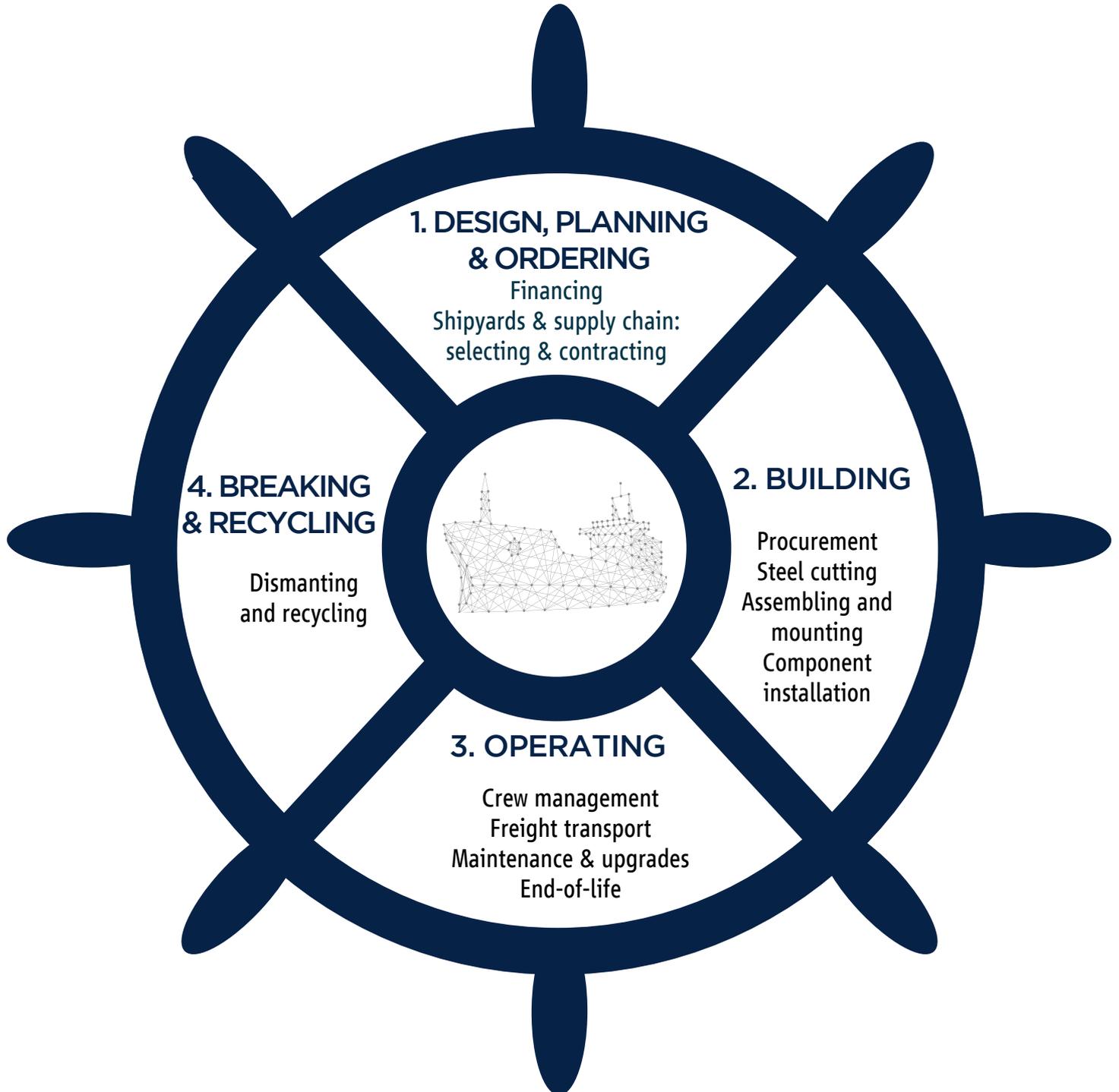


# The Ship Lifecycle: Embedding Human Rights from Shipyard to Scrapyard

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## Context

Maritime industry sustainability initiatives have generally prioritised environmental issues, with limited focus on human rights. This briefing presents human rights risks that actors involved in ocean transport may face throughout a ship's lifecycle – from planning through to recycling. It provides good practice examples for shipping companies, operators, business customers and investors seeking to align with relevant international standards. The briefing focuses in particular on cargo and bulk ocean transport, and draws on standards set out in the **ILO Maritime Labour Convention (MLC)**, the **UN Guiding Principles on Business and Human Rights (UNGPs)**, the **UN Convention on the Law of the Sea** and the **Hong Kong Convention on the Recycling of Ships**.

# The Ship Lifecycle: Salient Risks and Good Practice Steps

## POTENTIAL ADVERSE IMPACTS

## GOOD PRACTICE STEPS

### 1. DESIGN, PLANNING & ORDERING

#### Financing

- Prioritising low cost ship yards / suppliers poses risks of substandard working conditions and weak regulatory compliance.

- Ensure human/labour rights provisions in contracts from outset.
- Require human rights due diligence as part of mortgage terms of ship yards and suppliers, including assessment of recruitment practices and working conditions.

#### Shipyard – Selecting & Contracting

- Employing large number of temporary /contract workers, increases risks of labour rights violations and exploitation of workers.
- Temporary / contract workers required to pay recruitment fees increases risk of debt bondage and forced labour.

- Require human and labour rights policies and guarantees, including on recruitment, in ship yard selection.
- Work with recruitment/placement agencies regulated according to national law and international standards.
- Implement policies that prohibit charging of recruitment fees, irrespective of where or how workers are recruited.
- Require shipyard planning process and quote to include number of hours needed, expected overtime and related costs.

#### Supply Chain – Selecting & Contracting

- Globalised and fragmented supply chain present challenges in supplier monitoring, including risks of association with labour and human rights violations.

- Require human and labour rights policies and guarantees in supplier and contractor selection.
- Communicate expectations in contracts that human rights, employment and recruitment standards are respected across the supply chain.
- Carry out ongoing human rights due diligence of suppliers and contractors.

### 2. BUILDING

#### Procuring Materials

- Fragmented raw materials supply chain increases risk of labour and human rights abuse (e.g. steel - working and safety conditions in iron ore mines; minerals from conflict areas).

- Map raw materials supply chain to identify key risk areas/regions.
- Train procurement department in identifying key risks associated with production of raw materials.
- Collaborate with other companies and initiatives on responsible sourcing and improved conditions in sourcing regions/industries.

#### Steel Cutting, Assembling & Mounting Ship Sections, Installing Components

- Poor health and safety standards and procedures in shipyards increase risk of accidents and injuries.
- Tight timeframe increases risk of labour standards being compromised (e.g. excessive overtime; inadequate compensation).
- Recruitment and employment agencies used to hire workers are not effectively monitored.
- Temporary and contract workers are required to pay recruitment fees, increasing the risk of debt bondage and forced labour.

- Monitor health and safety standards; ensure workers in ship yards have appropriate safety equipment and training.
- Implement independent monitoring of working conditions, including interviews with workers.
- Ensure selected recruitment and employment agencies have explicit commitment to no-fees policy ('Employer Pays Principle').



### 3. OPERATING

#### Crew Management

- Recruitment and manning agencies used to hire workers are not effectively monitored; migrant workers are required to pay recruitment fees, increasing the risk of debt bondage and forced labour.
  - Weak law enforcement and inspection of working conditions on-board increase risks of exploitation of offshore workers.
  - Isolation due to long periods at sea and long working hours affects mental health of seafarers.
  - Migrant workers have difficulty accessing health and safety information due to language barriers.
  - Threat of piracy impacts workers' physical and mental health (e.g. distress; physical violence, captivity and death in case of attacks).
  - Financial difficulties lead to abandonment of seafarers (on-board vessels, without remuneration, access to adequate medical treatment, food and accommodation; or at international ports without the means for repatriation).
- Provide comprehensive guidance on recruitment and employment practices (based on international standards) to recruitment and manning agencies.
  - Include prohibition on the use of informal labour brokers in contracts with suppliers.
  - Ensure selected recruitment agencies have explicit commitment to no-fees policy ('employer pays principle') and ongoing due diligence of agencies is carried out.
  - Monitor health and safety standards; provide workers with appropriate safety equipment and training in a language they understand.
  - Establish grievance mechanisms for workers (including migrant and temporary workers) to raise workplace concerns.
  - Ensure effective monitoring of working conditions onboard ships.
  - Adopt security measures to protect seafarers from threats of piracy.
  - Provide insurance in accordance with international standards to assist seafarers in case of abandonment.

#### Transport

- Complex freight supply chain poses challenges to monitoring of business partners' practices, increasing risk of association with labour and human rights violations.
  - Carbon emissions, poorly regulated ship traffic and water pollution cause adverse effects on health and livelihoods of communities in coastal and inland regions.
- Conduct mapping of business relationships across freight supply chain as part of due diligence process.
  - Implement collaborative solutions such as investment in alternative fuels, new technology and industry-wide initiatives to reduce harmful emissions and water pollution.

#### Maintenance & Upgrading

- Poor health and safety standards and procedures increase risk of accidents and injuries.
  - Temporary and contract workers are subjected to less favourable employment conditions than those of regular employees.
- Select a shipyard and/or subcontractor with good health and safety records, policies and procedures.
  - Apply standards / policies on recruitment, employment and human rights to all workers, including temporary and contract workers.

#### End-of-Life

- Financial difficulties lead to abandonment of seafarers (on-board vessels, without remuneration, access to adequate medical treatment, food and accommodation; or at international ports without the means for repatriation).
- Provide insurance in accordance with international standards to assist seafarers in case of abandonment.

### 4. BREAKING & RECYCLING

#### Dismantling & Recycling

- Dismantling is carried out by low skilled workers on beaches or unregulated ship breaking yards, resulting in increased risk of injuries, accidents and fatalities.
  - Ship breaking is carried out in countries with weak regulatory framework and law enforcement, increasing risks of substandard working conditions and worker exploitation.
  - Toxic spills and water pollution cause adverse effects on workers' and local communities' health and livelihoods.
- Carry out ship breaking / recycling in regulated facilities in accordance with international standards.
  - Monitor health and safety standards and working conditions in ship breaking yards; provide workers with appropriate safety equipment and training.
  - Establish grievance mechanisms for workers (including migrant workers) to raise workplace concerns.
  - Restrict ship breaking activities to demarcated areas to reduce potential environmental impacts.
  - Develop monitoring programmes to assess short and long-term environmental impact of shipyards on local livelihoods.

# Standards, Resources, and Initiatives

## International Standards

- [Universal Declaration of Human Rights, 1948](#)
- [Maritime Labour Convention \(MLC\), 2006](#)
- [ILO Convention 185: Seafarers' Identity Documents Convention, 2003](#)
- [ILO Convention 188: Work in Fishing Convention \(2007\)](#)
- [International Convention on Maritime Search and Rescue \(SAR\) \(1985\)](#)
- [UN Convention on the Law of the Sea, 1982](#)
- [International Convention for the Safety of Life at Sea \(SOLAS\) \(1980\)](#)
- [ISO Standards related to shipbuilding and marine structures](#)
- [Hong Kong Convention, 2009 \(The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships – not yet in force\)](#)

## Implementation Frameworks

- [International Transport Workers' Federation and International Chamber of Shipping, Guidelines for Implementing the Welfare Aspects of the MLC \(2018\)](#)
- [Swedbank, Sector Guidelines for Shipping/Maritime Transport \(2018\)](#)
- [Human Rights at Sea, Introduction & Commentary to the 2011 UN Guiding Principles on Business and Human rights & Their Implementation in the Maritime Environment \(2016\)](#)
- [UN Global Compact](#)
  - [Guide for Business Action on Sustainable Development Goals \(SDGs\) \(2015\)](#)
  - [Framework for Implementation \(2010\)](#)

## Business and Human Rights

- [UN Guiding Principles on Business and Human Rights \(UNGPs\), 2011](#)
- [OECD Guidelines for Multinational Enterprises, 2011](#)
- [Dhaka Principles for Migration with Dignity, 2011](#)

## Sustainable Development Goals

- [SDG 6: Clean water and sanitation](#)
- [SDG 8: Decent work and economic growth](#)
- [SDG 10: Reduced inequalities](#)
- [SDG 12: Responsible consumption and production](#)
- [SDG 14: Life below water](#)
- [SDG 15: Life on land](#)

## Initiatives & Organisations

- [Clean Cargo](#)
- [International Maritime Organization](#)
- [Human Rights at Sea](#)
- [Business & Human Rights Resource Centre's Maritime Human Rights Reporting Platform](#)
- [Maritime Anti-Corruption Network](#)
- [NGO Shipbreaking Platform](#)
- [Ship Recycling Transparency Initiative](#)

## Host Organisations

- [Danish Institute for Human Rights \(DIHR\)](#)
- [Institute for Human Rights and Business \(IHRB\)](#)
- [Rafto Foundation for Human Rights](#)

