

**FARFETCH**

# **2021 ESG REPORT**

**THINK, ACT AND CHOOSE POSITIVELY**



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# 2021 ESG HIGHLIGHTS

Data in this report refers to data for the year ended, or as at, December 31, 2021 for FARFETCH Limited ('FARFETCH' or 'the Company') and its consolidated subsidiaries, unless stated otherwise. Comparative data in this report refers to data for the year ended, or as at December 31, 2021 relative to data for the year ended, or as at December 31, 2020, unless stated otherwise.

|  |  |   |   |
|--|--|---|---|
| <p><b>POSITIVELY CLEANER</b></p> <p><b>7.9%</b></p> <p>reduction in CO<sub>2</sub>-eq logistics emissions per net unit sold, equating to a 21.6% reduction in logistics emissions per net unit sold since 2019</p>   | <p><b>POSITIVELY CONSCIOUS</b></p> <p><b>92%</b></p> <p>growth year-over-year (YoY) in Gross Merchandise Value (GMV) for Conscious products, with 7.4% of GMV being Conscious</p>  | <p><b>POSITIVELY CIRCULAR</b></p> <p><b>153%</b></p> <p>growth YoY in total Circular units (sold or serviced), representing 2.1% of total units (sold or serviced)</p>  | <p><b>POSITIVELY INCLUSIVE</b></p> <p><b>84%</b></p> <p>of Farfetchers reported they feel included at FARFETCH<sup>1</sup></p>  |
| <ul style="list-style-type: none"> <li>▪ Built on our commitment to Climate Conscious Delivery by investing in sustainable aviation fuel in partnership with DHL Express, whilst continuing to invest in verified forestry and renewables-based offsets</li> <li>▪ Received approval of our climate goals by the Science Based Targets initiative (SBTi) in January 2022, affirming our 2030 carbon footprint reductions targets are aligned with a 1.5°C pathway</li> <li>▪ Achieved a score of B- for 2021 from the CDP, one of the leading independent public disclosure bodies for environmental impact</li> </ul> | <ul style="list-style-type: none"> <li>▪ 84% YoY increase of Conscious products available on the FARFETCH Marketplace, with 14% of total products available qualifying as Conscious as of December 31, 2021</li> <li>▪ 93% YoY increase in consumer use of search terms for Conscious products</li> <li>▪ New Guards Group (NGG) and FARFETCH launched There Was One, a fully Conscious, digital-only brand</li> </ul> | <ul style="list-style-type: none"> <li>▪ 94% YoY increase in recycled, upcycled, or pre-owned products sold on the FARFETCH Marketplace</li> <li>▪ Expanded our Circular services by launching FARFETCH Fix, FARFETCH Donate in the U.S., and FARFETCH Second Life in the Middle East</li> <li>▪ Acquired Luxclusif in December 2021, significantly accelerating our platform capabilities to enable pre-owned services for our consumers, brands, and retailers</li> </ul> | <ul style="list-style-type: none"> <li>▪ Launched a counseling service benefit for employees with Plumm Health with the aim of supporting the well-being and mental health of Farfetchers<sup>2</sup></li> <li>▪ 32% YoY increase in the number of Black designer brands available on the FARFETCH Marketplace, and a 25% YoY increase in GMV from sales of Black designer brands on the FARFETCH Marketplace</li> <li>▪ Delivered Conscious Inclusion training sessions at all levels of seniority, in partnership with the NeuroLeadership Institute</li> </ul> <p><small>1 93% of Farfetchers filled in the annual Humu survey. Feeling included is measured by Farfetchers who report they feel valued, heard, and empowered in the workplace.</small></p> <p><small>2 Plumm Health is available to FARFETCH employees globally, except in China who have access to an equivalent platform.</small></p> |

|   |  |
|---|--|
| <p><b>GOVERNANCE AND ENGAGEMENT</b></p> | <ul style="list-style-type: none"> <li>▪ Joined the Business Ethics Leadership Alliance (BELA) in November 2021</li> <li>▪ Increased our EY Cybersecurity Program Assessment framework maturity score</li> <li>▪ Continued our supplier due diligence program with EcoVadis</li> </ul> |
|---|--|

# IN CONVERSATION WITH OUR FOUNDER AND CEO

José Neves, Founder, Chairman, and CEO, reflects on our ESG progress during 2021 with Thomas Berry, Senior Director of Sustainable Business.

**Tom:** What continues to drive your passion for the work we do at FARFETCH?

**José:** I started FARFETCH because I have a deep love for technology and fashion, and what drives us is this idea of connecting the world's best creators and curators of fashion with customers around the world. The influence we can have in this Industry is immense. Fashion and beauty are about identity and an expression of individuality, but it's also an industry that has a big impact on the world — it has a big impact on the environment, and on the communities where we operate. This is why it's so important that FARFETCH strives to become a platform for good in this Industry. It's why we launched our Positively FARFETCH strategy, which is designed around the topics that are most material to our business and are essential if the Industry as a whole is to have a positive impact on the planet and peoples' lives.

**Tom:** What is it about FARFETCH's approach to ESG that makes you excited for the future?

**José:** We've set our 2030 goals and I believe we're making good progress towards them. But what makes me most excited for the future are the capabilities we have as a platform to enable everyone within our community (the boutiques, brands, and customers) to make better decisions in terms of the products and services they bring to market and as consumers what they choose to buy. For us, this is a key objective of our Positively FARFETCH strategy. Being a partner to both the Industry and consumers is part of our DNA, and we continue to build solutions that will help drive real positive change — from tools to help retailers and consumers make more conscious product choices, to services that help extend the life of items already in existence.



*José Neves, Founder, Chairman, and CEO*

**Tom: So, which areas of the Positively FARFETCH strategy do you feel we've made significant progress in throughout 2021?**

**José:** It's clear we've made important advances since our 2020 ESG Report, but there is still lots more to do. In general, we make excellent use of data to understand our consumers and how more sustainable choices are becoming increasingly important to them. On top of the great work from our brand and boutique partners in expanding sustainability in our supply chain, the work we're doing to provide knowledge and incentives to change behaviors seems to be working. We've seen the growth in sales of these Conscious products significantly outpacing our FARFETCH

Marketplace growth in 2021 and now have over 220 brands classified as Conscious. We've also seen 153% growth year-on-year in the number of Circular items either sold or serviced through FARFETCH, and we've significantly expanded our services proposition with the launch of FARFETCH Fix globally, and expansions of FARFETCH Second Life to the Middle East and FARFETCH Donate to the U.S.

**Tom: I'm particularly excited about the work we're doing to reduce our carbon impact. How do you feel about the progress we're making there?**

**José:** Logistics is one of our biggest environmental impact areas. It makes up over a third of our company's carbon footprint.

Reducing this impact is important to our long-term business success because it helps save costs and serve our customers in a way that aligns with their values. This year, I am proud of the work we are doing to drive down our carbon emissions, including a whole host of logistic initiatives such as rolling out smaller envelope sizes and starting to build on our Fulfilment by FARFETCH proposition so we can leverage our logistics and data capabilities to offer really efficient solutions for our luxury partners. I'm also really proud of our Climate Conscious Delivery commitment through which we offset the carbon emissions of every delivery and return that is made through the FARFETCH Marketplace and Browns.

**Tom: We can only achieve our Positively FARFETCH mission if we, as well as the wider Industry, embrace diversity, equity, and inclusion. What opportunities do you see to further support this at FARFETCH?**

**José:** Our collaborative work with ten global People Communities (employee resource groups), such as our Black Employee Network, Disability Network, and Farout (LGBTQIA+) Network, has brought us a much greater understanding of the needs and experiences of all Farfetchers to continue to drive change across our organization. As a platform, we're trying to become more accessible, and representative of the huge diversity that exists within the Industry, and that is reflective of broader society, from designers to customers around the world.

**Tom: How would you summarize the potential impact we can have on the Industry through our Positively FARFETCH strategy?**

**José:** I really believe that FARFETCH can be the technology platform for the Industry that enables a more sustainable approach to everything we do. We're well positioned to help the whole fashion ecosystem think, act, and choose positively. In 2021, we've made great steps towards that goal – I'm really looking forward to the impact FARFETCH and its brand partners can continue to make.

*Thomas Berry, Senior Director of Sustainable Business*



# COMPANY OVERVIEW

## Scope of this report

This report provides an overview of our progress made in 2021 towards the commitments outlined in our [Positively FARFETCH strategy](#). For further details on our approach to managing such commitments please see the additional sources and data tables sections of this report. The report covers all of our businesses under FARFETCH Limited ('FARFETCH' or the 'Company') and its consolidated subsidiaries acquired prior to December 31, 2021, unless otherwise noted. Some of our business units (for example Browns, NGG, and Stadium Goods) have ESG priorities specific to their business models. As part of our ongoing

work, these businesses are developing specific strategies and programs to address these priorities, some of which are addressed throughout this report.

## Our business

FARFETCH exists for the love of fashion. We believe in empowering individuality and our mission is to be the leading global platform for the luxury industry, connecting creators, curators, and consumers.

Founded in 2007 by José Neves and launched in 2008, FARFETCH is the leading global platform for the luxury fashion industry. Our businesses are summarized on the right:

**The FARFETCH Marketplace:** the largest global digital luxury fashion marketplace at scale. As of December 31, 2021 it connects consumers in over 190 countries and territories with merchandise in more than 50 countries from over 1,400 brands, boutiques and department stores, delivering a unique shopping experience and access to the most extensive selection of luxury fashion at a single destination.

**Browns:** an iconic British fashion and luxury goods retailer. Browns leverages our digital platform applications by selling through the FARFETCH Marketplace, the Browns website, and iOS app, which are all powered and operated by FPS. Browns also operates two physical stores in London, pioneering FARFETCH Future Retail innovations, such as connected retail products, developed in conjunction with our LNR vision and implemented by FPS.

**FARFETCH Platform Solutions (FPS):** our white-label enterprise offering to the luxury industry, which builds and operates e-commerce and technology solutions for luxury brands and retailers, utilizing the proprietary FARFETCH platform. FPS also offers our luxury sellers ancillary services, including digital marketing, production, and customer service.

**FARFETCH Future Retail:** the retail innovation arm of our Luxury New Retail (LNR) vision, which is focused on creating the customer experience of the future. It develops and implements technology solutions to support luxury sellers' visions of creating new luxury retail experiences by seamlessly connecting the digital, physical, and virtual realms with the customer at the center.

**Stadium Goods:** a premium sneaker and streetwear marketplace and retailer connecting sneakerheads around the world with merchandise primarily supplied by consigners.

**NGG:** a platform that uses a single common infrastructure and model to incubate and grow emerging talent into highly sought-after brands. NGG designs, manufactures, and distributes luxury fashion brands including Off-White, Palm Angels, Ambush, and Heron Preston, among others.


For more information on our business and a full list of subsidiaries consolidated under FARFETCH Limited please see page 61 and 82 of our [2021 Annual Report](#).




# Our culture

Our culture, underpinned by our six FARFETCH values that sit at the heart of everything we do, is what makes us unique. An entrepreneurial, innovative, and collaborative culture is especially important to us, and we believe it is a major competitive advantage and contributor to our success as a business, and our Positively FARFETCH strategy.


# Our values

 Todos Juntos


Act for the greater good of all teams, even when it is beyond your area of expertise. Foster positive actions in those around you and celebrate our shared achievements.

 Be Human

Be respectful and kind to yourself and the people around you. Trust each other's intent, resolve problems with empathy, and welcome mistakes as learning opportunities.

 Be Brilliant


Be unrivaled in everything you do, with passion and ambition. Ambiguity and complexity never stop you from going the extra mile.

 Think Global

Belong to a global community, working collectively as a united force. Welcome and respect everyone, creating an inclusive environment for all.

 Be Revolutionary

Disrupt the status quo and embrace innovation with a curious mindset. Make courageous decisions, searching for new ways.

 Amaze Customers

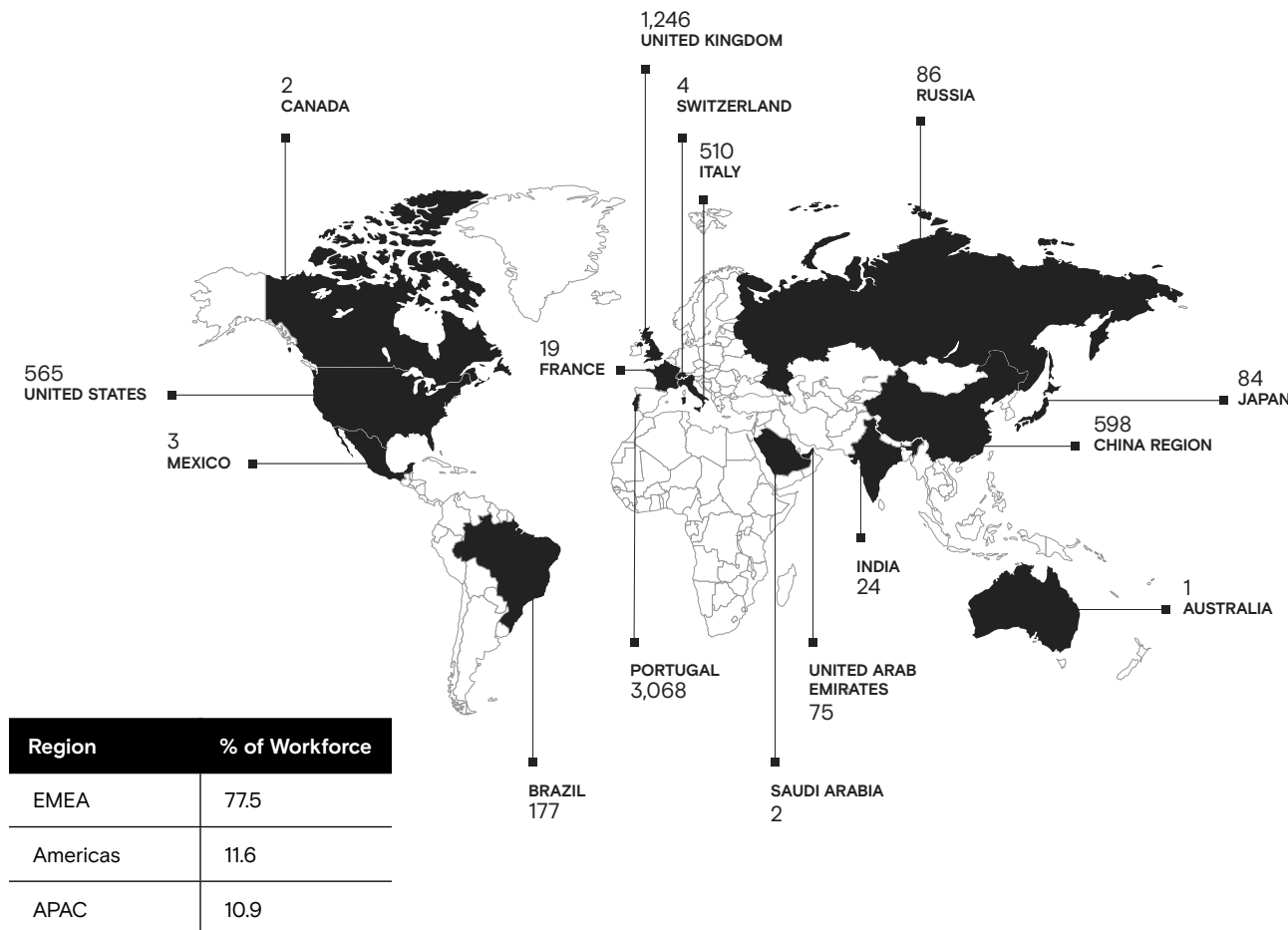
Love and understand your customers, keeping them front of mind. Exceed their expectations by delivering unforgettable experiences.



## Where we operate

Headquartered in London, United Kingdom, our more than 6,000 Farfetchers are spread across 19 countries and territories across the world. Portugal is home to our largest employee population with over 3,000 Farfetchers working in five offices and two photography studios. For more information on our employees, please see page 112 of our [2021 Annual Report](#).

### NUMBER OF EMPLOYEES (AS OF DECEMBER 31, 2021)<sup>1</sup>



<sup>1</sup> Data excludes additional labor working pursuant to freelance and consultancy contracts.

## Our Positively FARFETCH strategy

We want to become the global platform for good in luxury.

Our Positively FARFETCH strategy aims to inspire, enable, and empower everyone we work with to think, act, and choose positively. Our strategy comprises five areas that reflect the ESG topics most material to FARFETCH and our stakeholders: Positively Cleaner, Positively Conscious, Positively Circular, Positively Inclusive, and Governance and Engagement.

In 2020, we launched our 2030 goals to give clarity to our ESG ambition for FARFETCH and the Industry. The strategy and our 2030 goals provide a roadmap to achieve the positive changes we want to see in the world, the Industry, and our own business.

For a more detailed overview of our Positively FARFETCH strategy, see the [Positively FARFETCH](#) section of our website.





# Reviewing our material ESG topics

Our Positively FARFETCH strategy responds to the material ESG topics that have the potential to impact the long-term value of our business. In 2021 we undertook a refresh of our materiality assessment to ensure our strategy continues to focus on the right ESG topics that present the most material risks and opportunities for us, supported by global sustainability consultancy Environmental Resources Management (ERM).

Our material ESG topics were validated and prioritized through direct engagement with internal and external stakeholders, including investors, NGOs, and an academic institution. The results of our engagement and list of FARFETCH's material ESG topics were presented in early 2022 to the ESG Committee of our Board of Directors (ESG Committee) for validation.

## POSITIVELY CLEANER

### CLIMATE CHANGE AND ENERGY USE

Addressing climate change related risks and opportunities

### OPERATIONAL ENVIRONMENTAL IMPACT

Reducing the environmental impact of our operations

## POSITIVELY CIRCULAR

### PRODUCT DURABILITY AND CIRCULARITY

Managing the upstream and downstream impacts of our products, their associated materials, and packaging

## GOVERNANCE AND ENGAGEMENT

### SOURCING AND SUPPLY CHAIN MANAGEMENT

Ensuring respect of ESG issues throughout our supply chain and sourcing practices

### ETHICS AND INTEGRITY

Maintaining the highest levels of ethical standards within our operations, and ensuring robust governance

### DATA SECURITY AND PRIVACY

Protecting our data, including customer information, to ensure it is used for its intended purpose in line with regulatory and confidentiality requirements, as well as protecting critical information systems

### ENGAGEMENT AND ADVOCACY

Advocating to influence policy in line with our values

## POSITIVELY CONSCIOUS

### PRODUCT TRANSPARENCY AND MARKETING

Promoting clear and transparent communication of our products and services that encourage more conscious fashion choices

### PRODUCT QUALITY AND SAFETY

Managing our products and services to avoid unintended health and safety risks

## POSITIVELY INCLUSIVE

### DIVERSITY, EQUITY, AND INCLUSION

Growing and maintaining diversity on our platform, across our marketing and advertising, and within our workforce

### TALENT ATTRACTION, DEVELOPMENT, AND RETENTION

Attracting, engaging, and retaining a dynamic and talented workforce through initiatives, benefits, and development opportunities

### EMPLOYEE HEALTH, SAFETY, AND WELL-BEING

Providing a safe and healthy work environment that enhances well-being

### COMMUNITY DEVELOPMENT AND ENGAGEMENT

Engaging with the communities that we serve through employee volunteering, philanthropy, education initiatives, product donations, and impact investment

# POSITIVELY CLEANER

Our Positively Cleaner pillar is focused on driving environmental impact reduction, both in our own operations and wider value chain, specifically targeting carbon as our biggest area of direct and indirect impact.

## OUR 2030 GOAL

To be Climate Positive

## OUR PROGRESS IN 2021

**7.9%**

reduction in CO<sub>2</sub>-eq logistics emissions per net unit sold, equating to a 21.6% reduction in logistics emissions per net unit sold since 2019

## OUR PROGRESS IN 2021

- Built on our commitment to Climate Conscious Delivery by investing in sustainable aviation fuel in partnership with DHL Express, whilst continuing to invest in verified forestry and renewables-based offsets
- Received approval of our climate goals by the Science Based Targets initiative (SBTi) in January 2022, affirming our 2030 carbon footprint reductions targets are aligned with a 1.5°C pathway
- Achieved a score of B- for 2021 from the CDP, one of the leading independent public disclosure bodies for environmental impact

We recognize there is an urgent need for the fashion industry to address its contribution to climate change. Our science-based targets, which the SBTi approved in January 2022, give us a robust framework for building our carbon reduction strategy leading up to our 2030 goal.<sup>1</sup> To achieve our Climate Positive goal, we aim to reduce our carbon footprint in line with climate science, while also supporting additional actions and reductions beyond our direct value chain.<sup>2</sup> From April 2020, we committed to offset all emissions generated by delivery and returns from the FARFETCH Marketplace and Browns, our largest impact areas.

<sup>1</sup> We are committed to reducing our absolute scope 1 and 2 GHG emissions by 42% by 2030 from a 2020 base year. Additionally, we also committed to 70% of our suppliers (covering purchased goods and services and upstream transportation and distribution) having science-based targets by 2026.

<sup>2</sup> FARFETCH uses Climate Positive to mean that, by 2030, we will reduce our footprint in line with our validated near-term science-based targets while also taking action beyond our direct value chain, financing carbon mitigation initiatives to offset our yearly emissions and supporting projects that sit outside our carbon boundary to achieve additional carbon mitigation equivalent to at least 10%+ of our yearly carbon footprint.

## Understanding our carbon footprint

Our scope 1 and 2 emissions account for around 1% of our overall climate impact. These emissions are predominantly driven by the energy used to operate our offices, facilities, and company cars. Our combined scope 1 and scope 2 (market-based) emissions have increased by 36% since 2020 due to increased energy consumption, changes in reporting methodology, and use of renewable electricity across the business, as well as growth of the business on an organic basis and through acquisitions. Although only a small percentage of our climate impact, it is an area directly in our control and therefore we are committed to making reductions in our emissions. In 2021, we increased the proportion of total energy usage that comes from renewable sources to 31% (up from 25% in 2020 and 6% in 2019).

Our scope 3 footprint represents the remaining 99% of our emissions. The largest areas that contribute to these emissions are logistics and purchased goods, and accordingly these are the focus areas of our climate strategy. Given that many of these emissions involve our upstream and downstream partners we aim to collaborate closely with them in order to reduce emissions.

We work with trusted third parties to calculate and verify our carbon footprint and aim to continually improve its accuracy to better understand how to make the most impact. For our 2021 footprint, we

undertook an in-depth review of the scope 3 emissions generated by our purchased goods, recognizing the developments that have taken place over time and to continue to ensure our climate strategy is focused on reducing emissions in the most impactful areas. This change in methodology, coupled with FARFETCH's overall growth, has resulted in an estimated 20% YoY increase in scope 3 emissions for 2021 to 411,494 tCO<sub>2</sub>-eq.<sup>3</sup>

<sup>3</sup> This increase is based on a comparison of FARFETCH's scope 3 emissions in 2021, and an estimated comparable 2020 footprint calculated using the assumptions, data sources, and methodology used to calculate the 2021 scope 3 emissions. We plan to fully rebase our 2020 footprint for our 2022 reporting cycle and therefore our 2020 footprint may change again.

## OUR CARBON FOOTPRINT

| Metric  | Total GHG emissions in 2021 |
|---|-----------------------------|
| Scope 1 in tCO <sub>2</sub> -eq                 | 1,238                       |
| Scope 2 in tCO <sub>2</sub> -eq                 | 3,224 (market-based)        |
| Scope 3 in tCO <sub>2</sub> -eq                 | 411,494                     |
| <b>Total</b>                                    | <b>415,956</b>              |
| Carbon offsets purchased (tCO <sub>2</sub> -eq) | 149,221                     |

■ Scope 1 □ Scope 2 ■ Scope 3



### Scope 3

37.2%

Downstream transportation and distribution

54.4%

Purchased goods and services

8.4%

Other emissions

## Reducing emissions and waste per shipment

Downstream transportation and distribution makes up 37.2% of our scope 3 emissions. In 2021, we saw a 7.9% reduction in CO<sub>2</sub>-eq logistics emissions per net unit sold, equating to a 21.6% reduction in logistics emissions per net unit sold since 2019.

In 2021, we saw an estimated 6.3% reduction in our average shipment weight of orders sent by DHL Express, our primary carrier. This was driven, in part, by using smaller box sizes where possible and switching to lighter, more efficient envelopes.

We plan to roll out this initiative further for additional emissions and packaging waste savings. We also reviewed and re-launched a cost-reduction incentive for our boutique partners to follow our 'right-sizing' packaging guidance, and in our fulfilment centers we are working on a project to develop bespoke automated boxing machines that will package each order precisely. We expect both of these initiatives will serve to reduce packaging weight and waste.

To reduce return shipments and the emissions caused by these, we continued to work on improving customer fitting guidance and self-service tools to help customers avoid unnecessary returns, as well as developing technology to improve 'virtual try on' offerings in the future.

Through our Climate Conscious Delivery commitment, we offset the emissions caused by all of the deliveries and returns on the FARFETCH Marketplace and Browns. This year we supported several projects, including a wind farm in China, a reforestation project in Panama, and rainforest protection projects in Brazil and Tanzania.



## B-

The [CDP](#) is a not-for-profit charity that helps companies and cities disclose information on a variety of environmental impacts, including climate change, for investors. In 2021, in our second year of disclosure to the CDP, we achieved a score of B-, reflecting our progress on climate change transparency and action.



## Responding to the TCFD recommendations

In 2021, in anticipation of forthcoming regulatory expectations, we conducted a Task Force on Climate-Related Financial Disclosures (TCFD) readiness review to understand how we can improve transparency on the potential financial risks and opportunities climate change may pose to our business.

We have included a TCFD table in the Annex on [pages 29–32](#) to provide more in-depth insights into our progress against the four TCFD pillars — Governance, Strategy, Risk Management, and Metrics & Targets.

Working to further evolve our TCFD disclosure in 2022, we are preparing a roadmap to build on our climate-related financial risk and opportunity disclosures, and will build these considerations into our governance structures, enterprise risk management process, strategy, metrics, and targets to enhance our oversight and management processes.

## Partnering to drive emission reductions

Achieving our Climate Positive ambition can only happen by working with a wide array of partners. We continue to be an active member of [The Fashion Pact](#), a coalition of companies that harnesses the power of collaboration to drive impact at scale. In addition, we are committed to supporting innovation to decarbonize the logistics industry. In 2021, we were the first corporate client to purchase sustainable aviation fuel from DHL Express. This is an important first step that has allowed us to finance enough fuel to reduce over 1,000 tCO<sub>2</sub>-eq emissions.

We are a signatory of the [UNFCCC](#) (United Nations Framework Convention on Climate Change) Fashion Industry Charter for Climate Action, which is the fashion industry’s collective decarbonization plan aligned with the ambitions of the Paris Agreement. Our participation in their working groups is aimed at helping to build a sector-wide roadmap to drive climate action.

We are also pleased to have partnered with [Patch](#), a carbon offset provider, adding its capabilities to our platform ecosystem. This enables FPS clients to use Patch’s service to reduce their climate impact.

### LOOKING AHEAD TO 2022

### FOCUSING ON OUR KEY AREAS OF IMPACT

In 2022, we aim to build on our progress in reducing our logistics emissions by replacing more deliveries with lighter envelopes, leveraging our Fulfilment Insights Leveraging Analytics project to reduce shipment miles, helping reduce consumer returns and increasing eco-delivery options for consumers.

Reducing our emissions from our purchased goods will also be key as NGG builds both short- and long-term strategies, initially focused on further increasing the use of lower carbon materials. This will be part of a broader approach encompassing biodiversity that we aim to develop that will align with the [Science Based Targets for Nature](#) and The Fashion Pact initiatives.

# POSITIVELY CONSCIOUS

Our Positive Conscious pillar is focused on driving positive consumption behaviors from our consumers by first influencing and incentivizing the supply of more Conscious products across our supply chain and channels.

## OUR 2030 GOAL

To sell 100%  
Conscious products

## OUR PROGRESS IN 2021

92%

growth YoY in GMV for  
Conscious products, with 7.4%  
of GMV being Conscious



## OUR PROGRESS IN 2021

- 84% YoY increase of Conscious products available on the FARFETCH Marketplace, with 14% of total products available qualifying as Conscious as of December 31, 2021
- 93% YoY increase in consumer use of search terms for Conscious products
- NGG and FARFETCH launched There Was One, a fully Conscious, digital-only brand

Our 2030 goal is to sell 100% Conscious products. We are working with boutiques, brands, and our partners to develop more positive business practices that will help improve transparency and meet recognized social and environmental standards across the Industry. To be considered Conscious, a product must meet one or more of the below criteria:

- A finished product contains a significant proportion of a material or comes from a production process that:
  - Is independently recognized as being better environmentally, socially, or from an animal welfare perspective
  - Holds an independent certification relating to good environmental, social, or animal welfare practices
- A finished product holds an independent certification relating to good environmental, social, or animal welfare practices
- A product is second-hand or vintage (pre-owned)
- A product comes from a brand that has a positive rating on Good On You

Please see [here](#) for the detailed sustainability criteria for Conscious products.

## Assessing brands through the Good On You platform

Our partnership with ethical ratings agency [Good On You](#) continues to support us in rating our Conscious product offering. We are pleased that 1,256 brands available on the FARFETCH Marketplace were rated using the [Good On You methodology](#), a 16% increase from 2020. In 2021, over 220 brands sold on the FARFETCH Marketplace qualified as Conscious via the Good On You assessment, a 6% increase from 2020.

Throughout 2021, we also partnered with Good On You to develop two tools that we believe will help both our brand partners and the whole Industry drive progress towards a more Conscious future. The first tool considers 13 priority indicators of the Good On You methodology, and runs an assessment to see how brands score against them. These indicators focus on the fundamental issues in sustainability that a brand needs to address when it comes to its sustainability performance – ranging from transparency to carbon emissions. The second innovation is the launch of Good Measures – an online hub that gives brands a comprehensive view of their sustainability performance, highlights strategic opportunities for improvement and

provides a range of support to drive continuous progress. It brings together the leading standards, certifications systems, and transparent information included in the Good On You methodology.

Our aim is to leverage these tools and related data to see trends in our portfolio and, most importantly, to provide strong guidance to our brands on how to improve their impact – whatever their size or stage of their ESG journey. We look forward to launching these tools in 2022.

## Encouraging more use of Conscious materials

In 2021, there was a 522% increase in Conscious units produced by NGG, with nearly 10% of total NGG products produced qualifying as Conscious. At Stadium Goods, we launched our [Eco Sweats](#) range which uses 50% recycled cotton and 50% organic cotton, providing our customers with a greater choice of more sustainable alternatives.

To help protect animal welfare, in 2021 we also announced a ban on products containing Angora fur on the FARFETCH Marketplace, Browns, and NGG which came into effect in April 2022.



## Educating customers and partners

We have increased the amount of brand marketing and communication campaigns that aim to educate customers on more sustainable fashion, and improved the visibility of the Conscious products and services on the FARFETCH Marketplace. Our first annual [Conscious Luxury Trends Report](#) was launched in April 2021 and has been read by over 10,000 people around the world. We are pleased to have launched an offering to our FPS partners that gives them the opportunity to measure and communicate the environmental impact of their products, while potentially offsetting their carbon footprint via a new platform solution partner, [GreenStory](#).



### LAUNCHING *THERE WAS ONE*: ELEVATED WARDROBE CLASSICS WITH A CONSCIOUS SOUL

In 2021, we launched *There Was One* (TWO): the first digital-only, Conscious brand developed in partnership between FARFETCH and NGG. Certified Conscious materials are used across the range of timeless essentials, and the products are designed with longevity in mind. The brand minimizes production where possible by operating on a drop versus seasonal model, and shipping products with minimal packaging that is compostable or recyclable. We sought to devise the collection in a customer-centric way, using insights from what people were searching for and buying on the FARFETCH Marketplace, and combining it with NGG's fashion and design prowess to deliver made-to-last, elevated pieces.

Learn more about *There Was One*'s journey [here](#).

### LOOKING AHEAD TO 2022

#### SETTING THE STANDARD OF CONSCIOUS BEAUTY

In April 2022, we expanded our offering to include beauty products on the FARFETCH Marketplace, Browns, and Off-White, bolstered by the acquisition of cult beauty retailer Violet Grey. We are committed to building Conscious principles into our beauty offering from launch and have developed a new set of [Conscious criteria specific to beauty products](#).

Only products that meet this set of criteria will be included in our Conscious curated beauty edit; the criteria focuses on ensuring a sustainable approach to ingredient sourcing, manufacturing, packaging, and worker and animal well-being.



# POSITIVELY CIRCULAR

Our Positively Circular pillar is focused on driving the sales of Circular products (pre-owned, recycled, or upcycled) and use of our Circular services (donations, repairs, and resale services) that help consumers to extend the life of their clothes.

## OUR 2030 GOAL

To be more circular than linear (over 50% of items sold or serviced to be Circular)

## OUR PROGRESS IN 2021

153%

growth YoY in total Circular units (sold or serviced), representing 2.1% of total units (sold or serviced)

## OUR PROGRESS IN 2021

- 94% YoY increase in recycled, upcycled, or pre-owned products sold on the FARFETCH Marketplace
- Expanded our Circular services by launching FARFETCH Fix, FARFETCH Donate in the U.S., and FARFETCH Second Life in the Middle East
- Acquired Luxclusif in December 2021, significantly accelerating our platform capabilities to enable pre-owned services for our consumers, brands, and retailers

Our 2030 goal is to be more circular than linear, meaning that more than 50% of the total number of items we either sell or service are:

- Circular products (currently defined as products that are pre-owned or made from recycled or upcycled materials)
- Items that have been re-sold, donated, repaired, or otherwise had their utilization increased, through FARFETCH

We made important progress towards this goal in 2021, with the growth of our range of Circular products (especially from NGG), the launch of FARFETCH Fix, and the geographical expansion of FARFETCH Donate and FARFETCH Second Life.

## Evolving our Circular services

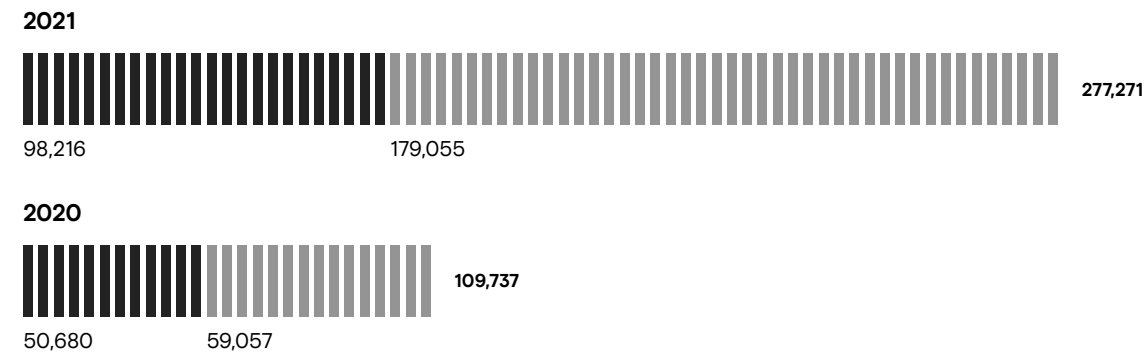
**FARFETCH Second Life:** Enables consumers to trade-in bags for FARFETCH Marketplace credit. In 2021, we grew the number of products sold via FARFETCH Second Life by 121% by successfully launching the service in the Middle East and driving more traffic to the service through improving discoverability. Consumers from 33 countries can now use the service.

**FARFETCH Donate (powered by Thrift+ and ThredUp):** Consumers are able to donate used items that are then sold via our service partners' platforms; consumers can choose what portion of any profits made are donated to charity and what portion to receive in FARFETCH credit. Since 2019, we have partnered with [Thrift+](#) in the UK and in 2021, we expanded our FARFETCH Donate services to the U.S., partnering with online thrift store [ThredUP](#).

**FARFETCH Fix:** Launched in February 2021, FARFETCH Fix provides repairs and restoration for designer bags, shoes, and accessories in partnership with [The Restory](#), a leading on-demand service provider of modern aftercare for luxury fashion.

## OUR CIRCULAR PRODUCTS AND SERVICES

- Recycled, upcycled, or pre-owned products sold on the FARFETCH Marketplace
- Additional Circular units (sold or serviced), including Browns, NGG, and Stadium Goods





## EXTENDING OUR CIRCULAR STRATEGY TO BROWNS AND NGG

We want to keep offering our consumers more ways to engage with fashion, both creatively and consciously. Our Positively Circular strategy has seen a significant uptake through our Circular FARFETCH services, but we also saw growth across some of our other business units. We significantly expanded Browns' service offering, launching both [Thrift+ For Browns](#) and [The Restory For Browns](#).

In 2021, we began building circularity into the clothes produced by NGG, with 3.3% of units sold made from recycled or upcycled materials.

## LOOKING AHEAD TO 2022

### ACCELERATING RESALE THROUGH LUXCLUSIF ACQUISITION

In 2021, we acquired the resale platform [Luxclusif](#), a business-to-business service provider that enables the acquisition, authentication, and resale of second-hand luxury goods. Luxclusif were part of the FARFETCH start-up accelerator program in 2019 and were one of our existing partners powering our FARFETCH Second Life service. The aim of this acquisition is to significantly accelerate our pre-owned platform capabilities, which helps drive us closer to our 2030 goals.

# POSITIVELY INCLUSIVE

We want to anticipate and meet the needs of the diverse community of creators, curators and consumers we work with, represent, and champion. A critical part of successfully delivering this is having a diverse and inclusive workplace.

## OUR 2030 GOAL

To be a leader in  
Conscious Inclusion

## OUR PROGRESS IN 2021

84%

of Farfetchers reported they feel included at FARFETCH<sup>1</sup>

<sup>1</sup> 93% of Farfetchers filled in the annual Humu survey. Feeling included is measured on feeling valued, heard, and empowered in the workplace.

## OUR PROGRESS IN 2021

- Launched a counseling service benefit for employees with Plumm Health to support the well-being and mental health of Farfetchers
- 32% YoY increase in the number of Black designer brands available on the FARFETCH Marketplace, and a 25% YoY increase in GMV from sales of Black designer brands on the FARFETCH Marketplace
- Delivered Conscious Inclusion training sessions at all levels of seniority, in partnership with the NeuroLeadership Institute



Our 2030 goal is to be a leader in Conscious Inclusion. We want to anticipate and meet the needs of the diverse community of creators, curators, and consumers we work with, represent, and champion.

We aim to become a leader in Conscious Inclusion by championing diversity and inclusion in our workplace and in the wider global fashion community. We believe it is crucial to create spaces where diverse creators, brands, and Farfetchers can thrive through stronger representation, education, and well-being.

## Applying an inclusive approach to talent acquisition and retention

We aim to achieve diverse representation at every level of the organization. To strive for an inclusive approach to hiring, we evolved certain recruiting processes to ensure more diversity in our candidate shortlist, and partnered closely with

specific talent communities such as Black Young Professionals, Women in Tech in Portugal, and Out in Tech (LGBTQIA+) to create a more inclusive talent pipeline. We have also started to collate diversity data from our employees and applicants across our larger regions, with the intention of setting specific goals to reflect the diversity of these communities, and mitigate any identified biases, gaps, and barriers to progression.

GO FAR is our framework to help our people thrive throughout their FARFETCH journey. Using this framework, we develop initiatives that focus

on objectives, such as reducing bias in the hiring process and providing fair and consistent approaches to performance and development. In 2021, we mapped roles across the business to create the framework that identifies the values and behaviors, skills, and capabilities required to do well in each role, as well as the competencies required for growth. To further aid retention of our talent, we focused on internal mobility, creating an environment where Farfetchers can nurture their talent in other roles and departments.



## Building a more inclusive mindset

A major achievement for us this year was the global roll out of our Conscious Inclusion training across all levels of seniority at FARFETCH. The program was delivered in partnership with the [NeuroLeadership Institute](#) and supported our understanding of the needs of a diverse stakeholder community. The training has been incorporated into our onboarding program to help us shape a more inclusive community mindset from the beginning of each new employee's journey.

To further evolve our Positively Inclusive culture we also launched LGBTQIA+ training, Anti-Racism in The Workplace training, and updated our [Anti-Discrimination Policy](#), which over 90% of employees have already attested to.

## Learning and development opportunities for all Farfetchers

We are committed to ensuring that all Farfetchers have clear development pathways, supported by customized and inclusive development opportunities. Our ongoing

partnership with [Udemy](#) provides Farfetchers with access to over 5,000 digital courses. These cover a wide-range of topics from strategy to stress management. Approximately 3,800 employees engaged with the platform in 2021, spending an average of six hours each over the course of the year.

We also launched new development programs for our leadership team in 2021, which have all been designed with our Conscious Inclusion principles and practices in mind:

- Hydrogen focuses on building leadership capabilities for members of our leadership team and includes succession planning and leadership development
- Sirius is a leadership program for high potential leaders (Director level and above)
- Orion is a talent management program targeting high performing Vice Presidents to reach Senior Vice President level

The participants of these programs have also all been offered targeted workshops on our Conscious Inclusion training.

## LOOKING AHEAD TO 2022

**EMPOWERING  
FARFETCHERS  
EVERYWHERE**

In March 2022, we launched our Personal Development Toolkit for all Farfetchers. This toolkit is a collection of guides and resources which can be used by individuals and managers to help them own their careers and thrive at FARFETCH.

## Supporting Farfetchers to thrive at work

Our top priority remains the health, safety, and well-being of our Farfetchers, and this has been exemplified throughout the COVID-19 pandemic. We have been able to take stock and reflect on several learnings, particularly around well-being and remote working.

Within our annual engagement survey, we added additional questions on flexible working. Feedback revealed that those who worked 1-2 days in the office were the happiest, most likely to stay at FARFETCH, and felt the most included. As a result, most of our offices have developed flexible working policies, and we plan to conduct quarterly pulse surveys throughout 2022 to get a sense of how this subject develops over time.

We also made a number of changes to our workplaces in order to facilitate a return to work that supports our employees' well-being. For example, in our London office we developed inclusive spaces to meet the needs of new mothers and provide a safe environment coming back from maternity leave and introduced a multifunctional room for well-being activities such as yoga and meditation.

In 2021, we also partnered with the University of Minho and ProChild to conduct a Positively Living longitudinal study to measure critical issues such as stress, burnout, and depression amongst our Farfetchers. In 2021, we launched a number of key initiatives to support our employees, including free counseling for Farfetchers with [Plumm Health](#), fireside chats on well-being topics, and a pilot on mental health first-aid training.

**PROMOTING OUR DIVERSE DESIGNER BASE**

The late Virgil Abloh was a fashion industry trailblazer, and creator of Off-White, a key brand within the NGG portfolio. As part of our commitment to uphold his lasting legacy we are giving dedicated space for expression, additional commercial support, and increased visibility to designers and businesses from under-represented communities. As we continue to build on our initiative to increase Black heritage representation across FARFETCH, we have increased the number of Black designer brands available on the FARFETCH Marketplace by 32% in 2021.

In March 2022, we also launched FARFETCH Futures, our initiative to help brands from Black and other under-represented communities advance by providing collaborative commercial, marketing, content, and technology support. This includes increased visibility across our platform, including our social channels.

# GOVERNANCE AND ENGAGEMENT

At FARFETCH, our values are at the heart of everything we do and we use them as a guide to make decisions and empower our people, our consumers, and the partners we work with. Our governance is about more than compliance. It is about business ethics, being human, and creating a culture of sustainability.



## OUR PROGRESS IN 2021

- Joined the Business Ethics Leadership Alliance in November 2021
- Increased our EY Cybersecurity Program Assessment framework maturity score
- Continued our supplier due diligence program with EcoVadis

Our governance structure is essential as it underpins our Positively FARFETCH strategy at all levels of our organization, helping us to drive our long-term goals forward and ensure adequate controls are in place to minimize potential risks.

FARFETCH is overseen by our Board of Directors (the Board) and four committees (Audit, Compensation, Nomination & Corporate Governance, and ESG). The Board consists of eight members of which seven are non-executive directors. The Board is ultimately responsible for the direction of the Company's strategy and activities.

The ESG Committee, established in 2020, assists the Board in overseeing the Positively FARFETCH strategy and the material ESG matters identified by FARFETCH. The committee is chaired by Stephanie Horton and draws on support from Leadership across FARFETCH, including Giorgio Belloli (Chief Commercial & Sustainability Officer) in relation to Sustainability, Sian Keane (Chief People Officer) in relation to Diversity & Inclusion, and James Maynard (Chief Legal Officer and General Counsel) in relation to Ethics & Governance. In 2021, the Committee worked with management to establish a framework for the oversight of the Company responses to major ESG issues. It also oversaw the establishment of strategies for addressing a number of high-profile issues, such as how to further support diversity in the Industry, governance systems for supply chain integrity, and frameworks for corporate philanthropy.

The Committee oversees progress on the Positively FARFETCH strategy, and the leadership team (including the Chief Commercial and Sustainability Officer) sets out the overall Positively FARFETCH strategy, commitments, and best practice. Our Sustainable Business Team and ESG Cross-Departmental Working Group support with the development and implementation of key initiatives.

For more additional resources related to our ESG governance structure please see [page 28](#).

## Aligning incentives with our Positively FARFETCH ambitions

The majority of our leadership team have Positively FARFETCH-related Objective and Key Results (OKRs), the accomplishment of which is a factor in determining their respective overall performance and compensation. These OKRs are then cascaded through the organization, which results in embedding Positively FARFETCH in the objectives of teams across the business.

## Managing our responsible business risks

To identify, assess, and manage our business risks, we have a company wide risk management framework. As part of this, in 2021, we established a risk register specifically for ESG risks including those relating to ethics and compliance.

In 2021, we expanded our Ethics & Compliance team, and began the scoping of an ethics and compliance focused risk assessment in order to identify legal and compliance risks, assess program effectiveness, identify any gaps in the existing compliance program, and take any needed actions to improve our program.



The scope of the program and risk assessment includes our Code of Conduct, anti-bribery and anti-corruption, third-party risk management, anti-money laundering, financial fraud, conflicts of interest, sanctions and trade controls, insider-trading, and confidential reporting. In addition, we joined the [Business Ethics Leadership Alliance \(BELA\)](#) in November 2021, a global community committed to advancing business integrity. This partnership gives us access to a vast network of subject matter experts around the world and enables the sharing of information on compliance risks as well as insights and best practices to manage risks and innovate our programs.

## Evolving data security and privacy

As a global online business, FARFETCH takes privacy and data protection matters extremely seriously and in 2021 we built on existing privacy and security measures to ensure that robust processes and procedures are in place. For the third consecutive year, our information security program was externally evaluated and assessed by EY against their Cybersecurity Program Assessment framework, and we are proud to have increased our program's maturity score in our 2021 assessment. In 2021, we launched an updated version of the Information Security and Data Protection training courses for all new joiners to further increase our internal awareness in this area.

Our new tool, OneTrust, enabled us to consolidate our data protection activities in 2021. It provides us with better data analysis, for example providing analysis and establishing awareness of our vendors' risk profiles. We have also advanced the data capabilities of Collibra, our data governance tool.

Our security measures, and those of our third-party service providers, aim to detect or prevent attempts to breach either of our systems. Our security systems are certified to leading industry standards to ensure our controls are comprehensive and consistent.<sup>1</sup>

For more information on our data security and privacy activities and legal responsibilities please see page 72 of our [2021 Annual Report](#).

<sup>1</sup> Our security systems are certified with PCI-DSS Level 1, SOX, and MLPS, and are also aligned with ISO 27001 and NIST.

### LOOKING AHEAD TO 2022

#### BUILDING ON OUR STRONG FOUNDATIONS

In 2022, we aim to implement updated ethics and compliance training and communication programs to help strengthen our approach with local teams. As part of this updated ethics and compliance approach, we will also focus on updating our digital security systems and policies related to Information Security including Acceptable Usage policies, Data Specifications, and Data Retention to ensure they keep pace with the fast evolving digital environment. We will also aim to strengthen our identity governance by introducing a new tool called SailPoint, which we expect to deliver benefits, including improvements to our user data-access process and risk reduction.



## Driving continuous improvements in our supply chain operations

We are committed to setting strong sustainability standards for ourselves and our value chains. One key tool for supporting our suppliers is our ongoing partnership with EcoVadis. EcoVadis assesses suppliers' strengths and opportunities across four key areas of ESG: labor and human rights, environmental impact (including GHG emissions and additional climate-related issues), business ethics, and sustainable procurement.

As of December 31, 2021, over 65% of our total procurement spend was with suppliers with an EcoVadis scorecard, and we are working to drive this number up to gain greater transparency of our supply chains. We also hope to support our suppliers to improve their scores via the EcoVadis corrective action plan feature.

In 2021, NGG worked with Deloitte to further develop its approach to ESG management, undertaking a comprehensive review of NGG's top 18 suppliers (representing 65% of total volume produced in 2021) and their approach to ethics and business integrity, human and labor rights, environment and biodiversity, and responsible production. We also hope to support our suppliers to improve their scores as we develop our program.



The reporting period follows the financial year 2021 (FY21), which runs from January 1, 2021 to December 31, 2021. The information in this year's report is, where indicated, aligned with the Sustainable Accounting Standards Board (SASB) and Global Reporting Initiative (GRI) recommendations. Relevant policies, reports and other documents referenced throughout this report and outlined on [page 28](#) are intended to inform our stakeholders.

## Disclaimer

This Environmental, Social and Governance Report ("ESG Report") contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this ESG Report that do not relate to matters of historical fact should be considered forward-looking statements, including, without limitation, statements regarding our 2030 Goals, our future business expectations and expectations about the luxury industry, our environmental, social and governance goals, including with regard to diversity and inclusion and responsible sourcing, planned activities and objectives, our strategic priorities and objectives, as well as statements that include the words "expect," "intend," "plan," "will," "believe," "estimate," "may," "should," "anticipate" and similar statements of a future or forward-looking nature. These forward-looking statements are based on management's current expectations. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to, the impact of COVID-19 on our business operations, the increasing impact of and focus on environmental, social and governance matters could increase our costs, harm our reputation and adversely affect our financial results, and the other important factors discussed under the caption "Risk Factors" in our Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission ("SEC") for the fiscal year ended December 31, 2021, as such factors may be updated from time to time in our other filings with the SEC, accessible on the SEC's website at [www.sec.gov](http://www.sec.gov) and on our website at <http://farfetchinvestors.com>. In addition, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements that we may make. You should not rely upon forward-looking statements as predictions of future events. In addition, the forward-looking statements made in this ESG Report relate only to events or information as of June 30th, 2022, the date of this ESG Report. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

The 2020 carbon footprint figures cited throughout this report are different to those published in our 2020 ESG Report, due predominantly to methodological advances in our approach to analyzing carbon footprint data and changes to emissions factors that impacted the way we calculate our data. In addition, as a result of the growth of our business both through organic expansion and acquisitions, we plan to re-baseline our carbon footprint for the 2022 reporting cycle, and continuously improve our reporting. We therefore anticipate there may be further changes to our baseline data in our future reports.

We have registered trademarks in various international jurisdictions for FARFETCH, BROWNS, STADIUM GOODS, OFF-WHITE, THERE WAS ONE among other brands (including those in the New Guards Group portfolio).

## ANNEX:

# ABOUT THIS REPORT

This 2021 ESG Report provides an overview of our progress towards our commitments outlined in the Positively FARFETCH strategy. Please refer to the Additional Sources and Data Tables for additional insights into our management approach for our identified topics. The activities, initiatives, progress and metrics mentioned in this report cover all of our businesses under FARFETCH Limited as of December 31, 2021 and its subsidiaries, unless otherwise noted. FARFETCH is defined as the business activities performed by FARFETCH Limited and its consolidated subsidiaries. We plan to continue maturing the collection and reporting of our ESG data management systems and obtaining external assurance on selected metrics in future ESG Reports.

ANNEX:

# ADDITIONAL RESOURCES

| Resource name  | Description   |
|--|---|
| <a href="#">2021 Annual Report</a>   | Report on our financial-related information.  |
| <a href="#">Anti-Harassment and Anti-Discrimination Statement</a>  | This document outlines our global stance on harassment and discrimination in the workplace and at work related events.  |
| <a href="#">Code of Business Conduct and Ethics</a><br><a href="#">Amendments to the Code of Business Conduct and Ethics Disclosure (2021)</a> | This policy serves as a guide of principles and standards for Farfetchers day-to-day activities, helping them to work and make the right decisions.   |
| <a href="#">CDP Score Report</a>   | This document is a summary of our 2021 CDP Climate Change Score Report, including insight into our individual CDP category scores and comparison against our Activity Group.  |
| <a href="#">Conscious Materials, Processes and Certification &amp; Banned Furs</a>   | This provides an overview of all Conscious materials, processes and their certifications, as well as furs banned from FARFETCH.   |
| <a href="#">Ethical Sourcing Policy</a>  | This policy provides the principles FARFETCH expects all its partners and other suppliers to comply with, including providing an environment that protects their employees' health and safety, basic human rights, protecting the environment and excluding products made from fur or endangered species. |

| Resource name  | Description  |
|--|--|
| <a href="#">FARFETCH Conscious Beauty Criteria</a>   | The criteria provides an overview of the Conscious Beauty criteria including ingredient sourcing, worker well-being, manufacturing process, packaging, and cruelty-free. |
| <a href="#">FARFETCH Vendor Code of Conduct</a>  | The Code of Conduct outlines the main principles FARFETCH adheres to and expects all its business partners providing goods or services to comply with.                   |
| Governance-related documents:<br><a href="#">Corporate Governance Guidelines</a><br><a href="#">Audit Committee Charter</a><br><a href="#">Compensation Committee Charter</a><br><a href="#">ESG Committee Charter</a><br><a href="#">Nominating &amp; Corporate Governance Committee Charter</a>  | These documents provide a full overview of our Committee Charters and Corporate Governance Guidelines, including detail on board composition and board meetings.         |
| <a href="#">Investor-related information</a>   | This includes information on our business, financial news, presentations, financial reports, corporate governance and ESG related information.                           |
| <a href="#">Modern Slavery Statement</a>   | Statement in line with section 54 of the Modern Slavery Act 2015.  |
| <a href="#">FARFETCH Privacy Policy</a><br><a href="#">Browns Privacy Policy</a><br><a href="#">Stadium Goods Privacy Policy</a><br><a href="#">FARFETCH Group Candidate</a><br><br>NGG brands:<br><a href="#">Ambush</a><br><a href="#">Heron Preston</a><br><a href="#">Marcelo Burlon</a><br><a href="#">Off-White</a><br><a href="#">Opening Ceremony</a><br><a href="#">Palm Angels</a> | These policies outline how we collect and use consumer data.   |
| <a href="#">Tax Strategy</a>   | The Tax Strategy outlines our approach on tax management and governance.   |

An up-to-date list of our policies can be found [here](#).

# ANNEX: TCFD DISCLOSURE

In 2021, we began to embed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) into our management and reporting frameworks. This annex represents our first disclosure against the recommendations, and we intend to further integrate these recommendations into our strategy in future years.

| TCFD Recommendations |  | FARFETCH's Approach   | Read More   |
|----------------------|--|---|---|
| Pillar               | Recommended Disclosures  |   |   |
| Governance           | a) Describe the board's oversight of climate-related risks and opportunities.                    | <p>The Board's oversight role includes reviewing and guiding strategy and major plans of action, as well as monitoring and overseeing progress against goals and targets for addressing climate-related issues, such as our Climate Positive goal.</p> <p>The ESG Committee of our Board of Directors, which consists of three members, assists the Board on issues pertaining to FARFETCH's climate-related strategy. The Committee meets at least four times a year and regularly reports its findings to the Board, recommending on a range of ESG matters, including climate-related issues as needed. Our Audit Committee oversees our enterprise risk management approach, which includes a separate risk register for ESG risks (including climate change).</p> <p>Our <a href="#">ESG Committee Charter</a> details the committee's role, duties, responsibilities, authority, and reporting lines.</p> | <p><a href="#">FARFETCH 20-F</a></p> <p><a href="#">ESG Committee Charter</a></p> <p><a href="#">Board of Directors</a></p> |
|                      | b) Describe management's role in assessing and managing climate-related risks and opportunities. | <p>The FARFETCH <a href="#">leadership team</a> oversees all plans and strategy decisions relating to our Positively FARFETCH mission, which includes the Cleaner pillar and climate-related topics. The leadership team meets regularly and is formed of representatives of key FARFETCH functions, such as José Neves (CEO), Stephanie Phair (Chief Customer Officer), and Sian Keane (Chief People Officer). Giorgio Belloli (Chief Commercial and Sustainability Officer) champions relevant ESG issues within the Leadership Team, while the Sustainable Business Team and ESG Cross-Departmental Working Group support with the development and implementation of key initiatives around climate-related topics.</p>  | <p><a href="#">FARFETCH 20-F</a></p> <p><a href="#">Leadership Team</a></p>   |

| TCFD Recommendations |  | FARFETCH's Approach   | Read More                     |
|----------------------|--|---|-------------------------------|
| Pillar               | Recommended Disclosures  |   |                               |
| Strategy             | a) Describe the climate-related risks and opportunities the organization has identified over the short-, medium-, and long-term.                             | Within our business strategy and risk management processes we have identified a range of climate-related risks and opportunities, considering both existing and emerging trends. Identified opportunities include the increased market opportunities for low carbon products and customer services, while identified risks include decreased customer demand if the business is perceived to be a significant contributor to climate change and increased regulation on carbon emissions.   |                               |
|                      | b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.                        | When considering our climate-related risks we have focused on our carbon emissions. Our scope 3 emissions make up the largest part of our carbon footprint and a significant portion stems from the shipping and returns of our products. To address these emissions we have focused on driving efficiency and therefore reductions (as described in more detail on <a href="#">page 12</a> ). We plan to adopt eco-delivery opportunities as they become available and we have supported innovations such as sustainable aviation fuel to enable these green solutions to become more commercially viable in the future.   |                               |
|                      | c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | <p>We intend to undertake a qualitative and quantitative scenario analysis in the next two years. In the future, we plan to begin exploring the financial impact of the most material climate-related risks and opportunities to our business.</p> <p>At present, our strategy includes steadily growing our use of lower carbon materials in the production of branded products as well as exploring opportunities to reduce carbon emissions in our production supply chain.</p> <p>We have completed a study on the predicted trends of carbon mitigation costs and we are taking this into consideration in our long-term strategy by actively looking for longer term investment opportunities in order to meet our carbon positive goal.</p> <p>We define our time horizons as short- (within 1 year), medium- (between 2-4 years), and long-term (between 4-10 years). In the coming years we intend to review both our physical and transition risks against a range of recognized climate-related scenarios.</p> | <a href="#">FARFETCH 20-F</a> |

| TCFD Recommendations |  | FARFETCH's Approach  | Read More |
|----------------------|--|--|-----------|
| Pillar               | Recommended Disclosures  |  |           |
| Risk Management      | a) Describe the organization's processes for identifying and assessing climate-related risks.  | <p>We have processes in place for identifying and assessing risks to our business, a responsibility that ultimately lies with our Board of Directors. We have a separate risk register for ESG risks, including those related to climate change. For this, we use standard impact X likelihood matrices and have defined materiality thresholds.</p> <p>In 2021, we prioritized transition risks, such as the impact of climate trends on reputation and technological development. Currently, physical risks associated with climate change such as flooding are incorporated into our wider identification of ESG risks. In due course we intend to further integrate physical climate risks into our risk identification and assessment processes. One way which we intend to do this is through conducting a robust scenario analysis exercise to identify a range of physical and transition risks across our operations, value chain, and supply chain under a range of climate futures.</p> |           |
|                      | b) Describe the organization's processes for managing climate-related risks.   | <p>The materiality of climate-related risks is identified alongside our other ESG risks through our materiality assessment, which considers the insights from various internal and external stakeholders to help prioritize our ESG topics. For our ESG risks, some of which include climate risks, we have identified key risk indicators, controls, and actions relating to ESG, as well as overall risk owners.</p>   |           |
|                      | c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management. | <p>Please see our response to Risk Management Recommended Disclosure a), where we have described the overall process for identifying and assessing climate-related risks. We currently do not have a dedicated process to identify and assess climate-related risks outside our company-wide risk management approach that includes a separate risk register for ESG risks.</p>  |           |

| TCFD Recommendations |   | FARFETCH's Approach  | Read More  |
|----------------------|---|--|--|
| Pillar               | Recommended Disclosures   |  |  |
| Metrics and targets  | a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. | <p>We currently report our scope 1, 2, and 3 emissions, using our revised 2020 as our baseline. FARFETCH's scope 3 emissions increase is based on a comparison of FARFETCH's scope 3 emissions in 2021, and an estimated comparable 2020 footprint calculated using the assumptions, data sources, and methodology used to calculate the 2021 scope 3 emissions. We plan to fully rebase our 2020 footprint for our 2022 reporting cycle and therefore our 2020 footprint may change again. Our science-based targets were approved in January 2022 and we have committed to:</p> <ul style="list-style-type: none"> <li>▪ Reducing our absolute scope 1 and 2 GHG emissions by 42% by January 2030</li> <li>▪ 70% of our suppliers, by emissions, will have science-based targets by 2026</li> </ul> <p>We see our GHG emissions and energy use as the most relevant metrics for our operations. As such, in addition to our carbon footprint, we also consider our energy consumption within the organization. We differentiate between renewable and non-renewable energy sources. In 2021, we increased our renewable energy usage to 31% (up from 25% in 2020, and 6% in 2019). Additional environmental metrics can be found in the data tables annex. In the future, we will explore the relevance of additional metrics that are linked to our climate risks and opportunities (such as water or land use).</p> <p>The majority of our leadership team have Positively FARFETCH related OKRs, including some that are linked to our Positively Cleaner pillar.</p> | Data Tables <a href="#">Page 33</a>  |
|                      | b) Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks.   | <p>Our scope 1 and 2 carbon footprints increased from an estimated 3,289 tCO<sub>2</sub>-eq (includes scope 2 market-based) for the year ended December 31, 2020, to an estimated 4,462 tCO<sub>2</sub>-eq (includes scope 2 market-based) for the year ended December 31, 2021.</p> <p>Our scope 3 emissions make up the largest component of our total corporate footprint. Our scope 3 emissions increased from an estimated 343,948 tCO<sub>2</sub>-eq for the year ended December 31, 2020 to an estimated 411,494 tCO<sub>2</sub>-eq for the year ended December 31, 2021. As described in the Strategy section, we have identified increased regulation on carbon emissions as a key risk associated with our scope 1, 2, and 3 emissions. We envisage that the scenario analysis that we intend to undertake will help to identify other risks associated with our greenhouse gas emissions. Our corporate carbon footprint was calculated using guidance from the GHG Protocol. The data for scope 1 and 2 emissions is calculated using the square meter of operations per country and business unit and our relevant scope 3 emissions are calculated using primary data where available.</p>   | Data Tables <a href="#">Page 33</a>  |
|                      | c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.                       | <p>It is our goal to be Climate Positive by 2030 and our strategy to achieve this is in line with climate science. (see <i>Strategy</i> section for further details).</p> <p>We will use our science-based targets to set milestones across all key business areas in order for us to hit our 2030 target.</p>   | <a href="#">Page 11</a> of FARFETCH's 2021 ESG Report<br><a href="#">FARFETCH 20-F</a> |



# ANNEX: DATA TABLES

## Positively Cleaner

### Climate change and energy use

| Framework                                       | Performance Indicator  | 2020 <sup>1</sup> | 2021 <sup>2</sup> |
|---|--|-------------------|-------------------|
| GRI 305-5                                       | Total GHG emissions in tCO <sub>2</sub> -eq  | 347,237           | 415,956           |
| TCFD (Metrics and Targets (b)) / GRI 305-1      | Scope 1 emissions in tCO <sub>2</sub> -eq and percentage of footprint                                  | 637 (0.2%)        | 1,238 (0.3%)      |
| TCFD (Metrics and Targets (b)) / GRI 305-2      | Scope 2 emissions in tCO <sub>2</sub> -eq and percentage of footprint (market-based)                   | 2,652 (0.8%)      | 3,224 (0.8%)      |
|   | Scope 2 emissions in tCO <sub>2</sub> -eq (location-based)   | 3,224             | 3,454             |
| TCFD (Metrics and Targets (b)) / GRI 305-3      | Scope 3 emissions in tCO <sub>2</sub> -eq and percentage of footprint                                  | 343,948 (99.1%)   | 411,494 (98.9%)   |
|   | Purchased goods and services in tCO <sub>2</sub> -eq and percentage of scope 3 emissions               | 181,454 (52.8%)   | 223,915 (54.4%)   |
| TCFD (Metrics and Targets (b)) / SASB CN0404-04 | Downstream transportation and distribution in tCO <sub>2</sub> -eq and percentage of scope 3 emissions | 145,976 (42.4%)   | 153,227 (37.2%)   |
|   | Other emissions in tCO <sub>2</sub> -eq and percentage of scope 3 emissions <sup>3</sup>               | 16,518 (4.8%)     | 34,352 (8.4%)     |
| GRI 305   | Total emissions offset in tCO <sub>2</sub> -eq   | N/A               | 149,221           |
| GRI 302-1                                       | Total energy consumption (in 1,000 kWh) from within the organization                                   | 14,249            | 16,160            |
|   | Total energy consumption (in 1,000 kWh) from within the organization (non-renewable)                   | 11,768            | 12,764            |
| i.  | Percentage of renewable energy <sup>4</sup>  | 25%               | 31%               |

<sup>1</sup> The data in this column related to scope 3 emissions has been updated from our 2020 ESG Report and reflects an estimated comparable 2020 footprint calculated using the updated assumptions, data sources, and methodology used to calculate the 2021 emissions. Please see [page 27](#) for further details.

<sup>2</sup> No primary data was collected in 2021 for scope 1 and 2, given the small contribution to the footprint, as highlighted in 2019. 2019 GHG emissions were linearly extrapolated to 2021 based on m<sup>2</sup> change between both years. Change in renewable electricity supply between both years was taken into account and adapted accordingly. Emission factors used: scope 1: DEFRA 2021 and scope 2: DEFRA2021 and IEA 2021.

<sup>3</sup> Covers Upstream transportation and distribution, Waste generated in operations, Business travel, Employee commuting, Product use and End-of-life treatment of sold products (from products directly purchased or manufactured), and Franchises.

<sup>4</sup> Renewable electricity use for 2020 was calculated based on the m<sup>2</sup> and the moment in the year the renewable electricity tariff was introduced. Renewable energy is considered to have no CO<sub>2</sub> emissions.

# Positively Conscious

## Product transparency and marketing

| Framework         | Performance Indicator  | 2020  | 2021  |
|-------------------|--|---|---|
| SASB CG-AA-440a.2 | Percentage of raw materials third-party certified to an environmental or social sustainability standards | <p>Conscious products represent 5.5% of GMV.</p> <p>Of the 390 brands that sold Conscious products on the FARFETCH Marketplace, 49% met product specific standards, including GOTS, BCI, Certified tanneries, and 51% fully met Good On You criteria.</p> | <p>Conscious products represent 7.4% of GMV.</p> <p>Of the 1,364 brands that sold Conscious products on the FARFETCH Marketplace, 84% met product specific standards, including GOTS, BCI, Certified tanneries, and 16% fully met Good On You criteria.</p> |
| GRI 308-1, 414-1  | Number of brand partners assessed on social and environmental topics (percentage)                        | <p>100% brand partners assessed plus an additional 487 brands sold on the FARFETCH Marketplace sourced via boutiques.</p>   | <p>100% brand partners assessed plus an additional 569 brands sold on the FARFETCH Marketplace sourced via boutiques.</p>   |

# Positively Circular

## Product circularity

| Framework  | Performance Indicator  | 2020 | 2021 |
|------------|--|------|------|
| GRI 301-1  | <b>Total volume of units sold</b>  |      |      |
| i.         | Non-renewable materials used   | N/A  | 91%  |
| ii.        | Renewable materials used   | N/A  | 9%   |
| GRI 301-2  | <b>Percentage of recycled, upcycled, or pre-owned items sold on the FARFETCH Marketplace</b> | 0.7% | 1.0% |
| GRI 301-3a | <b>Total percentage of Circular products sold or serviced</b>                                | 1.0% | 2.1% |
|            | Percentage for the FARFETCH Marketplace  | 1.4% | 1.8% |
|            | Percentage for Browns  | 0.8% | 1.5% |
|            | Percentage for NGG   | N/A  | 3.3% |

## FARFETCH Circular products and services

| Performance Indicator   | 2019   | 2020    | 2021    |
|---|--------|---------|---------|
| Total Circular items sold or service  | 26,566 | 109,737 | 277,271 |
| Circular products sold — either pre-owned or made from recycled or upcycled materials       | 24,081 | 51,853  | 210,148 |
| Items donated or sold through Circular services (Second Life or Donate or Fix) <sup>1</sup> | 2,485  | 57,884  | 67,123  |

<sup>1</sup> FARFETCH Donate was launched in October 2019, Second Life was launched in May 2019, and Fix was launched in February 2021.

# Positively Inclusive

## Diversity, equity, and inclusion

| Framework                       | Performance Indicator                      | 2020  | 2021  |
|---------------------------------|--|-------|-------|
| GRI 405-1b<br>SASB CG-EC-330a.3 | <b>Total number of permanent employees</b> | 5,441 | 6,404 |
|                                 | <b>Percentage by group representation</b>  |       |       |
|                                 | <b>Executives</b>                          |       |       |
|                                 | Women                                      | 50%   | 40%   |
|                                 | Men  | 50%   | 60%   |
|                                 | <b>All staff</b>                           |       |       |
|                                 | Women permanent employees                  | 53%   | 53%   |
|                                 | Men permanent employees                    | 47%   | 47%   |
|                                 | <b>All staff<sup>1</sup></b>               |       |       |
|                                 | Under 30 years old                         | 39%   | 37%   |
|                                 | 30-50 years old                            | 60%   | 61%   |
|                                 | Over 50 years old                          | 1%    | 1%    |

<sup>1</sup> Data includes FARFETCH permanent and temporary employees excluding Browns, Stadium Goods, or NGG.

## FARFETCH Black designer edit

| Performance Indicator   | 2020   | 2021   |
|---|--|--|
| Growth in the number of Black designer brands available on the FARFETCH Marketplace | GMV for brands on the FARFETCH Marketplace in our Black designer edit increased 66%. | 32% YoY increase in the number of Black designer brands available on the FARFETCH Marketplace. |

## Talent attraction, development, and retention

| Framework         | Performance Indicator   | 2020 <sup>1</sup> | 2021  |
|-------------------|---|-------------------|-------|
| SASB CG-EC-330a.1 | <b>Employee engagement as a percentage<sup>2</sup></b>                | N/A               | 82%   |
|                   | Percentage for FARFETCH excluding NGG, Browns, and Stadium Goods      | N/A               | 83%   |
|                   | Percentage for Browns   | N/A               | 79%   |
|                   | Percentage for Stadium Goods  | N/A               | 75%   |
| GRI 401-1a        | <b>Total number of new employee hires during the reporting period</b> | 1,186             | 1,704 |
|                   | <b>Percentage of new employees by age group</b>                       |                   |       |
|                   | Under 30 years old  | 55.7%             | 56.4% |
|                   | 30–50 years old   | 43.6%             | 42.9% |
|                   | Over 50 years old   | 0.8%              | 0.7%  |
|                   | <b>Percentage of new employees by gender</b>                          |                   |       |
|                   | Women   | 56%               | 56%   |
|                   | Men   | 44%               | 44%   |

<sup>1</sup> Data includes FARFETCH Marketplace permanent employees, excluding Browns, Stadium Goods, or NGG.

<sup>2</sup> FARFETCH Humu happiness score excludes NGG employees.

| Framework  | Performance Indicator  | 2020 <sup>1</sup> | 2021  |
|------------|--|-------------------|-------|
| GRI 401-1a | <b>Percentage of new employees by region</b>                       |                   |       |
|            | EMEA   | 75%               | 68.7% |
|            | North America  | 3.5%              | 8.7%  |
|            | APAC   | 18.0%             | 15.7% |
|            | Latam  | 3.4%              | 6.9%  |
| GRI 401-1b | <b>Total rate of employee turnover during the reporting period</b> | 14.8%             | 18.1% |
|            | <b>Turnover rate by age group</b>                                  |                   |       |
|            | Under 30 years old   | 15.0%             | 20.8% |
|            | 30–50 years old  | 14.7%             | 16.1% |
|            | Over 50 years old  | 11.3%             | 15.9% |
|            | <b>Turnover rate by gender</b>                                     |                   |       |
|            | Women  | 15.3%             | 19.0% |
|            | Men  | 14.3%             | 16.3% |

<sup>1</sup> Data includes FARFETCH Markplace permanent employees, excluding Browns, Stadium Goods, or NGG.

| Framework  | Performance Indicator   | 2020  | 2021  |
|------------|---|---|-------|
| GRI 401-1b | <b>Turnover rate by region</b>  |   |       |
|            | EMEA  | 13% <sup>1</sup>  | 15.6% |
|            | North America   | 17.4% <sup>1</sup>  | 26.6% |
|            | APAC  | 22.2% <sup>1</sup>  | 22.9% |
|            | Latam   | 30.5% <sup>1</sup>  | 40.7% |
| GRI 404-1  | <b>Average training hours per employee<sup>2</sup></b>  | N/A   | 11.3  |
|            | <b>Average hours of training by gender<sup>1</sup></b>  |   |       |
|            | Women   | 13.2  | 11.0  |
|            | Men   | 18.4  | 11.6  |
| GRI 404-3  | <b>Percentage of employees who received a regular performance and career development review<sup>2</sup></b> | 94.4%   | 93.2% |
|            | Women   | N/A   | 91.5% |
|            | Men   | N/A   | 95.2% |
| GRI 404-2a | <b>Type and scope of training programs implemented and assistance provided to upgrade employee skills</b>   | We offer a combination of internally designed & facilitated workshops & programs, externally designed & facilitated workshops & programs, as well as offering FARFETCH, Browns & Stadium Good employees access to Udemy for Business which contains over 5,000 self-paced digital training courses. |       |

1 Data includes FARFETCH permanent employees, excluding Browns, Stadium Goods, or NGG.

2 Data includes FARFETCH employees, excluding NGG.

## Employee health, safety, and well-being

| Framework         | Performance Indicator  | 2020 <sup>1</sup>  | 2021 |
|-------------------|--|--|------|
| <b>GRI 403-9a</b> | <b>Work-related injuries for all employees</b>   |  |      |
| i.                | The number and rate of fatalities as a result of work-related injury   | 0  | 0    |
| ii.               | The number and rate of high-consequence work-related injuries (excluding fatalities)   | 0  | 0    |
| iii.              | The number and rate of recordable work-related injuries  | 21   | 18   |
| <b>GRI 403-9b</b> | <b>Work-related injuries for all workers who are not employees but whose work and/or workplace is controlled by the organization</b> |  |      |
| i.                | The number and rate of fatalities as a result of work-related injury   | N/A  | 0    |
| ii.               | The number and rate of high-consequence work-related injuries (excluding fatalities)   | N/A  | 0    |
| iii.              | The number and rate of recordable work-related injuries  | N/A  | 1    |
| <b>GRI 403-5</b>  | <b>Worker training on occupational health and safety</b>   | Farfetchers attend an online Health & Safety training course which covers risk assessments, incident reports, ergonomics, well-being, emergency situations and COVID-19.             |      |
| <b>GRI 403-6</b>  | <b>Promotion of worker health</b>  | Our employee health policies are supported by our flexibility policy, mental health awareness training, internal communications, and a mixture of apps – including Plumm and Unmind. |      |

<sup>1</sup> Data covers only our Portugal operations where the largest number of Farfetchers across our operations are located.



# Governance and Engagement

## Ethics and integrity

| Framework  | Performance Indicator   | 2020   | 2021   |
|------------|---|--|--|
| GRI 205-2a | Percentage of governance body <sup>1</sup> members that anti-corruption policies and procedures have been communicated to | N/A  | 100%   |
| GRI 205-2b | Percentage of permanent employees that anti-corruption policies and procedures have been communicated to                  | 100%   | 100%   |
| GRI 205-2e | Percentage of permanent employees that are required to receive training on anti-corruption                                | 100%   | 100%   |
| GRI 207-1  | Approach to Tax   | See page 28 of our <a href="#">2020 ESG Report</a> | See our <a href="#">Tax Strategy</a> and pages 119-125 of our <a href="#">2021 Annual Report</a> |
| GRI 207-2  | Tax governance, control, and risk management  | See page 28 of our <a href="#">2020 ESG Report</a> | See our <a href="#">Tax Strategy</a> and pages 119-125 of our <a href="#">2021 Annual Report</a> |

<sup>1</sup> GRI defines governance body as the committee or board responsible for the strategic guidance of the organization, the effective monitoring of management, and the accountability of management to the broader organization and its stakeholders.

## Engagement and advocacy

| Framework | Performance Indicator   | 2020 | 2021 |
|-----------|---|------|------|
| GRI 415-1 | Monetary value of financial and in-kind political contributions made directly and indirectly <sup>1</sup> | 0    | 0    |

<sup>1</sup> Political contributions are not permitted under our Code of Conduct and Ethics.

**ANNEX:**

# GLOSSARY OF TERMS

| Term                                       | Definition   |
|--|--|
| Business Ethics Leadership Alliance (BELA) | BELA is a global community committed to advocating business integrity.   |
| Brand Platform GMV                         | Brand Platform GMV and Brand Platform Revenue mean revenue relating to NNG’s operations less revenue from NNG’s: (i) owned e-commerce websites, (ii) direct-to-consumer channel via our Marketplaces, and (iii) directly operated stores. Revenue realized from Brand Platform is equal to GMV and as such sales are not commission based. |
| Browns                                     | Browns, an iconic British fashion and luxury goods boutique operating two retail stores in London, is a subsidiary of FARFETCH Limited.  |
| Climate Positive                           | Achieving Net Zero by reducing our carbon footprint in line with Science Based Targets while offsetting unavoidable emissions and supporting our wider value chain that sits outside of our carbon footprint boundary, to achieve additional carbon reductions that are equivalent to at least 10% of our carbon footprint.                |
| Conscious product/offering                 | FARFETCH developed a set of independently backed criteria to qualify Conscious products on our platform. The Conscious criteria leverage established and widely recognized standards and certifications on sustainable materials and business practices in fashion.  |
| Digital Platform GMV                       | GMV excluding In-Store GMV and Brand Platform GMV. Digital Platform GMV was referred to as Platform GMV in previous filings with the SEC.  |
| ESG Committee                              | Our ESG Committee supports the Board in overseeing ESG matters most relevant to FARFETCH.  |
| ESG Cross-Departmental Working Group       | The ESG Cross-Departmental Working Group supports the ESG Committee with the development and implementation of key ESG initiatives.  |
| FARFETCH                                   | FARFETCH Limited or also ‘FARFETCH’ or ‘the Company’, referring to FARFETCH Limited and its consolidated subsidiaries.   |



| Term                              | Definition   |
|-----------------------------------|--|
| FARFETCH Donate                   | FARFETCH consumers are able to donate used clothing which is then sold with proceeds split between consumers and their chosen charities.   |
| FARFETCH Fix                      | FARFETCH Fix provides repairs and restoration for designer bags, shoes, and accessories. It is a partnership with The Restory, an on-demand service provider of modern aftercare for luxury fashion.   |
| FARFETCH Marketplace              | The FARFETCH Marketplace is the largest global digital luxury fashion marketplace at scale. As of December 31, 2021 it connects consumers in over 190 countries and territories with merchandise in more than 50 countries from over 1,400 brands, boutiques and department stores, delivering a unique shopping experience and access to the most extensive selection of luxury fashion at a single destination.  |
| FARFETCH Second Life              | FARFETCH Second Life enables consumers to trade-in their pre-owned designer handbags for FARFETCH Marketplace credit.  |
| FARFETCH Platform Solutions (FPS) | Our white-label enterprise offering to the luxury industry, which builds and operates e-commerce and technology solutions for luxury brands and retailers, utilizing the proprietary FARFETCH platform.  |
| Greenhouse Gas (GHG)              | GHGs are gasses in the atmosphere that absorb and re-emit heat, keeping the planet's atmosphere warmer than it should be. The main GHGs are: water vapor, carbon dioxide (CO <sub>2</sub> ), methane (CH <sub>4</sub> ), nitrous oxide (N <sub>2</sub> O) and ozone.   |
| Gross Merchandise Value (GMV)     | "Gross Merchandise Value" ("GMV") means the total dollar value of orders processed. GMV is inclusive of product value, shipping and duty. It is net of returns, value added taxes and cancellations. First-party GMV is also net of promotions. GMV does not represent revenue earned by us, although GMV and revenue are correlated.  |
| Good On You                       | Good On You is the sustainability rating platform for fashion, it identifies and evaluates more than 100 different widely-recognized standards and certifications to provide simple, easy-to-understand sustainability ratings on brands.  |
| In-Store GMV                      | In-Store GMV and In-Store Revenue mean revenue generated in our retail stores which include Browns, Stadium Goods, and NGG's directly operated stores. Revenue realized from In-Store sales for Browns and NGG directly operated stores is equal to GMV of such sales because such sales are not commission based. Revenue realized from In-Store sales for Stadium Goods does not equal GMV of such sales as a certain portion of those sales are third-party and are commission based. |
| Luxclusif                         | Previously a partner for FARFETCH Second Life in Europe, Luxclusif is a resale platform acquired by FARFETCH in 2021.  |



| Term   | Definition   |
|--|--|
| New Guards Group (NGG)                                     | NGG is a platform that uses a single common infrastructure and model to incubate and grow emerging talent into highly sought-after brands. NGG designs, manufactures and distributes sought-after luxury fashion brands including Off-White, Palm Angels, Ambush, and Heron Preston, among others. |
| OKR  | Objective and Key Results set for all Farfetchers.   |
| Positively FARFETCH strategy                               | Our Positively FARFETCH strategy is our ESG strategy comprising five action areas that reflect the ESG topics most material to us.   |
| Science Based Targets Initiative (SBTi)                    | The SBTi drives ambitious climate action in the private sector by enabling organizations to set science-based emissions reduction targets.   |
| Science Based Targets Network (SBTN)                       | Building on the momentum of the SBTi, the SBTN is working to enable companies and cities to set targets for climate and nature. Learn more below.  |
| Stadium Goods  | Stadium Goods is our premium sneaker and streetwear marketplace.   |
| Sustainable Business Team                                  | Led by the Director of Sustainable Business, the team provides guidance, defines, and executes actions to achieve the strategy and our commitments, working with the wider business to drive our Positively FARFETCH strategy.   |
| Task Force on Climate-Related Financial Disclosures (TCFD) | The TCFD was created in 2015 by the Financial Stability Board to develop consistent climate-related financial risk disclosures for use by companies, banks, and investors in providing information to stakeholders.  |



# ANNEX: INDEPENDENT ASSURANCE STATEMENT TO FARFETCH UK LTD

FARFETCH UK Ltd ('FARFETCH') engaged ERM Certification and Verification Services Limited ('ERM CVS') to provide limited assurance in relation to the specified information in the FARFETCH 2021 ESG Report (the 'Report') as set out below.

## Engagement summary

### Scope of our assurance engagement

Whether the data for the reporting year ended 31 December 2021 listed below and presented in the Report, are fairly presented, in all material respects, with the reporting criteria:

#### POSITIVELY INCLUSIVE

- Black designer edit (% YoY increase in GMV)
- Workforce gender (%)
- Workforce age (%)
- Workforce region (%)
- Training hours per employee (hours)
- Average training by gender (hours)

#### POSITIVELY CONSCIOUS

- Conscious products (% of GMV)

#### POSITIVELY CIRCULAR

- Total Circular items sold or service (no.)
- Items donated or sold (Second Life or Donate or Fix) (no.)

#### POSITIVELY CLEANER

- Scope 1 GHG emissions (tCO<sub>2</sub>e)
- Scope 2 GHG emissions – market based (tCO<sub>2</sub>e)

- Scope 2 GHG emissions – location based (tCO<sub>2</sub>e)
- Carbon offsets purchased (tCO<sub>2</sub>e)

### Reporting criteria

As presented in 'About this Report' and additional sources and data table footnotes as referenced throughout the Report and on [Positively FARFETCH](#).

### Assurance standard

ERM CVS' assurance methodology, in accordance with International Standard on Assurance Engagements ISAE 3000 (Revised).

### Assurance level

Limited assurance.

### Respective responsibilities

FARFETCH is responsible for preparing the specified information and for its correct presentation in reporting to third parties, including disclosure of the reporting criteria and boundary.

ERM CVS's responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.

## Our conclusion

Based on our assurance activities, nothing has come to our attention to indicate that the data, as listed in "Scope of our assurance engagement" above for the reporting year ended 31 December 2021, are not fairly presented in the Report, in all material respects, with the reporting criteria.

## Our assurance activities

Our objective was to assess whether the reporting of the data is in accordance with the principles of completeness, comparability (across the organisation) and accuracy. We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusion. A multi-disciplinary team of sustainability and assurance specialists performed the following activities:

- Web-based interviews with relevant FARFETCH staff and other 3rd parties to understand and evaluate the data management systems and processes used for collecting, calculating and reporting the selected data.
- Review of the reporting criteria, definitions, assumptions and conversion factors used.
- An analytical review of the data and an evaluation of the completeness and accuracy of the corporate data consolidation, including further testing of data to source.
- Further web-based year-end assurance activities at corporate level including the results of internal review procedures and the accuracy of the consolidation of the data for the selected data; and
- Reviewing the presentation of information in the Report to ensure consistency with our findings.

## The limitations of our engagement

The reliability of the assured data is subject to inherent uncertainties, given both the available methods for determining, calculating, or estimating the underlying information and the dependence on partner organisations to provide performance information. We did not perform any assurance on financial information and placed reliance on FARFETCH existing internal controls for reporting GMV. It is important to understand our assurance conclusions in this context. We do not provide any assurance on future performance or the achievability of FARFETCH goals and targets.



Gareth Manning, Partner – Corporate Assurance

27 June 2022

ERM Certification and Verification Services Limited, London

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ERM CVS is a member of the ERM Group. The work that ERM CVS conducts for clients is solely related to independent assurance activities and auditor training. Our processes are designed and implemented to ensure that the work we undertake with clients is free from bias and conflict of interest. ERM CVS employees that have undertaken this engagement have provided no consultancy related services to FARFETCH UK Ltd in any respect.

# FARFETCH

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