

APPAREL AND ACCESSORIES

Ferragamo places sustainability at center of growth strategy

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Ferragamo is detailing its sustainable efforts. Image credit: Ferragamo

By SARAH JONES

Italian fashion company Ferragamo Group is aiming to consistently integrate responsible environmental and social practices into its corporate culture with the creation of a company-wide sustainability policy.

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Ferragamo's Sustainability Report 2017 details the activities the company has undertaken to make its operations greener, including laying out some of the challenges it faces to implement initiatives. As consumers become more concerned with brands' values and ecological footprints, maintaining transparency can help companies win their business.

"New generations are increasingly sensitive to the theme of sustainability, and today consumers request from the industry a commitment in this respect, too," said Ferruccio Ferragamo, president of **Salvatore Ferragamo Group**, Florence. "Therefore, I think that sustainability needs to become an inherent part even of the luxury business.

"Ferragamo has moved onto this path because it is consistent with our values and entrepreneurial philosophy, which tries to combine the need for efficiency and economic strategies through a long-term sustainable path that will become more and more integrated into our core business."

Sustainability strategy

Last year, Ferragamo created its first Sustainability Plan. Based on the United Nations' Sustainable Development Goals and the company's own internal objectives, the plan is a formal representation of the group's values.

The six key objectives of the plan revolve include supporting the health of women and children, investing in education for future fashion talents, backing local culture and providing professional development for its employees.

Ferragamo also lays out goals for clean energy and responsible consumption, including extending the lifecycles of its products.

In 2014, Ferragamo created a "green team" comprised of members of various departments, which oversees sustainability initiatives within the company and the community. Last year, the brand's merchandising activities

joined the green team, furthering efforts to incorporate sustainable raw materials into its products.

For instance, Ferragamo unveiled the first apparel collection created from fabric derived from citrus fruits last year. Using Orange Fiber, a patent with "an all-Italian soul," Ferragamo designed a capsule of exclusive prints using the citrus fruit fabric ([see story](#)).



Ferragamo's orange fiber fabric. Image credit: Ferragamo

The group's green focus is also seen in other aspects of its operations.

Last year, Ferragamo reopened its store on Canton Road in Hong Kong following renovations. The construction project took sustainability into account for aspects such as water efficiency and material choice, earning the store a LEED Gold certification.

Looking to reduce plastic consumption among its workforce, Ferragamo distributed about 1,000 custom-made canteens to its employees. The company is also looking at ways to help employees make their commutes greener, including partnerships with manufacturers of electric vehicles.

Another pillar of Ferragamo's strategy revolves around communicating about its sustainability initiatives to employees, shareholders, customers, NGOs and distributors, among other stakeholders.

For instance, in February Ferragamo established a digital platform for employees in Italy and Europe to view videos about the group's sustainable moves and voice their own opinions, with plans to expand it to other areas.

Ferragamo participated in the Carbon Disclosure Project for the first time in 2017, opting for transparency.

"In this day and age, brands are expected to talk about their achievements in sustainability particularly in the luxury industry," said Diana Verde Nieto, cofounder and CEO of [Positive Luxury](#), London. "In the future, we will see more brands embracing transparency surrounding responsible business, as sustainability has become a consumer expectation it is no longer optional."

"We're now beyond corporate social responsibility we're entering an era of corporate social opportunity," she said. "Now that the digitally-savvy, socially-aware generation is beginning to reach maturity, corporates who put sustainability at the heart of their business will be able to engage with a new audience, both as consumers and employees.

"Becoming more transparent will allow Ferragamo to be accountable across all their stakeholder groups both internally and externally. What other luxury brands can take away from this is the fact that people are ever more interested in the positive actions companies are making."

Along with its in-house efforts, Ferragamo is demonstrating its commitment to sustainability by planting an urban wood in Florence.



Parco delle Idee. Image courtesy of Ferragamo

In honor of National Tree Day on Nov. 21, Ferragamo began the creation of Parco delle Idee, or Park of Ideas, inside the University of Florence's Polo Scientifico of Sesto Fiorentino. While a physical example of Ferragamo's desire to be greener, this initiative is also a means for the company to give back to its native Italy ([see story](#)).

Social support

In addition to environmental efforts, Ferragamo is also focused on human capital.

Ferragamo's Sustainability Policy covers diversity and equal opportunity, reinforcing its anti-discrimination values. New efforts last year such as an internal job posting project, internship opportunities for employees' children and employer branding sessions with students are aimed at attracting, retaining and developing talent.

Ferragamo's board of directors approved the latest version of the group's Organization, Management and Control Model in 2017. The company's subsidiary Ferragamo Parfums adopted this model, which provides guidelines for conduct for managers and those who report to them.

A supervisory body monitors compliance with the model, and the group offers training to all employees.

The group also created an Anti-Corruption Policy in 2017. Employees throughout the company can use a whistleblowing system to anonymously report any misdoings related to the company's code of ethics without worry about privacy.



Ferragamo's sustainability report was just released. Image credit: Ferragamo

Taking its emphasis on human capital and social responsibility outside of its own operations, Ferragamo drafted and implemented a Supplier Code of Conduct in 2017, which will be shared with suppliers this year. This focuses on respecting human rights throughout its supply chain.

"I think that in future the economic impact will be dictated by the market growing attention to sustainability," Mr. Ferragamo said. "Therefore, the duty of modern companies will also be that of promoting social responsibility, educating the supply chain from providers to clients and raising awareness on the need of a transition from traditional business to a more responsible business management.

"I believe that this is a great challenge, but also a great opportunity," he said.

Ferragamo's CSR initiatives also extend to preserving made in Italy. It sources practically all of its raw materials from its home country, and the company fosters Italian innovation and know-how through two production facilities. One of the two, the Modelleria lab, was reopened in 2017.

Ferragamo also preserves Italian authenticity through its anti-counterfeiting efforts ([see story](#)).

In 2017, Ferragamo took part in the British Institute of Florence's fundraising efforts for the Harold Acton Library, while Ferragamo Parfums sponsored an award at the Venice Film Festival.

Ferragamo also supports local culture through its brand museum. Along with physical displays, in 2017, Ferragamo showcased a garment to the world through Google Arts & Culture's "We Wear Culture" project ([see story](#)).

"For Salvatore Ferragamo, a responsible way of running business is also reflected in believing in Italian craftsmanship and small businesses," Mr. Ferragamo said. "Salvatore Ferragamo was a pioneer in the process which has led to the elaboration of 'Made in Italy' and the group has always followed its founder's philosophy of keeping production in Italy.

"Made in Italy celebrates the concepts of slow fashion and local production: the great artisanal skills and the know-how that are behind each product assures customers the highest quality of what they purchase," he said. "Moreover, the deep research of materials and the unique design of each product are guarantees of the longest possible life of Made in Italy garments."

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