

RETAIL

## Farfetch outlines ESG goals, reflects on 2020 achievements

September 20, 2021



*Farfetch aims to be a leader in sustainable, inclusive and responsible fashion. Image credit: Farfetch*

By NORA HOWE

Online retailer Farfetch is furthering its mission to inspire, enable and empower its company to think, act and choose positively and responsibly.

Subscribe to **Luxury Daily**  
Plus: Just released  
State of Luxury 2019 **Save \$246 ▶**

Throughout the turbulent year that was 2020, Farfetch increased its energy consumption from renewable sources by 20 percent from 2019, removed all fur products from its inventory and launched a secondhand program in 30 countries across Europe and the United States, according to its annual ESG report. Climate change, ecommerce, human rights, environmental standards within supply chains and circular fashion are all key issues for Farfetch, and its **Positively Farfetch** strategy aims to revolutionize the fashion industry for the future.

"The fashion industry has changed enormously since Farfetch was founded in 2007," said Jos Neves, founder and CEO of Farfetch, in the report. "As the leading global platform for the luxury fashion industry, Farfetch must help lead and enable change: it's time to think, act and choose positively."

### Pillars of sustainability

Farfetch is focused on driving environmental impact reduction, in its own operations and wider value chain, specifically targeting carbon as its biggest area of direct and indirect impact.

By 2030, Farfetch plans to be climate positive, achieving carbon neutrality. Each year, the company uses a third party to measure, calculate and review its corporate carbon footprint, in accordance with the **Greenhouse Gas Protocol**.

In 2020, Farfetch introduced two new box sizes and trialled the use of more than 65,000 paper-based envelopes, which reduces the materials used, the air that is shipped and optimizes the number of products it transports.

Farfetch also signed the **G7 Fashion Pact** and the **UN Fashion Industry Charter for Climate Action**. By joining these initiatives, the company may collaborate with global businesses to help find solutions for climate change, biodiversity and ocean health.

By 2030, Farfetch also seeks to achieve 100 percent of its revenues from products that are independently recognized as being better for people and the planet or from services that enable positive change.



*Farfetch collaborated with 30 Middle Eastern and international designers to release an exclusive capsule collection for Ramadan this year. Image credit: Farfetch*

Farfetch has developed a set of independently-assessed **Conscious Product Criteria** to determine whether a product qualifies as conscious.

Additionally, more than 1,000 brands included on the Farfetch marketplace have been assessed on their environmental, social and animal welfare impacts by ethical ratings agency **Good on You**.

By 2030, Farfetch also wants to be a leader in conscious inclusion by championing diversity and inclusion within its workplace and the global fashion community.

In 2020, gross merchandise value (GMV) for brands in its Black designer edit increased by 66 percent, more than half, 53 percent, of the company's employees and 35 percent of its executive leaders are women and more than 85 nationalities are represented by Farfetch employees globally.

It also joined the **Board Challenge**, an initiative to improve the representation of Black directors in corporate U.S. boardrooms, as a Charter Pledge Partner.

To achieve its 2030 goals, Farfetch promises to increase representation at every level of the organization, foster an environment of education and empathy and mitigate bias by addressing discrimination and reward all employees fairly.

It also promises to invest in recruitment and career development strategies to ensure all employees can succeed, ensure its marketplace includes and is accessible to a spectrum of identities and needs and, finally, provide a dedicated space and visibility for designers and businesses from underrepresented communities.

From a governance standpoint, Farfetch is committed to fostering a "speak up culture" within its workplace, where employees are encouraged to express themselves and their opinions.

This culture represents an open door policy encouraging employees to do the right thing, ask questions and report when wrongdoings are witnessed.

#### Circular fashion

Increasing circularity is a major aspect of the company's environmental and social responsibility strategy.



*To extend the life of items while having a positive impact, Farfetch launched Farfetch Fix, powered by The Restory, an on-demand service provider of after-care for luxury fashion. Image credit: Farfetch*

According to Farfetch, being circular means that the items it sells or services should be pre-owned, made from recycled or upcycled materials or have their lives extended through Farfetch Circular services via resale, donation or repair.

In November 2020, Farfetch launched a trade-in program for designer handbags in the United States. The introduction of Farfetch Second Life allows U.S. consumers to trade in their slightly used handbags for credit to be used towards future purchases on the site.

This debut followed the success of the program's pilot launch in Europe in 2019, as more luxury retailers experimented with secondhand sales and consignment ([see story](#)).

Additionally, Farfetch's donation service Farfetch Donate, allows consumers to donate used clothes. One-third of the proceeds from the sale is then donated to the consumer's chosen charity.

After the successful launch of Farfetch Donate in Europe in 2019, Farfetch partnered with resale platform ThredUp to launch the donation service in the United States earlier this year.

With the help of ThredUp, U.S. Farfetch consumers can donate clothes they no longer wear to earn Farfetch credits and raise money for charity ([see story](#)).

"Our purpose is clear we want to be the platform for good in luxury fashion," Mr. Neves said in the report. "We are building and growing our business model to have a positive impact, where sustainability is at the heart of our culture and how we prosper."

---

© 2021 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.