Developing multimodal transport to reduce our transport-related carbon footprint

Hermès is developing new modes of transport to reduce its CO2 emissions

Starting date of the project	2021
Project Localisation Places of implementation of the project at this stage and targeted geography if replicable.	Shipments departing from our Saran site (France), container stuffing at our logistics provider or at our forwarding agents
Project objectives Type of climate innovation of the project with a description of the problem/issue addressed	Aim to reduce the carbon footprint linked to transporting our products from France to the entire network, by reducing air transportation in favour of maritime and rail transportation.
Detailed project description	The Hermès approach to reducing transport-related CO2 emissions was launched in 2015. The first initiative was to deliver goods to the 3 Parisian stores using electric vehicles, departing from Bobigny. The following year, delivery to stores in the South East of France was carried out using gas-powered vehicles. Hermès stores are on nearly every continent. Since 2017 Hermès has continuously rolled out alternative solutions to air transportation, with the support of international partners. Their networks and offering have allowed Hermès to transfer 14% of our tonnage to maritime and rail in 202. We have therefore already: 1) used the New Silk Road to connect Europe to China by rail (from Duisburg to Shanghai) 2) shipped to Japan using the Trans-Siberian Railway (loading a container onto a train travelling from Duisburg to Vladivostok, then transferring it to a ship sailing to Yokohama) 3) increased maritime shipments departing from Le Havre and travelling to all of our subsidiaries in the United States, China and Australia! Our CSR approach is now an integral part of the Hermès transport strategy and guides our choice of partnership. While we ask our carriers to use more sustainable fuels (such as biogas) or to use electric vehicles for the final miles, we also expect them to show initiative and to offer us innovative transport solutions that respect the environment.
Main project's drivers for reducing the greenhouse gas emissions Enter the information in the appropriate boxes	

Reduction levers	**Details on the aspects of the project**
☐ Energy and resource efficiency (including behaviour)	
☒ Energy Decarbonisation	Modal shift from air to rail or sea
☐ Energy efficiency improvements	
☐ Improving efficiency in non-energy resources	
☐ Emissions absorption: creation of carbon sinks, negative emissions (BECCS, CCU/S, ...)	
☐ Financing low-carbon producers or disinvestment from carbon assets	
☐ Reduction of other greenhouse gases emission	

Emission scope(s) on which the project has a significant impact and quantification of GHG emission reductions per emission scope

Indicate the aspects of the project that contribute to the reduction of emissions per category of emissions considered (left-hand column) and the quantification of associated emissions.

Indicate the main hypotheses and calculation steps in the intended section (below the table)

For further details, please refer to the methodology guidelines.

	Aspects of the project contributing to the reduction of emissions by emission category	Quantification of associated GHG emissions by emission category Please follow the quantification methodology used in the Afep guidelines.
Reduction of the company's carbon dependency		
Scope 1 *Direct emissions generated by the company's activity.*		
Scope 2 *Indirect emissions associated with the company's electricity and heat consumption.*		
Scope 3 *Emissions induced (upstream or downstream) by the company's activities, products and/or services in its value chain.*	Modal shift from air to rail or sea	- 6 930 tCO2e
Increase of carbon sinks		
Emissions Absorption *Carbon sinks creation, (BECCS, CCU/S, …)*		
GHG emissions avoided by the company at third parties		
Avoided Emissions *Emissions avoided by the activities, products and/or services in charge of the project, or by the financing of emission reduction projects.*		

Clarification on the calculation or other remarks:

Since 2017, shipments of 490 TEUs (Twenty-Foot Equivalents), representing 1,044 tonnes of goods, have generated 127 tCO2e instead of 7,096 tCO2e by using air transport (according to Ecotransit calculations).

In the end, the modal shift of the 1,044 tonnes in question made it possible to reduce transport emissions by 6930 tCO2e.

Modality of verification of the quantification.

Calculation standard used (ADEME base, GHG protocol, etc.): www.ecotransit.org

Verification of the calculation (internal or external): internal

Other environmental and social benefits of the project

If possible, list the impacts and Sustainable Development Objectives concerned

xxx

Project maturity level

Tick the corresponding current maturity level

☐ Prototype laboratory test (TRL 7)
☐ Real life testing (TRL 7-8)
☐ Pre-commercial prototype (TRL 9)
☐ Small-scale implementation
☒ Medium to large scale implementation

Remarks: As far as possible, we strive to continue growing the volume of goods benefiting from this modal shift

Capacity and conditions of the project reproducibility, with associated climate impact

Very important potential of reproducibility since we plan to increase our tonnages in maritime or rail by 5 and then 8% per year until 2030

mitigation potential	
Amount of investment made (in €)	Around €1 million
Economic profitability of the project (ROI)	☒ ST (0-3 years) ☐ MT (4-10 years) ☐ LT (> 10 years) **Remarks:** In view of the fact that our products are heavy, we estimate a 50% cost reduction by prioritising maritime transport
Engaged partnerships	xxx
Open comments from the project owner	xxx
More about the project	
Contact the company carrying the project Please specify an ad hoc e-mail address that will allow the reader to contact the project company directly	harmonie.hermes@hermes.com
Project URL links	https://finance.hermes.com/en/a-value-creating-and-sustainable-french-model/
Illustrations of the project 3 photos/videos minimum (in HD format to be attached)