



SRTI webinar 2: Circular economy
0900-1000 BST, 28 May 2020
Summary¹

Following the postponement of the Ship Recycling Transparency Initiative (SRTI) in-person roundtable event (March 2020) due to COVID-19, the SRTI community is instead meeting at a series of themed webinars between April and June 2020. Each webinar covers a theme of relevance to the SRTI's vision and responsible ship recycling: data and transparency, circular economy, and the role of financial stakeholders.

The webinar series forms an important part of the SRTI's further development, identifying areas for expansion of the disclosure criteria against which shipowners are currently disclosing, and stakeholders' use of this data. They will also explore common themes and concerns for the potential development of disclosure criteria for ship building yards and ship recycling facilities, to be shared in a final online roundtable event, scheduled to take place later this year.



About the SRTI

An independent initiative hosted by the Sustainable Shipping Initiative, the SRTI provides a platform through which shipowners can publicly disclose their ship recycling policies, practices and progress, thereby holding themselves to account before key stakeholders – including customers, investors, governments, NGOs and their peers – and for the benefit of the wider public.

25 signatories have joined the SRTI since its launch in 2018, with 10 shipowners² voluntarily disclosing data to enable stakeholders to make informed decisions and reward good practice through the market. Recent signatories include heavy equipment manufacturer and shipper, [John Deere](#) and the P&I Club, [Gard](#).

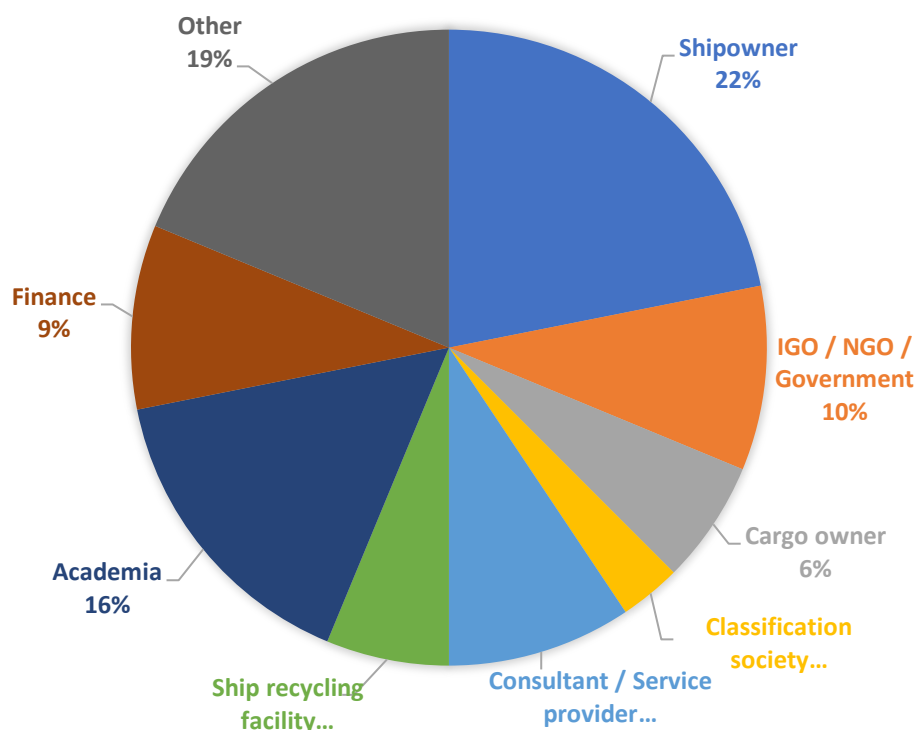
Andrew Stephens, Executive Director and **Nicole Rencoret, Head of Communications and Development** at the **SSI/SRTI Secretariat** facilitated this webinar that focused on how the design, building and operation phases of a ship's lifecycle can contribute to its sustainable and responsible recycling at end of life. The webinar provided the opportunity to reflect on what kind of data could be disclosed and from which source(s), exploring how such data points could contribute to the SRTI's

¹ More information on the SRTI webinar series is available at <https://www.shiprecyclingtransparency.org/srti-webinar-series/>

² Shipowners disclosing via the SRTI online platform are: Altera Infrastructure, The China Navigation Company, CMA CGM, Hapag-Lloyd, Maersk, NORDEN, Stolt Tankers, Swire Pacific Offshore, Teekay and Wallenius Wilhelmsen.

mission to accelerate a voluntary market-driven approach to responsible ship recycling through transparency, and in the absence of global regulation.

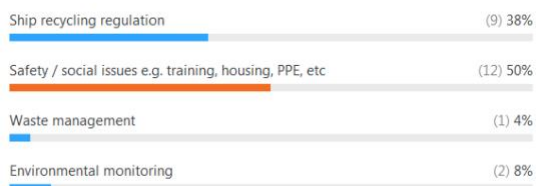
Webinar participants by stakeholder group



32 participants³ attended the webinar. Before kicking off the discussion participants were invited to answer the question: *What is the single greatest challenge to address in ship recycling today?* Half of the group identified safety and social issues as the most challenging area – contrasting with [webinar 1](#) participants that ranked ship recycling regulation as highest in priority (safety and social issues fell in third place).

Poll results: What is the single greatest challenge to address in ship recycling today?

1. What is the single greatest challenge to address in ship recycling today? (Anonymous)



³ List of participants not publicly available due to the Chatham House Rule.

The subsequent discussion centred around the following problem statement:

The SRTI has a set of data it collects from shipowners on their ship recycling policies and practices, largely focusing on the end of life phase of a vessel. However, it is not currently capturing data on other phases of a ship's lifecycle such as the design or building for end of life reuse/recycling.

What additional (or different) data would be useful to collect and disclose for a truly circular approach to ship recycling – including data sourced from shipowners, shipbuilding yards or ship recycling yards, clearly explaining WHAT it is; WHY it is useful; and WHO it is useful for

Stakeholder perspectives

To date the SRTI has focused largely on collecting data from shipowners on the end of life. This webinar represented a learning experience for the SRTI and an opportunity to explore different viewpoints on ship recycling in the broader context of a circular economy and across the different phases of a vessel's lifecycle. Recognising that this is not yet a fully defined area of inquiry for the SRTI, the discussion was deliberately designed to be exploratory and open.

A range of key points emerged during the discussion:

- Greater communication and linkages are needed between the phases of a ship's lifecycle – from design and building to operation (including across owners) through recycling.
- Shippers have leverage and can help raise the bar for sustainable and responsible ship recycling by adopting a holistic view of the entire supply chain, extending circular economy principles to transport and logistics partners.
- It is critical to consider risks throughout a vessel's lifecycle, including those related to social and safety issues, and human rights.
 - For increased transparency and accountability, data on social issues – the “S” in ESG – needs to be captured and embedded alongside environmental concerns during all phases of a ship's lifecycle⁴. Examples of human rights issues include forced labour and debt bondage for workers at ship building and recycling yards.
 - A Life Cycle Assessment⁵ (LCA) for ships could contribute to SRTI development through its consideration of potential environmental impacts from cradle to grave. Recent research⁶ applying an LCA approach conducted in the context of decarbonisation suggests the need for a vessel to be designed for end-of-life, requiring data to be retained (and flow between shipyards and shipowners) throughout its lifecycle to ensure the value of the steel is not lost.
- While assessing the potential of marine assets for reconditioning, reuse and recycling is complex and challenging, past research suggests that this would deliver practical and monetary value. Capturing data on the specific materials reused/recycled (and their subsequent use) could contribute to a more circular approach linking the different phases of a ship's lifecycle.

⁴ [The Ship Lifecycle - Embedding Human Rights from Shipyard to Scrapyard](#) (Institute for Human Rights and Business, 2019)

⁵ [ISO 14040:2006 Environmental management — Life cycle assessment — Principles and framework](#)

⁶ Gilbert, P., Wilson, P., Walsh, C., and Hodgson, P. (2017). [The role of material efficiency to reduce CO2 emissions during ship manufacture: A life cycle approach](#). Marine Policy, 75, 227-237

- The process of identifying each and every component and all materials onboard a vessel is particularly complex. Thus, the best time to introduce ship recycling planning is during the shipbuilding phase – considering how components can be removed and reused, recycled or disposed of as they are being installed.
- A number of international tools⁷ exist on social, safety and health issues across the lifecycle of a ship; however, their enforcement is lacking which in turn poses a challenge to shipowners who seek yards who are in compliance with global regulation. To address this challenge shipowners may employ on-site independent monitoring teams during the recycling process.
- There has been significant focus on compiling data and tracking hazardous materials as a result of the Inventory of Hazardous Materials (IHM) required as per the EU Ship Recycling Regulation. However, there is not sufficient information on non-hazardous materials and components for reuse and recycling – beyond toxic materials and waste – revealing a gap in our understanding of the recycling process.

⁷ [ILO Code of Practice on Safety and Health in Shipbuilding and Ship Repair](#); [ILO Code of Practice on Safety and health in ports](#); [Safety and health in shipbreaking: Guidelines for Asian countries and Turkey](#)