

MIND THE GAP

HUMAN RIGHTS IN THE MARITIME INDUSTRY

REPORT HUMAN RIGHTS IN THE MARITIME INDUSTRY "MIND THE GAP TOUR"



ORGANIZERS: RAFTO FOUNDATION, THE INSTITUTE FOR HUMAN RIGHTS
AND BUSINESS, THE DANISH INSTITUTE FOR HUMAN RIGHTS.
PARTNERS: MARITIMT FORUM, NOR-SHIPPING, YOUNGSHIP, WISTA NORWAY

“We all carry our values and ideals with us in our transactions with foreign partners, so this Tour represents an opportunity to be reminded of both our obligations and duties in this regard. We firmly believe that a high degree of consciousness on human rights is good for business, and good for the long-standing reputation of our companies.”

-Ivar Engan, Managing Director at Maritimt Forum

The Institute for Human Rights and Business, the Danish Institute for Human Rights and the Rafto Foundation for Human Rights as the activity lead, are very grateful to speakers, panelists and participants for their crucial support and contributions to the tour and for their interest and engagement on continuing to support and improve respect for human rights in the maritime industry. We would also like to thank Mads Holst Jensen for his support in drafting this report.

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Introduction

‘MIND THE GAP’

The maritime industry has unique potentials to be part of the solution to global challenges, such as energy security, environment, climate change, employment creation and food security. But governance gaps threaten the prospects for it to develop in responsible, sustainable ways. The OECD report *The Ocean Economy in 2030* pinpoints the issue:

“In a context of rapid change, regulation and governance will struggle to keep up. The world is increasingly multi-polar and is experiencing growing difficulty in forging international consensus on global and regional issues key to the ocean environment and ocean industries.”

Governance gaps hamper efforts of the industry to create common approaches to challenges, not only in terms of environment and climate, but equally importantly in terms of the adverse human rights impact on employees and communities that maritime companies risk being involved in, at sea and onshore. In search of a level playing field for responsible business, maritime industry actors have to ‘mind the gap’ - like passengers in the London tube.

In April 2018, the Rafto Foundation for Human Rights (Rafto), the Institute for Human Rights and Business (IHRB) and the Danish Institute for Human Rights (DIHR) convened an exploratory human rights roundtable in Oslo with key industry players such as Nor-Shipping, Maritimt Forum, Norwegian Shipowners’ Association, WISTA and YoungShip. At the roundtable it was agreed that there is a need for a deeper understanding of the importance and relevance of human rights within the broader sustainability/SDG agenda by the maritime industry.

This sparked the idea of the “Mind the Gap Tour” - a series of half-day seminars in various locations across Norway to raise awareness of human rights risks and responsibilities of maritime companies based in Norway, but with a global footprint through their value chains. The introductory seminars were aimed at supporting a deeper engagement on specific areas with key stakeholders. The “Mind the Gap Tour” was launched at Arendalsuka in August 2018¹, continues with 5 seminars held during the spring of 2019 in Tromsø, Bergen, Oslo, Trondheim and Stavanger, and was rounded off at Nor-Shipping 2019 with a panel discussion.

This report provides a short outline of corporate human rights due diligence, as set out in the UN Guiding Principles on Business and Human Rights, followed by an illustrative mapping of human rights risks that actors involved in ocean transport may face throughout a ship’s lifecycle – from planning through to recycling. The outline and mapping were presented at each seminar to set the stage. Finally, this report includes a summary of the presentations and discussions of the seminars and highlight specific areas identified for further engagement in Norway and internationally.

¹ More on the launch event here: <https://www.arendalsuka.no/793>

HUMAN RIGHTS DUE DILIGENCE IN THE LIFE CYCLE OF A SHIP

The UN Guiding Principles on Business and Human Rights (UNGPs), unanimously endorsed by the UN Human Rights Council in 2011, provide an authoritative global standard for assessing and addressing the risk of adverse human rights impacts linked to business activity². The corporate responsibility to respect implies that all companies conduct human rights due diligence. The table to the right shows the key steps and elements of corporate human rights due diligence.

As a first crucial step, companies have to assess the adverse impacts they may cause or contribute to. Human rights impact assessment is a complex, ongoing activity and in order to make it manageable companies can identify their salient human rights issues, based on an assessment of the impacts that are most severe and pertinent to their type and context of operation and, at a higher level, to their industry or sector.

The maritime industry covers a range of sectors, including shipping, food harvesting, energy generation, mining and other extractive activities, cruising etc. While each sector and type of operation is linked to specific salient human rights issues, the entire industry relates to operations in the life cycle of a ship, which can be divided into four phases: 1: Design, Planning and Ordering; 2: Building; 3: Operating; and 4: Breaking and recycling.

As a part of this project Rafto, IHRB and DIHR partnered on providing a detailed overview of potential human rights impacts as well as good practice steps for each part of the lifecycle. The full publication “The Ship Lifecycle: Embedding Human Rights from Shipyard to Scrapyard” can be found in Appendix 1.

The 5 seminars in the Mind the Gap Tour took place from February to April 2019. The following sections provide a detailed account of the presentations and key observations from each seminar.



² https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf



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Seminars in Tromsø, Bergen, Oslo, Trondheim and Stavanger

TROMSØ

The seminar in Tromsø offered a number of presentations by representatives from industry organizations, research, financing and fishing. Here follows a summary of the key observations made and issues discussed.

Tor Husjord, Chair of Maritime Forum North, the host of the seminar, gave the opening remarks on the general profile of Norway's maritime industry:

The Norwegian maritime industry's most distinctive characteristics: The industry represents a gateway for Norway to the rest of the world as a resource of intercultural experience and understanding. Moreover, the industry has a strong will and ability to adapt to new operating conditions. Thus, going through an evolution of long-ships, broad rowing boats, sailing vessels, steam vessels and motor vessels, the industry is now using gas and electricity as sources of power and keeps pace with the rapid developments in terms of automation and digitalization. Husjord remarked that this adaptability, combined with high levels of knowledge and competence continue to be the Norwegian maritime industry's major competitive advantage in the international market.

Anne Husebekk, Rector, Arctic University of Norway, Tromsø (UiT) presented initiatives contributing to a common understanding among stakeholders in the industry of the interplay of human rights with broader sustainability concerns.

The Nansen Legacy: Fridtjof Nansen set out to explore the Arctic Ocean with the research vessel Fram 126 years ago. His team of explorers and scientists returned from the ice three years later with new knowledge that changed our concepts and understanding of the Arctic Ocean and made the Arctic part of Norwegian identity. Today, the Arctic that Nansen explored is in many ways gone. The multi-faceted research project, The Nansen Legacy, aims to develop an understanding of how the “new Arctic” functions through changes caused by physical impact and human impact, which are interconnected, some in complex ways involving feedbacks and non-linearity.

K.G. Jebsen Centre for the Law of the Sea: Founded in 2013 the Centre works towards the overall aim of assessing how the *UN Convention on the Law of the Sea* (UNCLOS) and other international legal instruments and domestic implementing legislation that together form the law of the sea, are responding to both new and existing challenges in order to ensure sustainable development and peaceful utilization of the oceans in the 21st century.

Arctic Centre for Sustainable Energy: Established in 2017 the Arctic Centre for Sustainable Energy (ARC) is an interdisciplinary centre focusing on Arctic challenges and conditions within renewable energy and greenhouse gas management. The centre combines expertise in mathematics, humanities, informatics, natural and social sciences. The focus themes of the centre, seen in an Arctic context, are ethical and responsible prosumption of distributed renewable electricity, fuels and thermal energy, and an accountable management of greenhouse gases.

Sigrid Brynestad, Senior Sustainability Expert, Norwegian Export Credit Guarantee Agency, presented the Agency's elaborate human rights due diligence programme:

Norwegian Export Credit Guarantee Agency (GIEK): The mandate of GIEK as a state institution is to promote Norwegian exports. This support is in cooperation with Export Credit, Norway and/ or commercial banks. GIEK supports all industries and can provide guarantee for exports to almost all countries of the world. A large part of GIEK's portfolio is ship related.

GIEK, as an ECA, is required to follow certain international standards and guidelines including the UNGPs, the OECD Recommendation of the Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence, as well as the IFC Performance Standards and the World Bank guidelines for environment, health and safety. GIEK follows a range of their own policies and procedures on human rights due diligence, which align with these normative frameworks.

Taking the state-business nexus seriously: Brynestad started out by pinpointing the reason why GIEK has a strong policy rationale for having a strong focus on human rights due diligence: The UNGPs provide that state bodies, such as export credit agencies, should take additional steps to protect against human rights abuses by companies, receiving their financial support³. This is one example of what is referred to in the UNGPs as ‘the state-business nexus’. In response, GIEK has inserted terms in the standard form Exporter Declaration, setting out the core elements of the responsibility of the exporter to conduct human rights due diligence.

Human rights risk classification of projects: GIEK uses information from clients and other sources obtained independently by GIEK to classify projects as A, B or C, where A has the highest degree of risks and impacts. Context of operation is assessed as an overall indication of risk degree. Moreover, GIEK takes into account complaints raised against companies at the

³UNGP, Article 4

Norwegian National Contact Point (NCP) for the OECD, and the willingness of companies involved to cooperate with the NCP. As an overall compass in the screening, GIEK refers to a range of country risk indices, which rate countries by their performance in terms of corruption, governance, and labor and human rights abuses. Moreover, GIEK assesses risk with reference to type of operation in the life cycle of a ship, divided into three over all phases: Order, Operate and Recycling. Below follows a summary of the key aspects addressed in reference to each of the three phases.

Due diligence in the phase ‘Order’: GIEK has included contracting in this phase with a focus on shipyards. The Agency has worked with the Norwegian maritime industry to promote responsible conduct at the shipyards linked to GIEK’s financial transactions. In particular, efforts have been put into raising awareness of labor conditions at foreign yards and emphasizing the importance of good contractual agreements with the yards and of working with yards for step-by-step improvements in conditions. Shipyards are assessed with reference to core labor and human rights standards as set out in health and safety frameworks and the SA8000 certification scheme. These assessments look at the level to which the yards have policies and procedures in place to manage responsible conduct in terms of such aspects as workers’ access to information and grievance handling, risk assessments and corrective action planning, external stakeholder engagement and responsible supply chain management. Issues identified vary between yards across the world. In some countries, issues relating to working hours and wages are particularly pertinent, while issues such as impeded worker representation is a key issue in other countries, specifically those prohibiting freedom of association in national legislation. The migrant labor is a special risk area linked to the fact that many migrant workers lack proper employment and residency status. Extensive use of “self-employed” workers is found in some yards, which raises risks per default as yard owners and employers can avoid virtually all employer responsibilities in such constructions. Brynstad referred to the many cases about Polish yards that were in the Norwegian media as an illustration of how human rights risks can hit the Norwegian maritime industry hard.

Due diligence in the phase ‘Operate’: In this phase, GIEK has a focus on a number of types of operations including conditions for crews, loading and discharging, maintenance and repair and shore management. As part of the due diligence screening of projects within this phase, GIEK looks at the class of the ship in question, as well as the ship’s management systems in terms of health, safety, environment and labor conditions. Moreover, the ship may be certified according to such schemes as ISO 9001 and ISO 14001 etc. The flag, or intended list of flags for the ship is a key indicator. GIEK accepts flags that are on the Paris white list, which is based on the International Chamber of Shipping flag state performance list⁴. GIEK requires that the ships are operated in accordance with the ILO Maritime Labour Convention and refers the ILO Convention no. 188 on labor standards concerning work in the fishing sector, where relevant.

Due diligence in the phase ‘Recycling’: This is a phase where GIEK has little leverage, and the focus is on supporting efforts such as the Responsible Ship Recycling Standards (RSRS). The initiative aims to promote responsible practices in the shipping sector by embedding RSRS into bank policies and financial contracts for shipping assets. RSRS members recognize that ship recycling is part of the shipping industry supply chain. Furthermore they share concerns that unsustainable shipbreaking can imply adverse environmental and social impacts. Crucially, clients are expected to maintain Inventories of Hazardous Materials (IHMs). IHMs are important as they identify the

⁴ <https://www.parismou.org/detentions-banning/white-grey-and-black-list>; <http://www.ics-shipping.org/free-resources/flag-state-performance-table>

location of hazardous materials on the vessel and therefore are essential information in order to safely dismantle a vessel. Other key areas of attention include responsible recycling procedures to ensure that workers have proper training and proper safety equipment.

Urgent need for a level playing field: In conclusion, Brynstad stressed that although GIEK is making dedicated efforts to ensure that their financial support to the maritime industry does not cause or contribute to human rights harm, there is a need for all other players in the industry across the world to do their part. Thus, compared to the huge and complex challenges, GIEK only have limited resources to monitor that the requirements on human rights due diligence are actually complied with, wherever segments of the industry is operating with financial support from GIEK. Therefore, she called for all players of the industry to come together in a common drive towards responsible conduct and she remarked that being transparent about the standards one adheres to and the gaps and challenges one is facing would be a very constructive first step for all players to take.

Finn Nilsen, former Seafarer, Master of Science in Fisheries and Aquaculture gave a vibrant presentation on his life at sea and labor and human rights issues related to foreign operators in the industry.

Foreign workers employed on ships on substandard conditions: Foreign workers are employed in several types of operation within the industry. The employers are not Norwegian nationals and the fact that they sometimes offer their workers substandard conditions, which is not in compliance with Convention no. 188 of the ILO, which sets labor standards concerning work in the fishing sector. For instance, Russian and Ukrainian boats use workers from Latvia, when fishing along the coasts of Norway. This is particularly prevalent in snow crab fishery. Workers on these boats often do not have a labor contract and work long hours for poor wages. They are not trained properly on the safety precautions that are critical when operating in arctic climate. Thus, the IMO has adopted the International Code for Ships Operating in Polar Waters (Polar Code), which entered into force on 1 January 2017, to make it mandatory under both the International Convention for the Safety of Life at Sea (SOLAS) and the International Convention for the Prevention of Pollution from Ships (MARPOL). The Polar Code entered into force on 1 January 2017. Moreover, workers with different nationalities do not share a common language on board, which creates a number of challenges including safety risks and discrimination.

Risks related to land transport: Some foreign operations use land transport performed by foreign contractors. Often the trucks are not equipped to drive in snow and ice and the drivers are not aware of the precautions required to drive in such climate. This creates hazards to drivers and communities around the land transport operations. Furthermore, land transport of e.g. fish can be challenging, because the cargo has to be kept cool. When the trucks are not equipped with cooling systems, the poorly trained drivers have to keep tight deadlines, which results in hazardous driving.

New shipping routes along the coast of Norway create new risks: Due to climate change and other factors an increasing number of ships pass across the Polar Continental Shelf. 90% of arctic shipping is passing by the Norwegian part of the Shelf. This again creates risks of which many are related to the fact that the vessels and the crew are not properly prepared to sail in arctic climate. Awareness of and compliance with the Polar Code is severely limited in these operations. For instance, a majority of crew members have not been trained in 5 days' survival in arctic climate, as the Polar Code prescribes. Rescue operations in this context are also often related to high risk.

Generally, the ships and the crew are not geared to follow rescue procedures required in the harsh climate. Huge crew ships with up to 3,000 passengers create special challenges, if rescue operations become necessary, simply because Norwegian fishing boats and other vessels that happen to be close by do not have the capacity to rescue the large numbers of passengers.

Inspections do not pay adequate attention to labor and human rights standards: Due to complex rules concerning the right of port states to conduct inspections on foreign vessels operating along their coasts, Norway is not able to enforce a full inspection regime, and when inspections are conducted they tend to focus on technical standards of the vessels, as well as health and safety standards. However, compliance with labor and human rights standards are not adequately covered. Therefore, the ILO Convention no. 188 on labor standards concerning work in the fishing sector should be observed much more persistently.



BERGEN

The seminar in Bergen was opened by Jostein Kobbeltvedt, Executive Director of the Rafto Foundation.

Øystein Meland, Director of Bergen Shipowners' Association gave an introductory outline of the way the Association works with human rights in close coordination with the Norwegian Shipowners' Association.

Human rights reflected in the strategic goals: Bergen Shipowners' Association has a set of strategic goals, which more or less directly imply that the Association is working to respect and promote human rights among its' 75 members. For instance, striving for workplace gender balance concerns equality and non-discrimination, which in itself is a core human rights and moreover an enabler for respect and fulfilment of other human rights. Furthermore, the Association encourages its members to exercise transparency as a basis for building a good reputation and to contribute to the development and maintenance of a level playing field for companies as well as employees.

Shipping is global by nature: Meland observed that in Norway human rights are generally secured by law. However, as the industry is global it is exposed to the complex influence of governance gaps and incompliance from actors of the industry worldwide. Norwegian ships may have foreign workers on board, but working conditions are by Norwegian standards as long as the ship is registered under Norwegian flag. However, ship owners may choose to register a ship in a foreign country and thereby avoid the regulations of the owners' country, which may, for example, have stricter safety standards. They may also select a certain jurisdiction to reduce operating costs, with the danger of bypassing laws that protect the wages and working conditions of seafarers. This practice is referred to by the derogatory term "flag of convenience".

Norwegian International Ship Register (NIS) – a competitor to "flag of convenience": NIS was established in Bergen in 1987 and is managed by the Norwegian Ship Registers⁵. With the overall objective of maintaining the shipping industry under the Norwegian flag, NIS seeks to strike the balance between compliance with high normative standards and international competitiveness. Thus, NIS has registration requirements in accordance with Norway's obligations under

⁵<https://www.sdir.no/en/shipping/registration-of-commercial-vessels-in-nisnor/new-registration-nis/>

international agreements (especially United Nations (UN), International Maritime Organization (IMO) and International Labour Organization (ILO)), while allowing a wide range of flexibility. For instance, NIS is open for ship owners of all nationalities and may employ non-Norwegian workers on conditions set by other states, e.g. the Philippines.

‘From cradle to grave’: Bergen Shipowners’ Association is guided by a holistic approach to shipping, paying attention to all aspects by looking at working conditions on board as well as ashore and where the ship was built and where it will be disassembled again. Meland used the metaphor ‘from cradle to grave’, which derives from the same rationale as ‘the life cycle of a ship’.

Human rights are old, but crucial: The Sustainable Development Goals have gained immense traction from stakeholders across the board, since they were conceived only 4 years ago. The Universal Declaration of Human Rights was adopted in 1949, accordingly human rights have a long tradition and we tend to take them for granted. However, they are as relevant today as the day they were adopted and must serve as the normative compass for all young initiatives, such as the SDGs.

The UN Global Compact as a common reference: Bergen Shipowners’ Association commits to the ten principles of the UN Global Compact, six of which concern labor and human rights. Meland observed that the fundamental basis for all business activities must be genuine respect for human rights and the individual. The Association’s members shall respect human rights through two perspectives. First, by acting prudently to avoid infringing on human rights as set out by the UN, and secondly, by pursuing the true spirit of the Universal Declaration of Human Rights by actively undertaking and promoting efforts to help people in need and to improve their lives and well-being. Aligning with the Norwegian Shipowners’ Association, Bergen Shipowners’ Association engage in a range of initiatives and governance structures, which in effect implies compliance with the UN Global Compact principles. For instance, observing right to freedom of association and freedom from forced labor, the Association engages in tripartite cooperation between trade unions, employer organizations and the state. Moreover, the Association works through international organizations, such as the ILO and IMO to ensure good working and living conditions on board, the Association proactively supports initiatives aimed at abolishing child labor, discrimination and inequality.

Allan Lerberg Jørgensen, Lead Sustainability Advisor, Social Impact hos A.P. Moller-Maersk presented the human rights due diligence approach of this shipping giant.

Three categories of materiality: The materiality approach at Maersk assesses and groups issues as responsibility, shared value, or risk. Responsibility concerns areas where the company has a responsibility to mitigate significant potential negative impact on people, society, or the environment. Such areas include injuries and fatalities; labour rights in indirect hiring and of subcontracted workers; diversity and inclusion; tax practices and transparency; transport to and from conflict zones; land acquisition and resettlement by linked third parties; disaster response, armed security services and health of the oceans. Shared value concerns areas where Maersk can pursue and scale solutions to meet significant systemic challenges for the benefit of society and, at the same time, create opportunities for the business. Such areas include disposal of vessels and rigs for recycling; reduction of CO2 emissions; inclusive trade and food loss. Risk concerns areas where sustainabi-

lity issues pose a significant financial or reputational risk to the company. Such areas include major accident, oil spill etc.; major non-compliance with corruption regulations; supplier non-compliance with the A.P. Moller-Maersk Third-Party Code of Conduct; and uneven playing field in the enforcement of global regulations on control of emission of sulphur oxides (SOx).

Maersk sustainability priorities and salient issues: Maersk has identified leadership in the ship recycling industry as one of the companies' sustainability priorities. Other priorities concern more broad sustainability aspirations. Crucially, the company has integrated responsible business practice as a basis for the priorities. Thus, the company has a strong management approach to material issues, notably health, safety and environment, human and labor rights, anti-corruption and responsible tax practices and has put a comprehensive responsible procurement programme in place. Moreover, the company is proactively driving diversity and inclusion in the work force and strives to be recognized as a responsible citizen of the oceans. Maersk focuses on the following salient human rights issues: Safety, Employee Relations, Diversity and inclusion, Responsible procurement, Use of security services, Ship recycling, What's in the box, Air emissions. Jørgensen's description of these issues are summarized below.

Safety: Jørgensen quoted Claus Hemmingsen ice CEO, Chair of the Sustainability Council in A.P. Moller – Maersk to demonstrate how seriously Maersk takes safety issues: “Safety is not something we merely pay lip service to. Safety is part of our heritage and is central to running a good, sound business. We're disappointed when we fail to meet our own standards. When we lose people, we are devastated. The number of fatalities we see this year is our biggest regret. Going forward, my colleagues and I will actively ensure even more management attention to safety”. Each of the businesses in Maersk carries out the safety activities and campaigns that are most relevant to their operations. Safety is integrated across the business using five key areas: 1. Leadership 2. Behavior and culture, 3. Innovation and technology, 4. Competence and capability and 5. Knowledge sharing.

Employee relations: The principles on global employee relations that Maersk commits to are based on international labor standards. Assessments are conducted every 2-3 years in all our 180 entities of the company and all staff receives training in labor rights. Specific salient issues within the area concern working hours and equal treatment, and in some countries special due diligence is required to ensure freedom of association and avoid modern slavery.

Diversity and inclusion: Maersk recognizes that the right not be discriminated against on the basis of race, gender, religion and sexual orientation is a fundamental human right. In the past two years the company has focused on building capabilities in the human resources organization to help identify and challenge potential bias within HR processes. Jørgensen showed some statistics on the proportion in management of women and employees from low-income OECD countries. The data demonstrated that progress has been made over the past years. Jørgensen remarked however that the pace of change needs to be accelerated and that a new strategy for diversity and inclusion had recently been approved.

Responsible procurement: The programme for responsible procurement in Maersk is set out in two group level policies the A.P. Moller-Maersk Third Party Code of Conduct and the Commit Rule on Responsible Procurement. The programme addresses anticorruption, respect for human rights, safe and decent labor practices, and environmental protection and has a focus on suppliers

in high risk countries. Jørgensen showed a wide range of practical guidance materials on responsible procurement, available to all employees on the company intranet.

Responsible ship recycling: Maersk has worked proactively for responsible ship recycling for several years. Since, 2009 Maersk has had a responsible ship recycling standard that is based on a strict interpretation of the Hong Kong Convention regarding health, safety and environmental issues. Thus, the Maersk standard goes beyond the Convention by e.g. eliminating contact with the intertidal zone and by introducing cleanblocks within anti-corruption, subcontractor conditions. Furthermore, Maersk limits the scope for selling old vessels near end of life, to eliminate incentives for selling vessels with the aim of substandard recycling by third parties. In 2018, Maersk signed the *Ship Recycling Transparency Initiative (SRTI)*, an online platform where shipowners can report information on ship recycling against predefined disclosure criteria⁶.

What's in the box: Maersk acknowledges that there is a link between the transport and logistics businesses of the company, on the one hand, and the potential misuse or abuse of the transported goods, on the other. Jørgensen remarked that there are legal limitations to what actions the company can take. To begin with, it is prohibited for a shipping company to open the containers and check what is inside. He noted that increased control requires a collaborative approach, enhanced implementation of already existing conventions, as well as more regulations of goods and tradelanes. Jørgensen described one example of collaborative action with good effect. In 2016, Maersk signed the United for Wildlife Transport Taskforce together with 40 airlines, shipping companies, port operators, customs agencies, intergovernmental organizations, and conservation charities. The signatories adopted a zero-tolerance policy against wildlife trade and mechanisms for implementing the decision is under development.

Environmental impacts: Maersk operates fossil fuel-powered vessels resulting in the release of CO₂, SO_x and NO_x into the air. Moreover, the company's operations come with the risk of accidental spills of potentially harmful substances. Maersk strives to minimize negative impacts of the operations on the natural environment and is committed to full compliance with regulatory demands. Management systems and responsible practices are in place in each of the company's businesses to mitigate both potential and actual impacts. As one ambitious initiative, Maersk works towards carbon-neutral shipping with the pledge that by 2030, commercially viable zero emissions vessels must be a proven, realistic option and that by 2050 the Maersk fleet will be completely carbon-neutral.

Sigrid Brynstad, Senior Sustainability Expert, Norwegian Export Credit Guarantee Agency, concluded the seminar in Bergen with her presentation of the Agency's elaborate human rights due diligence programme; which she had also presented in Tromsø. Please find a summary of her presentation above.

⁶<https://www.sdir.no/en/shipping/registration-of-commercial-vessels-in-nisnor/new-registration-nis/>



OSLO

The seminar in Oslo was hosted by Maritime Forum and Nor-Shipping at The Norwegian Shipowners Association's office and offered short presentations of representatives of some of the key players in the maritime industry in Norway.

Ivar Engan, Managing Director, Maritime Forum Central Branch, opened the seminar by stating the importance of the collaboration on "Mind the Gap" in order to put a focus on human rights in the maritime sector.

Maritime Forum contributed to setting up venues for the regional seminars by involving the branches in the maritime regions where events were held: Tromsø, Trondheim, Bergen, Stavanger and Oslo. Engan acknowledged the crucial role of experts and business representatives through the sharing of insight and experience. He stated that the topic of human rights is important to all members of Maritime Forum, as human rights are intertwined with almost all aspects of their operations. Furthermore, he underlined that Norway is an ocean country, and measured by value, Norway represents the fifth largest commercial fleet in the world. Norwegian suppliers of maritime equipment and service suppliers cooperate with partners in all corners of the world. Seafarers and representatives of Norwegian maritime companies deal on a daily basis with authorities and businesses in countries with a shoreline.

Per-Martin Tanggaard, Director, Nor-Shipping described how the Sustainable Development Goals have become the focus of Nor-Shipping's new strategy, with human rights due diligence as a core element:

An arena for all stakeholders of the maritime industry: Nor-Shipping is a maritime trade fair that has been held in Norway every other year since 1965 and remains to be one of the world's most important arenas for the maritime industry. Nor-Shipping aims to be a convener of all stakeholders of the industry including cargo owners – a natural hub for key decision makers from across the world to connect, collaborate and do deals to unlock new business opportunities.

Nor-Shipping has entered into cooperation with a number of initiatives, each focusing on specific intersections of responsible business and sustainability in the maritime industry, including:

- The Rafto Foundation on human rights in the industry.
- Wista working to recruit more women to the industry.
- The DNV GL Maritime on monitoring of compliance in the industry of ISO standards for environment, climate, safety and labor conditions.
- Katapult Ocean and Startup Lab about future startups.
- The UN Global Compact on achieving the sustainability goals.

Nor-Shipping offers an arena for these initiatives to explore how they can mutually strengthen each other to the benefit of all stakeholders of the maritime industry.

An official partner of the UN Global Compact's Action Platform for Sustainable Ocean Business: In 2016 the maritime industry, initiated by the Norwegian Shipowners' Association, set out to convert the Sustainable Development Goals (SDGs) into maritime opportunities. Thus, the UN predicts that a sustainable value creation of the ocean will contribute to creating more food,

energy, medicines, minerals and transportation solutions – all resources and services in increasing demand by the growing global population.

To walk the talk, Nor-shipping became an official partner of the UN Global Compact's Action Platform for Sustainable Ocean Business⁷. Launched in 2018 by the Norwegian government, this new Action Platform is designed to leverage ocean sustainability to address major challenges across the SDGs.

By joining the Action Platform, Nor-shipping is committing to:

- Facilitate the development of a business leadership framework on oceans, seas and marine resources.
- Expand existing successful partnerships at the country-level and foster innovative solutions to advance the implementation of the SDGs through ocean sustainability.
- Design policy advocacy toolkits on critical issues.
- Map industry-level impact on sustainable ocean development.

But while the UN Global Compact aims to be recognized as a promoter of the SDGs as business opportunities, the Global Compact was founded in 1999 on the pledge to promote business responsibility to respect ten principles, 6 of which concern labor and human rights. Nor-shipping is taking this core of the UN Global Compact seriously.

The Nor-Shipping Principles: Nor-shipping strives to promote all the 17 SDGs, but have decided to focus on four of the Goals that are deemed particularly relevant to the maritime industry in view of the impact related to the particular types of operation of the industry:

SDG 5: Achieve gender equality and empower all women and girls

SDG 13: Take urgent action to combat climate change and its impacts

SDG 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development

SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development

Nor-Shipping's commitment to promote these Goals is reflected in the 'Nor-Shipping Principles', detailing both a code of conduct for exhibitors and participants at Nor-Shipping fairs and its commitment to supporting, and encouraging others to support the Goals.

Sigrid Brynestad, Senior Sustainability Expert, Norwegian Export Credit Guarantee Agency, gave her presentation of the Agency's elaborate human rights due diligence programme; which she had also presented in Tromsø and Bergen. Please find a summary of her presentation above.

This was followed by a dialogue between representatives of different stakeholder groups:

- Jon Rysst, Senior Vice President, DNV GL Maritime, the world's leading classification society and a recognized advisor for the maritime industry, provided an overview of the challenges and opportunities in terms of classification and certification with a focus on health, safety and environment in the maritime industry.

⁷ <https://www.unglobalcompact.org/take-action/action-platforms/ocean>

- Nina Schefte, CSR Manager, Hydro, presented some of the challenges her company is facing as a cargo owner.
- Elisabeth Roscher, Specialist Counsel, Wikborg Rein presented the dilemmas shipping lawyers are facing and the positions they must maintain.
- Mohammad Afzal, Fellesforbundet, described how Norway's biggest trade union in the private sector is struggling with poor labor conditions in the maritime industry
- Knut Ola Skotvedt, DNB, described the role of the financing sector in the maritime industry.
- Lars Reitan, Risk Manager, Høegh Autoliner, shared information about how the company works with complex human rights dilemmas.

The following points were raised during that dialogue:

E-ships and conflict minerals: It was highlighted that development of e-ship technology shows promising ways how the maritime industry can reduce its carbon footprint. However, it was noted that the huge batteries used in these ships may contain cobalt sourced from conflict areas, marked by severe human rights abuses. This example demonstrates the urgent need for sustainable supply chain management in the life cycle of these e-ships.

Cargo owners, caught in a conflict on labor conditions: As a customer using transportation services, you also face risk of delays if the vessels used to transport your goods are held back due to poor working conditions and lack of recognition of collective bargaining agreements. Conflicts like this incur great costs for cargo owners.

Lawyers using their leverage to combat irresponsible beaching: In 2018, Økokrim, the Norwegian financial crimes unit, filed charges against a Norwegian shipowner for attempts at sending a ship for irresponsible beaching in Pakistan. In response to the dilemma in general and the case in particular, Wikborg Rein came forward with a principled position in February 2019, that they cannot support any clients who are deliberately engaging in beaching⁸.

Modern slavery on the coasts of Norway: Foreign workers are often found working under very poor conditions. Many do not have labor contracts and they are not trained properly in health and safety. They are not aware of the precautions they have to take when working in Arctic climate, for instance when they are operating trucks and cargo on icy roads. These modern slavery conditions persist due to gaps in the legislation, which foreign employers abuse. Therefore, there is a need for all stakeholders of the maritime industry to come together and ensure that all workers, irrespective of nationality, enjoy fair working conditions according to international labor standards.

Ship operation: It was highlighted that there are human rights risk connected to ship operations. This includes staff and crew where it is necessary to have a high focus on safety, and good labor conditions are critical. It also includes the risks in shipbuilding and issues in ports. Customers and cargo owners should challenge operators and vice versa to address these risks. Industry initiatives, such as the Maritime Anticorruption Network, provide a venue for discussion and challenging across the industry.

⁸ This relates to a proposition made by the Norwegian Bar Association that a clause be inserted into the Associations' Code of Ethical Conduct of Lawyers to the effect that lawyers should not provide advice to clients, if the "lawyer knows or should know" that the activities in question will lead to human rights abuses. This proposition is linked explicitly to the UNGPs. Ministry of Law released it for public hearing in January 2019 and it will be legally binding for lawyers, if it is adopted.

Responsible financing throughout the life cycle of a ship: While there have been good and effective initiatives in recent years to build common ground for responsible ship recycling there is a strong need for more transparency among the actors, not only in the recycling phase, but throughout the life cycle of a ship. Thus, investors could do much more to share the information they retrieve from the due diligence screening they perform of investments in terms of environmental, social and governance factors. This will also narrow the playing field for the corruption networks that are found in the industry.



TRONDHEIM

The seminar in Trondheim was centered around a vibrant plenary discussion. All participants shared their views and insights and many issues were discussed with a focus on the working and living conditions of seafarers. Here follows a summary of the key observations made and issues discussed.

Leverage: Many actors, such as naval architect firms, buyers etc., often find that they do not have sufficient leverage to ensure that business associates, such as shipyards, comply with human rights standards. Therefore, there is a need for actors to join forces in common initiatives and various certification schemes.

Manning/recruitment: It is common in the shipping industry to use manning/recruitment agencies. These agencies used to primarily serve the function of identifying human resources for the industry actors who then hired the workers. But the agencies are increasingly acting as employers of the workers, who then act as third-party employed staff in the industry operations. Moreover, there is often lack of governance of the agencies, with a large number of agencies operating as individual actors in complex labour market settings. Meanwhile, there is a trend toward more structured approaches to the agencies. The Philippine Overseas Employment Administration (POEA) is one example⁹. Other issues related to human resources were discussed. The shipping industry is marked by a preoccupation of reducing the number of crew members. Some countries have standards, providing that e.g. a minimum of 14 people have to be on board a ship of a given size and function. But other states do not have standards.

Business-to-business with little exposure to consumers: The maritime industry is mostly business-to-business, which may be one of the reasons why the industry as a whole is still new to responsible business conduct, compared to other industries with more exposure to consumers. Therefore, there is a need for raising the awareness of consumers of the fact that shipping is crucial, as it transports the goods they buy. Prospects of certification, such as Fair Trade etc., were discussed as a means to call the attention of consumers on responsible shipping.

HSE standards and procedures of oil and gas companies: One participant observed that oil and gas companies are increasingly contracting services from the shipping sector for various functions in their offshore activities. As a consequence, the oil and gas companies apply their HSE screening and auditing procedures to these service providers. Based on personal experience, the participant described this as a 'clash of cultures' with the oil and gas companies having very elaborate HSE procedures per default, while actors of the shipping industry have been used to much lower level.

⁹ POEA is sponsored by the government and conducts a range of activities in terms of industry regulation, such as issuing license to engage in overseas recruitment and manning to private recruitment agencies and ship manning companies; hearing and arbitrating complaints and cases filed against agencies and imposing disciplinary actions against agencies, setting minimum labor standards, supervising the government's program on anti-illegal recruitment etc. More information on POEA: <http://www.poea.gov.ph/>

Cargo owners have a key role to play: Cargo owners have significant leverage, as they can put demands on responsible shipping on the ship owners, ports etc. For instance, IKEA is known for this. There is a need for more organized action of buyers.

More practical guidance is necessary: While high-level normative frameworks are crucial for setting the course, there is a need for practical hands-on guidance on what each actor in the shipping industry should do to promote responsible shipping.

Taming a globalized industry: After the seminar, Gunnar M. Lamvik shared an article he had published on topics relevant to the discussions¹⁰. The article discusses the challenges of enforcing and monitoring compliance at the ships of international and national safety requirements. Many of the challenges are related to the common practice that shipowners register their ships in states with no or inadequate requirements under so called 'Flags of Convenience'. However, the article demonstrates how three emerging types of responses yield new opportunities for enhanced monitoring: 1) The regulators' efforts to improve safety through international regulations, 2) how segments of the industry operate beyond a minimum compliance and how authorities influence this segmentation 3) how digitalization and international collaboration improve the regulators' knowledge and power to exercise their authority in a more directed manner. The article supports previous research contending that internationalization reduces the leverage for national regulators to uphold safety. Still, it also highlights some mechanisms and power-resources, seen in governance and practice that still are not fully realized or formalized in policy.



STAVANGER

Ship recycling was the core topic of the seminar in Stavanger.

Gunnar Malm Gamlem, Environmental Director, Norwegian Shipowners' Association gave an elaborate presentation on the topic followed by a vibrant plenary discussion. Here follows a summary of the key observations made and issues discussed.

Adverse human rights impacts of “beaching”: Gamlem listed a number of serious harmful impact linked to beaching. While Gamlem did not explicitly couch his account in human rights terms, the impacts are readily read through a human rights lens:

Labour rights: The majority of yard workers, with the exception of a few skilled positions such as foremen and crane operators as well administrative staff are most often employed on daily basis with poor job security. This complicates medical follow-ups and prevents workers from raising safety and other concerns.

Right to adequate housing: A few recycling yards provide dormitories for workers. However, the workers are hired on a daily basis and have to leave the dormitories when their employment expires. Also, immigrant workers from many different states with different cultures, languages and background prefer living with like-minded people and therefore chooses to live in poor shacks and shantytown dwellings which do not constitute adequate housing by any standards.

Right to health: Working under very hazardous conditions and with no or insufficient PPE, workers are exposed to a range of harms to health, and lethal injuries are common. Generally, workers suffer

¹⁰ Marine Policy, 96 (2018), pp. 175-183. The article is co-authored with Petter Grytten Almklov, NTNU, Social Research.

from skin diseases, as poor housing conditions do not allow them to keep clean, treat wounds etc. There are requirements provided in e.g. *The EU Ship Recycling Regulation* that yards set up health clinics for the workers. But as workers often have to change employment between yards, these health stations do not provide the treatment they need. Some organizations run mobile clinics in vans that can treat the workers irrespective of what yard they are employed by at the given time. Noting that workers find employment with many different yards throughout the year or their career, Gamlem finds that services such as medical care, housing, education, certification and possibly also insurance and pensions should be provided by the regional authorities which authorize the yards to operate, and calls for more of that.

Right to a healthy environment: Many of the ships contain a wide range and large volumes of very hazardous substances. When the ships are cut open, and the steel is heated, the workers can be exposed to these substances and the substances may, unless controlled, flow straight into the sand and water, which become heavily polluted. The substances have to be identified, collected and processed in specialized facilities that the regional authority operate. Control with the handling of hazardous wastes can be improved. The shipowner can and do contribute to this by identifying all hazardous materials onboard through an inventory of hazardous materials (IHM) which must be provided when the ship is delivered for recycling. The Norwegian Shipowners' Association advises all members to obtain such an inventory and the EU Ship Recycling Regulation requires this for all EU/EEA flagged newbuildings from 2019 and all existing EU-flagged ships and all ships calling EU ports from 2021.

'Beaching' entails stereotyping: In his presentation Gamlem encouraged a more nuanced view on beaching and appreciation of the progress made at some yards and more precise and constructive criticism of the yards that lag behind. He pursued the general argument that a stereotypical image of beaching prevails, which is not entirely constructive. Provided that the recycling process is done in a safe way with due concern for environmental risks, Gamlem stressed that ship recycling is essentially a good thing as materials are recycled and reused and thus contributing to the circular economy. He also believed that responsible recycling is indeed possible to achieve with the beaching method, if the beaching yards comply with appropriate requirements. The fact that the EU is currently considering beaching yards confirms that the method can indeed comply with the EU commission's requirements.

Normative frameworks on beaching: There are a number of normative frameworks, the two core ones being *The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships*, adopted in 2009 and *The EU Ship Recycling Regulation*, adopted in 2013¹¹. National regulations are also critical, especially with regards to workers' conditions and downstream handling of hazardous waste and implementation and control with international as well as national requirements. *The Hong Kong Convention* represents IMO's efforts in setting baseline global principles for responsible recycling. However, it only sets out high-level principles that do not provide specific, practical guidance on how exactly the principles should be operationalized. The IMO has developed six guidelines ('IMO guidelines') to support the *Hong Kong Convention*. But there is need for more specific guidelines, acceptance criteria threshold values etc. While The EU Ship Recycling Regulation was introduced to support the Hong Kong convention, it offers a rather comprehensive set of specific guidelines and is as such more readily applicable. According to Gamlem, the beaching yards in Pakistan and Bangladesh are significantly below any standards, with only one Hong Kong compliant yard in Bangladesh and none in Pakistan.

11: More information on global ship recycling policies can be found here: http://ec.europa.eu/environment/waste/ships/global_policy.htm

But in India more than 70 beaching yards, more than half of the yards in operation, comply with *The Hong Kong Convention*. These yards can handle approximately 50% of the global total need for ship recycling based on 2018 figures.

A multi-stakeholder approach to responsible recycling: Gamlem argued that a multi-stakeholder approach is necessary to ensure that responsible recycling becomes part of a level playing field for the shipowners. As a core, Gamlem stressed that shipowners and all other actors in the shipping industry should proactively support *The Ship Recycling Transparency Initiative*¹². Moreover, approach at three levels is required for responsible recycling:

- *The Hong Kong Convention* represents the high-level global minimum standard. States should ratify it in order to make it come into force.
- States, including flag states, port states and host states, should do more to develop and comply with technical guidelines translating the principles of *The Hong Kong Convention* into practical directions.
- Ship owners should implement activities in 12 respects:
 - Develop and commit to a policy on responsible recycling
 - Maintain an inventory of hazardous materials (IHM) in the ship.
 - Conduct reviews of the yards before and during contracting with them.
 - Ensure that all required standards are included in the contracts with the yards.
 - Refrain from using Flags of Convenience (FoC).
 - Refrain from changing names of ships to avoid tracking by the authorities.
 - Ensure that the ship is appropriately emptied for substances before being sent for recycling.
 - Ensure that no gas deposits remain in the ships when they are sent for recycling.
 - Demand a ships-specific recycling plan from the yard describing how the ship will be recycled.
 - Follow up on the plan
 - Be transparent about their approach to recycling.

Financing and the ‘cost of going green’: Various aspects of financing were discussed by Gamlem and in plenum. Gamlem presented calculations showing that the cost of using responsible recycling is not significantly higher, particularly if the shipowners plan the recycling appropriately. The role of banks and investors in terms of responsible recycling was a key issue pursued in the plenary discussion. It was suggested that a budget for responsible recycling could be included in the financing plan for the lifecycle of a ship and that a scrap value based on the rates for green recycling should be used.

3

Nor-Shipping panel

At Nor-Shipping June 4th 2019, a panel was organized to round off the Mind the Gap Tour.

The Panel “Navigating Human Rights - Minding The Gap” was introduced by Jostein Hole Kobbeltvedt – Executive Director, Rafto Foundation for Human Rights. The introduction was followed by a detailed outline of international and national expectations to business by Jens Frølich Holte, State Secretary of the Ministry of Foreign Affairs Norway. Mr. Holte made it clear that as a major shipping nation, there is an expectation on businesses to respect human rights at home as well as abroad.

Cathrine Bloch Veiberg, Programme Manager, Danish Institute for Human Rights, further elaborated on the human rights challenges of the shipping industry from shipbuilding to ship recycling.

This was followed by a panel-discussion which included a call to action to the industry to integrate human rights into responsible shipping within a broader focus on sustainable oceans. Allan Lerberg Jørgensen, Lead Sustainability Advisor, Social Impact at A.P. Moller Maersk provided his perspectives on what could move the needle, in particular initiatives on transparency and new technologies. Gunnar Malm Gamlem, Environmental Director at the Norwegian Shipowners Association, further elaborated on the efforts of the Norwegian Shipowners to address human rights challenges in ship-recycling. Sigrid Brynestad, Senior Sustainability Expert in GIEK, provided her perspectives on the call for further collaboration and transparency across the industry to manage human rights challenges, in particular in shipbuilding. Finally, Kristian Teleki, Director of the Sustainable Oceans Initiative at the World Resource Institute provided his perspectives on the importance of engaging with the shipping industry as a key actor in the sustainable oceans agenda.

Following the panel, there were a number of questions from the room. These included specific questions on the topic of gender diversity and ship-recycling.

4

Conclusions and recommendations

The “Mind the Gap Tour” provided important perspectives and findings on the importance and relevance of human rights within the broader sustainability/SDG agenda by the Norwegian maritime industry. The tour has provided the foundation for the development of the joint publication “The Ship Lifecycle: Embedding Human Rights from Shipyard to Scrapyard” as well as current follow-up discussions on human rights and fisheries/Aquaculture.

Further, a number of cross-cutting observations and recommendations can be made:

Multi-stakeholder approach:

Each stakeholder has an individual responsibility to avoid causing or being linked to human rights harm within his/her sphere of impact. But to move the entire maritime industry towards more responsible conduct there is a need for common action across the wide spectrum of stakeholders engaged in the life cycle of a ship. This includes shipowners and other businesses within the maritime industry, but also the investors that invest in the sector and cargo owners, as well as the customers who buy products (such as fish) and services (such as transport) from the industry.

Transparency is key:

Nobody is perfect when it comes to responsible business, but as the UNGPs provide, the first crucial step for all is to be able to know and show the actual or potential human rights harm one may cause or contribute to, as well as the due diligence one conducts to avoid or mitigate this harm. Thus, transparency is the basis for a level playing field, where stakeholders of the maritime industry can learn from each other and develop common standards.

Learn from the initiatives targeting ship recycling:

Irresponsible beaching has attracted much public attention in recent years. In response, key actors of the industry have taken ambitious initiatives aimed at reducing and mitigating the human rights harm. Responsible ship recycling is still far from being the default. But we see an emerging framework with conventions and standards, multi-stakeholder platforms and practical guidelines, which shows the way and from which we could learn when targeting the other phases in the life cycle of a ship.

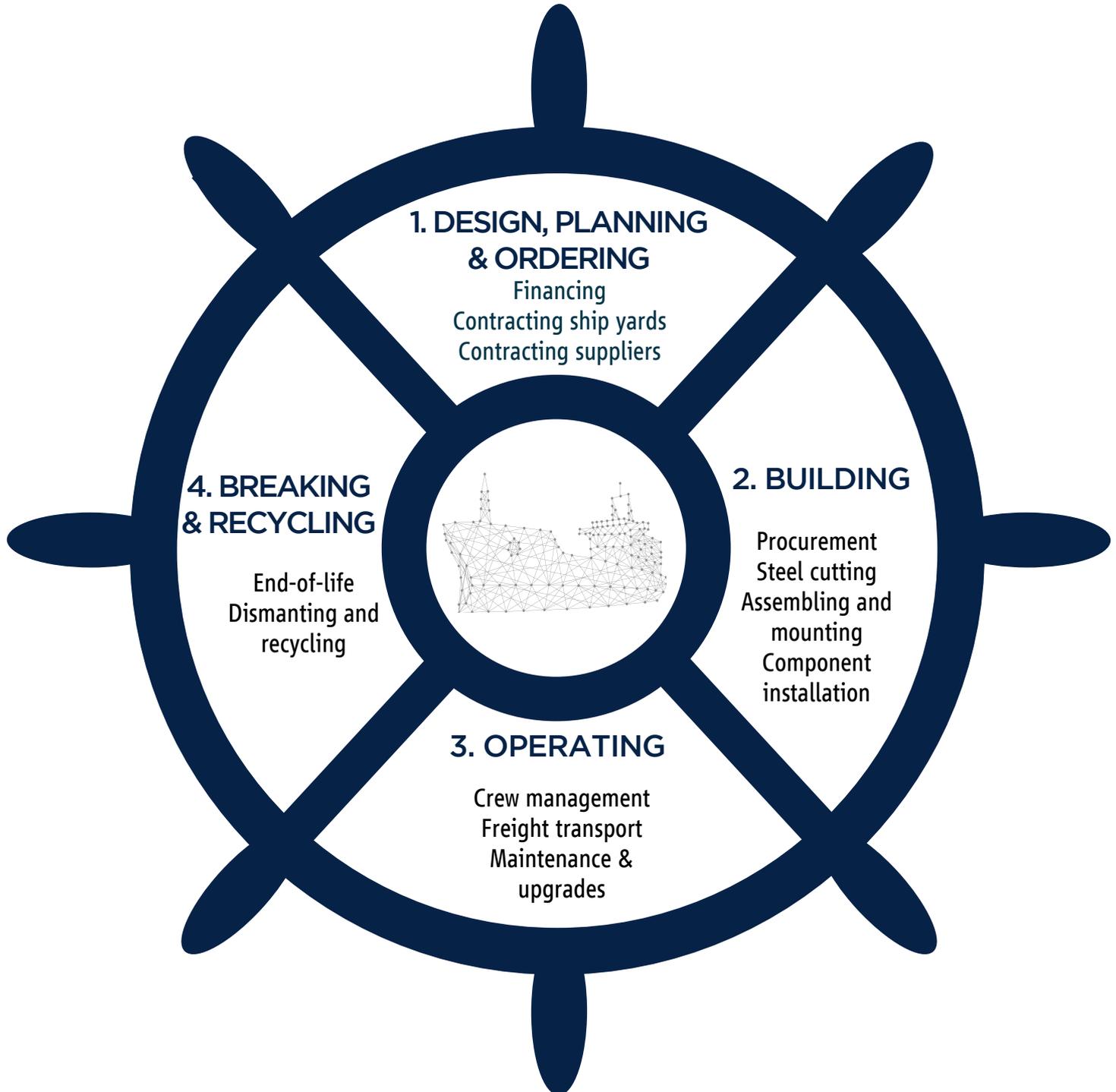
Call on states to do more:

One of the three pillars of the UNGPs concern the state duty to protect against human rights harm caused by third parties, including businesses. Private sector actors of the maritime industry each have their individual responsibility to respect human rights, but it is critical that states take dedicated action to close the governance gaps, within and between their respective jurisdictions and build a level playing field.

Practical guidance for each actor in the life cycle of a ship:

The maritime industry is marked by a very wide range of conventions and standards. These are required as compasses showing the overall direction. But there is a strong need for guidance on how they are put into practice, not only in general terms, but in terms of specific, concrete actions in each function and type of operation.

The Ship Lifecycle: Embedding Human Rights from Shipyard to Scrapyard



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.

Contracting Ship Yards

- 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.

Selecting & Contracting Suppliers

- 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).
- 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.

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.
- Monitor health and safety standards; provide workers with appropriate safety equipment and training in a language they understand.
- Apply standards / policies on recruitment, employment and human rights to all workers, including temporary and contract workers.

4. BREAKING & RECYCLING

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.

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

- [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](#)

