ABOUT US

The NGO Shipbreaking Platform is a coalition of environmental, human- and labour rights organisations working to promote safe and environmentally sound ship recycling globally. The Platform was first created in September 2005 after the few NGOs working on the issue noticed that a broader base of support, a stronger network of organisations from ship-owning and shipbreaking countries, and a long-term approach were needed to challenge the political clout of the shipping industry. The coalition quickly evolved from being a European Platform to a global one, including NGOs based in the major shipbreaking countries India, Bangladesh, Pakistan and Turkey. It now has 20 member organisations and six partners in 12 countries. The Platform is recognised by United Nations agencies, the European Union, and leading media outlets as the pre-eminent international civil society advocacy organisation on ship recycling.

MISSION

Our vision is that vessels are recycled in facilities that ensure clean, safe and just practices, offering decent and safe jobs. Our commitment to finding sustainable global solutions is based on the respect for human rights and the principles of environmental justice, producer responsibility, ‘polluter pays’ and clean production.

VISION

To advocate for clean, safe and just ship recycling globally in respect of human rights, core labour standards and environmental justice, and for the prevention of dirty and dangerous practices, such as the dumping of end-of-life vessels on the beaches of developing countries.

EDITORS

Early this year, a precedent-setting court case found a shipping company criminally liable – its executives barely escaping jail time – for ignoring due diligence and scrapping an end-of-life ship in the substandard shipbreaking yards on South Asian beaches. This event followed the recent announcement by the world’s largest sovereign ship breaking nation, Bangladesh, to bring shipbreaking off the beaches and onto a safe and contained platform for true sustainable ship recycling.

Business as usual belies the currents of change in the world of shipbreaking. On the surface, our annual ship breaking data show ship owners from the richest countries continue to scrap ships unabated at the dangerous and polluting yards on South Asian beaches. Our members in India, Pakistan, and Bangladesh report that in the past year at least 33 workers were killed and many others seriously injured in the ship breaking yards, where ships are run aground and broken under hazardous conditions. Yet, recent events also signal new realities. On the financial side, in addition to the Norwegian oil pension fund, Scandinavian and Dutch banks (ABN Amro, ING, NIBC, DNIB, Exportkreditt and Nordeas) now set requirements for shipping companies they finance to recycle responsibly. On the legal end, in addition to the criminal indictment of Seatrade for violating the European Waste Shipment Regulation, the UK-based Zodiac Maritime settled a claim for negligence in the maiming and blinding of a Bangladeshi worker. Another investigation confronts Maersk’s illegal export of the FPSO North Sea Producer from the UK to Bangladesh via cash buyer GMK. The members and staff of the NGO Shipbreaking Platform have played a role in these milestones for corporate responsibility and accountability, presenting and pressing cases to financial and corporate leaders, arguing in the courts and testifying as expert witnesses.

Good solutions and incentives will increasingly attract good companies. The German container line Hapag-Lloyd has already committed its end-of-life ships off the beach and announced that it will only use EU listed facilities. To be published later this year, this EU list of global ship recycling facilities will set the only international standard for how ships should be recycled and will prohibit the breaking of ships on beaches for EU vessels. To support compliance with the EU list, we will keep advocating a financial incentive that encourages ship owners to keep their EU flag and not avoid regulation by sailing under a foreign registry. Recognizing the importance of the Platform’s research to shed light on the transactions of end-of-life ships, NATO invited our Secretariat last year to present our unique insights on flags of convenience, a concern carrying enormous security implications for shipping as a whole.

More industry champions are needed to turn the tide, however. The world’s largest shipping company, Maersk, could walk away at any point from the beaching yards. But since 2016 the company has backtracked from leader tolaggard, applauding incremental changes on the “improved” beaching yards in India that are validated by paper tigers, the weak Hong Kong State of Environmental Compliance. The day will come reluctantly or not that shipping companies will move to higher ground. And so, in what may be the most recent sign of a tipping point, the actors with the greatest at stake in maintaining the beaching method – the enabling cash buyers and the beaching yards – have begun to desperately look out with law suits and physical threats to silence and intimidate our members and Secretariat.

The good news is that a solution for ship recycling infrastructure is ready and waiting. Dry docks contain pollution and provide a stable working platform with emergency access. Ship owners are already required to dry dock their ships for regular controls, making a final dry dock for recycling entirely conceivable. Closing the infrastructure gap with the shipbuilding sector is further worth exploring for potential knock-on innovations in green ship building, and for the possible benefits of merging currently marginalised workers in with a better or more organised and higher trained workforce. A safe platform is an essential step to improving worker rights and recognition. One forward thinking company and a partnering dry dock is all it takes to show how it can be done.

About the President

Helen Périvier
President of the Board
NGO Shipbreaking Platform
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WHAT IS THE PROBLEM?

Just as the goods they transport, ships too become waste when they reach the end of their operational lives. When compared to sinking or abandonment, recycling is by far the most environmentally-friendly and economically sound way of getting rid of old ships, as it ensures the reuse of valuable resources such as steel, iron, aluminium and plastics. Ship recycling is, however, a heavy and hazardous industry as the process exposes both workers and the environment to a great number of risks.

The negative consequences of dirty and dangerous shipbreaking are real and felt by many. In 2017, 543 ships, representing 80 percent of the world’s end-of-life tonnage, were broken under rudimentary conditions on the beaches of Alang in India, Chittagong in Bangladesh and Gadani in Pakistan. Beaching, as a shipbreaking method, entails the ships’ grounding on an intertidal mudflat during high tide. There, proper infrastructure, equipment and procedures to prevent accidents, the impairment of workers’ health and to fully contain and control pollution are not available.

Breaking ships apart on a tidal mudflat can never be safe nor clean, but as it stands today, ship owners can make (USD) millions more by selling their ships to a yard that pollutes and ignores occupational health and safety laws by using the low-cost method of beaching.

DIRTY PRACTICES

Ships are hazardous structures that contain numerous toxic materials such as asbestos, PCBs, oil residues, organic waste, heavy metals, and toxic paints. Thus, it is imperative to collect, sort and properly dispose of these materials to avoid exposing workers and the environment to them. Yet, as long as shipbreaking is done by way of beaching, the environment suffers. Coastal ecosystems, and the local communities that depend on them, are devastated by toxic spills and various pollutants leaking into the environment. The beaching method will inevitably pollute the sea and surrounding sediments due to the fact that the ships are grounded, pulled and broken apart on intertidal mudflats. The tide will wash away debris, paint chips and oil spillages. The pollution, as well as the uprooting of coastal vegetation, including protected mangrove forests, endanger the biodiversity of the coastal areas and affect the livelihoods of fishing communities.

Millions of tons of hazardous wastes are exported to South Asian countries in the form of end-of-life ships each year. In most cases, the hazardous wastes built into the structure of the vessel are not even properly identified and therefore harm workers unknowingly. Moreover, an alarming amount of hazardous materials are not disposed of in an safe and environmental-friendly manner, many young teenagers are illegally employed at the yards. Only in few cases are disabled workers given compensation to start a new livelihood. Most often the workers and their families are simply thrown back into extreme poverty.

Also in Aliaga, Turkey, there are health and safety concerns for workers. Accidents occur and the awareness of occupational diseases is poor. In China, there are concerns related to the absence of independent trade unions, and there is a general lack of transparency in terms of accident records and waste management.

AVOIDING RESPONSIBILITY: CASH BUYERS AND FLAGS OF CONVENIENCE

Once a vessel reaches the end of its service life, ship owners – with the exception of responsible companies that directly engage with the recycling facilities – sell their ship to a scrap dealer known as “cash buyer” who brings the vessel to its final destination. Most, if not all, sales of end-of-life vessels to the beaching yards are carried out with the help of cash buyers. These companies, that specialise in the trade of end-of-life vessels, pay ship owners upfront in cash before the ship reaches its final destination.

By using cash buyers, ship owners seek to avoid legal, financial and other risks related to selling a ship for breaking. Ship owners also claim that they are not responsible for any pollution or accidents caused by the dirty and dangerous breaking of their ship. In an attempt to conceal the origin and ownership of the vessel, cash buyers will usually change the flag of the ship to one of the typical last voyage flags, and register the vessel under a new name and post box company (often located in a tax haven). Certain flags known for their poor implementation of international maritime law, such as Comoros, Palau and St Kitts and Nevis, are particularly popular with cash buyers. These small island tax havens offer their flag for a cheap ‘last voyage’ registration fee, often not even with a requirement to incorporate with a post box company, rendering it very difficult for authorities to trace and hold cash buyers - and the ship owners that sold the ship to these scrap-dealers - accountable for illicit practices.

DIRTY PRACTICES

Shipbreaking has been declared the most dangerous job in the world by the International Labour Organisation. The unsafe working conditions on the beaches expose workers to unnecessary risk. Little life and serious injuries are caused by fires and falling steel plates. While personal protective equipment to prevent the workers from being exposed to toxic fumes and materials, the risk of developing a fatal occupational disease at a shipbreaking yard, such as cancer and asbestosis, is high.

Ships are beached at high tide and workers access them at low tide, cutting the structures manually with blow torches. The safe use of heavy machinery to lift cut-off steel parts is not possible on the beaches. Consequently, large parts of the ship crash down on the beach, a practice known as the gravity method. Falling blocks are one of the main causes of severe and fatal accidents as workers are crushed by the heavy steel parts. Lack of proper infrastructure and equipment to allow for safe working conditions, as well as the lack of adequate training, inevitably contributes to the high death-toll in this hazardous and heavy industry.

Most workers are exploited migrants, and in Bangladesh, even though child labour in hazardous industries is illegal, many young teenagers are illegally employed at the yards. Only in few cases are disabled workers given compensation to start a new livehood. Most often the workers and their families are simply thrown back into extreme poverty.

Clean and safe methods of ship recycling are available. The most sophisticated method is to dismantle the ship in a dry dock where it can be recycled under similar conditions under which it was built, maintained and repaired throughout its operational life in a fully contained industrial site with the help of heavy machinery. A more widely used alternative is pier-side demolition, used in China, Europe and the US. Here the ship is moored longitudinally, cut horizontally, and heavy parts are lifted onto shore with the help of cranes. The lower part of the hull is then brought on a slipway and cut in a contained environment and impermeable surface. Under the EU Ship Recycling Regulation, the EU will publish a list of compliant ship recycling facilities. This list will provide ship owners and all stakeholders with a clear reference for such sustainable solutions.
Each year the NGO Shipbreaking Platform collects data and publishes an annual list of ships dismantled worldwide. In 2017, 835 vessels were dismantled. 543 of these ships were sold for dirty and dangerous breaking on the beaches of South Asia. Whilst ship owners are increasingly portraying themselves as conscious of the problems caused by shipbreaking, the Bangladeshi beach in Chittagong – where environmental protection and worker safety are particularly scant – remained the preferred scrapping destination worldwide in terms of tonnage dismantled.

Most vessels scrapped in 2017 were general cargo ships, followed by bulk carriers and container ships, oil and gas tankers, roll-on roll-offs, passenger vessels and oil platforms. Looking at the size of vessels scrapped on the beaches of South Asia, Pakistan received the largest vessels followed by Bangladesh, while Indian yards scrapped more medium-sized ships. China and Turkey tend to recycle smaller vessels on average. Thus, the larger the vessel the more likely it is that it will end up on a beach in Pakistan or Bangladesh – where the conditions are known to be the worst. In 2017 the Pakistani government introduced a ban on the import of tankers after a sequence of disastrous explosions between the end of 2016 and beginning of 2017, resulting in about 30 workers losing their lives. As a result, there was an increase in the flux of tankers going for breaking in India.

As in 2016, Germany and Greece top the list of country dumpers in 2017. German owners, including banks and ship funds, beached 50 vessels out of a total of 53 sold for demolition. Greek owners were responsible for the highest absolute number of ships sold to South Asian shipbreaking yards in 2017: 51 ships in total. Since the Platform’s first compilation of data in 2009, Greek shipping companies have unceasingly topped the list of owners that opt for dirty and dangerous shipbreaking.

European ship owners, from the EU and EFTA states, are responsible for more than one third of all ships sold for breaking. The number of European-owned and/or European-flagged vessels dismantled in 2017 worldwide amounted to 260 ships: 181 of these ships, representing 70% of all European end-of-life ships, ended up on the beaches in either India, Pakistan or Bangladesh. In terms of volume, European owners were responsible for around 40% of the total tonnage scrapped on South Asian beaches. It is clear that the European fleet follows the trends of previous years and continues to be predominantly broken using the most unsustainable recycling method.

Out of the 181 European vessels that were beached, only 18 were still sailing under a European flag during the last voyage. 24 vessels that had otherwise been operating under a European flag, swapped flag to a non-EU flag of convenience just weeks before hitting the beach. The most popular end-of-life flags for vessels scrapped on the beaches in 2017 were Panama, St Kitts and Nevis, Palau, Liberia and Togo, Palau, St Kitts and Nevis, and Comoros are flags that are almost exclusively used by cash buyers at end-of-life, and in 2017 Comoros hit a new record as it held first position as a beaching flag together with the more widely used flag of Panama.
WHAT IS THE ISSUE?

Abysmal working conditions and pollution in Alang were first documented by Greenpeace in 1998. Following actions by local NGOs, the Supreme Court issued several rulings demanding the improvement of the industry in order to bring it in line with national and international requirements for safe working conditions, environmental protection and waste trade law. The Government responded with the adoption of the Ship Recycling Code in 2013, and the Gujarat Maritime Board (GMB) set up a waste reception facility. Workers now also receive a very basic training.

Still, the working and living conditions for shipbreaking workers, as well as the environmental protection standards in Alang, remain alarmingly poor. According to local sources, at least 8 workers died at the yards in 2017. Yet absolute numbers of fatalities are not easily attainable, and serious injuries are rarely recorded. Occupational diseases are furthermore not documented at all. Impunity for yard owners remains a serious concern: no yard owner has ever been held responsible for the death of a worker as they manage to put pressure on the law enforcers to quickly write the death off. As labour rights and downstream waste management. Disregard of the negative environmental impact of the beaching method, including hazardous operations in the intertidal zone and the use of the gravity method – which the Hong Kong Convention does not prohibit – remain serious concerns, as does the lack of proper accommodation and medical facilities for workers. Asbestos contaminated materials can be resold in India and there is no proper disposal site for PCBs. In October 2017, NGOs were refused access to the Alang shipbreaking area by the GMB. In October 2017, NGOs were refused access to the Alang shipbreaking area by the GMB.

WHAT HAVE WE DONE?

ATTEMPT TO VISIT THE ALANG SHIPBREAKING AREA

In light of the many yards that rapidly obtained Hong Kong Convention Statements of Compliance in Alang in the past year, the Platform requested the Gujarat Maritime Board (GMB) to visit the area. Despite some first exchanges with the GMB through our member organisation Toxics Link, the GMB interrupted the communication once the participants’ list to the visit was shared with them. Consequently, the Platform was not given the permission to visit the Alang shipbreaking area, nor was the Platform given the opportunity to contest the GMB decision to refuse access, as there was no formal rejection to the request.

Although not entirely unsurprising, this was a missed opportunity for the yards and the GMB to show the claimed improvements, and to demonstrate that they are open to listen to the concerns of civil society. The unwillngness to receive NGOs in the shipbreaking yards illustrates that there is still a serious lack of transparency in the industry in India, both from the yard owners and the authorities.

CONFERENCE WITH INDIAN NGOs

The failed attempt to visit Alang did not deter the Platform from going to India in October 2017, as the different members and board members met for the Annual General Meeting in Delhi. The occasion was used to also have a larger conference with other Indian NGOs on the issue of shipbreaking in India. During this event, the NGOs could identify specific needs of improvements in the industry and learn from each other’s experiences. Since that meeting, the Platform has established stronger relationships with local NGOs and activists.

WHAT ARE STATEMENTS OF COMPLIANCE (SOCs) WITH THE HONG KONG CONVENTION?

The Hong Kong Convention was signed in 2009 and still lacks a sufficient number of ratifications for its entry into force. India announced in 2017 that it will ratify the convention, but it still has to do so. Once it is ratified, it will be up to the Indian state, as a party to the convention, to ensure that the yards in India follow India’s international commitments under the Hong Kong Convention. The Statements of Compliance with the Hong Kong Convention (SOCs) that are currently being issued are business-to-business agreements between yard owners and classification societies – acting as private organizations on behalf of States. These privately issued SOCs assess the possibility for a given yard to comply with convention requirements. The statements do not look into a given practice of a yard, nor do they look into the adequacy of the claimed compliance.

The first company to issue a SOC to an Alang yard was the Japanese classification society ClassNK. The first yards that received SOCs were Priya Blue, Kalthia, Leela and Shree Ram, which are respectively linked to the main cash buyers Best Oasis, Wirana, GMS and NKD. Roughly half of the yards in Alang now have SOCs, which have been issued also from classification societies RINA and the Indian Registry – yet, as mentioned, none of these classification societies have been mandated to act as a recognized organisation by the Indian state as a party to the Hong Kong Convention. The current 66 SOCs have been given on the basis of check-lists whether the yards can fulfill the requirements under the Hong Kong Convention as interpreted by the classification societies and do not look at the actual practice of the yards. For instance, a requirement under the Hong Kong Convention is that there should be environmental monitoring on the yard. In order to fulfill this requirement for receiving a SOC, it is enough to show that monitoring is carried out; there has been no evaluation of whether the monitoring is telling of the environmental conditions. Therefore, even if the monitoring is of very poor quality, or the results of the monitoring are even false or misleading, requirements for obtaining a SOC are fulfilled with a check-list approach. SOCs have also been given to yards where hazardous materials is not properly managed downstream – including the possibility for yards to store the hazardous waste on site. Clearly, the SOCs do not provide the guarantee that conditions at the yard are safe and environmentally sound.
End-of-life vessels are imported with little to no labor inspections, or are deliberately imported due to lack of resources, such as a lack of formal recognition. These are poorly implemented, not for the express purpose of protecting both workers and the environment.

Despite laws existing in Bangladesh to protect child workers, severe pollution, and classify hazardous waste, these have been ignored in practice. NGOs have been calling for recognition – and thus not regulated – for many years. Severe pollution from hazardous waste dumping, appalling working conditions resulting in many severe and fatal accidents, as well as the illegal exportation of child workers are amongst the main concerns. Shipbreaking first grew into an industry in Bangladesh in the 1980s; however, it was not officially recognised – and thus not regulated – until 2011. In 2009, a landmark decision by the Supreme Court ordered the closure of the shipbreaking industry in Chittagong as none of yards held the necessary environmental clearance to operate. The yards re-opened based on informal information sessions. Presently, new facilities for hazardous wastes and hazardous materials remain void of storage and treatment facilities.

WHAT IS THE ISSUE?

Dirty and dangerous shipbreaking practices in Bangladesh have been strongly criticised both by international and local NGOs for many years. Severe pollution to the marine environment, hazardous waste dumping, appalling working conditions causing many severe and fatal accidents, as well as the illegal exploitation of child workers are amongst the main concerns. Shipbreaking first grew into an industry in Bangladesh in the 1980s; however, it was not officially recognised – and thus not regulated – until 2011. In 2009, a landmark decision by the Supreme Court ordered the closure of the shipbreaking industry in Chittagong as none of yards held the necessary environmental clearance to operate. The yards re-opened based on informal information sessions. Presently, new facilities for hazardous wastes and hazardous materials remain void of storage and treatment facilities.

Words live in unsanitary and improper accommodation. They work long hours without holidays and usually do not have work contracts. Trade unions are prevented from effectively organising the workers. In 2017, the Platform documented the stories of at least 15 workers who were killed and at least 22 who suffered severe injuries. The main causes of death are suffocation, fires, falls from great height or workers crushed by falling parts of the ship. The closest specialised hospital is too far for emergencies and the injured workers in many cases do not automatically receive financial support for necessary medical treatment. The hospital building set up by the Bangladesh Shipbreakers Association is operated as a private clinic and can only treat minor injuries.

End-of-life vessels are imported with fake certificates claiming that they are free of hazardous materials, which consequently are not properly detected or safely removed and disposed of. The World Bank has estimated that between 2010 and 2030 Bangladesh will have imported 79,000 tons of asbestos; 240,000 tons of PCBs and 69,200 tons of toxic paints that originate from end-of-life ships. The Chittagong area remains void of storage and treatment facilities for hazardous wastes and hazardous materials are, as a result, simply dumped or re-sold.

WHAT HAVE WE DONE?

COPENSATION CLAIM RESOLVED

The Platform worked with the UK law firm Leigh Day to help a Bangladeshi shipbreaking worker claim compensation from London-based Zodiac Maritime for having suffered severe injuries while cutting one of Zodiac’s ships. The case, which was covered in The Guardian, created quite a stir in the shipping industry as it was the first time that a South Asian worker sought to hold a ship owner accountable. In December, the case was resolved through a settlement to the satisfaction of the worker. This case has allowed a shipbreaking worker to access justice in an unprecedented manner and indicates the opportunities that may exist for other claims to be brought against shipping companies in the future.

SUPPORT FOR SHIPBREAKING WORKERS

The Platform’s member organisations in Bangladesh provide support to shipbreaking workers, including legal aid and support for families of dead workers or for compensation claims, basic health services and trainings, as well as informal information sessions. Present with field staff in the shipbreaking area, our members are able to monitor the situation and helped workers to organise protests to demand safer working conditions.

NORTH SEA PRODUCER CASE

Bangladesh Environmental Lawyers Association (BELA), the Platform member organisation that has been fighting in the courts against the shipbreaking industry’s violation of national law since 2003, submitted a new petition on the illegal import of the Maersk-Odebrecht owned FPSO North Sea Producer. Following an alert issued by the Platform, the UK Environment Agency appointed an investigator to look into the illegal export of the ship from the UK to Bangladesh. The Platform has been providing the UK authorities and the Bangladesh High Court with information on the illegal sale of the ship, involving also the cash buyer GMS, the largest trafficker in end-of-life ships. Whilst Maersk claimed that they had sold the FPSO for further operational use, they were finally forced to admit that they sold the ship to a shell-company set up by GMS. At this point, there should be sufficient evidence to demonstrate that the export from the UK was illegal, and so authorities should proceed with pressing criminal charges for breach of the EU Waste Shipment Regulation. While investigations have been taking place in the UK, the breaking of the North Sea Producer was halted in Bangladesh with the judicial intervention of BELA. Inspections on the content of hazardous materials were carried out and resulted in a report by the Bangladesh Atomic Agency; according to the report, further surveys were needed due to the presence of radioactive material on the FPSO. BELA subsequently succeeded in getting an injunction on the breaking of the North Sea Producer and is now waiting for the judgement of the High Court, which is expected before the summer 2018. The case will be followed up on both sides by the Platform.

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WHAT IS THE ISSUE?
The conditions at the shipbreaking yards in Pakistan are dire. As in India and Bangladesh, the yards in Gadani operate directly on the beach without any impermeable and drained working areas to protect the sea and sand from pollution. As there is no infrastructure to deal with hazardous waste in Gadani, dangerous and polluting substances – such as asbestos, PCBs and residue oils – are simply dumped behind the shipbreaking area.

Workers’ health and safety are blatantly ignored in Gadani, and trade unions, such as the IndustriAll-affiliated Pakistani National Trade Union Federation (NTUF), have voiced strong concerns related to the systemic breaches of basic labour rights. Most of the shipbreaking workers in Gadani are migrant workers from the poorest regions of Pakistan.

Following the explosion of 1 November 2016 of the Aces tanker, there has been increased awareness, nationally and internationally, of the dangers faced by the workers in the shipbreaking yards in Pakistan. In the beginning of 2017, five workers lost their lives in another explosion of a tanker. This led to a moratorium on the import of tankers for 2017 imposed by the government – yet the ban is expected to be lifted already in the spring of 2018, without concrete measures in place to prevent the recurrence of these tragedies. Exactly one year after the catastrophic explosion, workers resumed the breaking of the Aces – and as fate has it – it caught fire again; fortunately, without casualties this time.

2017 marked a year of rallies and protests in Pakistan, with NTUF and workers demanding the enforcement of their rights, better labour laws, the use of proper health and safety equipment in the yards and more consideration from the authorities. The Dutch trade union, FNV, has conducted research on the shipbreaking industry in South Asia. The NGO Shipbreaking Platform Board Member, Dr Irfan Khan, has contributed considerably on the Pakistani perspective for the report.

WHAT HAVE WE DONE?
Our member organisations have been closely following the government’s promise to make the Gadani shipyards safer for workers. Our member organisation, the Centre for the Rule of Law Islamabad (CROL), has been following the development of stricter laws for the shipbreaking industry. The improvements in the working environment, which have supposedly been put in place and which are the reason why the government is confident that Gadani can now resume breaking tankers, remain vague however, with no infrastructure in place to mechanise this heavy industry.

Workers do not have access to clean drinking water. A treatment plant has yet to be installed.

- Dr. Irfan Khan, NGO Shipbreaking Platform Board Member

TURKEY
Turkey dismantled 133 ships in 2017, including several drill ships and platforms. In comparison to South Asia, Turkey dismantles smaller vessels, many of them either EU-owned or EU-flagged. Aliaga is also a preferred destination for EU navy vessels.

The absence of independent trade unions, however, remains a challenge in China. Also, while the yards are highly developed at the level of technology and methods used, not all yards are fully equipped and provide adequate training for the proper removal of hazardous wastes, in particular asbestos; nor is there consistent downstream traceability of the hazardous materials that are removed from the ships. Asbestos is still widely used in China, and yards do not always guarantee that all asbestos-containing materials are properly disposed of.

CHINA
Several Chinese companies have invested in modern ship recycling facilities that have the capacity to break a substantial amount of large vessels alongside piers and in docks. Some of the largest yards in the world have applied to be on the EU list of approved recycling facilities. The recycling methods banned in China. The Chinese government had a subsidy scheme in place to boost domestic scrapping of Chinese-owned and flagged vessels, but the scheme recently expired, leaving several yards out of business. In 2017, only 98 vessels were scrapped in China, also due to significantly low steel prices.

The absence of independent trade unions, however, remains a challenge in China. Also, while the yards are highly developed at the level of technology and methods used, not all yards are fully equipped and provide adequate training for the proper removal of hazardous wastes, in particular asbestos; nor is there consistent downstream traceability of the hazardous materials that are removed from the ships. Asbestos is still widely used in China, and yards do not always guarantee that all asbestos-containing materials are properly disposed of.

REST OF THE WORLD
In December 2016, the EU published the list of ship recycling facilities that are approved according to the EU Ship Recycling Regulation and located in EU Member States. 21 facilities located in Belgium, Denmark, France, Latvia, Lithuania, the Netherlands, Poland, Spain and the UK have been approved and together have a total capacity to recycle 1.1 million LDT. These yards are currently mainly breaking government-owned and smaller vessels, but have signalled that the promise of a larger market share would prompt investments to enlarge the yards so that they could also recycle larger commercial ships. After four years of salvaging and recycling operations, the infamous Costa Concordia’s dismantling in the port of Genova successfully came to an end.

Also in the US, facilities are able to recycle vessels in a safer and more environmentally friendly way than on the beaches of South Asia. Two of these facilities have applied to be on the EU List and, if approved, would increase the capacity for EU-compliant ship recycling practices.
WHAT IS THE ISSUE?
Under international environmental law, end-of-life vessels are considered hazardous waste. However, international law governing the trade of end-of-life ships - UNEP’s Basel Convention - is easy to circumvent for ship owners. Under the pretext of continued operational use, most ship owners do not declare their intention to dispose of their vessels and thus escape from law enforcement. The industry-driven International Maritime Organisation (IMO) adopted the very weak Hong Kong Convention in 2009. So far, only six countries have ratified the Convention. More than 100 global environmental and human rights organisations, the UN Special Rapporteur on Human Rights and Toxics and European policy makers have denounced the Hong Kong Convention for merely rubberstamping the status quo. The Hong Kong Convention does not ban beaching; it does not regulate and it finally provides no independent certification and auditing for labour rights. It finally provides no solutions to the shipbreaking crisis, in 2013 the EU have failed to provide.

WHAT HAVE WE DONE?
ENSURING THE EFFECTIVENESS OF THE EU SHIP RECYCLING REGULATION
After the Platform’s success in prompting the European Economic and Social Committee (EESC) to issue their “own initiative opinion” on the need for a financial incentive under the Ship Recycling Regulation in 2016, we successfully prompted the EESC and three Green Members of the European Parliament (MEPs) to organise two joint events entitled ‘Black Gold’s Green Legacy’ focusing on the oil and gas industry.

The events pointed out that there are many ships and floating structures in the North Sea that need to be scrapped as a result of the decommissioning activities in the oil and gas sector. Floating platforms and drill rigs have an IMO number just like ships, and are not covered by the strict rules under the OSPAR convention that governs the decommissioning of fixed platforms. Rather, just like ships, floating structures are susceptible to escaping the EU Ship Recycling Regulation by flagging to a non-EU country. Assets used by the oil and gas industry in the North Sea, many of which are currently laid up in European ports, can be recycled in the region where they were deployed: they should not be dumped in other regions of the world that have to bear the environmental and human cost of their disposal.

The two-day joint event was attended by trade unions, Green MEPs, industry stakeholders and the EU Commission, and looked at the multiple opportunities for industry and job creation that decommissioning in the North Sea can bring. If the right policies are put in place. The number of platforms and rigs that need to be phased out has sparked interest to invest in existing and new facilities to accommodate these structures. This will in turn create specialised jobs, be a source of income for the oil and gas industry.

ENFORCING THE LAW ON BUSINESS
2017 was a busy year for enforcement authorities, especially in Europe. With the arrest of the Tide Carrier in Norway in February, the Platform, together with its member organisation Bellona, have helped authorities with investigating the attempt to illegally export the ship for scraping in Pakistan. At the edge of bankruptcy, Eide Group had sold the Eide Carrier, that had been laid up for 10 years, to cash buyer Wirana. The ship was arrested after the Norwegian coast guard had to intervene with a rescue operation during a storm. During the inspections on-board, it was revealed that a false voyage insurance for Pakistan had been bought and that the change of flag to Comoros was a fake registration, as the ship did not appear in the Comoros Register. As such, the ship changed flag to another popular end-of-life flag, Palau, during its arrest. The Harrier case has brought attention to the extremely reckless behaviour of owners and cash-buyers that illegally export ships: this was an unseaworthy ship which risked causing a huge environmental catastrophe had the coast guard not intervened. The ship had a fake flag registration, and a crew which has been stuck on-board the ship since its arrest over a year ago. The investigation is now being carried out by the economic crimes division of the police and a trial is expected to take place in 2018.

Following up on the investigations in the UK on the FPSO North Sea Producer, the Platform has collaborated with DEFRA and the Environment Agency to help as far as possible to hold all the stakeholders accountable for the illegal export. This has also meant engaging with the political parties in Denmark, with, on the one hand putting pressure on Maersk and on the other on the Environment Minister, in order to prompt full disclosure and cooperation with the investigators in the UK.

The Platform has also continued to actively engage with other Port Authorities and the Basel Focal Points when it has been clear that illegal exports are imminent or have occurred. In the summer of 2017, two sister-ships of the Grimaldi Group-owned ACL company were sent to India. The EU Commission, UK, German, Belgian, Dutch, Swedish and Canadian authorities got involved in trying to uncover the true destination of these ships. Although it was clear and well-known in the industry that the ships were heading to the beaches, the owners concealed the fate of the ships and lied to the authorities when asked where the ships were going. Cases like these have led authorities in different states to becoming aware that more cooperation between them is necessary to stop ship owners’ illegal conduct. Shipping companies tend to falsely declare that their ship is going for repair or is in normal operations when in fact the destination of a ship is a South Asian scrap yard. We see increased cooperation as an encouraging step forward by enforcement bodies, which will guarantee that existing national, regional and international legislation stops being circumvented and undermined by the shipping and cash buying business.

FOCUS ON BRAZIL
The Platform has been active and successful in raising the shipbreaking issue in Brazil. Companies like Petrobras and Vale sell their end-of-life vessels for substandard breaking on the South Asian beaches, either refusing any type of responsibility or hiding behind the cash buyers’ claimed ‘green’ credentials. Together with maritime trade union SINDMAR and the Brazilian CONTTMAF trade union federation, the Platform continues to criticise the practices of Brazilian owners and discusses opportunities for safe and clean ship recycling in Brazil.

CALL FOR ACTION
We call upon the European Union to maintain high standards when publishing its list of approved ship recycling facilities and not to give in to shipping interest that want to continue earning dirty money by using the dangerous, polluting and low-cost method of beach-breaking. We also call upon the Member States to support the introduction of a financial scheme based on the polluter pays principle that would incentivise ship owners to opt for a ship recycling facility on the EU list.
WHAT IS THE ISSUE?

The vast majority of ship owners do not take responsible decisions when getting rid of their old ships. Instead, they sell their vessels to scrap dealers known as cash buyers. These companies, such as GMS, Wirana and Best Oasis, offer ship owners the highest price – in cash – for end-of-life vessels. They will manage the ship on its last voyage, as well as rename and reflag it, often to the worst performing flags in the world as part of their business model. Registering also the ships under anonymous post box companies, it becomes challenging for authorities to hold cash buyers accountable for their illicit business practices. Ship owners, on the other hand, will claim that their responsibility ended once the deal was concluded with the cash buyer.

Ship owners’ evident lack of due diligence when selling to cash buyers is, however, starting to concern not only law enforcers, but also the clients and the financers of shipping. Companies are increasingly asked to make sure that their business, including their supply chain, does not cause harm to the environment. Faced with this demand – and often with a much more public profile than most ship owners - banks, pension funds and consumer brands, upon which international shipping depends, are taking steps to require responsible ship recycling.

WHAT HAVE WE DONE?

DEVELOPING GREEN/WASHING AND EXPLORING MARKET-BASED INCENTIVES

The Platform has continued to name and shame companies that do not have responsible practices at end-of-life and was invited in 2017 to share its findings and opinions at a number of industry conferences and meet- ings. We have continued to explore market-based financial incentives and have focused our efforts on introduc- ing a market-based program to change company behaviour to a wide range of stakeholders, collecting and processing valuable feedback. Companies have so far been very receptive to the positive reinforcement approach, juxtaposed by the Platform’s other campaign work. We also extended our outreach to other NGO’s, associations, and en- vironmental programs to explore stra- tegic partnership opportunities with those that are already well established in the marketplace. By denouncing the double standard and green-washing of dirty and dangerous shipbreaking practices that would never be allowed in the major ship owning countries, the Platform has been able to counter the arguments of the shipping industry and cash buyers that wish to exploit work- ers and the environment for the sake of higher profits. The proliferation of the misleading Statements of Compliance with the Hong Kong Convention has in that context been raised as a serious concern. We have continued our discussions with the clients of shipping, as well as the financial sector, and were successful in prompting a closed roundtable discussion between the Dutch banks ING, ABN AMRO and NIBC and progressive Scandinavian investors, including pension fund KLP, and major shipping banks DNB and Nordea. The banks now work jointly to promote re- sponsible ship recycling and negotiate clauses to that aim in the loan agree- ments they sign with shipping com- panies. KLP and Norges Bank, which manages the world’s largest sovereign wealth fund, have divested from four companies. The Platform has been able to counter the arguments of the shipping industry and cash buyers that wish to exploit workers and the environment for the sake of higher profits. The proliferation of the misleading Statements of Compliance with the Hong Kong Convention has in that context been raised as a serious concern.

PROMPTED ENGAGEMENT FROM FINANCIERS

In discussion with lawyers, NGOs and United Nations representatives, the Platform has contributed to the on- going debate on Business and Human Rights. Compensations claims put for- ward, and investor divestments have clearly identified the responsibility of shipping companies to ensure the safe and clean recycling of their as- sets, and the Platform has raised with ship owners the necessity of exercising due diligence when choosing business partners linked to their operations, including at end-of-life. By engaging with ship recycling facilities directly and pro- moting best practice, the Platform also informs the shipping industry of clean and safe options available.

WORST SHIP-DUMPING COMPANIES

SINGAPORE
CONTINENTAL INVESTMENT & HOLDINGS

SWITZERLAND
MSC

GERMANY
PETER DOHLE

GERMANY
HAMBURG MARIT

GERMANY
RICKMERS

JAPAN
MITSUI O S K LINES

CHINA
HAVALIN SHIPPING

SOUTH KOREA
SINOKOR

NAMOCO
ZODIAC GROUP

FOCUS ON HUMAN RIGHTS DUE DILIGENCE

In discussion with lawyers, NGOs and United Nations representatives, the Platform has contributed to the on- going debate on Business and Human Rights. Compensations claims put for- ward, and investor divestments have clearly identified the responsibility of shipping companies to ensure the safe and clean recycling of their as- sets, and the Platform has raised with ship owners the necessity of exercising due diligence when choosing business partners linked to their operations, including at end-of-life. By engaging with ship recycling facilities directly and pro- moting best practice, the Platform also informs the shipping industry of clean and safe options available.

CALL FOR ACTION

The recycling, or scrapping, of a ship at the end of its lifecycle poses potential large social and environmental risks for the ship- ping industry, especially if so-called beach- ing practices are used. These practices mean that ships are driven directly upon beaches and dismantled under difficult working conditions and with detrimental environmental consequences as hazardous waste is discharged directly into the sea.
- Nordea Bank
OUR TOP TWEET

During our stay in Chittagong, Bangladesh, we visited a fishing village next to the yards. It was a tough sight since the water was full of oil and other toxins from the ships. The natural environment was destroyed there.

- Reinhard & Luca Fasching of Studio Fasching in Bregenz, Austria

SOCIAL PROJECT: SHIPBREAKING. HOW DOES IT IMPACT THE PEOPLE?

The photographs above are part of a larger collection taken in Chittagong, Bangladesh, during autumn 2017. The photographers - Reinhard and Luca Fasching from Studio Fasching in Bregenz, Austria - took the pictures as part of a well-researched social project for their magazine "Directions." During their week-long stay in Chittagong, they were able to visit the yards and the surrounding areas to document the social and environmental costs of shipbreaking - by meeting local communities, the workers and their families. The visit was made possible via our member organisation YPSA in Chittagong.
A VIBRANT GLOBAL NETWORK
ORGANISTIONAL DEVELOPMENT

ANNUAL GENERAL MEETING (AGM)
IN NEW DELHI

From 26 to 28 October 2017, the Platform held its Annual General Meeting (AGM) in New Delhi, India. This marked the first time in the Platform’s history that the event took place in India. During the event, the Platform’s Secretariat, Board Members and representatives of the Platform’s member organisations discussed on how to ensure that the Platform’s activities would continue to be an important catalyst for change. Moreover, the Platform used this occasion to meet with several New Delhi- and India-based stakeholders where valuable experiences and visions for the ship recycling industry in India and South Asia more broadly were shared.

STAKEHOLDER MEETING AT INDIA INTERNATIONAL CENTRE

On 28 October, the Platform - in close collaboration with member organisation Legal Initiative for Forest and Environment (LIFE) - organised a one day roundtable event on the shipbreaking issue at the India International Centre in New Delhi. At the event, various stakeholders from Indian civil society and media were invited to discuss both Indian and global experiences on the issue, with the ultimate aim of identifying key areas for civil society groups in India to work on. Not only were participants introduced to the shipbreaking issue more broadly, but they were also informed on related proceedings within the Indian Courts; offered a perspective from Bangladesh where legal action has been taken in the Supreme Court; as well as received insight from a ship-owning country - Norway - with particular focus placed on the ongoing Harrier investigations.

FINANCIAL STATEMENT

INCOME

<table>
<thead>
<tr>
<th>Income Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership fees and members’ contributions</td>
<td>11,400</td>
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<tr>
<td>Fonds Maribel Social</td>
<td>39,000</td>
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<tr>
<td>European Commission LIFE Programme</td>
<td>33,103</td>
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<tr>
<td>US Bureau of Democracy, Human Rights &amp; Labor</td>
<td>40,000</td>
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<tr>
<td>Donations</td>
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<tr>
<td>Other / Travel reimbursement</td>
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<tr>
<td>Contributions from reserves</td>
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<tr>
<td><strong>TOTAL INCOME</strong></td>
<td><strong>294,489</strong></td>
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EXPENDITURE 2017

<table>
<thead>
<tr>
<th>Expense Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td><strong>ACTIVITIES</strong></td>
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<tr>
<td>AGM 2017</td>
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<tr>
<td>Other travel costs</td>
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<tr>
<td>Communication Material</td>
<td>11,333</td>
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<tr>
<td>Public Awareness and Data Collection in South Asia</td>
<td>5,034</td>
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<td>Development ShipStewards program</td>
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<td><strong>TOTAL ACTIVITIES</strong></td>
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<td><strong>STAFF</strong></td>
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<td>Salaries and social charges for 3/4 staff + intern</td>
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<tr>
<td>Staff training</td>
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<tr>
<td>Other salary costs (social bureau, insurances)</td>
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<td><strong>TOTAL STAFF</strong></td>
<td><strong>188,442</strong></td>
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<tr>
<td><strong>GENERAL COSTS</strong></td>
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<td>Rent</td>
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<td>Office costs</td>
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<tr>
<td>Communication costs</td>
<td>4,681</td>
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<tr>
<td>Other costs (mainly exchange rate loss)</td>
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<tr>
<td>Subscriptions</td>
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<tr>
<td>External costs</td>
<td>2,224</td>
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<tr>
<td><strong>TOTAL GENERAL COSTS</strong></td>
<td><strong>29,002</strong></td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURE</strong></td>
<td><strong>294,489</strong></td>
</tr>
</tbody>
</table>
The NGO Shipbreaking Platform’s board members are international experts in a wide range of sectors related to maritime policies, waste management, environmental law and occupational health and safety. Their experience and know-how contribute immensely to the Platform’s aims and successes.

Martin Besieux has been campaigning for a toxics-free environment for almost thirty years. After working for the Belgian Environmental Federation of Environmental Citizens’ Organisations, Martin joined Greenpeace as a Toxics Campaigner in 1984. Martin has recently retired and serves as an independent board member to the NGO Shipbreaking Platform.

Ritwick Dutta is a leading environmental lawyer practicing in the Supreme Court of India since 2001. Ritwick is the founder of the Legal Initiative for Forest and Environment (LIFE) in New Delhi, an organisation based on the concept of “environmental democracy”, LIFE has obtained landmark decisions for the safeguard of the environment and for the promotion of sustainable livelihoods, production systems and use of resources. It is the most widespread environmental organisation in India with over 115,000 members and over 2 million people involved in volunteer activities and campaigns. Based in Rome, Italy.

The Board?

The Board is the top decision-making body of EEB.

The Board consists of 15 board members, elected for 3-year terms. Board members are nominated by the EEB member organisations, which enjoy a degree of proportionality in terms of geographical representation and membership size. The different EEB member organisations have helped define the criteria for membership and elect the board members. Each of EEB’s 133 member organisations is entitled to elect at least one board member. Alternatively, organisations may assign a voting member to represent them on the Board. Based in Brussels, Belgium.

The chairman and vice chairman of the Board are elected by the board. The chairman is the representative of the Board.

The Board members are elected for a term of office of three years. Elections are held every three years. The Board is an independent organisation promoting environmental action and public involvement in Europe. Based in Helsinki, the Netherlands.

The International Ban Asbestos Secretariat (IBAS) is an independent body dedicated to the world-wide eradication of the continuing use of asbestos and the management of asbestos-related dangers from asbestos products already within society. Based in London UK.

Legal Initiative for Forest and Environment (LIFE) comprises of groups of lawyers working on issues of environmental democracy. It aims at creatively using the existing legal framework and institutions to protect the principle of null or minimal ecological importance. Based in New Delhi, India.

Logambiente is a non-profit association created in 1980 for the safeguard of the environment and for the promotion of sustainable livelihoods, production systems and use of resources. It is the most widespread environmental organisation in Italy with over 115,000 members and over 2 million people involved in volunteer activities and campaigns. Based in Rome, Italy.

The North Sea Foundation is a Dutch environmental NGO that searches for alternative solutions and seeks dialogue with decision makers. In 2002, the North Sea Foundation launched the “Clean Ship” concept, which is a strategy towards zero impact shipping. Based in Utrecht, the Netherlands.

The Environmental Justice Organisations (EJO) is a true pressure group against the environmental dangers from asbestos products already within society. Based in Dhaka, Bangladesh.

The Human Rights at Sea (HRAS) project is an FP7 project supported by the European Commission. The project supports the work of Environmental Justice Organisations.

The Turkish Health and Safety Labour Watch (ITOD) is a non-governmental organisation promoting a better understanding of the rule of law, and the protection of workers’ rights in Istanbul, Turkey. Based in Istanbul, Turkey.

The Istanbul Health and Safety Labour Watch (ITOD) – Istanbul İş Sağlığı ve Güvenlik (ISIG) Medec was established in March 2011 in Istanbul, Turkey, as an inter-professional and independent monitoring network / platform, faced with allied fatal workplace accidents in almost all the sectors of the Turkish economy.

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The International Environmental Justice Foundation (IEF) promotes the principle of non-minimal ecological importance. It is the only independent body dedicated to the world-wide eradication of the continuing use of asbestos and the management of asbestos-related dangers from asbestos products already within society. Based in New Delhi, India.

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The MEDITERRANEAN SOS Network (MED-SOS) is an international environmental organisation dedicated to protecting the Mediterranean Sea, and aiming at a sustainable development of the region. Based in Athens, Greece.

Surdivo Foundation Europe is a non-profit organisation dedicated to deforestation, rural development and managing in a sustainable manner the ozone, cannonine, waves and the people who enjoy them.