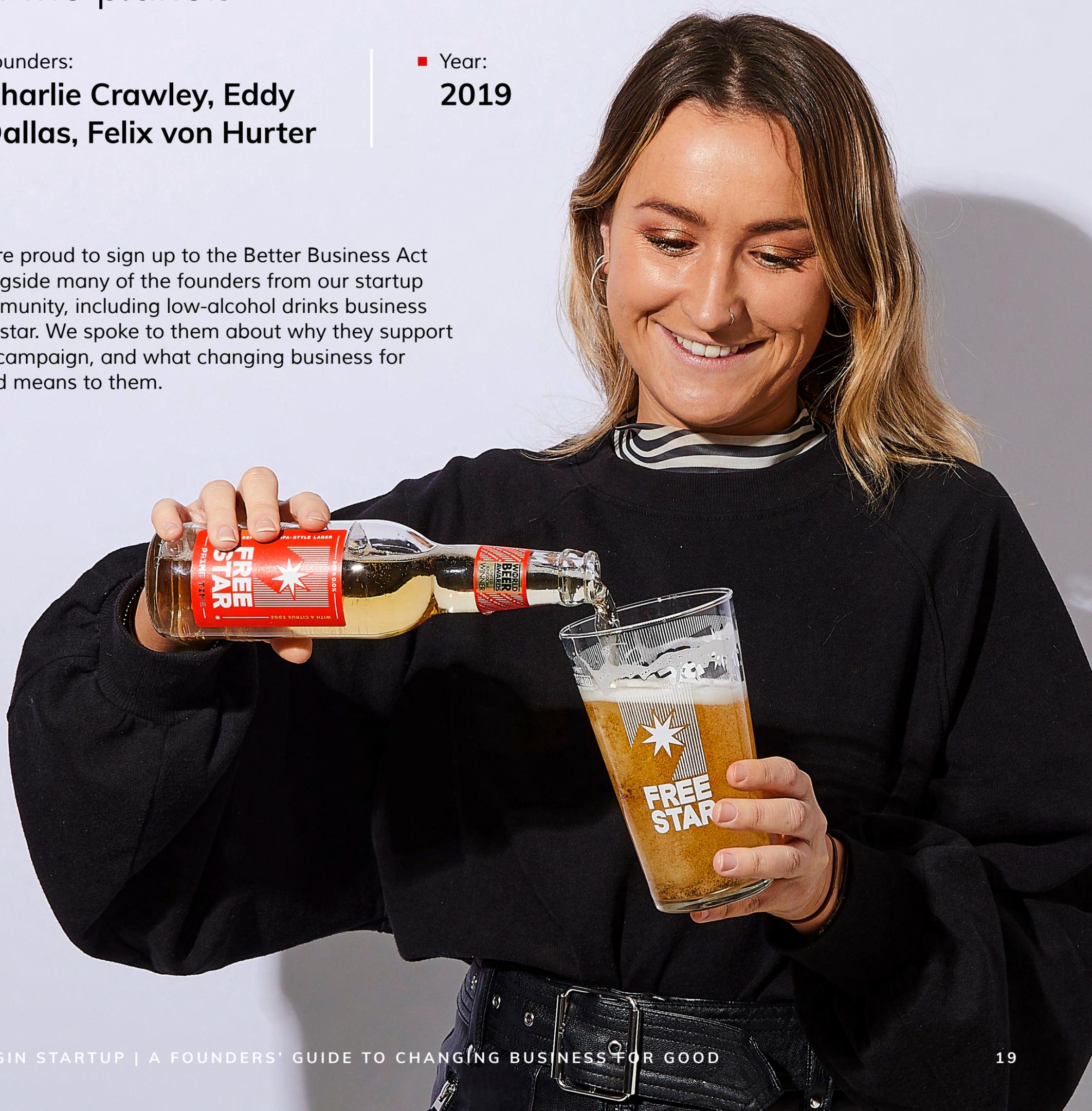
■ Founders:

Charlie Crawley, Eddy Dallas, Felix von Hurter

■ Year:

2019

We're proud to sign up to the Better Business Act alongside many of the founders from our startup community, including low-alcohol drinks business Freestar. We spoke to them about why they support the campaign, and what changing business for good means to them.



As well as being an award winning non-alcoholic beer, Freestar is one of the world's most sustainable beer brands - and the first non-alcoholic beer brand in the world to become a B Corp!

Over the course of 2 years and more than 400 recipes, they pioneered a new way of blending beer, rather than brewing it. In doing so, Freestar emits 90% less CO₂, use 80% less water, 80% less energy and creates 70% less waste than typical beers.

Why did you sign the Better Business Act?

We believe business can be used as a force for good. In fact we think it can be one of the most powerful drivers of change, so signing up to a commitment like the Better Business Act is a great way to put concrete action behind that theory.

Why do you think it's important for other businesses to sign up to join the Better Business Act?

If we can build a community of businesses that are committed to the Better Business Act that becomes very powerful. The more businesses that sign up the more positive impact we will have on the people and planet we leave behind.

What do you hope will happen if the Better Business Act is successful?

That businesses will legally have to consider the impact of their decisions beyond how it affects their shareholders; that they will have to consider the impact on the wider community and of course the planet. This we hope will make for a more sustainable and inclusive future.

What do you want to see from businesses in the future?

Outward facing commitments that demonstrate concrete action to the wider business community. Signing up to the Better Business Act is a great example, as is gaining a B Corp certification.

How do you make sure that you measure your impact as a business?

As a certified B Corp we use the B Corp framework to measure our impact. There are 5 areas of impact to measure: Governance, Community, Workers, Environment, Customers, and we self assess every year.



Oddbox



The purpose-fuelled startup reducing food waste in the UK.

■ Founders:

**Deepak Ravindran,
Emilie Vanpoeringhe**

■ Type:

Food Delivery

■ Year:

2016

Along with hundreds more businesses, Oddbox have also signed up to the Better Business Act to make change happen for a future of better businesses.

The food waste delivery startup rescues wonky fruit and vegetables that would have otherwise gone to waste. They bring it straight to your door, providing you with good quality, yet quirky looking food.



04. HOW TO HAVE IMPACT: BUILDING BETTER BUSINESS

Co-founder and CEO of Oddbox, Emilie Vanpoperinghe, spoke to Virgin's Chief Purpose and Vision Officer, Holly Branson and Better Business Act Campaign Director, Chris Turner, who described the Better Business Act as a new "contract between businesses and society".

Why did you sign up to the Better Business Act?

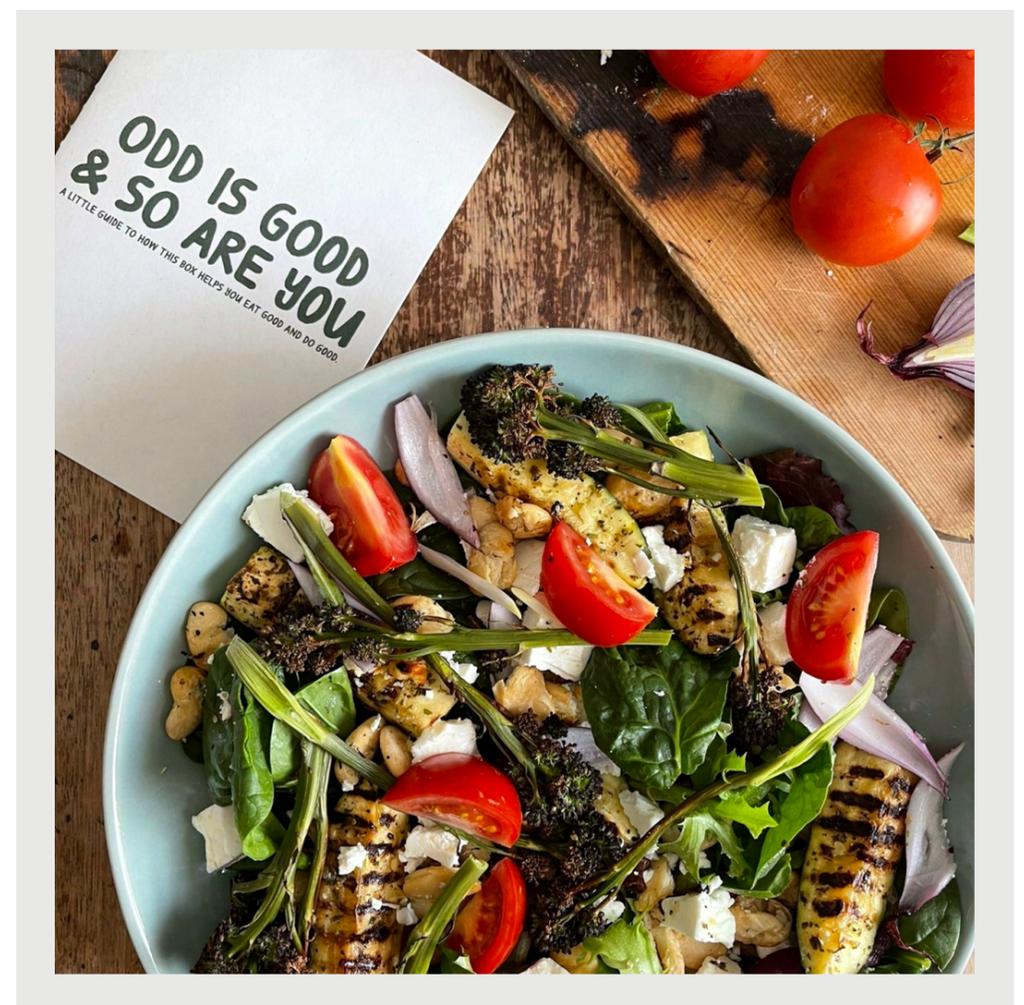
We believe it's our responsibility to help even more people fight food waste, and do it in a sustainable way. That's why we're a proud, certified B Corporation (a.k.a B Corp).

Actually, we changed our articles much before the Better Business Act because we just needed to make sure we didn't only cover the interests of our shareholders but all our stakeholders.

How has your business balanced profit, planet and purpose?

Up to 40% of produce we grow is wasted and, in most cases, it's because it doesn't look perfect or it's surplus, there is overproduction in the system.

At Oddbox, our customers don't just get good fruit and veg, they get the ability to do something good for the planet. So actually, our impact is truly embedded into everything we do and that's just why we have been able to grow so fast.



What advice do you have for founders who are trying to be more sustainable and purposeful in the way they operate?

It can feel overwhelming to balance profit and purpose, so don't try to do everything.

Why should other businesses sign up to the Better Business Act?

Purpose-led businesses grow faster, they have more engaged staff and they do better in the long term.

Circular economy

What

In the **linear economy**, raw materials are taken and manufactured into products that are ultimately thrown away once they're done with. This model uses more and more finite resources, creates more harmful emissions, and adds to landfill which harms the environment and ecosystems, whilst using up valuable and limited space. It can't work in the long term.

The **circular economy** model aims to reduce (or even eliminate) this waste by 'closing the loop'. At the end of its useful life, a product would be reused, repaired, refurbished or recycled.

At its core, a circular economy model aims to reduce and eventually eliminate waste in the whole **product lifecycle**.



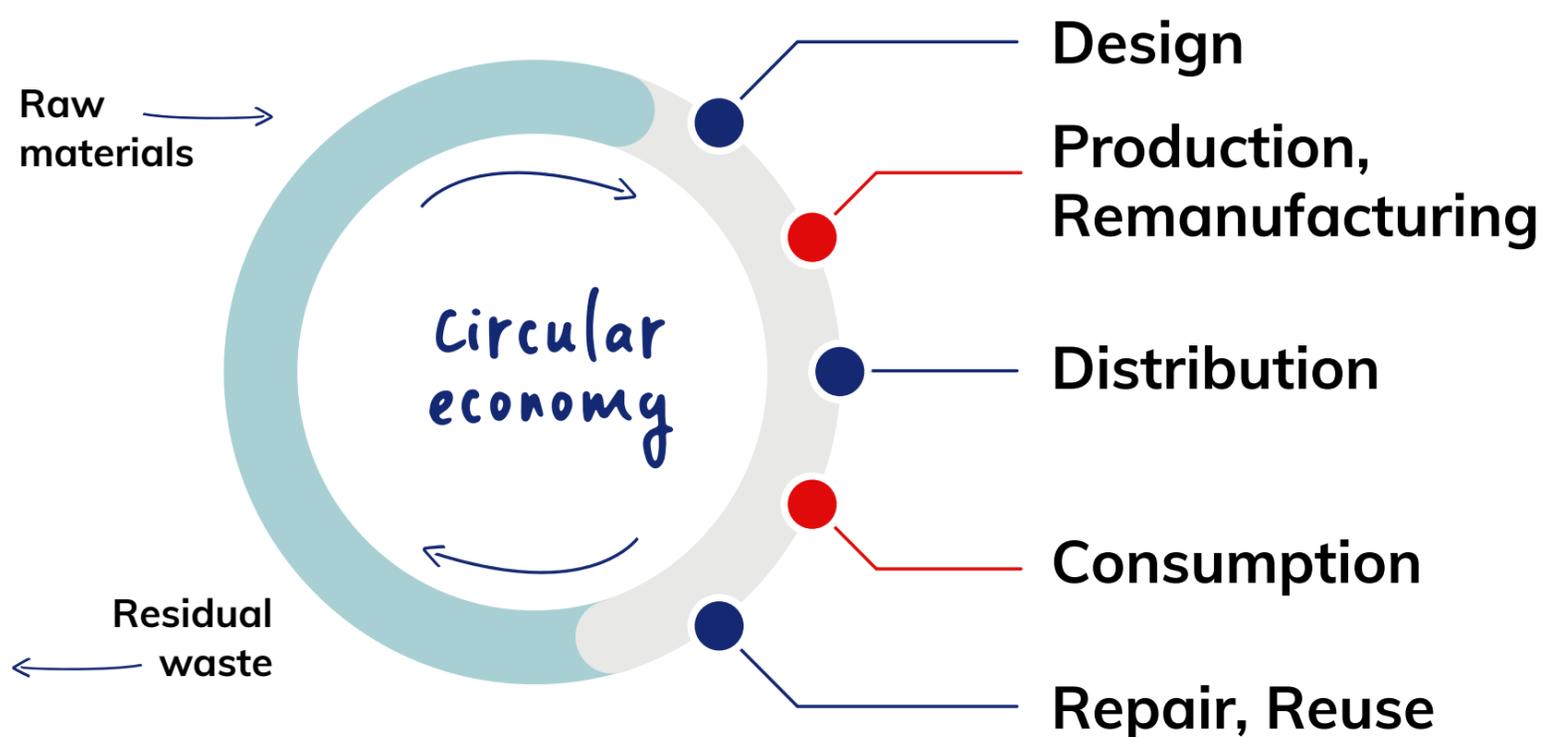
i Linear economy

The traditional business model of make, take and dispose. A company produces a smartphone, you buy it, use it, and throw it away when you're done with it.



i Product lifecycle

Product lifecycle is the entire lifetime of a product, from raw materials, through manufacturing and distribution, to your customer's hands, and then finally when it's disposed of, reused or recycled.

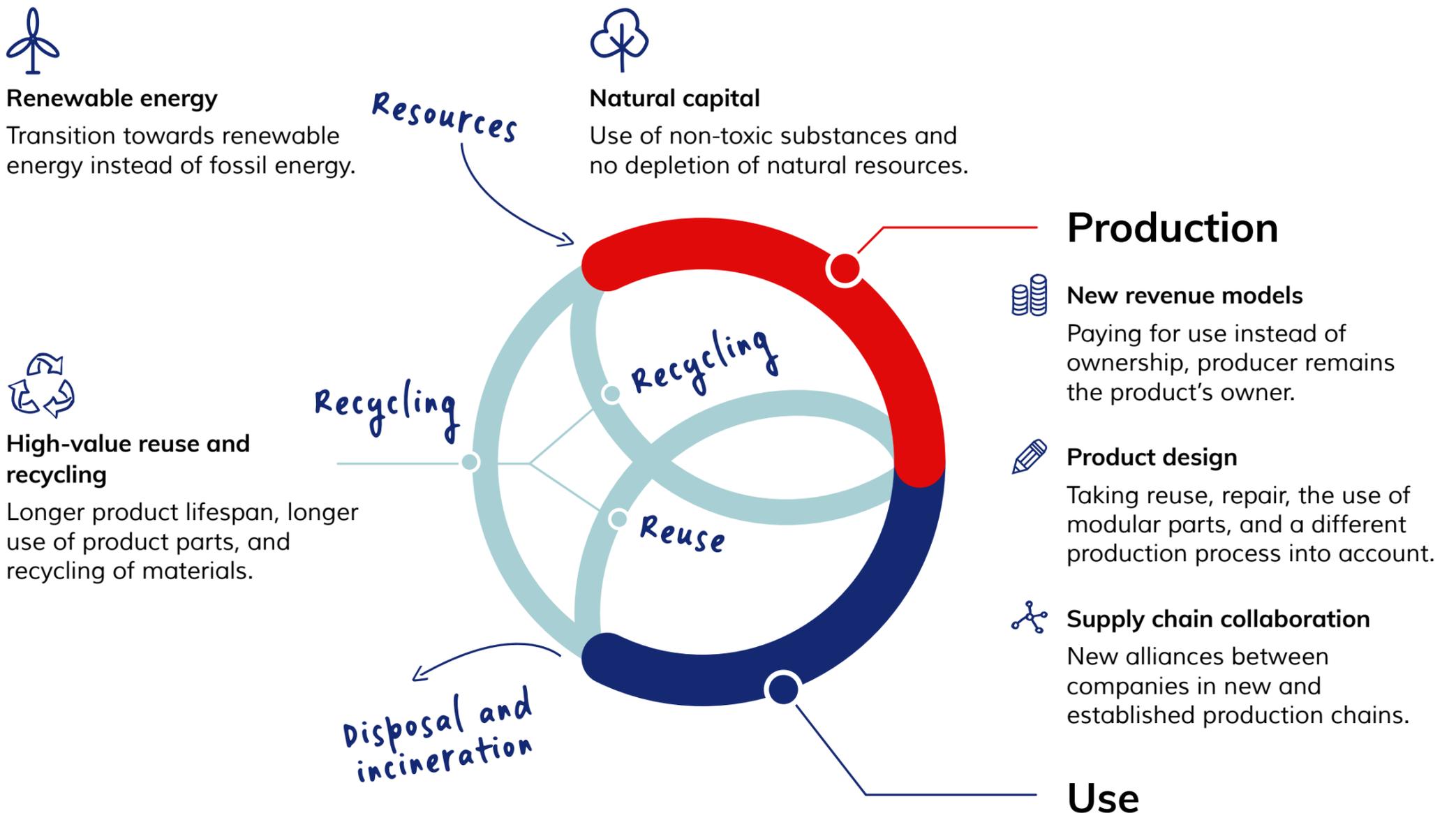


Why

To tackle the climate emergency and protect our natural resources, the ways businesses are organised and designed are being disrupted. No longer can we rely on an endless supply of strictly finite raw materials and natural resources, nor can we continue to produce so much waste which cannot be reused or recycled.

How

To build your startup with a circular model in mind, it helps to design it from the ground up, and integrating the principles across all areas of your business. These are the characteristics of a circular model which you can start to implement in your own startup today:





UpCircle

A skincare brand with a massive difference.

- Founders:
Anna and Will Brightman
- Type:
Skincare
- Year:
2016

We spoke to the sibling founders about how their revolutionary skincare brand embraces every aspect of the circular economy, and what you can do as a founder to start.



What does circular economy mean to UpCircle?

The circular economy is about keeping things in use that already exist. Preserving resources is the primary goal. Every ingredient we upcycle as a brand has to benefit everyone involved and it's also important for us to make use of every part of any plant that we choose to grow.

Take argan for example - there are many positives of the argan oil industry. The tree itself helps to prevent desertification and soil erosion. It provides food and shelter to local communities and the leaves and fruit are used as animal feed.

If we can provide competitively priced, high performing products from upcycled ingredients then we are demonstrating that the beauty industry can become a lot less wasteful – it is an innovative approach and a fresh perspective.

It also supports around 2.2 million people in the major production area, predominantly through women's cooperatives. We believe that the shells of each nut can be used more effectively – hence we use discarded argan shells in our moisturiser.

The world has finite resources, and at the minute we are depleting them at a scary rate. So, if you ask me, businesses that extend the lifecycle of things that are already in circulation are the future!





What advice would you give a new founder who wanted to build a startup with a circular model?

Get good at dusting off your shoulders and starting again!

There has been a LOT of trial and error in our brand development. We've faced hurdles and had to start over on numerous occasions, there have been highs but there have also been lots of lows!

The most important thing is that we kept going and found solutions that work. I think there's definitely a reason that so many other brands don't succeed in scaling circular concepts – it's not easy!

Being a disruptor brand means that the path that you forge will always be bumpy. For us, trying to tackle issues of waste in the beauty industry was no simple task - investors and mentors alike tried to put us off the concept in the early days.

Fortunately, the rapid growth of UpCircle has become a great example of the opportunities that a closed loop economy can afford us – if we are imaginative enough!

How important is sustainability to your brand?

Our brand name encapsulates our core purpose: sustainability and promoting the power of the circular economy. It's been a gradual process and each product from our range has its own unique provenance given the circular economy element. Their unique story is part of what makes them so special.

Skincare is a crowded market. Lots of skincare brands can claim to be vegan, natural, handmade, organic, cruelty-free etc. and so can we, but we want to go a step further.

“How many brands can claim that their products have saved literally hundreds of tonnes of valuable skin-loving ingredients from ending up in landfill?”

How does UpCircle minimise waste in its product cycle?

At UpCircle we make sustainable skincare products from ingredients which would otherwise be discarded. We repurpose more than ten by-product ingredients from varied industries, including the argan, tea, juice, date, olive and wood industries.

Our range has saved literally hundreds of tonnes of valuable skin-loving ingredients from ending up in landfill. We're doing things differently and have made a name for ourselves as the pioneers of "by-product beauty".

The packaging across our range is 99% plastic-free and we offer plastic-free refill options for the 1%.

Aside from our actual products, our marketing materials are made from paper that's made from recycled coffee cups and we only use paper tape which has been made from recycled fibres. We also have a full packaging returns scheme.

We've designed our packaging return scheme to be simple and streamlined. We want as many UpCirlers as possible to make use of the scheme, so we've ironed out any pain points! There's a separate "Refills Collection" on our website where all prices are subject to a 20% discount vs. the usual retail price.



“We also automatically email a Freepost return label, so it’s as simple as could be! Circular ingredients, circular use of packaging. It just makes sense!”

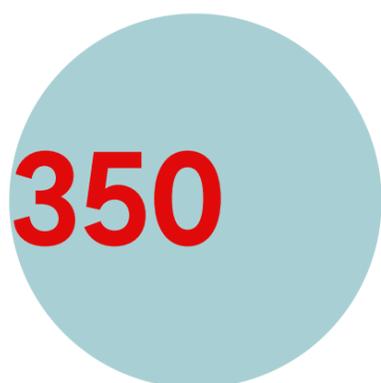
We say, “natural” is the new “normal” and normal is boring. To stand out you have to go a step further and that’s why we create waste-fighting formulations. We are the only brand who recycle coffee grounds into skincare products at scale, so the range is the definition of innovative!

Our tagline is
“Pioneering skincare that’s regenerative by design”.



How do UpCircle measure environmental impact?

In many ways, but one of our favourites is to measure the amount of by-product ingredients we have rescued by repurposing them into our products. Here are a few examples:



Over **350 tonnes of used Arabica coffee grounds** diverted from landfill and transformed into our body and face scrubs;



Over **5,000 pieces of packaging** returned and refilled in first three months of launching our packaging returns scheme;



The residual water of **20,000 mandarin oranges** upcycled into our Toner so far;



1kg of blueberry extract found in our Night Cream contains the oil of **800,000 berries** which would have otherwise gone to waste!

Rather than bombarding people with doom and gloom headlines about the scale of environmental issues, we focus on positive change and that we can all make a difference in small steps.

Rather than saying 500,000 tonnes of coffee grounds are sent to landfill in the UK each year, we say, “**each of our face scrubs rescues the equivalent of four espresso shots from being discarded.**” It’s tangible, it’s uplifting, it makes you feel good, it’s something to be proud to support.

Sustainable packaging and supply chains

What you use in your packaging is now as important as how it's designed. One study has found half of UK and US shoppers consciously shop to limit the single-use plastic they encounter.

It's important to remember that the very instance of 'throwing' something 'away' means it goes 'somewhere' - and if it's plastic, it's hitting landfill. If you're using plastic packaging, it could have a lifespan longer than your startup's.

Here are 10 ways you can change business for good by consciously thinking about the packaging your business uses:

With input from friend of Virgin StartUp, Sanjay Patel, Founding Partner of Packaging Collective.

01. Reduce packaging

The first and most sustainable action to take is to cut down any waste as much as possible. The earlier in the starting up stages you reduce your packaging, the easier it is for you as a founder. Make sure that it is written into your design brief in the first stages of concept development.

02. Make packaging reusable

If you can reuse your packaging, you lower the environmental impact per usage. Furthermore, using the packaging for something different after your product is a great thing to do. Doing this can add value to your brand.



Wild and Stone

03. Make packaging compostable

Before committing to a new material, think about how long it will take to compost - and where it will need to be composted. Some materials are only industrially-compostable, and need a specific recovery waste stream to be processed.

04. Consider water soluble packaging

In a similar vein to compostable packaging, water soluble solutions are new to the market, but hugely effective if you can get your hands on them.

05. Try plantable packaging

This kind of packaging has seeds within it, so customers can decide to plant them after they've opened your product.

06. Ensure packaging fillers are sustainable

It most likely comes as no surprise that fillers such as polystyrene and bubble wrap aren't kind to the planet. So, why not try more planet-friendly options such as cardboard shredders, cornstarch peanuts and mushroom packaging?

07. Produce edible packaging

There's no need for waste if your hungry customers are going to devour your product - and your packaging. And it's not as new an invention as you might think: humans have been eating ice cream cones - edible packaging for your dessert treats - for decades.

08. Upcycle your offering

Packaging that can be recirculated in society is another sustainable option: something that not only benefits the customer for reuse, but that is upcycled from the beginning. Jars and containers that can be reused, packaging that can be planted, and bags that can be repurposed as compostable food waste liners are all good examples.

09. Forget plastic

Bio-Plastics are still plastics, but they use natural materials to create the packaging instead of from fossil fuels: that's it. This can lower the environmental impact (dependent on the feedstock and processing) yet they still behave like a traditional fossil fuel-based plastic.

10. Avoid complex combinations

This is a crucial one. Mixed materials that cannot be easily separated by the consumer make recycling difficult or not possible. In your packaging design, think about all the structural elements - and if you use mixed materials, are they needed, how will the consumer separate them, and how else, through clever design, could you achieve the same functionality?



Carbon offsetting

What

A carbon footprint is the amount of **CO2e** emitted in relation to a specific process. In most mainstream cases, including the likes of which you see on products, it means the aggregated amount of **greenhouse gases** emitted, converted into the equivalent amount of carbon dioxide - or CO2e. Everything has a carbon footprint, from our food, clothes, devices and even ourselves. As a startup, whatever you do will take energy to create and sell; whether you're an online only business selling software as a service or a fashion brand selling through physical stores, you'll have a carbon footprint.

Carbon dioxide emissions will have the same impact on global warming regardless of where it is emitted, and by whom. So a tonne of carbon dioxide emitted in one place can be offset by a tonne of carbon dioxide absorbed in another.

Why

The drive towards more conscientious business has never been stronger. We know the world is changing, and that fundamentally, businesses need to change with it. Consumers and investors alike are looking for more purposeful brands to engage with, and the potential for creating lasting impact is great, surpassed only by the urgency to act.

How

As a startup, you can cancel out - or offset - some of your emissions by investing in projects which reduce or store carbon, such as rewilding, tree planting and preservation.

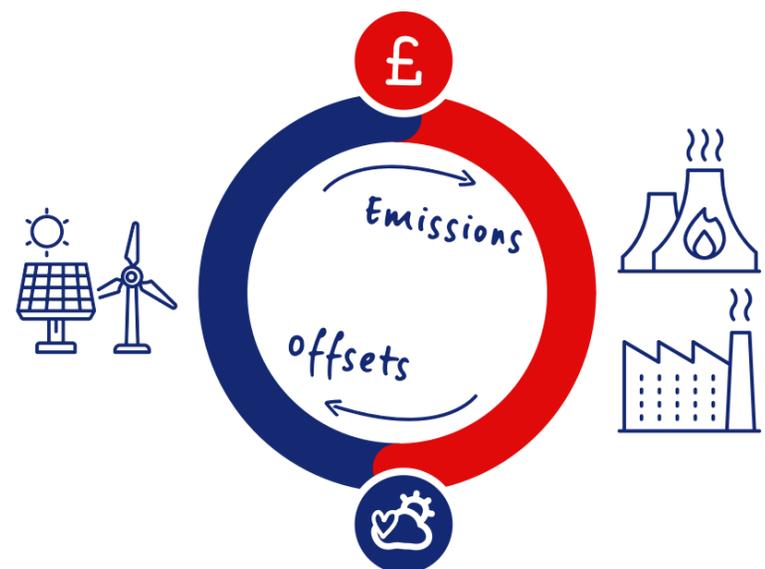
i CO2e

"Carbon dioxide equivalent" or "CO2e" is a term for describing different greenhouse gases in a common unit. For any quantity and type of greenhouse gas, CO2e signifies the amount of CO2 which would have the equivalent global warming impact.

i Greenhouse gases

Greenhouse gasses are those that absorb and emit radiant energy within the thermal infrared range, causing the greenhouse effect. Greenhouse gasses trap heat in Earth's atmosphere and contribute to overall warming across the globe. Not all greenhouse gases are created equally, and some do more harm than others. To bring clarity to how we talk about greenhouse gases, scientists speak in terms of carbon dioxide equivalent - CO2e. Human activities since the beginning of the Industrial Revolution (around 1750) have increased the atmospheric concentration of carbon dioxide by almost 50%.

Businesses and organisations purchase offset units



Offset units can counteract emissions created

Ecologi

There are lots of ways you as a founder can offset your startup's carbon footprint.

Ecologi help people and businesses prioritise their climate impact through a number of different ways including offsetting to achieve carbon neutrality. They use climate-backed initiatives to help you take positive climate action with your business:

Renewable Energy

They fund clean energy projects such as wind and solar, small hydro, and geothermal power plants – to displace fossil fuels on their local grids.

Forestry

As well as their tree-planting initiatives, they also fund projects like REDD+ avoided deforestation projects, to protect old growth rainforests like the Amazon.

Community

They fund verified carbon projects that benefit the community, such as repairing water boreholes and providing fuel-efficient cookstoves.

Methane capture & storage

They support carbon capture and storage (CCS) projects such as landfill methane capture, to prevent harmful emissions from directly entering the atmosphere.



Transparent production

What

Transparent production is about demystifying how your products are manufactured, packaged and shipped. For startups, this means communicating these processes clearly, explaining the steps taken, and resources and energy used, to get from raw material to your customer's hands.

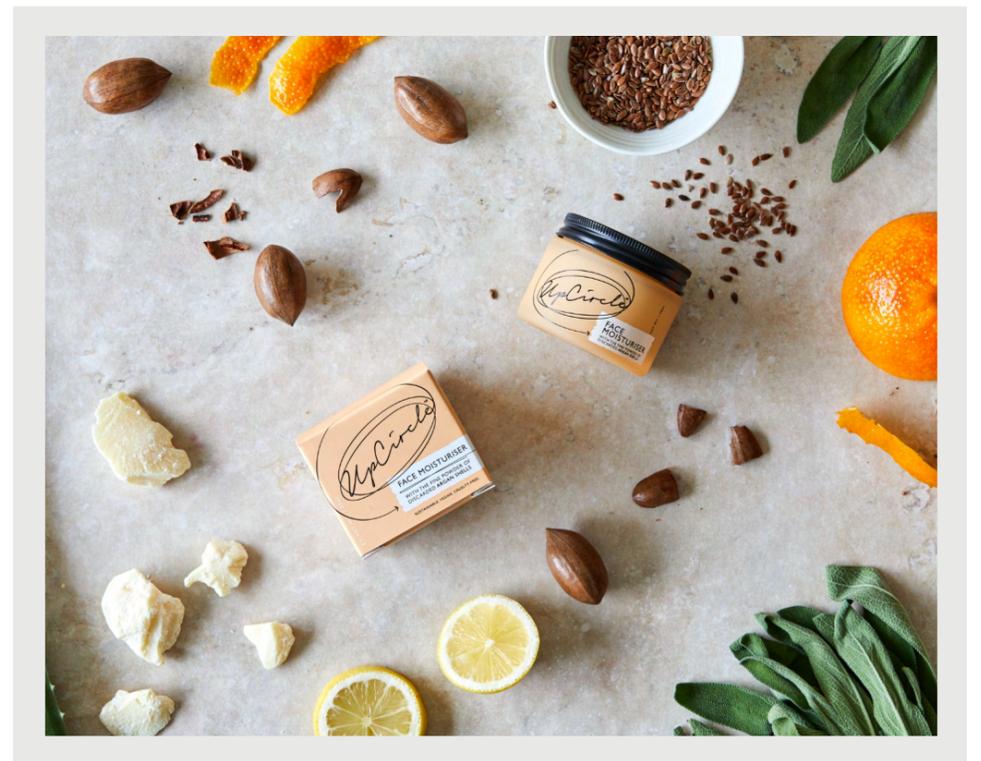
Why

Think of your favourite products. Maybe it's the device you're reading this on. How many different components made from myriad materials are there in this product? How is each component manufactured, and where, by whom? What energy needs to go in for the product to come out? Where does the raw material originate, and where did the final product ship from to get to you? Was it delivered from a warehouse to your door by a van or a bike?

All these questions and more are leading consumers to consider not just what you're selling, but **how** it ends up in your hands.

Business is an act of service, and part of this service is helping customers make more informed decisions about what they're buying.

Over the last decade, business practices and supply chains have been put under tighter scrutiny in light of the accelerating climate and ecological emergency.



UpCircle

Accountability came to the front of the agenda particularly within the fashion industry, after the Rana Plaza building collapse in Bangladesh in 2013 killed over 1,100 garment workers, and recent research has found 10% of the entirety of global carbon dioxide emissions come from fast fashion businesses.

Demands have increased from customers and governments to ensure all businesses share key information about where and how their products are made. But the difficulty is that supply chains are not, by nature, transparent. By revealing often proprietary details about your supply chains, you risk opening your business to a competitor's advantage, and there's a greater chance of reputation being affected or products counterfeited.

It can also be difficult to get information from your suppliers about their practices, and often these details can be thin on the ground. However, the good news is it's possible for your startup to start making a difference.

How

Changes your startup can make

It can often feel overwhelming as a startup knowing where to begin. Resources and budgets are tight, so being perfect straight away is not an option. But always looking to do better is. Here are some things your startup can do to up the transparency of your production:

- **Set realistic goals**

Founders are ambitious, but we need to set ourselves smaller, more regular targets at first, rather than aiming for the moonshot straight away. Everything from the number of employees, to stakeholder interests and funding impacts a startup's ability to be as sustainable as possible.

So, instead, ground your goals in the present, and set targets for further ahead for the development you wish to achieve in the future. What you can do from the start is develop a code of conduct for your startup, ensuring each supplier you work with complies.

- **Be transparent with suppliers**

Engage within the supply chain and collaborate with your suppliers to improve the processes involved, and continue to monitor activity. Open communication will result in a company you are proud of being transparent about.

- **Understand the supply chain journey**

Identifying areas for improvement, mapping the supply chain journey and visualising what needs to be done to secure more sustainable practices of working is essential.

Ensure there are no gaps in your understanding. It's better to know what needs to be improved, than have question marks resting over essential components of your product journey.

- **Be transparent with your customers**

Ensure your transparency is a key aspect of your startup marketing. Whether that's including a page on your website which discusses your supply processes, shouting about it on social media, or sending notes with your products to your customers, being transparent with them builds trust that will ultimately lead to customer loyalty.

Allbirds

Mother Nature made us do it.

Allbirds, the New Zealand-based sustainable shoe company, have pioneered not only sustainable production methods, but also how to communicate the impact their products have.

Website image showing how much carbon is emitted from each of their products



WOOL RUNNER		2021
MATERIALS		+5.9 kg CO ₂ e
MANUFACTURING		+1.1 kg CO ₂ e
TRANSPORTATION		+2.1 kg CO ₂ e
USE		+0.1 kg CO ₂ e
END OF LIFE		+0.7 kg CO ₂ e
TOTAL		+9.9 kg CO₂e

Social enterprise

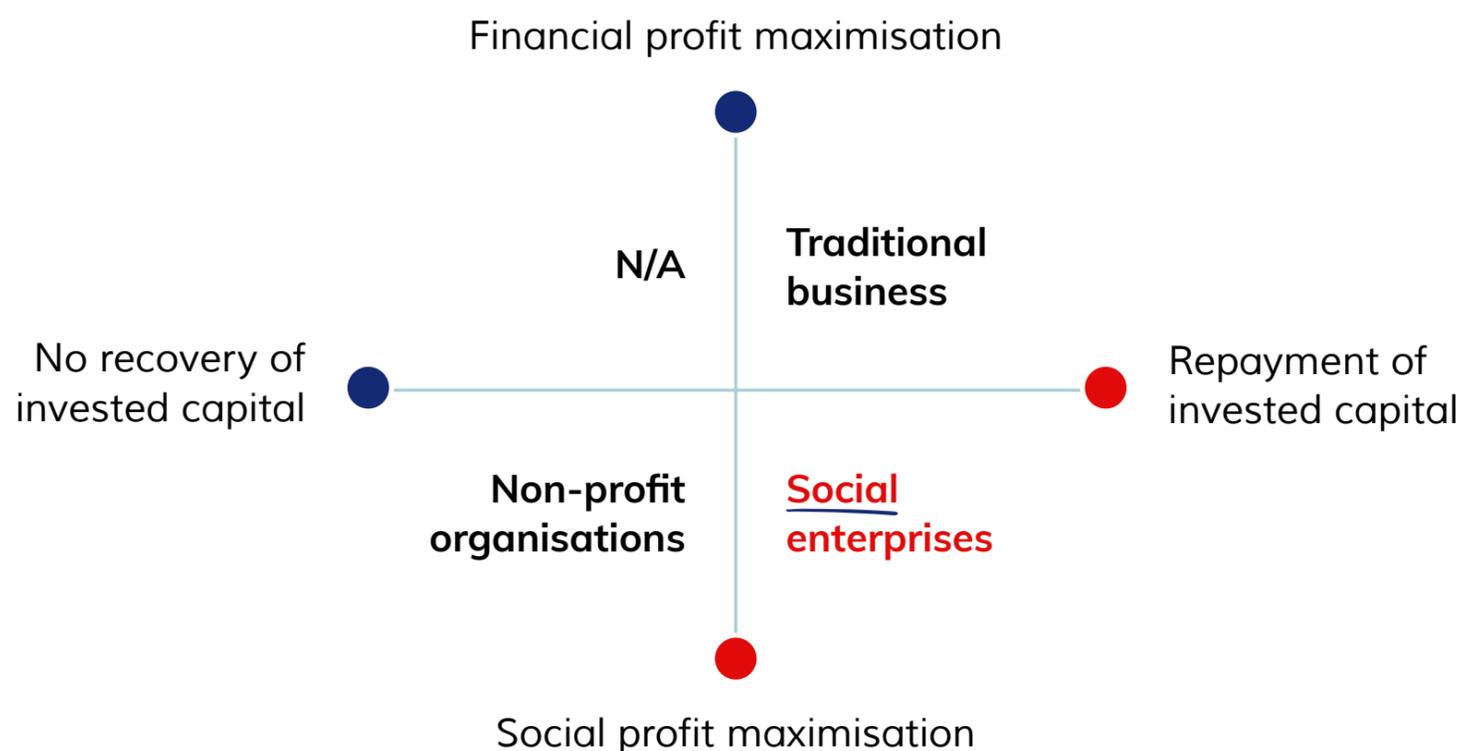
What

A **social enterprise** is a business which uses its profits to achieve specific social-purpose goals aligned to its purpose. They reinvest profits to maximise impact on their purpose.

Social enterprises create products or services which have commercial value, and are run like traditional businesses.



Hey Girls





Hey Girls

The buy-one donate-one period product social enterprise.

■ Founders:

Celia Hodson

■ Type:

Social enterprise

■ Year:

2018

Celia Hodson is the founder of Hey Girls, a buy-one give-one period product social enterprise that supports those who menstruate who are in need.

We caught up with the award-winning founder, who's now gone global with her startup across the other side of the world in Australia, to find out why you should consider starting a social enterprise, what it entails, and how to build a sustainable, purposeful venture that changes business for good.



Where does someone start if they want to build a social enterprise?

Start with the impact! Start way back. What difference is your business going to make to your customer? Social impact is ensuring you are going to be able to tell concrete stories of those lives your startup has made a difference to.

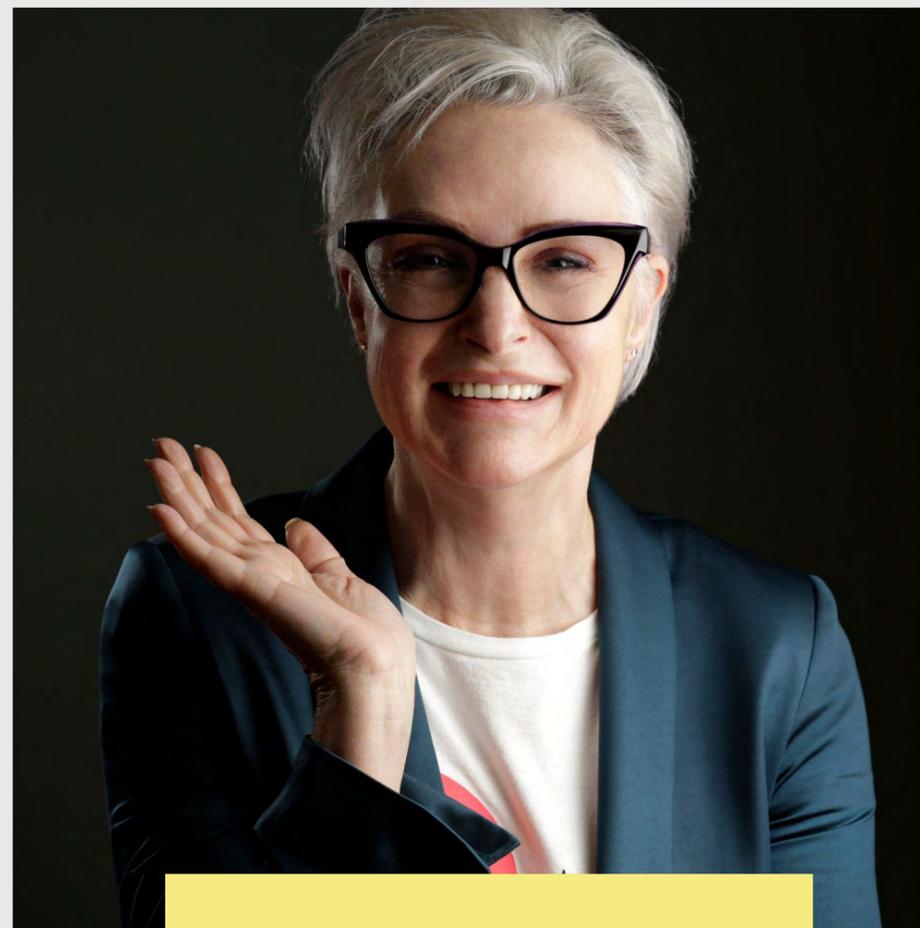
It doesn't matter if you're going to make a social impact to a very small narrow market, a very discreet number of individuals, or if you're going to make a very wide, shallow impact to thousands and millions of people.

It depends on the nature of what social problem you're trying to solve. We knew we had to build Hey Girls as a growth model; we knew we had to go big to make an impact. Make sure you put that in your business plan if you've ultimately got to scale up.

Then, ensure you're constantly checking in with your demographic in focus groups to keep refining and building on your proposition.

What are the best parts of being a social enterprise?

It's knowing that you're doing more than making money! Yes, we have to be a profitable business to survive - but it's what we do with those profits that makes a huge difference.



"Without funding, I wouldn't have been able to set up my website"

Celia Hodson | Founder of [Hey Girls](#)

What are some good exercises for startup founders to carry out to build their business proposition and develop its purposeful nature?

I'm a whiteboard kind of person! In our offices we have white walls - everyone knows they're there to play with. We have lots of idea dumps as a team.

Think about turning your organisation on its side rather than relying on the typical hierarchical structure. Get those people who are a part of your team, day in, day out, to lead, to be creative and to have permission of authority and the autonomy to explore ideas and potential solutions.

Just leaving space for those around you to innovate is really, really important.

“There are plenty of people out there willing to lend a helping hand for free for a good cause - we've had free media training and legal support.”

To find out more about social enterprises take a look at the resources below:

Join:

Membership bodies such as Social Enterprise UK

Learn:

At School for Entrepreneurs

Secure funding:

From organisations like UNLTD and Virgin StartUp

Check out [Year Here](#): training for the social entrepreneurs of tomorrow



ESG

What

Environmental, social, and governance (ESG) are a set of standards for a businesses operations that investors use to screen potential investments.

Much like the B Corp certification we discussed earlier, ESG looks at a company’s environmental and societal impact, but from an investor’s perspective.

Environmental covers the impact on the environment, Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates, and Governance covers the company’s leadership, pay, audits, processes and shareholders.

ESG

Environmental

- Waste and pollution
- Resource and depletion
- Greenhouse gas emission
- Deforestation
- Climate change

Social

- Employee relations and diversity
- Working conditions
- Local communities
- Health and safety
- Conflict

Governance

- Tax strategy
- Executive remuneration
- Donations and political lobbying
- Corruption and bribery
- Board diversity and structure

Why

As consumers demand more environmentally conscious products, investors are increasingly seeking out opportunities which do more than provide a financial return. As well as the potential for having a positive impact on the environment and communities, ESG investments are providing financial returns too.

Virgin Money

We're not like other banks. Discover what makes us different.

■ Founder:
Richard Branson

■ Type:
Financial Services

■ Year:
1995



“We are focused on where we can make the biggest difference to the environment and society, as a purpose-led business dedicated to making you happier about money.”

Graeme Sands, Interim Head of Business Banking, Virgin Money, said:

“While businesses overwhelmingly recognise the importance of sustainability, many – especially SMEs – struggle to translate good intentions into a clear plan and are worried about the cost and time involved in implementing an ESG programme.

“This is why we partnered with Future-Fit Foundation, to help SMEs and other businesses manage and measure sustainability. Our Sustainable Business Coach enables us to identify those businesses with capabilities that proactively drive other companies or consumers to create a more sustainable society and the loans will help these companies grow faster and help relieve some of the cost pressure. We firmly believe that we, and other banks, have a duty to direct capital responsibly.”





At Virgin StartUp, we've helped tens of thousands of founders start and scale the businesses they're passionate about. We're proud to have supported so many founders creating real and lasting change, and using entrepreneurship as a force for good.

“For support, I sought out the experience of the Virgin StartUp team. Being focused on founders, I always felt in safe hands and that the funding experience was tailored to someone in my position.”

Jake Wood | Founder of [So We Flow...](#)



About this Guide

This Guide was produced for Virgin StartUp by [Goldfish](#), with contributions from:
[Change Please](#) ■ [Freestar](#) ■ [Hey Girls](#) ■ [Oddbox](#) ■ [Packaging Collective](#)
[Simon Sinek](#) ■ [So We Flow...](#) ■ [UpCircle](#) ■ [Virgin](#) ■ [Virgin Money](#)

[Virgin StartUp](#) are a not-for-profit organisation helping founders to start up and thrive. We know what it takes to start and grow businesses, and are there for you each step of the way.

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