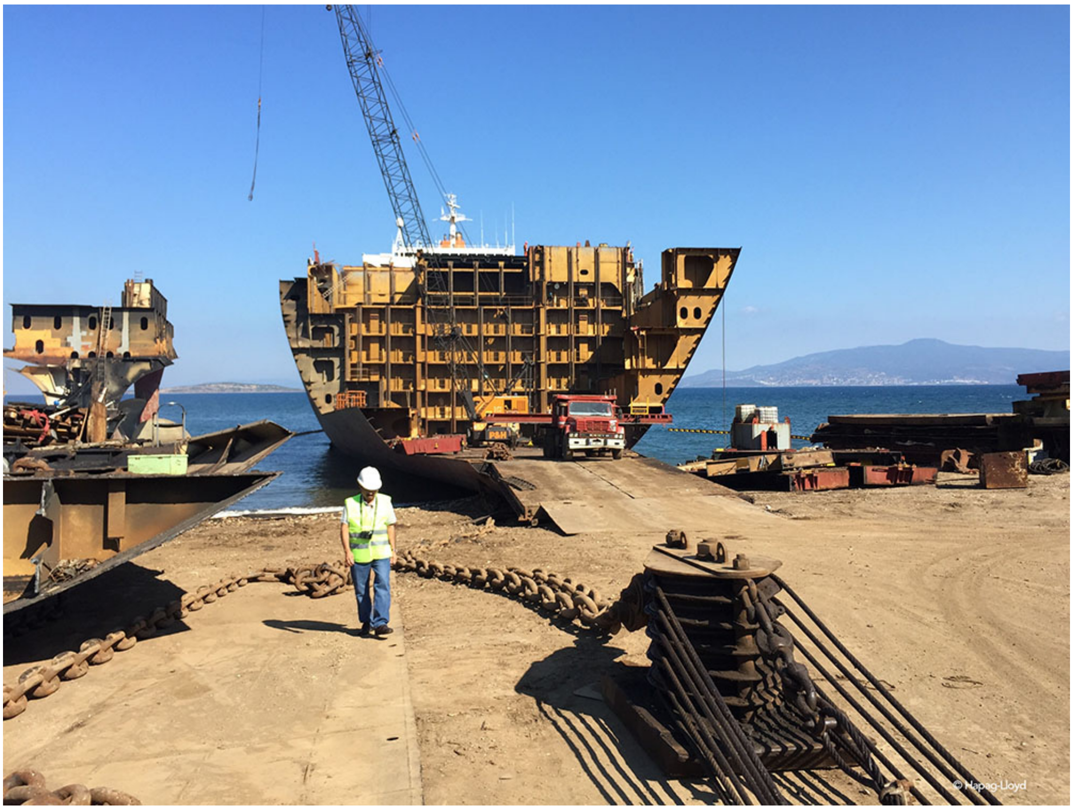

The Ship Recycling Transparency Initiative – a new market-based tool to promote sustainable practices

As discussed in our [previous article](https://gard.no/insights/ship-recycling-norwegian-appeals-court-explores-limits-individual-shipowner-responsibility/), the practice of "beaching" vessels at the end of their useful lives is not illegal in all places and for all shipowners. Indeed, far too many commercial vessels are currently dismantled in environmentally unsound and unsafe conditions. Gard's Manager for Sustainable Business, Live Jacob Sydness, explores a market driven approach to promote sustainable ship recycling.

Published 13 December 2018

Currently there is no single global standard for responsible ship recycling. The Hong Kong Convention, intended to address environmentally and socially sound recycling, is not yet in force because there are insufficient signatory countries. Although international conventions are ideally the best way to address global threats, the process can take a long time with consequent damage in the interim. Sometimes, business can step in to deal with industry wide problems and find another way to promote responsible behavior. We wanted to learn more about an industry approach to promote responsible ship recycling and took the opportunity to question Andrew Stephens, the Executive Director of the Sustainable Shipping Initiative about the Ship Recycling Transparency Initiative.

What is the Ship Recycling Transparency Initiative and how did it get started?

The Ship Recycling Transparency Initiative (SRTI) is a one stop shop online platform to report information on ship recycling on a set of pre-defined disclosure criteria developed jointly by key industry stakeholders. Shipowners share their approach to ship recycling on key disclosure criteria on the SRTI online platform. Cargo owners and investors access information on different companies' approaches to ship recycling that informs their decisions. The Initiative itself came about in August 2017 when three founding signatories decided to act. They engaged with the Sustainable Shipping Initiative (SSI) and the intent was formally launched in March 2018 at Tradewinds Ship Recycling Forum in Hamburg. I am pleased to say that the SRTI online platform (www.shiprecyclingtransparency.org) went live on 10 December 2018.

The founding SRTI signatories – represented on the SRTI Steering Group and listed below – and the Sustainable Shipping Initiative agreed that it was time for the shipping industry to take action and make responsible ship recycling the norm. Our vision is of a world where ships are recycled responsibly – socially, environmentally and economically – going beyond international conventions and setting a new norm for responsible ship recycling.

We see an opportunity for responsible ship recycling and informed decisions through voluntary disclosure. We believe that through the simple act of companies being transparent about their approach to ship recycling, we can support improved policy, practice and performance as well as help investors, cargo owners and other stakeholders to be accountable for their supply chain.

The SRTI is an independent initiative hosted by the SSI. It reflects a collective effort that brings together the shipping industry, investors, cargo owners and broader stakeholders to improve ship recycling policy, practice and performance. A number of leaders from across the shipping value chain are leading the SRTI, as members of the SRTI Steering Group, including: The China Navigation Company, Forum for the Future, GES International, Hapag Lloyd, Lloyd's Register, A.P. Moeller-Maersk, NORDEN, Nykredit, Standard Chartered Bank, Stolt Tankers and Wallenius Wilhelmsen.

What are the benefits to ship owning companies that join the SRTI?

As you say, no effective global regulation is currently in force to ensure a consistent approach to ship recycling; nor do any generally accepted voluntary standards exist to help fill this regulatory gap. As a result, shipowners, ship recyclers and other stakeholders in the ship recycling value chain have different approaches that often are not clearly defined. Good practice does not always get rewarded and bad practice can often go unchecked, resulting in poor conditions for those working at shipyards and negative impacts on marine life and the broader environment. For some there are few business incentives for shipowners to take responsibility and to be proactive in changing the existing industry narrative on ship recycling.

There is no level playing field for shipowners with responsible ship recycling policies and practices. We believe that being transparent about shipowners' ship recycling policies and practices will create fair competition, improve performance and enable the shipping industry to be held to account.

Will the organization vet facilities? Who does certify facilities?

No, SRTI does not vet ship recycling facilities. Rather, the SRTI online platform is a tool for sharing information on ship recycling to drive responsible practice. The SRTI is a means for shipowners to share information on their ship recycling policies and practices, allowing the data to tell its own story and help investors and cargo owners make informed decisions.

The SRTI is not a performance standard nor a rating exercise; neither will it rank nor assess individual shipowners' policies and practices.

Ship recycling facilities are typically certified by class societies. The EU also certify some ship recycling facilities, but only in relation to the prevailing European Ship Recycling Regulation and what is considered to be within their scope for certification.

How does the SRTI interact with legal regimes – for example the European regulations?

The SRTI does not interact with legal regimes nor regulation *per se* . The SRTI emerged as a voluntary collective effort to fill the gap resulting from a lack of internationally-agreed standards and global regulation on ship recycling. It complements EU regulation on ship recycling through the acceleration of a voluntary market-driven approach to responsible ship recycling practices through transparency. Our aim is to subsequently influence and improve decision-making about ship recycling, creating an industry-wide level playing field.

How can shipowners and other stakeholders find out more?

Shipowners, cargo owners (shippers), investors, lenders, insurers, banks, NGOs and other interested parties can find out more and sign up to the SRTI by visiting the SRTI online platform: www.shiprecyclingtransparency.org

We thank Andrew Stephens for taking the time to respond to our questions. We congratulate him, his colleagues and the founding companies on the launch of the SRTI online platform.

Pictured above is the "Heidelberg Express”, one of the most modern ships in the Hapag-Lloyd fleet when commissioned in 1988. The ship was dismantled in 2015 over a period of four months in Aliağa, Turkey.