

# It's time for **massive** **transformational** **change**

How a pandemic  
and changing  
customer  
attitudes put  
Finisterre on  
the map

**CACI**

DO AMAZING  
THINGS WITH DATA



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**We need to stop focusing on comms and shift to action. We need massive, transformational change.**

**Debbie Luffman**, founder of ThinkCircular and former Product Director of ethical outdoor clothing brand Finisterre, on how brands of all sizes can take an ambitious approach to ESG.

### How has sustainability been key to Finisterre's success?

“The pandemic put Finisterre on the map, accelerating interest in sustainable clothing as new relationships with nature led to thoughts about how products arrive in our lives.

“Yet I can't put the brand's success down to environmental creds alone. It's more to do with how that connects with communities. Being based around sustainability principles gave us an engaging voice, an authenticity. It became the basis for talking to people interested in things like wild swimming or hiking or diving. From then on we were selling a lifestyle.

“Every pure play fashion brand is trying to find stories to wrap around their product, so they're not just saying 'buy this jumper'. Our principles gave us that platform from the start.”

### How different is an ESG journey for bigger brands?

“While there are differences, there are similarities too. A few years ago I was sorting out Finisterre's carbon footprint and felt embarrassed as people in the B Corp community assumed we already had this down. The more people I talked to, the more I understood that grappling with supply chains is difficult whatever size you are. Information is hard to find, not because it's deliberately hidden, but because it's convoluted and multilayered.

“Big brands were doing the same thing, but being treated very differently. Customers tend to be forgiving of a small independent, but when a corporate says they're trying to sort their carbon footprint they get jumped on for not having fixed it earlier.

“Equally big brands are accused of tokenism when they fail to tackle the core issues, and instead bring out eco sub brands. I've met people who are afraid to use a more sustainable material in a certain percentage of their range, because they realise they'll be accused of greenwashing. It can be tempting to do the worst possible thing - nothing at all!”



## What advice would you give to brands on an ESG journey?

“While incremental changes are better than nothing they’re not going to get us where we need to be. We need massive, transformational change.

“Leaders need to be brave, and they also need to be collaborative. Start by saying, ‘here is where we think we need to go, give us your feedback, give us your ideas and we’ll learn together as we go’. That’s one way to change fast.

“That collaboration goes beyond your own walls. If you’ve created a game-changing innovation, a new textile, a new process with lower environmental impact, ask yourself who else can you involve? Who else could use this? That’s a way to lead the industry and deliver the kind of ambitious action consumers want to see.”



**Brands need to stop pretending they have this all worked out and get to grips with what’s going on in the industry.**

## How would you like to see the industry change its attitude to ESG?

“We need to stop focusing on comms and shift to action. Producing more and more ESG information is just confusing. Consumers pick up a t-shirt and have no way of knowing what’s good and what’s not in terms of materials, supply chains or social welfare.

“Brands need to stop pretending they have this all worked out and get to grips with what’s going on in the industry. How can things be better? How can you support communities and have a positive climate impact? Don’t start talking until you’ve got some answers.

“I’d also like to see brands directing all their powers of innovation to solve these problems. Look at Tesla. I wouldn’t call Tesla a green product, but they faced up to a reality long before anyone else did – the combustion engine is dead so what’s next? Then they built a good product that was fit for the future.”

## How can an ESG framework help?

“The great thing about ESG is it makes sustainability measurable. Teams are used to working to KPIs, whether that’s gross margin or on time delivery. When people have clear goals they can work towards them.

“So data is the starting point: you show a team the goal, such as reducing carbon emissions by a particular amount, and they set to work to figure out how to meet it. You can break that down by any level of business, any department, to focus on the areas of greatest impact.

“Saying that, while data is key, there’s a fine balance. It’s easy to use ESG data to highlight the improvements a brand’s made. To spend time and energy shining a light on the good stuff. Depressingly, there is no correlation between people who report on ESG data and those who have a good social and environmental impact. It only takes a certain amount of data crunching to see where a business can make the most effective changes. Once you’ve found the problems, focus on action instead of reporting.”



## How can individuals push for change within a brand?

“Some people try to use fear, talking about the market share that’ll be lost if a brand doesn’t act fast, but I think that way leads to panicked, anxiety-driven decisions. The kind of transformational change we’re talking about takes so much effort to pull off that everyone needs a positive vision to get behind.

“Of course, more immediately there are dangers to not acting. Without causing panic you can remind leaders of the consequences of failing to act, from lost sales to difficulties recruiting for a brand that is known to be damaging the planet. But more importantly look at the opportunities you could open up by being more environmentally and ethically responsible.

“This goes beyond a moral obligation. And it’s even deeper than winning over conscious consumers. There are sustainable investment opportunities and cost-savings to be had too. For example, regenerative agriculture can be a huge money saver, as the soil needs fewer pesticides once its condition improves. Things like this take years to pay off, so a positive long term vision is key.”

# Introducing CACI's ESG Score

Consumers are increasingly concerned about their environmental impact, demanding higher standards of sustainability and employment practices from the businesses they interact with. In response, companies are rising to the challenge to improve their environmental, social and corporate governance (ESG) credentials.

Being able to identify those consumers who are most concerned about ESG issues can enable companies to develop appropriate products and propositions which resonate with consumers and justifies investment in these areas.

## What is ESG score?

CACI have developed an ESG scorecard to drill into each aspect of how important environmental, social and governance issues are to individuals, enabling companies to assess both their current and potential customer base and act accordingly.

We have built a series of individual level propensity models based on market research questions about consumers attitudes towards the following:

- Environmental factors such as climate change and pollution
- Social matters around community and social concerns and human capital
- Governance issues around workplace practices such as executive pay and ethics

The product contains four propensities, one for each of the individual aspects of ESG and one unified score to summarise an individual's affiliation to all the values encompassed by ESG.

These probabilities relate to how important each of these aspects are and can be provided at individual level coded onto your customer base, as well as aggregated to postcode level.



If you would like more information on CACI's ESG Score and how you can leverage it within your organisation, please get in touch to speak to one of our experts.



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## Applications

- Understand how important ESG factors are to your customer base
- Use this information to help with ESG investment decisions
- Work out whether your base will pay a premium for sustainable products
- Segment audiences to tailor the messages which will resonate, based on individual's concerns around ESG matters
- Develop products and propositions that tap into the issues your customers are most concerned about
- Assess the level of ESG concern across the country to understand market potential

## The benefits

- Unique insight into this current hot topic
- Available at full individual level for customer coding as well as address or postcode
- Built using CACI's robust modelling methodology
- Using research data from the UK's most trusted sources
- Regularly updated to ensure accuracy

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