



ZERO-EMISSION SHIPPING REPORT CARD

46.5
100

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The Ship it Zero Report Card grades companies based on the Ship it Zero campaign's three campaign demands, which are End Port Pollution Now, Abandon Dirty Ships, and Put Zero at the Helm. H&M earned an F in the ending port pollution category; a D in abandoning dirty ships; and a C in putting zero at the helm. Overall, H&M earned 46.5 out of 100 possible points, or a D, on the Ship it Zero 2023 Report Card for the company's actions to date to end its ocean shipping pollution.

H&M is among the ten largest global fashion retailers. The company has committed to reaching net-zero greenhouse gas emissions by 2040, and has committed to reduce its Scope 3 emissions — including upstream transportation — by 56% from a 2019 baseline by 2030. Its climate targets are verified by the Science Based Targets Initiative (SBTi). However, while the company has taken some initial steps to reduce its maritime-related emissions, H&M still has significant work to do to address its maritime shipping pollution footprint.

H&M performed particularly poorly in addressing the human health impact of air pollution from its maritime shipping. Port and coastal neighborhoods are predominantly black and brown communities, and bear the greatest pollution burdens from corporate inaction to address emissions. H&M has not taken steps to quantify its criteria air pollution (nitrogen oxides, sulfur oxides, particulate matter, ozone, carbon monoxide) footprint, nor has it made any commitments to reduce these emissions. The company was given partial credit for its commitment to zero-emission vehicles. The wording of this commitment is vague, and it is unclear whether these vehicles will be related to port operations and drayage, warehousing, long haul trucking or last mile delivery.

According to communications with H&M, it was the first company to trial Maersk's ECO delivery. This lower-carbon shipping program replaces fossil fuels with greener maritime fuels. It is unclear whether H&M has continued using this lower carbon ocean shipping program, and if so, what percentage of its goods are transported on lower-emission vessels. Given the lack of clarity on H&M's use of this program, it was given partial credit for its trial of this greener option.

Ship It Zero calls on H&M to commit to 100% zero-emission ocean shipping by 2030 and rapidly implement shorter-term greenhouse gas and air pollution emissions reduction solutions. Examples of such steps include shipping exclusively on shore power-ready vessels, prioritizing ports with shore power availability for container ships, opting for slow steaming for its cargo, and opting for lower emission ocean shipping — whether through Maersk's ECO delivery or some other negotiated agreement with carriers — while zero-emission fuels and technologies are brought to scale.

Ship It Zero also encourages H&M to join business coalition efforts, such as the Zero Emission Maritime Buyers Alliance (ZEMBA) and Cargo Owners for Zero Emission Vessels (coZEV), which offer collaboration and collective power to accelerate the transition to zero-emission ocean shipping.



**SHIP IT
ZERO**



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End Port Pollution Now | TOTAL SCORE: 9

Performance Criteria	Possible Points	Company Score
End Port Pollution Now: Commitment (30% of category grade)	10.5	0
<ul style="list-style-type: none">Publicly-stated air pollution reduction commitmentCommitment to shipping goods on shore power-ready vesselsMember of corporate initiatives that reduce air pollution (coZEV, ZEMBA)Founding member of coZEV, ZEMBA	<div>5</div> <div>1</div> <div>3</div> <div>1.5</div>	<div>0</div> <div>0</div> <div>0</div> <div>0</div>
End Port Pollution Now: Implementation Plan (20% of category grade)	7	1.5
<ul style="list-style-type: none">Taking steps to quantify air pollution from transport of goods on oceangoing vesselsProviding funding directly or indirectly for air pollution reduction measures/fuels/infrastructure in ports (ZEV, operations, drayage)Have a logistics policy that prioritizes clean ports/carriers, air pollution reductions with benchmarksDeducting points for LNG/CNG port operations and drayage	<div>2</div> <div>3</div> <div>2</div> <div>-1</div>	<div>0</div> <div>1.5</div> <div>0</div> <div>—</div>
End Port Pollution Now: Advocacy (20% of category grade)	7	3
<ul style="list-style-type: none">Dedicated staff negotiating with ports for pollution reduction operational measures, infrastructure and/or fuelsPublic support for policy or regulatory measures to reduce port pollution (climate)Joining coZEV	<div>2</div> <div>4</div> <div>1</div>	<div>0</div> <div>3</div> <div>0</div>
End Port Pollution Now: Transparency (30% of category grade)	10.5	4.5
<ul style="list-style-type: none">Annual reporting on overall GHG and criteria pollutant emissions (Scope 1-3) reductions<ul style="list-style-type: none">Only Scope 1 & 2Scope 1 & 2 + partial criteria pollutantScope 1-3 + partial criteria pollutant reportingScope 1-3 + criteria pollutantsPublic disclosure of transport emissionsBroken down by maritime vs. terrestrial transport type (ocean vs. land)Public reporting of routes and ports of unloadingPublic reporting of percent of cargo on cleaner and shore power-ready vessels	<div>3</div> <div>(1)</div> <div>(1.5)</div> <div>(2)</div> <div>(3)</div> <div>3</div> <div>3.5</div> <div>0.5</div> <div>0.5</div>	<div>1.5¹</div> <div></div> <div>3</div> <div>0</div> <div>0</div> <div>0</div>

Abandon Dirty Ships | TOTAL SCORE: 16

Performance Criteria	Possible Points	Company Score
Abandon Dirty Ships: Commitment (30% of category grade)	9	5.5
<ul style="list-style-type: none">Absolute GHG reduction targets that include Scope 3 emissionsTransport explicit targetsMaritime targetsCommitment to move cargo to lower-emission vessels immediatelyBenchmarks, including reductions by 2030100% ZEV by 2030Using LNG or carbon credits as a purported solution	<div>2</div> <div>2</div> <div>2</div> <div>1</div> <div>1.5</div> <div>0.5</div> <div>-2</div>	<div>2</div> <div>2</div> <div>0</div> <div>0</div> <div>1.5</div> <div>0</div> <div>—</div>

¹Scope 1-3 only



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Performance Criteria	Possible Points	Company Score
Abandon Dirty Ships: Implementation Plan (20% of category grade)	6	4
<ul style="list-style-type: none">Contracts for lower-emission maritime transportation or goods transported on lower-emission maritime transportation and/or use of lower-emission vessels in cargo owner owned or chartered vessels	4	2 ²
<ul style="list-style-type: none">RFP for lower-emission shipping	2	0
<ul style="list-style-type: none">Absolute emissions increases from transportation/ failure to disclose transport emissions	-2	—
<ul style="list-style-type: none">Absolute emissions reductions from transport	Bonus +2	+2
Abandon Dirty Ships: Advocacy (20% of category grade)	6	2
<ul style="list-style-type: none">Publicly support strengthening the level of ambition of the GHG reduction policies	4	2 ³
<ul style="list-style-type: none">Advocate against fossil fuel bunkering infrastructure expansions/for ZEV infrastructure with legislators, regulators, and/or ports	2	0
Abandon Dirty Ships: Transparency (30% of category grade)	9	4.5
<ul style="list-style-type: none">Annual public disclosure of maritime cargo carriers and volumes of goods per carrier	0.5	0
<ul style="list-style-type: none">Annual public reporting of modes of product transport by percentage of goods	1	0
<ul style="list-style-type: none">Annual public reporting of transport emissions	4.5	4.5
<ul style="list-style-type: none">Annual public reporting of maritime emissions	2	0
<ul style="list-style-type: none">Annual reporting of percentage of goods on lower & ZEV emission vessels	0.5	0
<ul style="list-style-type: none">Annual disclosure of fuels or technologies employed by reported lower emission and ZEVs	0.5	0

Put Zero at the Helm | TOTAL SCORE: 21.5

Performance Criteria	Possible Points	Company Score
Put Zero at the Helm: Commitment (30% of category grade)	10.5	6.5
<ul style="list-style-type: none">General climate commitment<ul style="list-style-type: none">Commitment applies to Scope 3Scope 3 commitment mentions logistics, distribution, upstream transportation, supply chain2040 vs. 2050	3	3
<ul style="list-style-type: none">Upstream transport-specific commitment	3	3
<ul style="list-style-type: none">Maritime-specific reduction commitment<ul style="list-style-type: none">"100% zero-emission maritime shipping by 2030" — with benchmark absolute GHG reduction targetsPublicly commit to 100% ZEV by 2030Commitment to move freight onto low- and zero-emission vessels (with time-bound targets)Set short-term targets for moving increasing volumes of cargo on cleaner ships, i.e., MGO/Hybrid powered vessels, shore power-equipped vesselsMentions low- and zero-emission vesselsTimeline: by 2030 vs. 2040 vs. 2050	2	0
<ul style="list-style-type: none">Other<ul style="list-style-type: none">Member of Science-Based Target Initiative (a We Mean Business Coalition commitments)ZEMBA membershipCoZEV membership	2.5 (0.5) (1) (1)	0.5 (0.5)

² Tried Maersk's biofuel program; unclear as to whether this has continued

³ General climate advocacy



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Performance Criteria	Possible Points	Company Score
Put Zero at the Helm: Implementation Plan (20% of category grade)	7	4
<ul style="list-style-type: none">• ZEMBA• Benchmarks for moving cargo onto ZEVs• Working with carriers, ports, regulators and policymakers and/or entering partnerships or investing financially in the development of ZEV shipping corridors and/or ZEV technologies, ZEV infrastructure projects and newbuilds• Engage suppliers and urge them to adopt the SBTi (Science-Based Targets initiative)• Efficiency and optimization (e.g., reducing packaging size and weight)	<div>2</div> <div>1</div> <div>2</div> <div></div> <div>1</div>	<div>0</div> <div>0</div> <div>2</div> <div></div> <div>1</div>
Put Zero at the Helm: Advocacy (20% of category grade)	7	4
<ul style="list-style-type: none">• First Movers Coalition• CoZEV• Sustainable Freight Buyers Alliance, “Clean Cargo” (hosted by Smart Freight Centre), Clean Energy Buyers Association, Carbon Disclosure Project’s Supply Chain program, RE100, Ceres, LEO coalition, or WWF’s Climate Business Network• Publicly demanding and/or advocating carriers incorporate existing or future GHG reduction technologies and operational measures<ul style="list-style-type: none">◦ Public support for green corridors◦ Expressions of public support for zero-emission shipping development◦ Zero-emission, fossil-free cargo ships◦ Cleaner fuels◦ Fossil-free propulsion technologies◦ Efficiency retrofits such as wind-assisted propulsion, hull coatings, slow steaming, and route planning, shore power, and offshore zero-emission charging stations	<div>1.5</div> <div>1.5</div> <div>1</div> <div></div> <div>3</div>	<div>0</div> <div>0</div> <div>1</div> <div></div> <div>3</div>
Put Zero at the Helm: Transparency (30% of category grade)	10.5	7
<ul style="list-style-type: none">• CDP Climate report• Annual CSR report with GHG and air pollution disclosure<ul style="list-style-type: none">◦ Includes Scope 3◦ Mentions more than CO₂ (NOX, SOX, PM, HC₄, NFCs, etc.)◦ Discloses Category 4 ("upstream") transportation or "distribution"◦ Mentions maritime shipping specifically◦ Methodology underlying calculations◦ 3rd party verification of calculations◦ Reporting progress toward achieving interim benchmarks and long-term commitment◦ Uses and/or requires vendors to use the Global Logistics Emissions Council Framework	<div>2</div> <div>8.5</div> <div>(1.5)</div> <div>(1.5)</div> <div>(1)</div> <div>(1.5)</div> <div>(0.5)</div> <div>(0.5)</div> <div>(1.5)</div> <div>(0.5)</div>	<div>2</div> <div>5</div> <div>(1.5)</div> <div>(0)</div> <div>(1)</div> <div>(0)</div> <div>(0.5)</div> <div>(0.5)</div> <div>(1.5)</div> <div>(0)</div>