



Trading Lives for Profit

How the Shipping Industry Circumvents Regulations to Scrap Toxic Ships on Bangladesh's Beaches

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Trading Lives for Profit

**How the Shipping Industry Circumvents Regulations
to Scrap Toxic Ships on Bangladesh's Beaches**

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Human Rights Watch defends the rights of people worldwide. We scrupulously investigate abuses, expose the facts widely, and pressure those with power to respect rights and secure justice. Human Rights Watch is an independent, international organization that works as part of a vibrant movement to uphold human dignity and advance the cause of human rights for all.

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The NGO Shipbreaking Platform is a global coalition of organizations working to reverse the environmental harm and human rights abuses caused by current shipbreaking practices and to ensure the safe and environmentally sound dismantling of end-of-life ships worldwide. For more than 10 years, the NGO Shipbreaking Platform has been fighting for shipbreaking workers' right to a safe job, the use of best available technologies, and for equally protective environmental standards globally.

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Map of Bangladesh



Summary

In the summer of 2021, Mohammed Biplob, 35, was working at Arefin Enterprise, a shipyard in Chattogram, Bangladesh, dismantling a 24-year-old bulk carrier ship called the *Max*. On August 23, he was torching through a pipe in the engine room when it suddenly exploded. Biplob said the explosion threw him against the wall, severely burning his face and breaking his back. He lost consciousness, only becoming alert when he realized his coworkers were carrying him to the road. He said at the time he could see what was happening but couldn't speak. Biplob's family sold all their land to pay for his continued medical treatment and he now runs a tea stall to support them.

Arefin Enterprise is just one of about 30 yards currently actively operating in Bangladesh where workers break down the world's ships once they are no longer seaworthy. Companies like Arefin Enterprise purchase end-of-life ships, take them apart, and sell the metal and other materials after the ship is dismantled. Shipbreaking is an extremely lucrative industry for Bangladesh, contributing an estimated \$2 billion to the country's economy. More than half of the steel used in Bangladesh comes from ships broken down in Chattogram.

However, the industry in Bangladesh is highly dangerous and unregulated. Biplob explained that some regulations that could have prevented his injury were not followed. For instance, he said nobody checked the pipe, which had apparently been full of octane, to see whether it was "gas-free for hot work" as is required by Bangladesh law. Arefin Enterprise paid for Biplob's 8-day emergency treatment and about US\$160 in compensation—far less than the nearly \$2,000 he was owed under Bangladesh law. But Biplob said the owner of the *Max* should also be held responsible.¹

The *Max* was previously owned by Greek shipping company Tide Line Inc. and never should have been in Bangladesh in the first place.² International and regional laws prohibit the export of ships to places like the yards in Bangladesh that do not have adequate

¹ Human Rights Watch wrote to Arefin Enterprise on April 21, 2023 detailing the findings of Human Rights Watch's research and offering right of reply. Human Rights Watch has received no response as of September 5, 2023.

² Human Rights Watch wrote to Tide Line Inc. on May 5, 2023 detailing the findings of Human Rights Watch's research and offering right of reply. Human Rights Watch has received no response as of September 5, 2023.

environmental or labor protections to prevent accidents like the one that injured Biplob. Yet neither international law nor repeated injuries and deaths of workers have deterred many shipping companies from dumping their ships in Bangladesh. Instead, they have simply found ways to circumvent regulations and avoid culpability. As one Bangladeshi activist said, “There are legal regulations, but there are also loopholes.”

The *Max* should have been subject to European Union (EU) regulations regarding the disposal of end-of-life ships. The European Union Waste Shipment Regulation (EUWSR) prohibits the shipment of waste—including end-of-life ships like the *Max*—from EU waters to non-OECD (Organization for Economic Cooperation and Development) countries like Bangladesh. Additionally, as of December 31, 2018, the EU required all EU-flagged ships to be recycled at an EU-approved facility that is regularly and independently audited for compliance with standards on environmental protection and workers’ safety. None of the yards in Bangladesh have been approved by the EU commission audit.

However, Tide Line Inc, like many European shipping companies, avoided these regulations by selling the *Max* to a scrap dealer before it was declared waste and sent on its final voyage. The *Max*'s new owner, known as a “cash buyer” because of the money they pay for end-of-life ships, then ensured the *Max* was out of EU waters and operating under a non-EU Comoros flag when sent for scrapping.³

The EU Ship Recycling Regulation (SRR) only applies to ships flagged by an EU state, which allows companies to avoid the EU requirements by transferring a ship’s flag to a different state, known as a “flag of convenience.” Flags of convenience are sold by flag registries which, in many cases, are private companies operating in a different country from their flag state. As Ingvild Jensen, executive director and founder of the NGO Shipbreaking Platform, said in a 2022 report:

The decisions to scrap these ships under conditions that would not be allowed in the EU are taken in offices in Hamburg, Athens, Antwerp, Copenhagen and other EU shipping hubs. This reality begs for the introduction and enforcement of measures that effectively hold the real

³ Human Rights Watch wrote to the Comoros Registry on May 8, 2023 detailing the findings of Human Rights Watch’s research and offering right of reply. Human Rights Watch has received no response as of September 5, 2023.

beneficial owners of the vessels responsible, regardless of the flags used and/or of the ports of departure.

The *Max* was sold by Tide Line Inc. to a cash buyer in June 2021 and was approved for import to Bangladesh for scrap later than month. It reached Chittagong in Bangladesh on July 10, 2021. The explosion that injured Biplob occurred just over a month later.

The fact that Tide Line Inc., the exporting port, and the scrap dealers who directly sold the ship to Arefin Enterprise could all evade liability for Biplob's injury is common. Hundreds have been injured or killed over the last decade in Bangladeshi shipbreaking yards with little recourse or systemic reform. Written in partnership with the NGO Shipbreaking Platform, this report documents the abusive practices in the shipbreaking industry in Bangladesh and maps out the actors, policies, and loopholes, that enable these abuses.

Though most ships were originally owned by European, East Asian, and Southeast Asian companies, the final destination for over 80 percent of all end-of-life ship tonnage is one of three beaches in South Asia: Chattogram in Bangladesh, Alang in India, and Gadani in Pakistan. By cutting costs on safety, labor, and environmental protections, many of these South Asian yards offer to buy end-of-life ships at more than double the price of their next closest competitors in Turkey.

Bangladesh, in particular, is a top destination for end-of-life ships. Since 2020, approximately 20,000 Bangladeshi workers—many of whom are children—tore apart more than 520 ships, totaling far more tonnage than any other country in the world.

Dangerous Work Conditions

Higher profits for shipping companies come at a fatal price. Many Bangladeshi shipbreaking yards often cut costs through shortcuts on occupational and safety measures, dumping toxic waste directly onto the beach instead of using an adequate facility, conducting illegal and dangerous night shifts, and denying workers living wages, rest, or compensation in case of injuries. Workers and surrounding communities are frequently exposed to toxic materials in the air they breathe, the water they drink, and the food they grow and eat, impacting health and livelihood.



Shipbreaking workers in Bangladesh are not provided with adequate protective equipment, training, or tools to safely do their jobs. Workers described using their own socks as gloves to avoid burning their hands as they cut through molten steel, wrapping their shirts around their mouths to avoid inhaling toxic fumes, and carrying chunks of steel while barefoot. © 2023 Anukta

The International Labour Organization (ILO) has described shipbreaking as one of the most dangerous jobs in the world. Workers told Human Rights Watch how their legs were cut off by falling iron, how they fell from multiple stories, or were trapped inside a ship when it caught fire or pipes exploded. Lack of protective equipment and accessible emergency medical care at shipyards meant that, in many cases, workers were forced to carry their injured coworkers from the beach to the road and find a taxi or rickshaw to a hospital. “They threw me away,” said Masum, 44, who lost his leg after a pipe he was cutting exploded and the yard owner tossed him on the bed of a truck outside the yard rather than taking him to the hospital. In Bangladesh, the life expectancy for men in the shipbreaking industry is 20 years lower than the average.

Ships contain toxic materials such as asbestos, heavy metals, oil, and toxic paints and compounds. In many cases these hazardous substances are not properly identified despite international requirements to include an Inventory of Hazardous Materials (IHM). Workers are thus exposed to toxic fumes and materials without necessary protections. A 2017 study by the Bangladesh Occupational Safety, Health, and Environment Foundation found that more than one third of the shipbreaking workers surveyed suffered preventable health complications from asbestos exposure.



Shipbreaking workers clearing sludge from a ship. © 2023 Anukta



Shipbreaking workers in Bangladesh are at high risk of injury or death, especially when working in confined spaces and authorities fail to adequately identify flammable substances before the ship is broken apart. © 2023 Anukta



A shipbreaking worker balances on the ledge of a ship to torch through the steel. © 2023 Anukta

Shipbreaking workers in Bangladesh interviewed by Human Rights Watch consistently said that they were not provided with adequate protective equipment, training, or tools to safely do their jobs. Workers described using their own socks as gloves to avoid burning their hands as they cut through molten steel, wrapping their shirts around their mouths to avoid inhaling toxic fumes, and carrying chunks of steel while barefoot.

In violation of Bangladesh labor laws, shipbreaking workers interviewed by Human Rights Watch say that they are often denied breaks or sick leave, even when they are injured on the job. In most cases, workers are paid a fraction of what they are legally entitled to under Bangladesh's minimum wage regulations for shipbreaking workers. Typically employed temporarily, workers are rarely given formal contracts, leaving them with few means to advocate for their rights. Some workers said they were made to sign what they were told were contracts that they were not allowed to read or retain. Others said they were simply made to sign a blank piece of paper. The informal nature of the industry means that yard owners can cover up worker deaths and injuries, in some cases denying that a worker who died on the job had ever worked there. When workers attempt to unionize or protest conditions, they are fired and harassed. Tanvir, 50, a shipbreaking worker who has been in the industry since 1982 said:

While working in this industry I saw so many of my colleagues lose their lives. But still the system never changed. Workers' rights are violated every day. I think shipbreaking is the most neglected industry in the world.

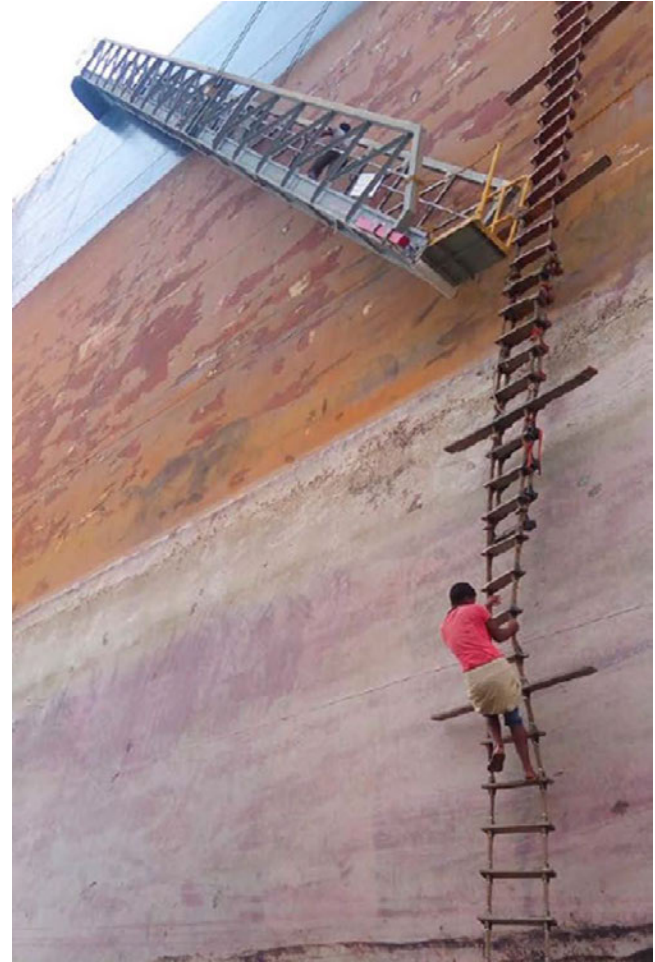
Beaching Toxic Ships on Bangladesh Shores

Shipyards in Bangladesh use a method called 'beaching' in which ships sail full steam onto the beach during high tide to be taken apart directly on the sand instead of using a dock or contained platform. Beaching is inherently more dangerous for workers. Since the work is done directly on the sand, the worksite itself is full of hazards. As one worker, Golam, 32, explained:

There is no safety for the workers because everywhere there are iron plates and rods around and there are muddy and slippery walking paths so we cannot move easily, and we are always in danger.



Shipbreaking workers in Bangladesh are not provided with adequate space to safely take rest during 12-hour shifts. © 2023 Anukta



Because ships are broken apart on the beach, workers perform dangerous jobs without adequate structures for safe disassembly. Many workers die and are injured in explosions and falling from high heights. © 2023 Anukta

It is difficult, if not impossible, for emergency vehicles to traverse the sandy beach to access the job sites in case of injuries or fire. All the workers interviewed for this report who were injured on the job had to be carried to the road by their colleagues before being taken in a privately owned vehicle to receive emergency medical treatment.

Beaching is also environmentally damaging. Toxic chemicals, oil, and other pollutants are dumped straight onto the sand and the sea while gasses and dangerous particles pollute the air. Heavy metals and other pollutants poison the soil, water, and nearby agriculture and permanently impact marine biodiversity and coastal habitats. According to the Marine Institute of the University of Chittagong, the Bangladesh shipbreaking industry has wiped out 21 species of fish and crustacean and endangered 11 other species.



Ships are broken down directly on the beach in Bangladesh, meaning toxic pollutants are released directly into the sea, land, and air. © 2023 Anukta



Shipbreaking workers wade in the water to collect remnants of a broken ship. © 2023 Anukta

Pollution from shipbreaking appears to also impact the livelihoods of surrounding fishing communities. Sohel, 28, who used to fish for a living but started shipbreaking because fishing became unfeasible, told Human Rights Watch that:

The poisonous chemicals and fuel from the ships are going into the sea waters and the fish are dying... Dead fish are flooding the shores.

Despite importing so much of the world's waste, Bangladesh has no toxic waste processing facility. The Bangladesh Ship Reprocessing Act, passed in February 2018, declared that by February 2021 the government would establish a Waste Treatment Storage and Disposal Facility for toxic waste from ship recycling. However, at time of writing, over two years past the deadline, no such facility has been created and toxic waste continues to be dumped straight on the beach, putting the lives and livelihoods of the surrounding communities at risk, and exacerbating environmental degradation. Toxic asbestos is sold directly in the marketplace in what locals call “asbestos villages,” where stoves and other furniture made from scrapped asbestos are sold.

Ship recycling does not need to be this dangerous or environmentally damaging. There are safe and sustainable alternatives. In particular, the use of a stable platform—called dry-docking⁴ or pier-breaking⁵—is much safer than beaching, because it allows for the use of lifting equipment and cranes, makes the site accessible in case of emergency, and makes it easier to safely contain and manage toxic waste and other hazardous materials. There are dozens of ship recycling yards, primarily based in Europe, that safely recycle ships using environmentally sustainable practices.

The NGO Shipbreaking Platform estimates that the entire shipbreaking industry worldwide could feasibly transition to dry-docks by 2030. But alternatives like dry-docking cost more, as do facilities for safe disposal of toxic waste, training, safety equipment, fair wages, and insurance for worker injuries and deaths.

⁴ Also known as “docking” or “dry-dock recycling,” the ship is placed on a dock, water is pumped out before the ship is dismantled.

⁵ Also known as the “alongside” or “top-down” method, the ship is secured alongside a pier and pieces are removed with a crane, starting from the top.

The Role of the International Shipping Industry

An entire industry exists to enable shipowners to circumvent international regulations so that shipping companies can continue to cheaply discard ships in Bangladesh's dangerous yards.

To avoid international, regional, and domestic laws, companies can sell the ship to a cash buyer, who serves as a scrap dealer for end-of-life ships. In many cases, the cash buyer will use a shell company as the new registered owner of the ship during its sale to scrapyards in Bangladesh, making it difficult to track the ship's true beneficial owner. The cash buyer then registers the ship under a flag from a state with lower regulatory burdens—called flags of convenience.

Shipping companies frequently use flags of convenience throughout a ship's operation to circumvent regulations, including labor rights at sea. But they are especially common at end-of-life when a company is scrapping a ship in South Asia. In 2022, while over 30 percent of the world's fleet was owned by European companies, less than 5 percent had an EU flag when they were sold for scrap. Publicly available shipping records indicate that all ships with beneficial owners based in the EU, the US, or UK scrapped in Bangladesh over the last four years entered Bangladesh waters under a flag of convenience.⁶

A lack of enforcement of international laws and regulatory standards further enables ships to be scrapped under dangerous and environmentally damaging conditions. Exporting countries outright ignore the requirements under the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal (the Basel Convention) to obtain prior informed consent from the importing country and to ensure that end-of-life ships are only sent to countries with sufficient capacity for environmentally sustainable management of toxic waste. On the import side, Bangladesh shipbreaking yards avoid scrutiny under national laws by outsourcing inspection reports and required documentation to cash buyers and other unscrupulous middlemen. Waste declarations for ships imported to Bangladesh are often completed without any oversight, transparency, or clear accreditation, with potentially fatal consequences.

⁶ By “beneficial owner” we mean the entity that benefits financially from the rent and/or the sale of the ship.

The International Maritime Organization (IMO) is the UN entity responsible for regulating and enforcing international shipping standards, including environmental and labor protections, and has the authority to enforce these requirements. However, the structure of the IMO limits its ability to act as an effective regulator. Decisions at the IMO enter into force when a certain number of states that represent a certain percentage of the world fleet have ratified. Since flags of convenience are up for sale, countries that flag more ships have more influence at the IMO, and also have the greatest incentive to keep regulatory burdens low.

On June 26, 2023, Bangladesh and Liberia acceded to the IMO's Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 (the Hong Kong Convention), thus meeting the requirements for the convention to enter into force on June 26, 2025. In a letter to Human Rights Watch, an IMO official said that the Hong Kong Convention is "making a positive contribution in regards of the right of workers to a safe and clean working environment." However, while the IMO, shipping companies, and shipbreaking yards promote the Hong Kong Convention as the solution to a safe and sustainable ship recycling industry, experts and activists have long-lamented major gaps in the convention that weaken its ability to provide the level of regulation that its proponents promise. Experts have repeatedly raised concerns that the Hong Kong Convention will serve to greenwash the shipbreaking industry, without ensuring much-needed regulation. At the same time, exporting countries continue to ignore the Basel Convention, which applies to end-of-life ships, and offers a higher level of control than the Hong Kong Convention.

Bangladeshis should not suffer the environmental and health impact of dismantling toxic ships under unsafe conditions simply because their lives are considered cheaper. Instead of investing time and resources in greenwashing unsafe practices, companies should invest in proven methods and they should stop insisting that beaching is safe. To ensure global capacity to sustainably recycle the massive influx in end-of-life ships over the next decade, shipping companies should invest in building stable platform facilities at a standard that fully protects workers' rights and include mechanisms for the downstream management of waste.

Existing international and domestic regulations do not go far enough and, in some cases, are designed to be ignored. To ensure workers are protected, laws prohibiting the sale of end-of-life ships to yards without adequate safety and environmental measures should apply to the country of the ship's beneficial owner, including for at least two years after its sale; shipping companies should face economic costs for circumventing regulations; exporting countries should adhere to the requirements set out in the Basel Convention and the Basel Ban Amendment; and cash buyers and other intermediaries should be properly regulated.

Key Recommendations

To the Government of Bangladesh:

- Fully enforce the High Court's 18-point directive that requires rigorous health and safety standards and labor rights protections in shipbreaking yards.
- Immediately shut down any shipbreaking yards employing children and/or holding night operations or where there are other serious violations of workers' rights.
- Adequately compensate all workers who have been injured (or, in the case of death, their families), as provided under the Labour Act, 2006 and the Shipbreaking and Recycling Rules, 2011.
- Move all ship recycling operations off the beach and to proper industrial platforms in accordance with the Basel Convention Technical Guidelines on Ship Recycling to ensure full containment of pollutants.
- Build a functioning hazardous waste storage and disposal facility that meets international standards for the management of toxic waste from shipbreaking.



Shipbreaking workers cut through steel inside a confined space. © 2023 Anukta

To the European Commission:

- As part of the 2023/24 review, amend the EU Ship Recycling Regulation (SRR) to apply to the ship's beneficial owner, not the flag state. If the ship is sold, the regulation should remain applicable to the previous owner for no less than two years from the date of sale.
- Include in the revised regulation a "return-scheme" for ships as described in the EU SRR preamble. The return scheme would require any ship that trades in EU waters to pay a fee towards a recycling license, accumulating capital over time. The total will then only be paid back to the last owner of the vessel if the ship is recycled at an EU-approved facility.
- Require all shipping companies conducting operations in the EU to implement a risk-based approach due diligence policy on their whole value-chain in line with the UN Guiding Principles on Business and Human Rights (UNGP), recognizing shipbreaking as a high-risk business operation, and to publicly report all sales, including to cash buyers, to ensure the traceability of the ship's beneficial ownership over its lifetime.
- Ensure that the proposed EU Corporate Sustainability Due Diligence Directive (CSDDD) covers the full value chain, including the use, disposal, and recycling of goods.

To Shipping Companies:

- In line with the UNGP and with the upcoming CSDDD, adopt formal and explicit policies that ensure the company maintains oversight of where ships are recycled and ensures that ships are not discarded in yards that use the beaching method and/or violate labor rights.
- Invest in ship recycling facilities so that they can ensure full containment of environmental contaminants, stable industrial platforms, protective equipment, and environmentally sound management of hazardous materials, including disposal.

Methodology

This report is produced in collaboration with the NGO Shipbreaking Platform which provided expert analysis and additional investigations tracking ship movements and transactions.

The report is based on Human Rights Watch interviews with 45 shipbreaking workers and relatives of shipbreaking workers. We also interviewed 2 doctors working in Chattogram and 8 experts on shipbreaking, ship recycling, and Bangladesh environmental and labor laws.

All workers interviewed provided verbal informed consent to participate and were assured that they could end the interview at any time or decline to answer any questions. No compensation was provided for any interviews. Most workers quoted in this report have been given pseudonyms and, in some cases, other identifying information has been withheld to protect them from retaliation.

The report also relies heavily on analysis of primary data sources including public shipping databases, company financial reports and websites, Bangladesh maritime import records, and leaked import certificates.

Human Rights Watch wrote to 12 shipping or shipbreaking broker companies, 6 flag agencies and 3 shipbreaking yards as well as to the International Maritime Organization, and the Bangladesh Department of Environment, the Ministry of Industries, the Ministry of Labour and Employment, and the Bangladesh Ship Recycling Board.

Human Rights Watch received replies from A.P. Moller – Maersk A/S on May 29, 2023, Best Oasis Ltd on June 1, 2023, the International Maritime Organization on June 29, 2023, and Novonor on July 3, 2023.

These letters and replies are included in appendices I-VII, except for the reply from Best Oasis which the company requested we do not include for publication.

I. Dangers of Shipbreaking in Bangladesh

Labor in Bangladesh’s shipbreaking industry is largely informal, unregulated, and rarely subject to occupational health and safety inspections or controls. Workers in many Bangladesh shipbreaking yards cut wires and pipes, blast through ship hulls with blowtorches, climb multiple stories, and haul scrap metal, often without adequate protective gear. Many are killed and seriously injured by explosions, are crushed by falling chunks of steel, and are burned by flammable gases, liquids, and other materials in the ships.

Workers persistently described feeling afraid for their lives when they went to work. Abul, 31, said: “If I am distracted for even a moment in the place where I work, I could die immediately.”⁷ Another worker, Kamrul, 39, who has worked in shipbreaking for 27 years since he was 12 years old, said that injuries in the yards are common. “We are not safe in the shipyard while working,” he said. “Nails hit us, or flames hit us. Most of the workers at some point get burned. I never feel safe.”⁸ Sabbir, 27, who has been working in the yards for seven years, said he doesn’t want to work in shipbreaking because it is too dangerous but feels he has no other options. “Nobody wants to work here because they know there is a risk and accidents may occur at every step,” he said. “The owners do not provide us with any safety measures. They overlook these things.”⁹ During a November 2022 visit, the Independent Expert on the enjoyment of all human rights by older persons, Claudia Mahler, noted that “while accidents regularly happen, sometimes leading to death, no statistical data on deaths and disabilities caused by accidents is collected.”¹⁰

Many shipbreaking workers are children. A 2019 survey of shipbreaking workers estimated that 13 percent of the workforce are children.¹¹ Researchers noted, however, that this number jumps to 20 percent during illegal night shifts.¹² Many of the workers interviewed for this report began working as children, around 13 years old.

⁷ Human Rights Watch interview with Abul, Chattogram, Bangladesh, November 2, 2021.

⁸ Human Rights Watch interview with Kamrul, Chattogram, Bangladesh, July 26, 2022.

⁹ Human Rights Watch interview with Sabbir, Chattogram, Bangladesh, July 27, 2022.

¹⁰ United Nations Human Rights Council, “Report of the Independent Expert on the enjoyment of all human rights by older persons, Claudia Mahler,” July 24, 2023, A/HRC/54/26/Add.2.

¹¹ Dr. Muhammad Shaheen Chowdhury, “Study Report on Child Labour in the Shipbreaking Sector in Bangladesh,” June 19, 2019, https://shipbreakingplatform.org/wp-content/uploads/2022/01/Child20Labor20Final_compressed.pdf (accessed January 6, 2022).

¹² Ibid.

Lack of Occupational Safety and Hazard Protections

Once ashore, the shipbreaking process is done in two stages: cutting and carrying. In the cutting stage, workers (“cutters” and “helpers”) dismantle the ship by hand and with oxygen-acetylene or liquefied petroleum gas (LPG) torches. Injuries linked to this phase are frequently caused by fires, or explosions, and falling or being crushed by falling metal. In the carrying stage, workers (“carriers”) drag steel and other parts ashore piece by piece. Carriers often lack adequate equipment including steel-toed boots or gloves. Instead, carriers in some cases are working barefoot, carrying chunks of steel over the sand. Repeated heavy lifting without adequate training or tools can cause serious injury.¹³ In other cases, carriers use three-wheelers or other small vehicles to pull heavier chunks that can weigh up to a thousand tons.¹⁴

Failure to safely manage flammable substances

Ships are full of flammable substances such as diesel, oil, gas, oxygen tanks, and polymers. According to the Basel Convention Technical Guidelines and the Bangladesh government 2011 Shipbreaking and Recycling Rules (further discussed in Section II), the vessel should be secured before any cutting begins, all flammable substances should be either safely removed or secured, and precautions should be in place.¹⁵ But many shipyards in Bangladesh rarely conduct adequate inventories of material on the ship before the cutting begins, leaving workers at risk of serious burns, death, or injury from explosions.

Syed, 22, who works as a cutter, said: “We cut the ship using oxygen and LPG gas torches. When we cut a tanker or oil line of the ship, there is always a high risk of explosion. We work knowing that at any time a fire incident can take place.”¹⁶ Ahmed, 26, who also works

¹³ For this reason, ILO Recommendation No.28 advises that the maximum permissible weight to be transported by a male worker should be no more than 55kg. ILO R128 - Maximum Weight Recommendation, 1967 (No. 128).

¹⁴ Mohammad Jahedul Islam, “Occupational Safety and Health of Shipbreaking Workers,” SCLS Law Review, Vol. 3. No.2 (2020), pp. 09-16.

¹⁵ According to the Basel Convention Technical Guidelines, a ship can only be safe for cutting after “concentrations of flammable vapours or gases in the atmosphere are declared to be less than 10 percent of the lower explosive limit. Further, hollow metal containers must be filled with water or be thoroughly cleaned of flammable substances, vented and tested prior to cutting.” Basel Convention Technical Guidelines for the Environmentally Sound Management of the Full and Partial Dismantling of Ships, adopted by the Conference of the Parties 6, Dec 2002. Basel Convention series/SBC No. 2003/2, <http://www.basel.int/Portals/4/Basel%20Convention/docs/meetings/sbc/workdoc/techships-e.pdf>, 11 (i-viii) (accessed January 24, 2023).

¹⁶ Human Rights Watch interview with Syed, Chattogram, Bangladesh, November 2, 2021.

as a cutter said: “We feel afraid while cutting the oil pipeline because sometimes sparks from our torches create fire which can easily burn a cutter man.”¹⁷

Workers are also at risk of falling from the ship or can be crushed by falling chunks of steel or other parts. “The ship is big. We cut the ship while hanging off the side using a rope ladder. Workers sometimes slip and fall into the water,” Ahmed said.¹⁸ Hasan, 25, who worked as a cutter, said he left the job in April 2021 after he fell from the second floor of a ship:

The ship was a container ship, so it already had crane installed in it with a ladder to the edge of the crane. While I was climbing the ladder to remove the crane, the ladder slipped. I did not have any safety harnesses, so I fell about 4.5 meters to the ground floor.¹⁹

Hasan received 15 stitches in his head and said the doctor told him his skull was fractured and that it would take two months to fully recover. When we interviewed him eight months later he said he still has severe headaches: “I feel pain. Whenever I hear any sound, it affects me and my brain badly.”²⁰ He explained that while he was in the hospital the yard did not pay his wages. The yard paid for five days in hospital but nothing afterwards.

Failure to provide adequate protective equipment

According to the 2011 Shipbreaking and Recycling Rules, all shipbreaking workers must be provided with protective equipment “including head protection, face and eye protection; respiratory protective equipment; hearing protection; protectors against radioactive contamination; protection from falls and appropriate clothing.”²¹ But workers in Bangladesh report that they rarely have adequate equipment, putting them at risk of serious injury and death. Ahmed, 26, a cutter, explained:

The company provides very low standard gloves. They are supposed to give us two pairs of gloves every 15 days, but we only get one. They give us some

¹⁷ Human Rights Watch interview with Ahmed, Chattogram, Bangladesh, December 14, 2021.

¹⁸ Ibid.

¹⁹ Human Rights Watch interview with Hasan, Chattogram, Bangladesh, November 2, 2021.

²⁰ Ibid.

²¹ Shipbreaking and Recycling Rules, 2011, 17.2.

safety gear, but it is very low quality. They never give safety goggles, which are essential since the sparks of fire from cutting the iron are very dangerous and there are so many cases where workers get eye injuries.²²

Mizanur, 38, a cutter who has worked in the shipbreaking yards since he was 18, said that the safety gear provided is of “very low quality. It doesn't fit on our bodies. The glasses fall right off,” he said.²³ Abul, another worker, said:

I am not convinced the safety gear provided by the yard authority is adequate. If they would give us proper equipment, then it would be easier for us to work. The company gave us helmets, gumboots, gloves, and glasses which are all low quality. Even when the yard authorities provide us with this safety equipment, they take the money from our wages. Otherwise, we buy safety equipment ourselves. The gloves are so low quality that sometimes they get burned by the sparks of fire. The work we do here is really dangerous, but we do not have other options.²⁴

Syed, 22, said that he and his coworkers get gloves once a week, but the gloves are such poor quality they are unusable within three days. “When the gloves do not work anymore, sometimes we use socks to protect our hands from the flame,” he said. He also said that the protective eyewear is inadequate: “The safety goggles that they give us to protect our faces while cutting with fire does not work properly after three days. It becomes blurry. The glasses costs only BDT30 [\$0.35] but we have to wait 10 to 15 days for new ones so sometimes we don't wait for the owner, we buy it ourselves.”²⁵ Syed makes BDT 585 per day (\$6.82).

Workers say that if they complain about the lack of protective equipment, they are told they can quit. Asif, 25, who has been working as a cutter for seven years, said that the yard he works in does not provide any protective gear at all. He said “If I go to the office and ask

²² Human Rights Watch interview with Ahmed, Chattogram, Bangladesh, December 14, 2021.

²³ Human Rights Watch interview with Mizanur, Chattogram, Bangladesh, July 25, 2022.

²⁴ Human Rights Watch interview with Abul, Chattogram, Bangladesh, November 2, 2021.

²⁵ Human Rights Watch interview with Syed, Chattogram, Bangladesh, November 2, 2021.

for gloves or mask, the company refuses and says if you want to work, then work without gear. Otherwise leave the yard.”²⁶

All the workers interviewed for this report said most yards sometimes provide the cutters with limited protective equipment, but helpers and carriers get nothing. Ahmed explained that gloves and goggles are not provided at all to the helper who works with him. He said that when his helper is lifting heavy objects, he lends him his own gloves. “Gloves are so important for the helper job because the sheets of iron and ship pieces are so hot when they are cut, it is very important to wear gloves, but the company never provides gloves,” he said.²⁷ He said he also bought his helper protective eyewear from the market, though Ahmed makes BDT 550 (US\$6.40) per day.

Carriers lift heavy loads and risk severe injuries, particularly because the beaching method makes safer transportation impossible. Sohrab, 27, has worked in one yard for eight years as a carrier. His job is to carry oxygen cylinders weighing about 120 kg each (260 lbs) from the ship to the shore. He said the yard provides no protective equipment to carriers—even boots—and so he works barefoot. He earns 200 BDT (\$2) per day and says he cannot afford to buy his own gumboots. He said:

I only make 200 taka per day so I cannot afford gumboots that cost 800 taka. I work barefoot. This is why workers often get injured with fire or wire or nails stabbing into our feet. the company provides nothing for our safety. If I ask for safety equipment, the company owners say “if you have a problem then leave.”²⁸

Lack of access to emergency medical care

Bangladesh’s 2011 Ship Breaking and Recycling Rules require that shipbreaking yards have dedicated and accessible health facilities with an “adequate number of beds for a trauma unit, orthopedic unit, burn unit, intensive care unit, other chronic diseases, and disabilities treatment unit.”²⁹ While, there is a healthcare clinic run by the Bangladesh

²⁶ Human Rights Watch interview with Asif, Chattogram, Bangladesh, July 27, 2022.

²⁷ Human Rights Watch interview with Ahmed, Chattogram, Bangladesh, December 14, 2021.

²⁸ Ibid.

²⁹ Ship Breaking and Recycling Rules, 2011 (VII, 29). The health units are to be regularly inspected by the BSRB, and governed by the yard, the BSRB, and the civil surgeon.

Ship Recycling Board (BSRB), it only has facilities to treat primary injuries. In the case of any major injury, workers need to be transported either to a private clinic or, more often, the government-run Chattogram Medical College Hospital.

The shipbreaking rules also require accessibility for ambulances and other emergency vehicles. But because shipbreaking in Bangladesh is done on the sand, it is nearly impossible for emergency vehicles, even if they are available, to get to the work site. After an explosion on a ship in 2019, for example, video footage shows barefoot workers without any emergency equipment carrying their injured colleagues.³⁰ In every case of injury documented in this report, injured workers said their colleagues had to carry them from the worksite to the road, in most cases without a stretcher. Once they reached the road, in most cases, they had to hire a rickshaw, car, or “CNG” (motorized rickshaw) to get to the hospital.

Nurul, 24, who had been working in shipbreaking yards since he was 14, suffered severe injuries to his spinal cord on April 27, 2022, when a heavy piece of iron fell over two meters and hit him on the back. He said his coworkers carried him to the car because there was no stretcher and eventually the yard owner hired a private car where he rode in the backseat to the hospital, potentially exacerbating his spinal cord injuries.³¹

On November 19, 2017, during an illegal night shift at around midnight, Rakib, 20, was cutting a heavy piece of iron when the piece fell, chopping off his left leg, while an iron rod pierced his stomach. He was pinned to the ground for 45 minutes before other workers were able to rescue him. Because he was working in the middle of the night, there were no cars or rikshaws immediately available to transport him to the hospital, so his coworkers carried him on their shoulders to the nearest clinic. The clinic refused to take him, saying they didn’t have the capacity to treat injuries so severe, at which point they were finally able to hire a private car to take him to Chittagong Medical College where he underwent treatment for 17 days.³²

³⁰ NGO Shipbreaking Platform, “Press Release – Major explosion at Bangladesh shipbreaking yard kills two workers and severely injures five,” May 15, 2019, <https://shipbreakingplatform.org/explosion-malaysian-tanker-chittagong/> (accessed September 28, 2022).

³¹ Human Rights Watch interview with Nurul, Chattogram, Bangladesh, July 26, 2022.

³² Human Rights Watch interview with Rakib, Chattogram, Bangladesh, July 26, 2022.

Some workers said shipyard owners delayed their transport to the hospital by refusing to pay for transportation costs. Omar, 30, said he was injured in January 2018 when a heavy piece of iron landed on his leg. He said the owners refused to help transfer him to emergency care and it took about eight hours before he was able to get a vehicle to the hospital.³³ Masum, 44, said that on December 12, 2018, he was cutting through a pipe at a steel rolling mill when it exploded. He said workers helped carry him to the road, but the owner just tossed him on the bed of a truck outside the yard. “They just threw me away,” he said. He said his coworkers called his brother who came and took him to the hospital where his leg was ultimately amputated.³⁴

When Aarul, 39, fell 6 meters from a ship, he landed on scattered pieces of iron that fractured his leg and knocked out five teeth. Instead of taking him to the hospital, however, the yard managers took him to his room and left him there. He said he was in severe pain, so he called a worker who helps advocate for other workers’ rights who went and confronted the shipyard owner. The owner finally agreed to take Aarul to the BSRB hospital where he received treatment for four days. He was out of work for about eight months without wages and he is working in another shipbreaking yard now. He said, “It feels risky because I know there is no safety for the workers anywhere in this sector. But I have to keep working in the yards because if I stay at home who will give me food?”³⁵

During her 2022 visit, Independent Expert on the enjoyment of all human rights by older persons, Claudia Mahler, similarly noted that older workers are frequently not provided with adequate protection equipment and have limited access to healthcare and social protection.³⁶

Refusing to provide medical care, compensation

The 2011 Shipbreaking and Recycling Rules as well as the 2006 Labour Act require employers to pay for treatment of workplace injuries, to cover wages up to a year during recovery, and to pay compensation in case of injury or death, including for longer-term health impacts such as asbestosis and cancer. Under the 2011 Shipbreaking and Recycling

³³ Human Rights Watch interview with Omar, Chattogram, Bangladesh, July 26, 2022.

³⁴ Human Rights Watch interview with Masum, Chattogram, Bangladesh, July 26, 2022.

³⁵ Human Rights Watch interview with Aarul, Chattogram, Bangladesh, July 27, 2022.

³⁶ United Nations Human Rights Council, “Report of the Independent Expert on the enjoyment of all human rights by older persons, Claudia Mahler,” July 24, 2023, A/HRC/54/26/Add.2.

Rules, after an accident, a yard is supposed to immediately suspend operations for a week while the Bangladesh Ship Recycling Board conducts an independent investigation and mandates any necessary changes. In case of injury, the board is supposed to initiate penal action and, in the case of negligence, suspend yard operations for a year and mandate payment of about \$1,800 to injured workers alongside coverage of complete treatment and up to one year's worth of wages. The compensation for fatality is \$4,500.³⁷

However, these measures are rarely taken, and workers said that it is often difficult to secure payment for their treatment. In many cases, workers said they received inadequate care either when the yard owner refused to pay for a certain procedure or simply stopped paying. Some workers received compensation for their injuries, but rarely the full amount required under Bangladesh law. The minimum wage requirements for shipbreaking workers set by the Ministry of Labour and Employment include a monthly stipend for medical care, however, none of the workers interviewed received this stipend.³⁸

On June 19, 2019, Sakawat, 28, was carrying an iron bundle on his shoulder when he slipped and the bundle fell, smashing his right foot. He went to Chittagong Medical College hospital where his foot was ultimately amputated. For four weeks he repeatedly requested that the yard owners cover his medical costs, but they refused. He ultimately paid the hospital bills using his entire savings and with loans from his friends. He is now homeless and sleeps at the railway station where he begs for money. He tried filing a case in the local labor court but could not afford the lawyers' fees so dropped his case.³⁹

Sabbir, 27, said that in 2020 he was working as a helper when a piece of iron dropped from the top of the ship and broke his left hand and cut through a tendon. The yard owners took him to the hospital but would only pay for his hand to be bandaged and for some painkillers. He was unable to work for three months and still can hardly grip with his left hand. However, the yard owners did not pay for any additional treatment or any wages while he was out of work, as is required by law.⁴⁰

³⁷ Bangladesh Shipbreaking and Recycling Rules, 2011, Chapter VIII (Penalty Provisions and Miscellaneous), para 45.3.

³⁸ Human Rights Watch wrote to the Ministry of Labour and Employment on June 8, 2023 detailing the findings of Human Rights Watch's research and offering right of reply. Human Rights Watch has received no response as of September 5, 2023.

³⁹ Human Rights Watch interview with Sakawat, Chattogram, Bangladesh, July 13, 2022.

⁴⁰ Human Rights Watch interview with Sabbir, Chattogram, Bangladesh, July 27, 2022.

Rakib, 20, the worker described above who lost his leg and was injured in the stomach by a steel rod, said that when he went to Chittagong Medical College Hospital, the doctors only treated his stomach injury and stopped the bleeding from his leg. He said his mother begged the doctors to fully treat his leg, but the doctors told her that the yard owners were only paying for lifesaving treatment. Rakib was discharged after 17 days in hospital, but after a few days he developed gangrene on his leg. His mother had to take loans to pay for private healthcare, spending \$1,000 to treat the gangrene. Rakib and his family have repeatedly sought compensation from the shipyard owners, but he says they have refused to pay anything. “I'm only 20 years old and my life is totally ruined by this accident,” Rakib said.⁴¹

Sohrab, 25, said that in February 2022 he was carrying an oxygen cylinder when he slipped and the cylinder—weighing about 120kg—fell on his leg and smashed his toes. He said the shipyard owners just gave him painkillers and refused to take him to the hospital. He went on his own to a local clinic where his treatment cost \$9 per day, but after ten days he left because he could no longer afford medical care.⁴² The day before we interviewed Sohrab, he was working in the yard when a wire pierced his bare foot. He said he did not have enough money to go to the hospital, so he purchased painkillers and pulled the wire out of his own foot.⁴³

Nurul, 24, who suffered a spinal cord injury when a heavy piece of iron fell from eight feet and hit him on the back in 2022, said that the yard owner paid some of the hospital bill but eventually stopped. He says he feels severe pain when he lies down or tries to work but he cannot afford pain medication. The company stopped paying his salary as soon as he was injured and never paid any compensation aside from \$20 while he was in the hospital.⁴⁴

Some workers, such as Asok, 45, took their employer to labor court to cover the cost of treatment. Asok was injured when a heavy piece of iron fell on his back. He said he went to the company office at the yard, but it was closed so he went to the hospital himself. He contacted the yard owners from the hospital asking them to cover the cost of treatment, but they refused. He left the hospital without treatment because he couldn't afford care. He eventually took the yard owners to labor court, and the court required the owners to

⁴¹ Human Rights Watch interview with Rakib, Chattogram, Bangladesh, July 26, 2022.

⁴² Human Rights Watch interview with Sohrab, Chattogram, Bangladesh, July 27, 2022.

⁴³ Ibid.

⁴⁴ Human Rights Watch interview with Nurul, Chattogram, Bangladesh, July 26, 2022.

cover the treatment cost and to cover half his wages (5,000 BDT (US \$50)) for five months.⁴⁵ Asok is no longer able to work due to his injuries so now his 18-year-old son is working in the nearby steel rolling mill. “My family is helpless, he said. “We need to survive so I send my son to the steel rolling mill, but my son is also at risk working there.”⁴⁶

Abusive Working Conditions

Bangladesh has laws to protect the rights of workers,⁴⁷ but they are seldom properly enforced leading to serious abuses.

No Rest, No Sick-Leave

Workers said they are rarely given breaks or space to safely rest, despite working six days per week in 8-12 hours shifts. Abul, 31, said, “There is no way I can take rest while working for 12 hours. I went to a seminar on workers’ rights where they told us that we should legally have some time and spaces to rest, but in reality that never happens.”⁴⁸ Ariful, 28, said that they take a lunch break in the middle of their eight hour shift but otherwise will be reprimanded for resting: “If the foreman or the yard authorities find us sitting or taking rest, they scold,” he said.⁴⁹

Though the 2011 Ship Breaking and Recycling Rules require that shipbreaking yards provide dedicated onsite facilities to take rest, workers say they have nowhere to go. Workers described even trying to rest inside of the ships. Ahmed, 26, said “there is no specific rest room for the workers, we take rest sometimes on the cabin of the broken ships or using the toilet of the broken ships.”⁵⁰ Another worker, Mohammed, 39, who has been working in shipbreaking since he was 13, said “There is nowhere to take rest or to eat. When we are working in a ship, we take our foods and snacks on the ship. There is no rest actually.”⁵¹

⁴⁵ Human Rights Watch interview with Asok, Chattogram, Bangladesh, July 27, 2022.

⁴⁶ Ibid.

⁴⁷ See section I on legal framework above.

⁴⁸ Human Rights Watch interview with Abul, Chattogram, Bangladesh, November 2, 2021.

⁴⁹ Human Rights Watch interview with Ariful, Chattogram, Bangladesh, November 2, 2021.

⁵⁰ Human Rights Watch interview with Ahmed, Chattogram, Bangladesh, December 14, 2021.

⁵¹ Human Rights Watch interview with Mohammed, Chattogram, Bangladesh, July 26, 2022.

A lack of safe rest space is particularly dangerous during night shifts. Syed, 22 said that yard owners provide breaks during night shift but they cannot leave the yard and there is nowhere to safely rest. “When we work at night, we do not get have any safe place to take rest, you cannot just sleep at the yard.”⁵²

Workers generally described being given two days of sick leave if they are hospitalized, during which they will still be paid their wages. After two days, wages generally stop, even if the worker is hospitalized due to an injury on the job. Ariful, 28, who had injured his hand lifting heavy iron, explained:

If we have minor injuries, then we have to manage on our own. But if something like amputation type injuries happen then sometimes the yard owner bears the cost, but not in all cases. If I am out of work for more than two days, then they start cutting down the wages.⁵³

Faizul, 32, said that in 2021 he cut his leg on a piece of metal wire on the worksite. He said the company paid for basic treatment but that he was paid no wages while he recovered for 15 days at home. He said, “there was no salary for those 15 days because if we don’t go to work, we will get no money.”⁵⁴

Ahmed, 26, said that when he was injured on the job, he lost wages and had to pay for medical treatment:

I was injured four years ago when my veins were cut by some of the scraps. The company provided treatment for only three days. When there was no improvement, I went back home and the company did not even pay wages, let alone cover medical costs.⁵⁵

⁵² Human Rights Watch interview with Syed, Chattogram, Bangladesh, November 2, 2021.

⁵³ Human Rights Watch interview with Ariful, Chattogram, Bangladesh, November 2, 2021.

⁵⁴ Human Rights Watch interview with Faizul, Chattogram, Bangladesh, July 26, 2022.

⁵⁵ Human Rights Watch interview with Ahmed, Chattogram, Bangladesh, December 14, 2021.

Lack of Labor Protections

“Shipbreaking workers are usually illiterate and extremely poor, so they just cannot speak for their rights. They are afraid they will lose their jobs,” explained a labor activist. He said that because workers who speak up are frequently fired and they are dependent on those wages to survive, it is difficult for workers to collectively demand their rights.⁵⁶

Denial of fair wages

The Ministry of Labour and Employment set a minimum monthly wage for shipbreaking workers. However, workers are consistently paid far below the required amount.

Human Rights Watch interviewed 23 cutters for this report. On average, their reported monthly wages were 11,564 BDT (\$121.72), about half of the minimum wage for ship cutters of approximately 21,250 BDT (\$193.67) per month set by the Ministry of Labour and Employment.⁵⁷ None of the workers interviewed were receiving monthly stipends for housing, healthcare, and transportation included in the minimum wage total. Helpers we interviewed were earning as little as 5,200 BDT (\$54.73) per month— one third of the approximately 16,000 BDT (\$145.83) per month that they should be paid according to the minimum wage laws.⁵⁸ Helpers were also not being paid the housing, health, and transportation allowances they are owed.

Ariful, 28, who earns 310 BDT (\$2.83) per day, said that eight years ago, when he started working as a helper, he earned 290 BDT (\$2.64).⁵⁹ “We tried to negotiate or protest to raise our wages,” he said, but succeeded in getting only a raise of 20 taka (\$0.18).⁶⁰ Rashed, a worker and labor rights activist explained:

⁵⁶ Human Rights Watch phone interview with labor rights activist, January 4, 2023.

⁵⁷ Bangladesh Gazette, Additional, February 11, 2018, Government of the People’s Republic of Bangladesh, Ministry of Labor & Employment, Branch- 6, Schedule, Monthly and daily wage rates of workers, (1493), Serial Number 3, “Semi-skilled / Grade: 3.” An English translation of the minimum wage act for shipbreaking workers is included in Appendix IX.

⁵⁸ Ibid., Serial Number 4, “Unskilled / Grade: 4”

⁵⁹ Accounting for inflation rates in Bangladesh from 2015-2021, BDT 290 in 2015 has the purchasing power in 2021 of about BDT 203, meaning despite the raise of 20 BDT, Ariful is making less in 2021 (in terms of purchasing power) than he did in 2015.

⁶⁰ Human Rights Watch interview with Ariful, Chattogram, Bangladesh, November 2, 2021.

Workers have no written contracts. This means employers can refuse to pay wages. Employers do not pay the minimum wage announced by the government. Owners just pay according to their will.⁶¹

Shipbreaking workers are mostly migrants from the impoverished northern part of the country who are employed in the yards through labor contractors.⁶² Contractors in this case are other workers who take a commission for bringing in new workers. These arrangements are almost always based solely on a verbal agreement. Once workers are employed in the yard, yard owners will sometimes require them to sign a contract that they were not allowed to read or retain. Asok, 27, explained:

Some companies take signatures from workers only for official purposes. So, when we get our wages, sometimes we have to give our signature but really these “contracts” are not handed over to the workers. Sometimes we sign on a contract paper but also sometimes just a blank piece of paper.⁶³

Union-busting

If workers protest conditions or try to unionize, they say they are fired. Kamrul, 39, said “If workers raise their voice, they will lose their jobs.”⁶⁴ As Abul, 31, said, “we don’t protest as that might bring retaliation to us.”⁶⁵ Syed, 22, said:

No one talks on our behalf. And we do not have any workers union which can fight for our rights like there are so many for the ready-made garment workers. No one works on our behalf or about our rights, even the foreman who are supervising us are also work on behalf of the owners, not for us.⁶⁶

Tanvir, 50, said that he and other workers have been trying to unionize since 1985, but that such organizing is deterred when workers are fired. “When I led a protest against the

⁶¹ Human Rights Watch interview with Rashed, Chattogram, Bangladesh, December 22, 2021.

⁶² Ishtiaque Ahmed, “The Origin and Evaluation of Ship Breaking Regime of South Asia: A Critical Perspective From Bangladesh,” *Legal Issues Journal*, Vol.8 issue. 2 (2020).

⁶³ Human Rights Watch interview with Asok, Chattogram, Bangladesh, July 27, 2022.

⁶⁴ Human Rights Watch interview with Kamrul, Chattogram, Bangladesh, July 26, 2022.

⁶⁵ Human Rights Watch interview with Abul, Chattogram, Bangladesh, November 2, 2021.

⁶⁶ Human Rights Watch interview with Syed, Chattogram, Bangladesh, November 2, 2021.

owner, they fired me from the work,” he said. He filed a lawsuit after being fired but because he didn’t have a contract, the shipyard just claimed he never worked there.⁶⁷ Another worker and labor rights activist, Rashed, said that he has been fired more than 30 times from different yards for trying to organize workers.⁶⁸

Activists complained that some of the ship recycling yards have created so-called “yellow unions” that are not genuinely independent, and instead are established by the yard owners to control workers and prevent them from establishing a union of their choice.⁶⁹

A Concealed Industry

Workers say increased scrutiny from journalists and NGOs of conditions in the yards over the past few years has led to a tightening of restrictions on communicating with people outside the yards or providing access to the worksites, and several said that they are not allowed to bring their phones into the yard.⁷⁰ Journalists and non-governmental organizations are rarely given access and workers face retaliation for speaking out. Ahmed, 26, said:

If the company finds out that I spoke with you then I will face retaliation and could lose my job. But what I am telling you is true. I don’t know if the ship breaking yard companies will ever think of us as human and provide us with safety equipment. They should understand that if anything happened to us, it is our families who would suffer, not the company.⁷¹

Another worker, Sohel, 28, explained: “The life of the shipbreaking workers inside the yards or outside always remains hidden because of the pressure of the company owners. If we talk or raise our voice, we will lose our jobs.”⁷²

In order to avoid public scrutiny, some yard owners will break ships at night which only increases risk of accidents, despite night operations being prohibited under the 2011

⁶⁷ Human Rights Watch interview with Tanvir, Bangladesh, November 3, 2021.

⁶⁸ Human Rights Watch interview with Rashed, Chattogram, Bangladesh, December 22, 2021.

⁶⁹ Human Rights Watch interview with activists, Chattogram, Bangladesh, December 22, 2020.

⁷⁰ Interviews with multiple workers.

⁷¹ Human Rights Watch interview with Ahmed, Chattogram, Bangladesh, November 2, 2021.

⁷² Human Rights Watch interview with Sohel, Chattogram, Bangladesh, July 26, 2022.

Shipbreaking and Recycling Rules.⁷³ Dr. Shaheen Chowdhury, law professor at the University of Chittagong, explained that “employers increasingly employ people at night because it is easier to circumvent media and journalists. There is no watchdogging at night. It is a technique to avoid monitoring and surveillance.”⁷⁴

Exposure to Toxics

End-of-life ships are considered toxic waste under the Basel Convention because they are full of toxic materials:⁷⁵ asbestos is used as insulation; heavy metals like cadmium, lead, and chromium are in paints and coatings for batteries, motors, generators, and cables; mercury is in thermometers, electrical switches, lights, and often in vessels that have operated in the oil and gas extraction sector; oils, fuel, harmful bacteria, and toxic sludge are found in bilge water,⁷⁶ sewage, and ballast water;⁷⁷ Polychlorinated Biphenyls (PCBs) are in cables⁷⁸. A 2010 World Bank study projected that between 2010-2030, Bangladesh would import 79,000 tons of asbestos, 240,000 tons of cables containing PCBs, and nearly 70,000 tons of toxic paints via end-of-life ships.⁷⁹ Floating Oil Production, Storage and Offloading tankers (FPSO) and Floating Oil Storage and Offloading tankers (FSO) may also contain naturally radioactive substances.

Without proper protective equipment, processes, and storage, handling, and disposal facilities, workers and surrounding communities are exposed to these toxic materials in the air they breathe, the water they drink, and the food they grow and eat.

⁷³ Bangladesh Shipbreaking and Recycling Rules, 2011.

⁷⁴ Human Rights Watch interview with Dr. Shaheen Chowdhury, Chittagong, Bangladesh, October 12, 2021.

⁷⁵ Basel Convention Secretariat, “Technical Guidelines for the Environmentally Sound Management of the Full and Partial Dismantling of Ships,” Adopted 2002.

⁷⁶ A collection of oil, sludge, and other residues accumulated in wells in the hull of the ship.

⁷⁷ Water contained in tanks to keep the ship steady.

⁷⁸ PCBs are highly toxic industrial compounds that have been shown to cause cancer and harm reproductive health, the immune system, and the endocrine and nervous systems. See: United States Environmental Protection Agency, “Learn about Polychlorinated Biphenyls (PCBs),” <https://www.epa.gov/pcbs/learn-about-polychlorinated-biphenyls-pcbs> (accessed January 4, 2022).

⁷⁹ International Bank for Reconstruction and Development/The World Bank, “The Ship Breaking and Recycling Industry in Bangladesh and Pakistan,” December 2010, <https://openknowledge.worldbank.org/bitstream/handle/10986/2968/582750ESWoWhit1LIC1011098791web10pt.pdf?sequence=1&isAllowed=y> (accessed September 5, 2022).

Airborne pollutants

When workers burn through ships in the cutting phase, toxic chemicals and minerals are released into the air.⁸⁰ Without respirators and other recommended protective equipment, workers inhale extremely toxic substances, especially when dismantling inside confined spaces. Tanvir, 50, who works as a cutter, said “When we do the cutting, the smoke gives us respiratory problems like coughing and breathing difficulties. We are not provided any respirators, so we try to use our own clothes as masks but still the smoke gets through.”⁸¹ Faisal, 22, said:

When we cut down oil tanker type vessels sometimes gas leaks from the pipes and we feel sick and have breathing difficulties and sometimes chest pain. This is what work is like for the cutter man. We are bound to work even if those gas emissions cause health problems for us.⁸²

Ahmed, 26, said “we need masks, but the foreman never pays any attention to that request. We have to use our t-shirts which we wrap around our mouths as masks.”⁸³

Asbestos is one of the most common toxic materials found in older ships. Though the use of asbestos in new ships was banned in 2002, most of the ships coming to Bangladesh for breaking now were built before 2002.⁸⁴

Inhalation can also lead to asbestosis, a form of pulmonary fibrosis (scarring of lung tissues), which causes difficulty breathing.⁸⁵ Asbestosis is highly prevalent among shipbreakers in Bangladesh. A 2017 study by the Bangladesh Occupational Safety, Health, and Environment Foundation found that more than one third of the shipbreaking workers surveyed who had worked in shipbreaking for at least ten years were suffering from

⁸⁰ Basel Convention Secretariat, “Technical Guidelines for the Environmentally Sound Management of the Full and Partial Dismantling of Ships,” Adopted 2002, Pg. 27-28.; Patel AB, Shaikh S, Jain KR, Desai C, Madamwar D. “Polycyclic Aromatic Hydrocarbons: Sources, Toxicity, and Remediation Approaches.” *Frontiers in Microbiology*, vol.11 (2020). doi: 10.3389/fmicb.2020.562813. PMID: 33224110; PMCID: PMC7674206.

⁸¹ Human Rights Watch interview with Tanvir, Chattogram, Bangladesh, November 3, 2021.

⁸² Human Rights Watch interview with Syed, Chattogram, Bangladesh, November 2, 2021.

⁸³ Human Rights Watch interview with Ahmed, Chattogram, Bangladesh, December 14, 2021.

⁸⁴ International Maritime Organization, “Asbestos,” <https://www.imo.org/en/OurWork/Safety/Pages/Asbestos.aspx> (accessed September 7, 2022).

⁸⁵ Mayo Clinic, “Asbestosis,” <https://www.mayoclinic.org/diseases-conditions/asbestosis/symptoms-causes/syc-20354637> (accessed September 7, 2022).

asbestosis.⁸⁶ Asbestosis can lead to cardiovascular disease as a result of severely decreased lung capacity and significantly increases risk of mesothelioma and lung cancer.⁸⁷

Nazmul, 51, who works as a cutter and is an advocate for shipbreaking workers' rights said that he knows 33 workers with asbestosis, himself included. He said he suffers from chest pain and shortness of breath, and that four of his colleagues have died from complications related to asbestos exposure.⁸⁸ In a focus group discussion with 15 shipbreaking workers with asbestosis, all of the participants described experiencing chest pain, physical weakness, breathing problems, and difficulty doing day-to-day tasks.⁸⁹ Imran, 59, said "I cannot go upstairs, I am deteriorating day by day."⁹⁰

Dr. Rajat Biswas, an internist and assistant professor in the Department of Medicine at Chattogram Maa-O-Shishu Hospital Medical College explained that out of his 16 current patients who are shipbreaking workers, 15 are suffering from respiratory conditions—mostly asbestosis—often requiring a nebulizer to help them breathe (an inhaler that delivers medication).

The medicine and Inhaler required to ease symptoms costs about 11,000 BDT per month (US\$118), but workers say their employers have refused to cover medical costs, despite their legal obligation to do so under the Bangladesh Shipbreaking and Recycling Rules, 2011 and the mandated medical stipend included in the minimum wage legislation for shipbreaking workers.⁹¹ Some workers suffering from asbestosis have formed an Asbestos Victims Rights Network and have held seminars and a peaceful protest calling on their employers to pay for the treatment and lost wages related to the disease, but they have

⁸⁶ Venkiteswaran Muralidhar, Md Faizul Ahasan, Ahad Mahmud Khan, "Parenchymal asbestosis due to primary asbestos exposure among ship-breaking workers: report of the first cases from Bangladesh," *BMJ Case Rep* (2017).

⁸⁷ Anne-Helen Harding, Andrew Darnton, John Osman "Cardiovascular disease mortality among British asbestos workers (1971-2005)," *Occupational and Environmental Medicine*, Vol. 69 iss.6 (2012) pp. 417-21.; National Asbestos Hotline, "Asbestosis Prognosis," <https://www.nationalasbestos.co.uk/asbestos-diseases/asbestosis/prognosis/> (accessed September 5, 2022).

⁸⁸ Human Rights Watch interview with Nazmul, Chattogram, Bangladesh, December 22, 2021.

⁸⁹ Human Rights Watch focus group discussion, Chattogram, Bangladesh, July 8, 2022.

⁹⁰ Human Rights Watch interview in focus group discussion with Imran, Chattogram, Bangladesh, July 8, 2022.

⁹¹ Bangladesh Shipbreaking and Recycling Rules, 2011; Ministry of Labor & Employment, Notification by Bangladesh Gazette, Schedule of Monthly and daily wage rates of shipbreaking workers. February 11, 2018.

received no response. Arif said, “Since the asbestosis diagnosis I feel scared all the time. I need medicine and I need money.”⁹²

Some former workers with asbestosis said they were no longer able to work because it was too difficult to breathe and maintain stamina. As a result, their children had to drop out of school to help make ends meet. Ali, 42, said that his 16-year-old daughter had to leave school to work in a garment factory. “She was a student, but her education stopped now because I cannot work,” he said.⁹³

Asbestosis is almost entirely preventable with adequate safety procedures and protection equipment.⁹⁴ But as Dr. Biswas said, “They need a better environment, better awareness,” he said. “They don’t know the toxins they are exposed to, how to prevent exposure. They are untrained. What they have learned has been on the spot.”⁹⁵

Having proper procedures in place to handle and dispose of asbestos is critical.⁹⁶ One ship recycling expert explained that “rules and regulations within the EU concerning the management, removal, and disposal of asbestos products are very strict. Removal can only be done by specialized licensed companies, asbestos waste has to be double bagged and can only be transported in closed and sealed containers, disposal can be glazing or mixing with concrete to permanently fix the fibers.”⁹⁷

According to the 2011 Bangladesh Ship Breaking and Recycling Rules, all shipyards are required to have an asbestos storage unit on site⁹⁸ and workers must be provided with equipment for the safe removal of asbestos.⁹⁹ Yards are required to remove asbestos in leakproof containers and dispose of it according to regulations set by the Department of

⁹² Human Rights Watch interview in focus group discussion with Arif, Chattogram, Bangladesh, July 8, 2022.

⁹³ Human Rights Watch interview in focus group discussion with Ali, Chattogram, Bangladesh, July 8, 2022.

⁹⁴ World Health Organization, 2014, “Elimination of asbestos-related diseases,” WHO/FWC/PHE/EPE/14.01.

⁹⁵ Human Rights Watch interview with Dr. Rajat Biswas, Chattogram, Bangladesh, January 5, 2022.

⁹⁶ OSHA, U.S. Department of Labor. Hazards associated with shipbreaking. 2010
https://www.osha.gov/oshDoc/data_MaritimeFacts/shipbreaking-factsheet.pdf (accessed January 25, 2022).

⁹⁷ Human Rights Watch email with Peter Wyntin, Ghent, Belgium, August 28, 2023.

⁹⁸ Bangladesh Ship Breaking and Recycling Rules, 2011, Section 15.2(b).

⁹⁹ PPE, vacuums, tools to wet the fibers.

Environment.¹⁰⁰ But these procedures are rarely followed. Instead, workers and experts say the asbestos is just sold in the local market in what some workers called “asbestos villages.”¹⁰¹ Asbestos from ships is used in cooking stoves and other furniture for sale. “The way they are breaking it and transporting it to different shops is a whole mess,” one Bangladeshi activist said. “They just take it from the ship and bring to the shops.”¹⁰²

Soil and Water Pollution

Studies over the last decade have found that heavy metals such as iron, manganese, cobalt, copper, zinc, lead, cadmium, nickel, and mercury released from the ships on Bangladesh’s shores are contaminating the soil and groundwater, and via these, local fruits and vegetables.¹⁰³ For example, a 2020 study by researchers from the Bangladesh Council of Scientific and Industrial Research measured the metal contamination of soil around shipbreaking areas and food crops grown nearby and found that some crops were so heavily contaminated with dangerous heavy metals that they exceeded the threshold set by the World Health Organization for safe consumption.¹⁰⁴ The researchers estimated that copper, zinc, cadmium, and lead are “contributing to the potential human health risk in the ship breaking area.”¹⁰⁵

¹⁰⁰ Bangladesh Ship Breaking and Recycling Rules, 2011, Section 17.19(h) Human Rights Watch wrote to the Department of Environment on June 8, 2023 detailing the findings of Human Rights Watch’s research and offering right of reply. Human Rights Watch has received no response as of September 5, 2023.

¹⁰¹ Human Rights Watch focus group discussion, Chattogram, Bangladesh, July 8, 2022.

¹⁰² Human Rights Watch interview with local activist (name withheld), Chattogram, Bangladesh, July 8, 2022.

¹⁰³ Hasan AB, Kabir S, Selim Reza AHM, Zaman MN, Ahsan MA, Akbor MA, Rashid MM, “Trace metals pollution in sea water and groundwater in the ship breaking area of Sitakund Upazilla Chittagong, Bangladesh.” *Marine Pollution Bulletin*, vol. 71 iss. 1-2 (2013) pp. 317–324; Aktaruzzaman M, Chowdhury MAZ, Fardous Z, Alam MK, Hos- sain MS, Fakhruddin ANM, “Ecological risk posed by heavy metals contamination of ship breaking yards in Bangladesh.” *International Journal of Environmental Research*, vol. 8 iss. 2 (2014) pp. 469–478; Chowdhury N, Rasid MM, “Heavy metal contamination of soil and vegetation in ambient locality of ship breaking yards in Chittagong, Bangladesh,” *Journal of Environmental Science, Toxicology and Food Technology* vol. 10, iss. 10 (2016) pp. 20–27; Asma Binta Hasan, A. H. M. Selim Reza, Sohail Kabir, Md. Abu Bakar Siddique, Md. Ahedul Akbor, Md. Aminul Ahsan, “Accumulation and distribution of heavy metals in soil and food crops around the ship breaking area in southern Bangladesh and associated health risk assessment,” *SN Applied Sciences*, vol. 2, iss. 155 (2020), <https://doi.org/10.1007/s42452-019-1933-y>.

¹⁰⁴ Cu, Zn, Cd, and Pb. Of the fruits and vegetables tested (Olive, ladies finger (okra), rice grain, papaya, bottle gourd, guava, teasle gourd, and banana) “Zn concentration in bottle gourd, teasle gourd, okra, and olive exceeds the WHO limit (50 µg g⁻¹); Cadmium concentration in rice grain is at the threshold limit of the WHO standard (0.20 µg g⁻¹) But Cr concentration in all food samples, i.e., rice grain, banana, bottle gourd, guava, papaya, teasle gourd, okra, and olive, in the studied ship breaking area exceeded the WHO limit (1.00 µg g⁻¹) (Fig. 2c). Copper concentration in bottle gourd, guava, teasle gourd, okra, and olive exceeded the WHO limit (10.00 µg g⁻¹). Lead concentration in the olive exceeded the limit.”

¹⁰⁵ Asma Binta Hasan, A. H. M. Selim Reza, Sohail Kabir, Md. Abu Bakar Siddique, Md. Ahedul Akbor, Md. Aminul Ahsan, “Accumulation and distribution of heavy metals in soil and food crops around the ship breaking area in southern Bangladesh and associated health risk assessment,” *SN Applied Sciences*, vol. 2 iss. 155 (2020) <https://doi.org/10.1007/s42452-019-1933-y>.

Cadmium is carcinogenic and exposure through drinking water can result in neurodegeneration and other diseases.¹⁰⁶ When workers breathe in cadmium through industrial dust, exposure can lead to kidney damage and lung injuries.¹⁰⁷ Exposure to chromium can lead to neurological diseases and several cancers.¹⁰⁸ Mercury, when exposed through inhalation, ingestion, or skin contact, attacks the nervous system and can result in lifelong disability and even death in higher doses. Mercury is typically absorbed into the surface of a ship's carbon steel tank walls, piping, and pumps and is frequently found in oil extraction ships. When heated up by simple methods such as sand blasting, water blasting, grinding, and gas-axing (such as the oxygen-acetylene torches used by ship cutters), extremely toxic mercury vapor is released in high concentrations which will bypass most commercial personal protection equipment. Children are particularly susceptible to the harms of mercury poisoning because their bodies are still developing, meaning children working in shipbreaking yards are at particular risk. There is no known safe level of exposure.¹⁰⁹

Additional Environmental Impacts

Without the use of dry-docks it is nearly impossible for shipyards to deploy the proper tools and containment measures to safely process toxic ships. In 2010, Calin Georgescu, the then special rapporteur on toxics and human rights, argued that the requirement under the Basel Convention to take all practical steps towards the “environmentally sound

¹⁰⁶ Kim, T. H., Kim, J. H., Le Kim, M. D., Suh, W. D., Kim, J. E., Yeon, H. J., et al. “Exposure assessment and safe intake guidelines for heavy metals in consumed fishery products in the Republic of Korea” *Environmental Science and Pollution Research*, vol. 27 (2020) pp. 33042–33051, doi:10.1007/s11356-020-09624-0; Jiang, J. H., Ge, G., Gao, K., Pang, Y., Chai, R. C., Jia, X. H., et al. “Calcium signaling involvement in cadmium-induced astrocyte cytotoxicity and cell death through activation of MAPK and PI3K/Akt signaling pathways,” *Neurochemical Research*, Vol. 40, iss.9 (2015), 1929–1944. doi:10.1007/s11064-015-1686-y; Richter, P., Faroon, O., and Pappas, R. S., “Cadmium and cadmium/zinc ratios and tobacco-related morbidities,” *International Journal of Environmental Research and Public Health*, vol. 14, iss. 10 (2017) pp. 1154, doi:10.3390/ijerph14101154; Mahdi Balali-Mood, Kobra Naseri, Zoya Tahergorabi, Mohammad Reza Khazdair, Mahmood Sadeghi, “Toxic Mechanisms of Five Heavy Metals: Mercury, Lead, Chromium, Cadmium, and Arsenic,” *Frontiers in Pharmacology* (2021), <https://doi.org/10.3389/fphar.2021.643972>.

¹⁰⁷ Batářiiová, A., Spěvčíková, V., Beneš, B., Čejchanová, M., Šmíd, J., and Černá, M., “Blood and urine levels of Pb, Cd and Hg in the general population of the Czech Republic and proposed reference values,” *International Journal of Hygiene and Environmental Health*, vol. 209, iss. 4 (2006) pp. 359–366. doi:10.1016/j.ijheh.2006.02.005.

¹⁰⁸ Fang, Z., Zhao, M., Zhen, H., Chen, L., Shi, P., and Huang, Z., “Genotoxicity of tri- and hexavalent chromium compounds in vivo and their modes of action on DNA damage in vitro,” *PLoS One* vol. 9, iss. 8 (2014) doi:10.1371/journal.pone.0103194; Mahdi Balali-Mood, Kobra Naseri, Zoya Tahergorabi, Mohammad Reza Khazdair, Mahmood Sadeghi, “Toxic Mechanisms of Five Heavy Metals: Mercury, Lead, Chromium, Cadmium, and Arsenic,” *Frontiers in Pharmacology* (2021) <https://doi.org/10.3389/fphar.2021.643972>.

¹⁰⁹ Human Rights Watch, “Mercury: A Health and Human Rights Issue.” 2010, https://www.hrw.org/sites/default/files/related_material/Mercury%20A%20Global%20Health%20Treaty%20ENGLISH%20OWRES.pdf (accessed September 12, 2023).

management” of hazardous wastes “cannot be achieved when ships are dismantled on tidal beaches without concrete covering or any other containment.”¹¹⁰

At time of writing, Bangladesh does not have a toxic waste storage, treatment, and disposal facility for shipbreaking, despite commitments under the 2018 Ship Recycling Act to build one by 2021. Because ships in Bangladesh are broken down directly on the beach, toxic waste is dumped straight on the beach and the sea. Because Bangladesh is situated on a delta, the coasts have some of the largest tidal ranges in the world, meaning some toxic substances are swept out to sea and then back inland up coastal waterways.¹¹¹

Asok, 45, who has worked in shipbreaking since he was 10 years old, said that in recent years the shipyard owners created some storage rooms for waste, but that “actually they are throwing that waste into the sea. That’s why the sea water is getting polluted. And when investigators come to the yard that’s the only time waste is taken to the rooms.”¹¹²

Pollutants are permanently impacting marine biodiversity and coastal habitats. According to the Marine Institute of the University of Chittagong, the shipbreaking industry has wiped out 21 species of fish and crustacean and endangered 11 other species.¹¹³

A 2017 study by researchers at Bangladesh’s Jahangirnagar University estimated that there are about 20,000 fishing families living along the Sitakunda coastal strip whose lives and livelihoods are threatened by the pollution from shipbreaking. Fishermen explain that not only are the fish they rely on for their livelihood disappearing, but incoming boats regularly

¹¹⁰ Calin Georgescu, Special Rapporteur on the adverse effects of the movement and dumping of toxic and dangerous products and wastes on the enjoyment of human rights, “Preliminary assessment of whether the Hong Kong Convention establishes an equivalent level of control and enforcement as that established under the Basel Convention,” 2010, <https://shipbreakingplatform.org/wp-content/uploads/2019/01/UN-special-rapporteur-on-Basel-IMO-conventions-comparison.pdf> (accessed September 5, 2023).

¹¹¹ A. S. M. Alauddin Al Azad, Kazi Samsunnahar Mita, Md. Wasif Zaman, Marin Akter, Tansir Zaman Asik, Anisul Haque, Mohammad Asad Hussain, and Md. Munsur Rahman, “Impact of Tidal Phase on Inundation and Thrust Force Due to Storm Surge,” *Institute of Water and Flood Management, Bangladesh University of Engineering and Technology (BUET), Journal of Marine Science and Engineering*, vol. 6 iss. 4 (2018) p. 110; <https://doi.org/10.3390/jmse6040110>.

¹¹² Human Rights Watch interview with Asok, Chattogram, Bangladesh, July 27, 2022.

¹¹³ International Law and Policy Institute, “Shipbreaking Practices in Bangladesh, India and Pakistan: An Investor Perspective on the Human Rights and Environmental Impacts of Beaching,” May 18, 2016, <https://www.shipbreakingplatform.org/wp-content/uploads/2019/01/Shipbreaking-report-mai-2016.pdf> (accessed January 4, 2022).

tear through their nets which take months to repair, cutting into an important source of income.¹¹⁴

Aijaz, 25, said that he used to be a fisherman but started working in shipbreaking because ships kept breaking through his nets. He explained:

When a ship is taken to the yards the propeller tears the nets of the fishermen. But whenever fishermen go to the yard owners asking for compensation for their nets, they scold them and do not give them taka for their losses. Water is polluted by the ship when they throw the fuel and chemicals in the water that is harmful for the sea plants and fish. Fishermen are not getting fish as they got before. There is a scarcity of fishes in the coastal areas here.¹¹⁵

Masum, 44, who started selling fish after he was injured in the shipbreaking yards said “the sea water is being polluted by the ships and it is poisonous in the sea water, so the fisherman are not finding any fish. The fish are dying. That’s why fishermen have to go into the deep sea to catch fish. Lives of the fishermen are getting risky day by day.”¹¹⁶

Nurul, 24, explained that not only do shipyard owners refuse to pay for the fishermen’s losses when ships break through their nets, but they also will threaten and intimidate the fishermen. “Sometimes the yard owners confiscate the nets to prevent fishing. The owners feel it gets in the way because they want to control the beach area. The fishermen can’t say anything because shipyard owners are powerful and fishermen are very poor.”¹¹⁷

The shipbreaking industry is also responsible for cutting down coastal mangrove forests, one of Bangladesh’s most important lines of defense against climate change. Bangladesh is one of the most vulnerable countries to climate change in the world. It is predicted that in the next 30 years more than 10 percent of coastal land will disappear, displacing one in

¹¹⁴ Isacco Chiaf, Tomaso Clavarino, “With Bare Hands,” Al Jazeera, 2017, <https://shipbreakingplatform.org/spotlight-with-bare-hands/> (accessed January 26, 2023).

¹¹⁵ Human Rights Watch interview with Aijaz, Chattogram, Bangladesh, July 27, 2022.

¹¹⁶ Human Rights Watch interview with Masum, Chattogram, Bangladesh, July 26, 2022.

¹¹⁷ Human Rights Watch interview with Nurul, Chattogram, Bangladesh, July 26, 2022.

seven people.¹¹⁸ Mangrove forests serve as an important barrier to erosion, holding land together with their roots as tides rise.¹¹⁹ However, shipyard owners have illegally cut down swaths of mangroves to make way for incoming ships.¹²⁰

¹¹⁸ Arif Chowdhury, Md. Khalid Hasan, Md. Robiul Hasan, Tahmina Bintay Younos, “Climate change impacts and adaptations on health of Internally Displaced People (IDP): An exploratory study on coastal areas of Bangladesh,” *Heliyon*, vol. 6 Iss. 9 (2020) <https://doi.org/10.1016/j.heliyon.2020.e05018>.

¹¹⁹ Jonathan Sanderman et al, “A global map of mangrove forest soil carbon at 30 m spatial resolution,” *Environmental Research, Letter*, 13 (2018).

¹²⁰ NGO Shipbreaking Platform, “The Environmental Costs,” <https://www.shipbreakingplatform.org/our-work/the-problem/environmental-costs/> (accessed January 4, 2022).; Dr. Md. M. Maruf Hossain, Mohammad Mahmudul Islam, “Ship Breaking Activities and its Impact on the Coastal Zone of Chittagong, Bangladesh: Towards Sustainable Management,” Institute of Marine Sciences, University of Chittagong, Chittagong-4331, Bangladesh. <https://www.ypsa.org/publications/Impact.pdf> (accessed May 29, 2023).

II. Legal Framework for Ship Recycling

There are international and national laws and guidelines for safe and environmentally sound ship recycling. However, these requirements are frequently ignored or circumvented. Without effective enforcement, Bangladeshis will continue to pay the heavy cost in the form of damage to the environment, to health, and to the rights of workers.

International and National Rights Obligations

Right to Safe and Healthy Working Conditions

The International Covenant on Economic, Social, and Cultural Rights (ICESCR), ratified by Bangladesh, requires all party states to ensure safe and healthy working conditions.¹²¹ The International Labour Organization additionally lays out obligations and standards to protect worker's rights to occupational health and safety. The two core instruments are the Occupational Safety and Health Convention (C155) and the Promotional Framework for Occupational Safety and Health Convention, 2006 (C187). In June 2022, ILO delegates voted to add the principle of a safe and healthy working environment to the Fundamental Principles and Rights at Work, meaning that all ILO Member States are committed to respecting and promoting the fundamental right to a safe and healthy working environment, regardless of whether they have ratified the relevant conventions.¹²² Though Bangladesh has not ratified ILO Conventions 155 and 187, it is therefore still obligated to uphold their standards.

Nationally, there are three main pieces of legislation protecting shipbreaking workers' rights to occupational health and safety: the 2011 Shipbreaking and Recycling Rules (enforced through the 2018 Ship Recycling Act), the 2013 National Occupational Safety and Health (OSH) Policy, and the 2006 Labour Act.

¹²¹ International Covenant on Economic, Social, and Cultural Rights (ICESCR), Adopted December 16, 1966 by General Assembly resolution 2200A (XXI), entered into force January 3, 1976, in accordance with article 27.

¹²² International Labour Organization, "International Labour Conference adds safety and health to Fundamental Principles and Rights at Work," June 10, 2022, https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_848132/lang-en/index.htm (accessed September 15, 2023).

The 2011 Shipbreaking and Recycling Rules require that all workers are provided with personal protective equipment including head, face, hand, and foot protection, respiratory protective equipment, hearing protection, protection against radioactive contamination, protection from falls, and appropriate clothing meeting standards set by the Bangladesh Standards and Testing Institution under the Ministry of Industries.¹²³ Yards must have systems and procedures in place to document and track all hazardous waste on ships and to adequately respond in case of emergency. The rules also explicitly call for yards to establish an occupational health and safety policy in consultation with workers.¹²⁴

The 2013 OSH Policy applies to all workplaces, formal and informal, including shipbreaking yards, and requires employers to provide training, guidelines, and adequate safety equipment.¹²⁵ It also recommends periodic medical examinations of workers to identify potential workplace-related diseases or injuries.¹²⁶

The Bangladesh Labour Act 2006 (amended in 2018) states that “no authority shall engage any worker in work without providing him with personal safety equipment,”¹²⁷ including safety goggles in conditions where they are at risk of exposure to excessive heat, debris, or light, as is the case for shipbreakers.¹²⁸ The law prohibits work requiring people to lift, carry, or move excessive weight that would be likely to cause injury. The law also requires employers to maintain safety records in any facility employing more than 25 workers.¹²⁹ If a worker reports an injury, the employer is required within three days of such notice, to “ensure the worker is examined at the expense of the employer by a registered medical practitioner.”¹³⁰ In the case of a fatal accident, employers are obligated under the Labour Act to report the accident within seven days to the local Labor Court.¹³¹ The employer is liable to pay compensation if the worker suffers “total or partial disablement” for more

¹²³ Human Rights Watch wrote to the Ministry of Industries on June 8, 2023 detailing the findings of Human Rights Watch’s research and offering right of reply. Human Rights Watch has received no response as of September 5, 2023.

¹²⁴ Bangladesh Shipbreaking and Recycling Rules, 2011, Chapter IV (17) Safety and Compliance and Chapter VII (29) Health Compliance.

¹²⁵ National Occupational Safety and Health (OSH) Policy, 2013, Clause.4. d.7.

¹²⁶ OSH policy, clause 4.a.12.

¹²⁷ Bangladesh Labour Act 2006, section 78A.

¹²⁸ *Ibid.*, section 75.

¹²⁹ Bangladesh Labour Act 2006, Section 90; Bangladesh Labour Rules, 2015, Rule 73.

¹³⁰ Bangladesh Labour Act 2006 Section 160 (1), BLA Amendment 2013.

¹³¹ Bangladesh Labour Act 2006, Section 159.

than three days.¹³² Injuries eligible for compensation include occupational diseases specific to the employment context such as asbestosis and certain cancers in the case of shipbreaking.¹³³

Under the Fatal Accidents Act, 1855, in the case that a worker dies in a workplace accident, the court may pay damages to the family “proportioned to the loss resulting from such death.”¹³⁴ The Labour Welfare Foundation Act, 2006, set up a workers’ welfare foundation called the Bangladesh Sramik Kalyan Foundation (BSKF).¹³⁵ The BSKF’s responsibilities include providing financial assistance to workers who are physically disabled, arranging medical treatment and providing financial assistance to workers in case of work-related injury, and providing aid to the worker’s family in case of death.¹³⁶

Right to Health

The International Covenant on Economic, Social and Cultural Rights (ICESCR), which Bangladesh ratified in 1998, specifies that every person has a right “to the enjoyment of the highest attainable standard of physical and mental health.”¹³⁷ Because states have different levels of resources, international law does not mandate the kind of health care to be provided beyond a certain minimum level. The right to health is considered a right of “progressive realization,” meaning that by becoming party to the ICESCR, a state agrees “to take steps ... to the maximum of its available resources” to achieve the full realization of the right to health.¹³⁸

The ICESCR requires that states, in order to realize the right to the highest attainable standard of health, shall take the steps necessary for “the improvement of all aspects of

¹³² Amount of compensation is detailed in Schedule 5 of the Bangladesh Labour Act, 2006.

¹³³ Bangladesh Labour Act 2006, Section 150(a).

¹³⁴ Fatal Accidents Act, 1855, section 1.

¹³⁵ Bangladesh Sramikkalyan Foundation, <https://www.sramikkalyan.org/> (accessed September 5, 2022).

¹³⁶ Bangladesh Workers Welfare Foundation Act, 2006 (Act No. 25 of 2006), art. 5.

¹³⁷ International Covenant on Economic, Social and Cultural Rights (ICESCR), adopted December 16, 1966, G.A. Res. 2200A (XXI), 21 U.N. GAOR Supp. (No. 16) at 49, U.N. Doc. A/6316 (1966), 993 U.N.T.S. 3, entered into force January 3, 1976, arts. 12 and 27.

¹³⁸ The United Nations Committee on Economic, Social and Cultural Rights (CESCR), the independent expert body charged with monitoring compliance with the ICESCR, maintains that there are certain core obligations that are so fundamental, all states must fulfill them regardless of financial status, observing that “a State party cannot, under any circumstances whatsoever, justify its non-compliance with the core obligations ... which are non-derogable.”

environmental and industrial hygiene.”¹³⁹ The Committee on Economic, Social, and Cultural Rights (CESCR) which interprets and monitors states’ compliance with the ICESCR in the General Comment 14 on the Right to Health, has interpreted the ICESCR to include:

... [T]he prevention and reduction of the population’s exposure to harmful substances such as radiation and harmful chemicals or other detrimental environmental conditions that directly or indirectly impact upon human health.¹⁴⁰

The right to health encompasses the right to healthy natural environments.¹⁴¹ The CESCR has explained that governments violate the right to the highest attainable standard of health if they fail to regulate the activities of corporations to prevent them from violating the right to health of others.¹⁴²

Labor Rights

Both the ICCPR and the ICESCR, along with the relevant International Labour Organization (ILO) conventions, guarantee the right to join trade unions. These, together with the authoritative interpretation of the ILO core conventions overseen by the ILO Committee on Freedom of Association (CFA), obligate governments to ensure that employers do not thwart union formation and participation.¹⁴³

ILO Convention No. 87 provides that workers have the right to join organizations “of their choosing without prior authorization” and authorities should not engage in any interference that would restrict this right or impede its enjoyment.¹⁴⁴ ILO convention No. 98 provides that workers shall be protected from anti-union discrimination, in particular acts to “cause the dismissal of or otherwise prejudice a worker by reason of union membership or because of participation in union activities outside working hours or, with the consent

¹³⁹ ICESCR, art. 12(b).

¹⁴⁰ The Committee on Economic, Social and Cultural Rights is the U.N. body responsible for monitoring compliance with the ICESCR. UN Committee on Economic, Social and Cultural Rights, General Comment No. 14: The right to the highest attainable standard of health, UN Doc. E/C.12/2000/4, adopted August 11, 2000, para. 15.

¹⁴¹ ICESCR, art.12; CESCR General Comment No. 14, para. 15.

¹⁴² CESCR General Comment No. 14, para 51.

¹⁴³ Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), Right to Organise and Collective Bargaining Convention, 1949.

¹⁴⁴ ILO Convention No. 87 on Freedom of Association, art. 3(2) and art. 2.

of the employer, within working hours.”¹⁴⁵ Bangladesh has ratified ILO conventions 87 and 98 on freedom of association and collective bargaining, and is required to protect the rights contained in them.

Section 195 of the Bangladesh Labor Act (2006, amended 2013) makes it illegal to “dismiss, discharge, remove from employment, or threaten to dismiss, discharge, or remove from employment a worker, or injure or threaten to injure him in respect of his employment by reason that the worker is or proposes to become, or seeks to persuade any other person to become, a member or officer of a trade union.”¹⁴⁶

Working Hours and the Right to Rest

The ICESCR requires all party states to ensure rest, leisure, and reasonable limitations of working hours.¹⁴⁷ Under the Bangladesh Labour Act 2006, workers should not regularly work more than eight-hour days.¹⁴⁸ Employers are required to allow one hour rest or two half hour intervals in an eight-hour workday.¹⁴⁹ Under the Bangladesh Labour Act, 2006, every worker is entitled to sick leave with full wages for 14 days in a calendar year.¹⁵⁰

Wages

Though a living wage is not nominally defined under international law, Article 23 of the Universal Declaration of Human Rights states that “everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.”¹⁵¹ The International Labour Organization enshrines this right in Conventions 95 and 131 and includes recommendations on enforcing minimum wages, including by protecting the right to freedom of association.

¹⁴⁵ ILO Convention No. 98 on Collective Bargaining, art. 1(2).

¹⁴⁶ Bangladesh Labor Act (2006, amended 2013), Section 195.

¹⁴⁷ ICESCR, art. 7 (d).

¹⁴⁸ Workers can work more than 40 hours a week provided that the total hours do not exceed 60 hours in any week and do not exceed an average of 56 hours per week in any year. Under Section 102 (2), the government can make an exemption for up to 6 months in industries understood to be in the public interest or for economic development.

¹⁴⁹ Bangladesh Labour Act, 2006, 101(d).

¹⁵⁰ Bangladesh Labour Act, 2006, 116

¹⁵¹ Universal Declaration of Human Rights, Article 23.

The ICESCR recognizes the right to a remuneration that provides for “a decent living for themselves and their families” in accordance with other basic rights protected by the covenant.¹⁵²

In 2018 the Ministry of Labor and Employment established minimum wage requirements in the shipbreaking sector under the 2006 Labour Act. Most of the workers interviewed for this report fall under either Grade three (cutters) or four (helpers). According to the requirements, employers must pay those in Grade three 21,250 BDT (\$194) per month, including stipends for housing, medical care, and transport.¹⁵³ For Grade four, employers must pay 16,000 BDT (\$146) per month, including stipends for housing, medical care, and transport.¹⁵⁴ Many Bangladesh shipbreaking companies do not comply with these minimum standards, instead offering contracts that workers sign for a fraction of the wages without any effort at informed consent.

Child labor

The Bangladesh government has identified shipbreaking as one of 38 most dangerous forms of child labor as part of its 2008 National Elimination of Child Labour Policy.¹⁵⁵ The 2009 High Court 18-point directive bans the employment of children under the age of 16 in shipbreaking yards and the 2011 Shipbreaking and Recycling Rules ban the employment of children.¹⁵⁶ Still, researchers estimate that 13 percent of shipbreaking workers overall are children and that 20 percent of workers during illegal nightshifts are children.¹⁵⁷

The UN Convention on the Rights of the Child and the ILO Worst Forms of Child Labour Convention, both ratified by Bangladesh in 1990 and 2001 respectively, require states to

¹⁵² International Covenant on Economic, Social and Cultural Rights, Article 7(a)(ii).

¹⁵³ Ministry of Labor & Employment, Notification by Bangladesh Gazette, Schedule of Monthly and daily wage rates of shipbreaking workers. February 11, 2018. For those working less than a month, the day rate for Grade three is 820 BDT (\$7.49).

¹⁵⁴ Ibid. For those working less than a month, the day rate for Grade three is 615 BDT (\$5.62).

¹⁵⁵ Bangladesh Hazardous Work List, March 2013, http://www.ilo.org/ipec/Informationresources/WCMS_382487/lang-en/index.htm (accessed August 19, 2023).

¹⁵⁶ Bangladesh Shipbreaking and Recycling Rules, 2011.

¹⁵⁷ Dr. Muhammad Shaheen Chowdhury, “Study Report on Child Labour in the Shipbreaking Sector in Bangladesh,” June 19, 2019, <https://shipbreakingplatform.org/wp-content/uploads/2020/04/Child20Labor20Final.pdf> (accessed January 6, 2022).

ensure companies are prohibited from employing children under 18 in work that is likely to be hazardous or harmful, or to interfere with the child’s education.¹⁵⁸

The Worst Forms of Child Labor Recommendation provides guidance to countries on determining what types of work constitute harmful or hazardous work.¹⁵⁹ Many of these conditions are present in the shipbreaking industry such as work at dangerous heights or in confined spaces, work with dangerous machinery, equipment, and tools, and the manual handling or transport of heavy loads; unhealthy environment “which may, for example, expose children to hazardous substances, agents, or processes, or to temperatures, noise levels, or vibrations damaging to their health;” and work during night shifts.¹⁶⁰

International Laws and Regulations on Hazardous Waste and Ship Recycling

While existing international regulations lay out parameters for safe and environmentally sustainable ship recycling practices, they currently fail to address loopholes that prevent effective enforcement.

The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (the Basel Convention)

Adopted in 1989 by the United Nations Environmental Program (UNEP), the Basel Convention restricts and regulates the international trade of hazardous waste and requires state parties to “take all practical steps to ensure that hazardous wastes and other wastes

¹⁵⁸ Worst Forms of Child Labour Convention, art. 3(d). ILO Recommendation 190, which accompanies Convention 182, suggests that states parties identify the as hazardous labor to be prohibited: work with dangerous machinery, equipment and tools, or which involves the manual handling or transport of heavy loads; [and] work in an unhealthy environment which may expose children to hazardous substances, agents or processes, or to temperatures, noise levels, or vibrations damaging to their health. ILO, R 190, Worst Forms of Child Labor Recommendation, 1999, para. 3, <http://www.ilo.org/ilolex/english/convdisp1.htm>.

¹⁵⁹ The Convention on the Rights of the Child guarantees all children under eighteen the right “to be protected from economic exploitation and from performing any work that is likely to be . . . harmful to the child’s health or physical, mental, spiritual, moral or social development. Convention on the Rights of the Child (CRC), adopted November 20, 1989, G.A. Res. 44/25, annex, 44 U.N. GAOR Supp. (No. 49) at 167, U.N. Doc. A/44/49 (1989), entered into force September 2, 1990, acceded to by Bangladesh on August 3, 1990 art. 32; ILO Convention No. 182 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (Worst Forms of Child Labour Convention), adopted June 17, 1999, 38 I.L.M. 1207, entered into force November 19, 2000, ratified by Bangladesh on March 12, 2001, art. 3.

¹⁶⁰ International Labor Organization Recommendation No. 190 Concerning the Prohibition and Immediate Elimination of the Worst Forms of Child Labor, adopted June 17, 1999., para 3.

are managed in a manner that will protect human health and the environment from the adverse effects which may result from such wastes.”¹⁶¹

Under the Basel Convention and the Basel Ban Amendment, the country of the ship’s port where it is declared waste is obligated to ensure that the receiving country has sufficient capacity for environmentally sustainable management of toxic waste.¹⁶² Exporting countries are also obligated under the Basel Convention to obtain prior informed consent from the importing country which includes providing documentation of hazardous materials in the ship.¹⁶³

In 2002, the Basel Convention Secretariat adopted the Technical Guidelines for the Environmentally Sound Management of the Full and Partial Dismantling of Ships (the Basel Convention Technical Guidelines) to serve as benchmarks for states to meet their obligations under the convention. According to the guidelines, state parties were expected to upgrade existing shipbreaking facilities to meet the standards of the model facility outlined in the technical guidelines within ten years of their adoption (by December 2012).

Our interviews suggest that twenty years since the adoption of the Basel Convention Technical Guidelines, shipyards in Bangladesh have yet to fulfill even the first stage of improvement.

¹⁶¹ The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, adopted March 22, 1989 by the Conference of Plenipotentiaries in Basel, Switzerland, entered into force May 5, 1992. Article 2, paragraph 8.

¹⁶² Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, Article 2(10), Article 6.

¹⁶³ *Ibid.*, Article 6.

The standards outlined in the Basel Convention Technical Guidelines¹⁶⁴ include:

Within one year of adoption (as of December 2003):

- Requiring inventories, cleaning, and safe removal of hazardous substances before recycling.
- Facilities should provide clean sufficient work areas with clearly demarcated zones for work, provide personnel with adequate protective equipment, and implement training on safe shipbreaking practices according to agreed-upon standards.¹⁶⁵

Within five years of adoption (as of December 2007):

- Facilities should have implemented basic measures of an Environmental Management System¹⁶⁶ including a waste management plan, a contingency preparedness plan, and a monitoring plan for the safe and environmentally sound management of shipbreaking waste.

Within ten years (as of December 2012):

- Facilities should have full containment measures in place and ships should be deconstructed on impermeable floors (e.g., using a dry dock or pier).
- All asbestos should be removed using a vacuum decontamination unit.
- Incineration or landfills should have adequate environmental protections.
- All facilities should use a functioning wastewater treatment system.
- All facilities should be certified according to generally accepted standards.¹⁶⁷

¹⁶⁴ Basel Convention Technical Guidelines for the Environmentally Sound Management of the Full and Partial Dismantling of Ships, adopted by the Conference of the Parties 6, Dec 2002. Basel Convention series/SBC No. 2003/2, <http://www.basel.int/Portals/4/Basel%20Convention/docs/meetings/sbc/workdoc/techships-e.pdf> (accessed January 24, 2023).

¹⁶⁵ The Basel Convention Technical Guidelines do not mandate a particular set of agreed upon standards.

¹⁶⁶ Detailed guidelines for such a system are included in the Technical Guidelines.

¹⁶⁷ The Basel Convention Technical Guidelines do not mandate a particular set of agreed upon standards for facility certification but recommends for example the ISO 14001 (the International Organization for Standardization, Environmental management systems — Requirements with guidance for use).

The Basel Ban Amendment

In 1995 a group of developing countries created the Basel Ban Amendment, which builds on the Convention and prohibits the export of hazardous wastes from member states of the European Union, Organization for Economic Cooperation and Development (OECD), and Liechtenstein to all other countries. The Ban Amendment entered into force on December 5, 2019.¹⁶⁸

Parties to the Basel Convention and the Ban Amendment include countries with some of the biggest shipping industries. But the Basel Convention has been difficult to enforce because it is only applicable once a ship technically becomes “waste,” at which point the country of the last port from which the ship departed is responsible for enforcing the convention.¹⁶⁹ A ship only becomes waste once it has been made clear there is an intent to dispose of them. Thus, ship owners circumvent the Basel Convention regulations by simply not declaring their intent to dispose of the ship and instead pretending that the ship is heading to a repair yard, for instance, or is being sold under the pretense of further use.

The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 (Hong Kong Convention)

On June 26, 2023, Bangladesh and Liberia acceded to the International Maritime Organization’s Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 (the Hong Kong Convention), thus meeting the requirements for the convention to enter into force on June 26, 2025.

The Hong Kong Convention is meant to set minimum standards for sustainable shipbreaking.¹⁷⁰ Parties to the convention are committed “to prevent, reduce, minimize and, to the extent practicable, eliminate accidents, injuries and other adverse effects on human health and the environment caused by Ship Recycling, and enhance life.”¹⁷¹ The convention requires ships to carry an inventory of hazardous materials and for ship

¹⁶⁸ The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal Ban Amendment, Decision II/12, UNEP/CHW. 2/30, adopted as a decision of the 2nd meeting of the Conference of the Parties, March 1994, entered into force December 5, 2019.

¹⁶⁹ Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, Article 2(10).

¹⁷⁰ The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, adopted May 15, 2009, <https://www.mofa.go.jp/mofaj/files/000343354.pdf> (accessed September 5, 2023).

¹⁷¹ Ibid.

recycling facilities to be “designed, constructed, and operated in a safe and environmentally sound manner.”¹⁷²

While shipping companies and shipbreaking yards both promote the Hong Kong Convention as the solution to a safe and sustainable ship recycling industry, experts and activists have long-lamented major gaps in the convention that weaken its ability to provide the regulation its proponents promise. Moreover, experts have repeatedly raised concerns that the Hong Kong Convention will serve to greenwash the shipbreaking industry, without ensuring much-needed regulation.

More than 100 civil society organizations have said that the Hong Kong Convention does not meet minimum standards for safety and environmental responsibility.¹⁷³ In an assessment of the convention, Calin Georgescu, the then special rapporteur on toxics and human rights stated that the Hong Kong Convention

fails to regulate in detail many important aspects of ship recycling activities, such as the adoption of the inventory of hazardous materials, the development of ship-recycling plans, the authorisation of ship-recycling facilities or the elaboration of appropriate procedures to prevent adverse effects to human health and the environment. These and other issues will be addressed only by the nonmandatory guidelines that are currently being developed by the IMO to ensure the effective implementation of the Convention, and which parties are only requested to “take into account.”

The convention does not ban or even discourage the beaching method. It does not require shipowners to pre-clean the ship of hazardous waste before recycling, regardless of whether the ship recycling yards have facilities to manage such waste, and only calls for the cargo residues, fuel, oil, and waste on board to be “minimized.”¹⁷⁴ It fails to ban the

¹⁷² Ibid.

¹⁷³ Rizwana Hasan, “Final Speech of the NGO Platform on Shipbreaking Before the International Conference on the Safe and Environmentally Sound Recycling of Ships,” May 15, 2019, https://shipbreakingplatform.org/wp-content/uploads/2019/01/IMOSpeechRIZWANA_HASAN1.pdf (accessed September 7, 2022).

¹⁷⁴ The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, Part B (Preparation for Ship Recycling), Regulation 8 (general requirements), paragraph 2.

movement of all ships containing asbestos, Polychlorinated biphenyls (PCBs),¹⁷⁵ or other hazardous materials to places where such wastes could not be handled in an environmentally sound way.

Many of the important aspects of the ship recycling process are relegated to a series of nonmandatory guidelines which the state parties are only requested to “take into account.”¹⁷⁶ Unlike the EU Commission’s comprehensive assessment protocols that include independent auditing, the Hong Kong Convention makes it easy to approve substandard yards and relegates assessment to local authorities without independent oversight. If there is no objection to a yard’s ship recycling plan within two weeks, the plan “shall be deemed approved.”¹⁷⁷

The Hong Kong Convention applies to the recycling state and the ship’s flag state, not the beneficial owner. A company seeking to circumvent even the inadequate terms of the Hong Kong Convention need only to change its flag to that of a country that has not signed the convention before being imported for breaking. Since the Hong Kong Convention is also applicable to the recycling state, it puts all the pressure on developing countries that do not have the resources, capacity, or leverage to ensure the ships they are importing are not full of toxic waste. At the same time, the convention does not contain any provisions for funds or alternative financing mechanisms to support the development of adequate facilities for the safe and environmentally sound recycling of ships.

Activists have also argued that the process to develop the Hong Kong Convention privileged industry interests over substantive regulation. Rizwana Hasan, director of the Bangladesh Environmental Lawyers Association (BELA), said of the process: “The clarion calls for substantive change have been rebuffed in every instance. Instead of real change, real responsibility, real action, we have been given an inventory, a plan, and some

¹⁷⁵ PCBs are a type of synthetic organic chemicals. They are classified as a probable carcinogen by the International Agency for Research on Cancer. See: World Health Organization, “Polychlorinated biphenyls and polybrominated biphenyls / IARC Working Group on the Evaluation of Carcinogenic Risks to Humans,” 2015, IARC Monographs on the Evaluation of Carcinogenic Risks to Humans Volume 107, <https://publications.iarc.fr/131>.

¹⁷⁶ International Maritime Organization, “The development of the Hong Kong convention,” <https://www.imo.org/en/OurWork/Environment/Pages/Ship-Recycling.aspx> (accessed September 5, 2022).

¹⁷⁷ The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, Part B (Preparation for Ship Recycling) Regulation 9 (Ship Recycling Plan), paragraph 4.2.

guidelines.”¹⁷⁸ Calin Georgescu, the then special rapporteur on toxics and human rights expressed concern that

the forum chosen for the development of the Convention and the approach followed by IMO to reach an agreement over the final text have in some cases determined the predominance of economic interests over the overarching objective of protecting human health and the environment against the major hazards posed by the current ways of dismantling ships.¹⁷⁹

The entry into force of the Hong Kong Convention raises concerns that it will replace the Basel Conventions application to ship recycling. However, experts argue that the Hong Kong Convention fails to provide an equivalent level of control and enforcement to the Basel Convention.¹⁸⁰

Among other issues, unlike the Basel Convention and the Ban Amendment, the Hong Kong Convention does not outright “prohibit the movement of end-of-life ships containing asbestos, PCBs or other hazardous materials to countries where such wastes could not be handled in an environmentally sound way.”¹⁸¹

Second, while the Basel Convention emphasizes the importance of traceability of waste until its final disposal to ensure it is managed in a way that is environmentally sound, the Hong Kong Convention only stipulates that waste be transferred to a facility authorized for its disposal and does not require monitoring of waste dispatched downstream.

¹⁷⁸ Ibid.

¹⁷⁹ Calin Georgescu, Special Rapporteur on the adverse effects of the movement and dumping of toxic and dangerous products and wastes on the enjoyment of human rights, “Preliminary assessment of whether the Hong Kong Convention establishes an equivalent level of control and enforcement as that established under the Basel Convention,” 2010, <https://shipbreakingplatform.org/wp-content/uploads/2019/01/UN-special-rapporteur-on-Basel-IMO-conventions-comparison.pdf> (accessed May 20, 2022).

¹⁸⁰ Calin Georgescu, Special Rapporteur on the adverse effects of the movement and dumping of toxic and dangerous products and wastes on the enjoyment of human rights, “Preliminary assessment of whether the Hong Kong Convention establishes an equivalent level of control and enforcement as that established under the Basel Convention,” 2010, <https://shipbreakingplatform.org/wp-content/uploads/2019/01/UN-special-rapporteur-on-Basel-IMO-conventions-comparison.pdf> (accessed May 20, 2022).

¹⁸¹ Ibid. 5.

Third, under the Hong Kong Convention, ship recycling states are able to receive tacit approval for a ship recycling plan, rather than ensuring the plan for each ship is independently audited, which former special rapporteur on Toxics Calin Georgescu argued fails to satisfy the Basel Convention’s requirement of prior informed consent.

Finally, the Hong Kong Convention only applies to commercial ships and those over 500 GT, whereas the Basel Convention applies to all end-of-life ships.¹⁸²

Meanwhile, various companies have begun offering shipyard owners “statements of compliance” with the Hong Kong Convention, that serve to greenwash substandard yards.¹⁸³ Ship owners can hire these companies, known as “classification societies,” to carry out inspections and provide safety and other certifications required for flag registration. The EU currently recognizes 12 classification societies, allowing them to act on behalf of EU member states. However, yard owners will contract these same classification societies as private consultants to assess and provide statements of compliance with the Hong Kong convention, thus giving the appearance of state compliance when in reality it is a business-to-business transaction.¹⁸⁴ In regards to the classification societies, former special rapporteur on human rights and toxics Baskut Tuncak said: “such private companies do not operate independently at all and should rather be seen as extensions of the shipping industry.”¹⁸⁵

EU and OECD Regulations

The European Union has comprehensive regulations regarding the disposal of end-of-life ships. However, applying the regulations according to flag states allows EU companies to easily circumvent their requirements.¹⁸⁶

¹⁸² Ibid. 6.

¹⁸³ The requirements for a statement of compliance are unspecified.

¹⁸⁴ NGO Shipbreaking Platform, “HKC Statements of Compliance,” <https://shipbreakingplatform.org/issues-of-interest/the-law/hkc-soc/> (accessed September 5, 2022).

¹⁸⁵ Gie Goris, “Rainbow Warrior on shipbreaking beach in Bangladesh,” December 11, 2018, *Mondiaal Nieuws*, <https://www.mo.be/en/news/rainbow-warrior-shipbreaking-beach-bangladesh> (accessed September 5, 2022).

¹⁸⁶ Outside of Europe, there are also the 2004 International Labour Organization (ILO) Guidelines on Safety and Health in Shipbreaking in Asian countries and Turkey. While not legally binding, the 2004 ILO guidelines on safety and health in shipbreaking in Asia essentially set out parameters for ensure safer shipbreaking practices and to adhere to other ILO commitments on labor, occupational health, and safety. The guidelines strongly discourage the use of beaching but, recognizing that it is widely practiced in Asia, set out recommendations towards improving safety and moving towards dry-

European Union Waste Shipment Regulation (EU WSR) (EC 1013/2006)

Entered into force in June 2006, the European Union Waste Shipment Regulation implements the Basel Convention as well as the 2001 OECD Control System for waste recovery with the aim of controlling the movement of waste within and from the EU.¹⁸⁷ The EU WSR prohibits the shipment of waste, including end-of-life ships, to non-OECD countries. For shipment to OECD countries, the exporter must go through a set of procedures including prior notification and approval from destination authorities. Enforcement is left to member states, which are required to establish laws regarding the export of waste with penalties that must be “effective, proportionate, and dissuasive.”¹⁸⁸ Some states have begun incorporating criminal penalties for violating the EU WSR. In March 2022, a Norwegian appeals court upheld a November 2020 decision sentencing the owner of shipping company Eide Group, to six months imprisonment for violating section 79 of Norwegian Pollution Act (which incorporates the EU WSR in Norwegian law, although Norway is not a member state of the EU) and assisting Wirana (a major cash buyer) in attempting to illegally export a ship from Norway to the shipbreaking yards in Gadani, Pakistan. The court additionally ordered Eide Group to pay US\$201,523 and Wirana to pay US\$705,330.¹⁸⁹

On November 17, 2021, the European Commission adopted a proposal to revise the EU WSR (and amending Regulations [EU] No 1257/2013 and [EU] No 2020/1056).¹⁹⁰ As part of the EU co-legislative process, the European Parliament adopted its position on January 17,

dock facilities. See International Labour Organization, “Safety and health in shipbreaking Guidelines for Asian countries and Turkey,” Geneva, International Labour Office, 2004.

¹⁸⁷ Regulation (EC) No 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste.

¹⁸⁸ *Ibid.*, Article 50.1.

¹⁸⁹ Gulating Court of Appeal, March 22, 2022, Case Number 21-073085AST-GULA/AVD1

<https://shipbreakingplatform.org/wp-content/uploads/2022/10/Translated-judgement-from-the-Appeal-Court-in-the-Tide-Carrier-case.pdf> (accessed September 5, 2023).

¹⁹⁰ Proposal for a Regulation of the European Parliament and of the Council on Shipments of Waste and amending Regulations (EU) No 1257/2013 and EU No 2020/1056. Brussels, 11, 17, 2021.

[https://www.europarl.europa.eu/RegData/docs_autres_institutions/commission_europeenne/com/2021/0709/COM_COM\(2021\)0709_EN.pdf](https://www.europarl.europa.eu/RegData/docs_autres_institutions/commission_europeenne/com/2021/0709/COM_COM(2021)0709_EN.pdf) (accessed September 5, 2023).

2023.¹⁹¹ According to the Legislative Observatory,¹⁹² the Council has not yet reached a General Approach.

The Commission Proposal states, in its preamble 14 that:

Regulation (EU) No 1257/2013 of the European Parliament and of the Council applies to large commercial ships flying the flag of a Member State of the Union, which were excluded from the scope of application of Regulation (EC) No 1013/2006. However, following the recent international entry into force of the Ban Amendment, it is necessary to ensure that the ships covered by the scope of Regulation (EU) No 1257/2013 which become waste in the Union are made subject to the relevant Union waste shipment rules implementing the Ban Amendment, in order to ensure strict legal compatibility of the Union's legal regime with international obligations. At the same time, it is also necessary to amend Regulation (EU) No 1257/2013 to clarify that ships falling within the scope of that Regulation and which become waste in the Union shall only be recycled at those facilities included in the European List of ship recycling facilities established under that Regulation, which are located in countries listed in Annex VII to the Basel Convention.

EU Ship Recycling Regulation (EU SRR) EU No 1257/2013

The EU Ship Recycling Regulation,¹⁹³ adopted by the European Parliament in November 2013, specifically focuses on the export and management of end-of-life ships, and includes environmental protection and occupational health and safety standards. As of December 31, 2019, all EU-flagged ships were required to be recycled at an EU approved facility. At time of publishing, there are 48 such facilities that are regularly and

¹⁹¹ Amendments adopted by the European Parliament on 17 January 2023 on the proposal for a regulation of the European Parliament and of the Council on shipments of waste and amending Regulations (EU) No 1257/2013 and (EU) 2020/1056 (COM (2021)0709 – C9-0426/2021 – 2021/0367(COD)). https://www.europarl.europa.eu/doceo/document/TA-9-2023-0003_EN.html (accessed September 5, 2023).

¹⁹² Legislative Observatory, European Parliament, 2021/0367(COD), Shipments of waste, [https://oeil.secure.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2021/0367\(COD\)&l=en](https://oeil.secure.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2021/0367(COD)&l=en) (accessed April 24, 2023).

¹⁹³ Regulation (EU) No 1257/2013 of the European Parliament and of the Council of 20 November 2013 on ship recycling and amending Regulation (EC) No 1013/2006 and Directive 2009/16/EC <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02013R1257-20180704> (accessed September 11, 2023).

independently audited for their compliance with standards on environmental protection and worker’s safety.¹⁹⁴ None of these approved facilities are in Bangladesh.

In June 2022, the European Commission launched a consultation process to evaluate the EU SRR in relation to the objectives of the European Green Deal and the circular economy action plan, assess its application and effectiveness, and identify gaps in implementation and enforcement. After a first call for evidence closed, the Commission has opened a public consultation which ended on June 7, 2023 with the perspective to publish a proposal for a revision in the first quarter of 2024 (at the time of publication).¹⁹⁵

The findings of this report demonstrate that the EU SRR is not being implemented or enforced effectively because it fails to apply to the true beneficial owners of ships. As outlined in the recommendations of this report, the EU SRR should be revised to apply according to the beneficial owner, rather than the flag state of a ship, and should be applied for no less than two years following the sale of a ship.

EU Environmental Crime Directive

On December 15, 2021, the European commission adopted a proposal for a new EU Directive on Environmental Crime under the European Green Deal. If adopted, the directive would require member states to ensure that national laws codifying the EU SRR would have to meet minimum penalties, including prison sentences and fines, and commit adequate resources to ensure effective enforcement. The draft directive explicitly includes illegal ship recycling as a category of criminal offense.¹⁹⁶

Bangladesh National laws

Bangladesh has laws to protect labor rights including in the shipbreaking yards, but these are not properly enforced.

¹⁹⁴ European Commission, “Ship Recycling: Updated list of European facilities includes three new yards,” July 27, 2023, https://environment.ec.europa.eu/news/ship-recycling-updated-list-european-facilities-includes-three-new-yards-2023-07-27_en (accessed August 19, 2023).

¹⁹⁵ European Commission, EU Ship Recycling Regulation – evaluation, https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13377-EU-Ship-Recycling-Regulation-evaluation_en (accessed April 24, 2023).

¹⁹⁶ Proposal for a Directive of the European Parliament and of the Council on the protection of the environment through criminal law and replacing Directive 2008/99/EC. Brussels, adopted December 15, 2021, COM (2021) 851.

Shipbreaking Laws and Rulings

As a result of advocacy and impact litigation by the Bangladesh Environmental Lawyers Association (BELA), on March 17, 2009, the High Court of Bangladesh halted the import of ships for recycling until it could be shown that a vessel had

been decontaminated and that the dismantling of the vessel will be conducted under strict conditions following the laws of the land keeping in view the need to have satisfactory provisions for the safety of the workers, safety and integrity of the environment and adequate provisions for the disposal of the waste generated by the dismantling process.¹⁹⁷

The court additionally issues an 18-point directive to ensure health and safety standards and labor rights protections.¹⁹⁸ These included prohibitions against child labor and night shifts; to ensure workers have adequate protective equipment; to ensure workers are given breaks, have a safe place to rest, and are provided with contracts; and to provide adequate facilities for safe removal of asbestos, PVC, PCB, and heavy metals so that “no workers shall be exposed to these contaminants.” Finally, the directive tasked the Department of Environment and Ministry of Labour with monitoring compliance with these directives and to ensure that “no hazardous substance is released into any river, water body, canal, sea, land or any place other than the waste dumping facilities.”¹⁹⁹

On December 15, 2010, the court again ordered the closure of 36 shipbreaking yards (nearly all functioning yards at the time) for operating without environmental clearance. On March 7, 2011, shipbreaking was allowed to restart under the condition that yards complied with the 2009 directive.

On October 19, 2011, the court said that yards had failed to comply with the 2009 directive and ordered the Department of Environment to stop issuing certificates until it was clear that proper rules and procedures were in place. In response, the Ministry of Industries published the Shipbreaking and Recycling Rules, 2011 and the Bangladesh Department of

¹⁹⁷ Bangladesh High Court Judgement in Writ Petition No 7260 of 2008.

¹⁹⁸ Ibid.

¹⁹⁹ Ibid.

Environment adopted the Hazardous Waste and Ship Breaking Hazardous Waste Management Rules, 2011.

The publication of two separate sets of rules by two separate ministries has led to confusion and complications in application of standards. Indeed, in a 2019 ruling in the case of the import of the vessel *North Sea Producer*, the Bangladesh High Court stated that “a conundrum has arisen” whereby the two ministries have submitted “two separate but competing, if not rival, sets of rules addressing shipbreaking.”²⁰⁰ Still, both sets of rules require supply of personal protective equipment, removal of hazardous materials before a ship is imported, and provide for compensation and care in case of worker injuries or death.

In 2016, the High Court issued a contempt rule against the authorities and the shipbreaking yard owners, asking the President of the Ship Breakers Association to explain why, seven years later, they still had not implemented the 2009 orders.²⁰¹

In 2018, the Ministry of Industry adopted the Ship Recycling Act.²⁰² The Ship Recycling Act established the Bangladesh Ship Recycling Board (BSRB), responsible for the “overall supervision of ship recycling activities.”²⁰³ The structure of the board, however, raises serious concerns about its independence, undermining the ability of the BSRB to adequately ensure the protection of workers’ rights and safety. While the board includes representatives of relevant ministries, local authorities, the president of the Association of Ship Recycling Industries, and two representatives of ship recycling yard owners, it does not include those most impacted such as local environmental organizations, labor rights groups, or worker representatives.²⁰⁴

²⁰⁰ Supreme Court of Bangladesh, High Court Division, Judgement in Writ Petition No. 8477 of 2017, on November 14, 2019, p. 9.

²⁰¹ NGO Shipbreaking Platform, “Press Release – Bangladesh High Court issues contempt rule against 14 Government Officials: ministries and shipbreakers asked to account for non-compliance with 2009 judgement,” April 12, 2016, <https://shipbreakingplatform.org/press-release-bangladesh-high-court-issues-contempt-rule-against-14-government-officials-ministries-and-shipbreakers-asked-to-account-for-non-compliance-with-2009-judgement/> (accessed January 26, 2022).

²⁰² Translation in Appendix IX.

²⁰³ Bangladesh Ship Recycling Act, Act No VIII of 2018, Chapter 3, section 11. Human Rights Watch wrote to the Bangladesh Ship Recycling Board on June 8, 2023 detailing the findings of Human Rights Watch’s research and offering right of reply. Human Rights Watch has received no response as of September 5, 2023.

²⁰⁴ Human Rights Watch wrote to the Bangladesh Ship Recycling Board on June 8, 2023, detailing the findings of Human Rights Watch’s research and offering right of reply. Human Rights Watch has received no response as of September 5, 2023.

The Ship Recycling Act requires regular inspections by an appointee of the Bangladesh Ship Recycling Board of shipbreaking yards to ensure they are following Bangladesh’s 2011 laws on ship recycling. It also committed to creating a toxic waste storage, treatment and disposal facility by 2021 which all shipbreaking yards would be required to use.²⁰⁵ The Act states that the BSRB is responsible for ensuring all workers are adequately trained and that the government will create a training institute for shipbreaking workers by 2023.²⁰⁶ Additionally, it requires all yard owners to provide life insurance for all shipbreaking workers and, in the event of a death or serious injury on the job, to compensate the worker and/or their family according to the Bangladesh Labour Act and the 2011 Shipbreaking Rules.²⁰⁷ Notably, injuries that should be compensated according to the 2011 shipbreaking rules include longer term work-related illness, including asbestosis and cancer.²⁰⁸

In July 2019 BELA submitted a writ petition to the High Court claiming that since the 2009 judgement “at least 201 incidents have occurred in 85 yards claiming no less than 193 lives and injuring at least 86 labourers.”²⁰⁹ BELA is arguing that these casualties could have been avoided had the 2009 orders been implemented. In addition to the deaths, injuries include loss of limbs and a separate petition specifically on cases of asbestos poisoning. The petition has called for the suspension of all work and import of ships to shipyards associated with these accidents—at least 40 yards—until it can be independently proven that the shipyards are meeting international standards under the Basel Convention.²¹⁰ Judgement is still pending.

In November 2019, the High Court issued a judgment on a 2017 case filed by BELA regarding a ship called the *North Sea Producer* that was illegally imported in 2016.²¹¹ Though the ship was radioactive and full of asbestos, it was imported with a certificate stating that it was free of hazardous materials, akin to the recent certificates documented

²⁰⁵ Ibid, Chapter 5, Section 17(2).

²⁰⁶ Ibid, Chapter 5, Section 19(2).

²⁰⁷ Ibid, Chapter 5, Section 20(2).

²⁰⁸ 2011 Shipbreaking Rules, Chapter 6, paragraph 25.

²⁰⁹ Writ Petition 7260 of 2008 in the matter of Bangladesh Environmental Lawyers Association versus Bangladesh and others. Supplementary affidavit for and on behalf of the petitioner-applicant for placing additional pertinent documents and for amendment of the prayer for the application dated 06 March 2019. On file with Human Rights Watch.

²¹⁰ Ibid.

²¹¹ Supreme Court of Bangladesh, High Court Division, Judgment on November 14, 2019 on Writ Petition No. 8466 of 2017 in the matter of an Application under Article 102 of the Constitution of the People’s Republic of Bangladesh and in the Matter of Bangladesh Environmental Lawyer’s Association (BELA) vs. Bangladesh and others. On File with Human Rights Watch.

in this report. The High Court ruled that the import of the ship was illegal and directed the Department of Environment to ensure that ships were not imported without verified certificates.²¹² The court directed the government to monitor and record the activities of cash buyers and the agents certifying the ships to stop importing scrapped ships sailing under grey and blacklisted flags.²¹³ Since this order, however, shipyards have imported at over 100 ships under gray or black-listed flags.

Environmental Laws

To be imported for breaking, a ship must be issued a “No Objection Certificate” from the BSRB based on a review of the ship’s hazardous waste inventory by the customs department. Additionally, the Department of Environment must issue an environmental clearance certificate and the Department of Explosives must issue “gas free for man entry,” and a “gas free for hot work” certificates.²¹⁴

A ship recycling facility can only be approved if it demonstrates that it has a license for storage of flammable liquids, has adequate storage facilities for toxic waste and, specifically, a plan for safely handling, treating, and disposing of asbestos.²¹⁵ Waste cannot be thrown into the sea or on the seashore and “shall be removed carefully and sent immediately to the areas outside the beach for safe treatment and disposal.”²¹⁶ The Department of Environment is responsible for carrying out regular monitoring of air, soil, and water quality and ship recyclers will lose their authorization if it is found that they are not disposing of waste in an “environmentally sound manner.”²¹⁷

Bangladesh’s Environmental Conservation Act, 1995, prohibits all industrial units from operating without an environmental clearance certificate.²¹⁸ The Department of Environment’s director general, or their delegate, has wide powers to enter premises, search buildings, collect air, water, and soil samples, and seek the assistance of law

²¹² Ibid.

²¹³ Ibid.

²¹⁴ Shipbreaking and Recycling Rules, 2011.

²¹⁵ Ibid., Art. 16.2

²¹⁶ Ibid., Art. 19 f(iii).

²¹⁷ Ibid., Art. 16.2

²¹⁸ Environmental Conservation Act, art. 18 (viii).

enforcement forces or utility providers to ensure compliance with his or her orders.²¹⁹ It additionally empowers the Director General of the Department of Environment to order a person or group to pay compensation if they are found to have caused direct or indirect “injury to the ecosystem.”²²⁰ Bangladesh’s Labour Act (2006) requires that all establishments have effective measures for the disposal of wastes and effluents generated by manufacturing processes.²²¹

Responsibilities of Businesses Involved in Shipbreaking in Bangladesh

The UN Guiding Principles on Business and Human Rights (UNGP) set out the responsibilities of companies to prevent human rights abuses. Regardless of their size or where they are based, businesses must “avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur.”²²² They should also “seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts.”²²³ Additionally, “where business enterprises identify that they have caused or contributed to adverse impacts, they should provide for or cooperate in their remediation through legitimate processes.”²²⁴ The UN Guiding Principles reaffirm that states have a duty to protect their citizens from human rights abuses committed by business. This requires them to take “appropriate steps to prevent, investigate, punish and redress such abuse through effective policies, legislation, regulations and adjudication.”²²⁵

Inspired by the UNGP and the OECD Guidelines on Multinational Enterprises, the ongoing debate at EU level on the proposal for a Corporate Sustainability Due Diligence Directive (CSDDD) foresees that EU companies under its scope will be subjected to mandatory

²¹⁹ Ibid., art. 12.

²²⁰ Ibid., art. 7.

²²¹ Labour Act (2006), section 54.

²²² Office of the High Commissioner for Human Rights, “UN Guiding Principles on Business and Human Rights,” Principle 13(a) https://www.ohchr.org/sites/default/files/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf (accessed August 19, 2023).

²²³ Ibid, principle 13 (b).

²²⁴ Ibid, principle 22.

²²⁵ UN Commission on Human Rights, “Report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises, Annex, I.A.1,” A/HRC/17/31, March 2011, <http://www.business-humanrights.org/media/documents/ruggie/ruggie-guiding-principles-21-mar-2011.pdf> (accessed July 9, 2022).

obligations to prevent, mitigate, cease, and remediate human rights violations and environmental damages linked to their own operation and those of their value chains. Once the final text is approved, the CSDDD could therefore include specific liabilities over companies to ensure that their business relationship at all levels of the value chain do not cause or contribute to abuses. As such, it may apply also to ship owners and other companies involved in shipbreaking, including cash buyers and certification schemes.

III. How Shipping Companies Circumvent Laws and Regulations on Sustainable Ship Recycling

The evidence obtained by Human Rights Watch shows that many companies and countries involved in the shipping industry regularly ignore and circumvent of international laws and regulations that are in place to ensure that ships are recycled sustainably and safely.

These regulations fail for three main reasons:

First, because shipping companies can register their ships under a different flag from that of the country where they are based, they can easily circumvent state regulations. The EU Ship Recycling Regulation, for instance, only applies to those ships sailing under an EU flag. Therefore, EU shipping companies simply register under a non-EU flag when selling the ship for scrapping.

As of December 31, 2018, all EU-flagged ships were required to be recycled at an EU-approved facility and yet, according to publicly available shipping data, less than half of the 475 EU ships that were decommissioned since January 2019 were recycled in approved yards.²²⁶ The majority were beached in South Asia, where none of the yards have met the safety and environmental standards set by the EU.²²⁷ None of the EU ships scrapped in Bangladesh entered under an EU flag.²²⁸

Similarly, the Hong Kong Convention, which will enter into force in June 2025, applies according to flag state. Meaning, shipping companies seeking to avoid its application can simply swap flags to a non-signatory state.

Second, an opaque industry of “cash buyers,” essentially scrap dealers who purchase end-of-life ships from shipping companies and sell them to shipbreaking yards in South Asia, enables shipping companies to evade responsibility for where their ships are scrapped. Cash buyers frequently register end-of-life ships under shell companies, making it additionally difficult to determine beneficial ownership.

²²⁶ NGO Shipbreaking Platform, “Annual Lists,” <https://shipbreakingplatform.org/annual-lists/> (accessed March 30, 2023).

²²⁷ Ibid.

²²⁸ Ibid.

Inspection reports and required documentation are often outsourced to cash buyers and other middlemen. EU approved yards require that a ship's Inventory of Hazardous Materials is created in accordance with international regulations. But Bangladesh authorities are ill-equipped to conduct proper inspections of end-of-life ships before approving them for import, so they will often rely on the seller or another offshore third party. This means waste declarations for ships imported to Bangladesh are often completed without any oversight, transparency, or clear accreditation, with potentially fatal consequences.

Third, without a transparent and regulated system for enforcement of the terms of the Basel Convention, countries will frequently ignore requirements without consequence. Companies easily circumvent the Basel Ban amendment and EU Waste Shipment Regulation, which ban the export of end-of-life ships from OECD to non-OECD countries, by simply ensuring that the ship has left OECD waters before it is declared waste or by providing fraudulent information indicating that the ship is being sold for further operational use or repair.

The Case of the Virgin Star

On August 31, 2019, workers at Ziri Subedar Shipbreaking yard in Bangladesh were tearing apart the *Virgin Star*, a containership previously owned by Greek shipping company Cyprus Sea Lines SA, when a heavy cable fell from the ship crushing the workers below.²²⁹ Aminul Islam, 35, and Tushar Chakma, 27, died on the spot and 13 others were injured.²³⁰

Aminul's mother, Delawar, said the shipyard was responsible for her son's death because "there was no safety for the workers. It was like a murder."²³¹ But she told

²²⁹ Human Rights Watch wrote to Cyprus Sea Lines SA on May 15, 2023, detailing the findings of Human Rights Watch's research and offering right of reply. Human Rights Watch has received no response as of September 5, 2023; Human Rights Watch wrote to Ziri Subedar Shipbreaking yard on April 21, 2023, detailing the findings of Human Rights Watch's research and offering right of reply. Human Rights Watch has received no response as of September 5, 2023.

²³⁰ NGO Shipbreaking Platform, "Press Release – Accident on board Greek ship kills two and injures thirteen", September 3, 2019, <https://shipbreakingplatform.org/accident-greek-ship-kills-two-injures-seventeen> (accessed September 28, 2022).

²³¹ Ziri Shipbreaking temporarily closed following the incident and opened an investigation. Ziri Shipbreaking yard was ordered to pay 600,000 BDT (\$6,322) to Aminul's family by a Chittagong labor court.

Human Rights Watch that she also believes Cyprus Sea Lines SA, is responsible as the beneficial owner of the ship.²³²

The *Virgin Star* arrived in Bangladesh on February 4, 2019. However, its final voyage began a few months earlier when it collided with another ship leading to an oil spill off the coast of Corsica on October 7, 2018.²³³ The EU Waste Shipment Regulation made it illegal for Cyprus Sea Lines SA to send the *Virgin Star* (then called *CSL Virginia*) straight to scrapyards in Bangladesh from French waters. It remained anchored in French waters for about three weeks before it was reportedly approved to sail to Romania for repairs.²³⁴ However, the *CSL Virginia* never made it to Romania.²³⁵ Instead, it stopped in Turkey for a little over a month where its name was changed to the *Virgin Star*, its flag from Cyprus to Liberia, and was sold for about \$10.3M on December 21, 2018 for scrap in Bangladesh.²³⁶

Flags of Convenience

Ships are subject to the laws of their flag state.²³⁷ However, ships are not required to maintain the same flag throughout their operational life, nor is it required that the flag match the country of the ship's beneficial owner. Because different countries have different maritime laws and regulations, shipping companies will frequently swap flags to avoid regulatory burdens. This is referred to as "flag hopping." Over 70 percent of the

²³² Human Rights Watch interview with Delawar Begum, location withheld, July 13, 2022.

²³³ Luisa Schröder, "Update: Ferry struck container ship off the coast of island of Corsica," FleetMon October 9, 2018, <https://www.fleetmon.com/maritime-news/2018/23861/update-ferry-struck-container-ship-and-remained-st/> (accessed January 30, 2023).

²³⁴ "Damaged CSL Virginia Heads for Romania," Offshore Energy October 26, 2018, <https://www.offshore-energy.biz/damaged-csl-virginia-heads-for-romania/> (accessed January 31, 2023).

²³⁵ Activity report for Virgin Star (IMO 9289568) Issued by Vessels Value, August 8, 2023.

²³⁶ Demolition history report for Virgin Star (IMO 9289568) Issued by Vessels Value, August 8, 2023; NGO Shipbreaking Platform, "Press Release – Accident on board Greek ship kills two and injures thirteen,": September 3, 2019, <https://shipbreakingplatform.org/accident-greek-ship-kills-two-injures-seventeen> (accessed September 28, 2022); "Damaged CSL Virginia Sold for Demolition in Bangladesh," World Maritime News January 17, 2019, <https://www.offshore-energy.biz/damaged-csl-virginia-sold-for-demolition-in-bangladesh/> (accessed November 28, 2022).

²³⁷ UN Convention on the Law of the Seas (UNCLOS), adopted December 10, 1982, G.A. Res. 37/66, at General Assembly 37th Session, 91st plenary meeting December 3, 1982, entered into force 16 November 1994. Part VII, High Seas Section 1, General Provisions, Article 91, paragraph 1.

world fleet is flagged by countries other than that of the vessel’s owner.²³⁸ While Greece, China, Japan, Germany, and Norway are the top ship owning countries, together Panama, Liberia, the Marshall Islands, and Hong Kong flag more than half of the world’s fleet.²³⁹

The EU Ship Recycling Regulation is only applicable to ships sailing EU flags. Therefore, EU shipping companies planning to dump their ships at a facility that has not been vetted and approved by the EU commission for safety and sustainability, will simply ensure that the vessel is not sailing under an EU flag when it is sent for disposal.

Many ships owned by EU companies never sail under an EU flag during their operational life, but this is especially true at the end of a ship’s life. In 2020, while 40 percent of the world’s fleet was owned by European companies, only 5 percent had an EU flag when they were sold for scrap.²⁴⁰ None of the 93 EU ships scrapped in Bangladesh since 2019 entered under an EU flag.

Flag registries that are “open,” meaning they will provide flags to foreign ships, are described as “flags of convenience.” These flags are usually provided by countries with lower regulatory obligations and enforcement.²⁴¹ These governments frequently privatize the function of registering and regulating ships operating under their flag. Therefore, despite exercising a public function, open flag registries are often private companies (or a mix of privately-owned companies and government entities), headquartered outside of the flag state itself. In fact, two of the three largest shipping registries—Liberia and the Marshall Islands—are US-owned companies headquartered in Virginia.²⁴² The Panama Ship Registry—the world’s largest flag registry—was initially headquartered in New York until it

²³⁸ When calculating by weight. When calculated by number of ships, just over 55 percent of the world’s fleet is flagged by a country other than the vessel’s country of origin; United Nations Conference on Trade and Development “Review of Maritime Transport, 2021,” https://unctad.org/system/files/official-document/rmt2021_en_o.pdf (accessed May 18, 2022).

²³⁹ Measured by weight; *Ibid*.

²⁴⁰ NGO Shipbreaking Platform, “Press Release – Platform publishes list of ships dismantled worldwide in 2020,” February 2, 2021, <https://shipbreakingplatform.org/platform-publishes-list-2020/> (accessed September, 27, 2022).

²⁴¹ International Transport Workers’ Federation, “Flags of Convenience,” <https://www.itfglobal.org/en/sector/seafarers/flags-of-convenience> (accessed November 28, 2022).

²⁴² “About IRI,” International Registries website, <https://www.register-iri.com/about-iri/> (accessed September 28, 2022); “About the Liberian Registry,” Liberian Registry website, <https://www.liscr.com/> (accessed August 19, 2023); Human Rights Watch wrote separately to the Liberian Registry on May 9, 2023, and International Registries (the Marshall Islands Registry) on May 11, 2023, detailing the findings of Human Rights Watch’s research and offering right of reply. Human Rights Watch has received no response as of September 15, 2023.

shifted headquarters to Panama City but maintains offices in Houston and Miami.²⁴³ Popular flags of convenience for end-of-life ships are also based in Europe. For instance, the Palau flag registry is headquartered in Greece while the St. Kitts and Nevis registry is headquartered in the UK.²⁴⁴

Flags of convenience are not only used to circumvent ship recycling regulations but are also used to circumvent labor laws at sea including ensuring fair wages, adequate food and water, and reasonable working hours. According to the International Transport Workers' Federation (ITF), flag of convenience registries “make it more difficult for unions, industry stakeholders and the public to hold ship owners to account.”²⁴⁵ For this reason, the ITF has called for the flags of convenience system to be abolished.²⁴⁶

Flag Registry influence at the International Maritime Organization

The International Maritime Organization (IMO) is the UN entity responsible for regulating and enforcing international shipping standards including environmental and labor protections and has the authority to enforce these requirements.²⁴⁷ However, the structure of the IMO limits its ability to act as an effective regulator. Decisions at the IMO enter into force when a certain number of states that represent a certain percentage of the world fleet have ratified. Since flags of convenience are up for sale, these countries flag more ships and thus have more decision-making power at the IMO. This means that those countries (and in many cases, companies) with the greatest incentive to keep regulatory burdens low are also those with the most power.

²⁴³ “Segumar,” Panama Registry website, <https://panamashipregistry.com/maritime-services/segumar/> (accessed September 28, 2022).

²⁴⁴ Human Rights Watch wrote to separately to the St Kitts and Nevis International Ship Registry and the Palau Registry on May 9, 2023 detailing the findings of Human Rights Watch’s research and offering right of reply. On May 10, 2023, a representative of the St Kitts and Nevis International Ship Registry replied stating that “The St Kitts & Nevis International Ship Registry adheres to the international rules and regulations as stipulated by the International Maritime Organisation and, as a matter of policy, does not comment on individual vessels.” Human Rights Watch has received no response from Palau Registry as of September 5, 2023.

²⁴⁵ International Transport Workers’ Federation, “Flags of Convenience,” <https://www.itfglobal.org/en/sector/seafarers/flags-of-convenience> (accessed November 28, 2022). The ITF Fair Practices Committee—a group of ITF seafarers and dockers—maintains a list of flags of convenience that can be found here: <https://www.itfglobal.org/en/sector/seafarers/flags-of-convenience> (accessed September 5, 2023).

²⁴⁶ Ibid.

²⁴⁷ Human Rights Watch wrote to the International Maritime Organization on June 8, 2023 detailing the findings of Human Rights Watch’s research and offering right of reply. Human Rights Watch’s letter and the International Maritime Organization’s reply are included in Appendix III.

This also means that the shipping industry can influence important regulations regarding labor, health, human rights, and environmental protections by essentially buying flags—and thus influence—at the IMO. For example, the website of the Liberian shipping registry, a privately owned company, boasts: “Liberia has taken a leading role in global shipping at a very early stage and continues to be a voice for shipowners at IMO.”²⁴⁸ A 2018 study by Transparency International found that member states with open flag registries have uneven influence on decisions at the IMO and that the shipping industry itself had “disproportionate influence.”²⁴⁹ It also found that activities of the IMO lacked transparency and there was a lack of delegate accountability.²⁵⁰

In a July 14, 2023 report on his visit to the IMO, Special Rapporteur on the implications for human rights of the environmentally sound management and disposal of hazardous substances and wastes, Marcos Orellana, noted that “While IMO is a regulatory organization, it has not always exhibited the requisite transparency and participation called for by a human rights-based approach.”²⁵¹

When Human Rights Watch asked the IMO for details on the organization’s access information policy, an IMO official replied: “Concerning access to information, all IMO documents (e.g., documents submitted to IMO bodies, reports, circulars, amendments to mandatory instruments) are available via the online IMO documents portal upon registration, with registration being open to the public.”²⁵² While this is a positive step towards improving transparency, the documents available to the public are limited. For instance, the public has no access to IMO audit reports on member states’ implementation and enforcement of applicable IMO instruments—an important tool for monitoring adherence to regulations. Moreover, as Special Rapporteur Marcos Orellana noted, the IMO secretariat maintains “wide discretion,” on what documents are shared with the public, potentially inhibiting public access.²⁵³

²⁴⁸ Liberian International Ship & Corporate Registry, “About The Liberian Registry,” <https://www.liscr.com/about-liberian-registry> (accessed January 24, 2023).

²⁴⁹ Transparency International, “Governance at the International Maritime Organization,” July 2, 2018, <https://www.transparency.org/en/publications/governance-international-maritime-organisation> (accessed May 24, 2022).

²⁵⁰ Ibid.

²⁵¹ Ibid, para 9.

²⁵² Letter from the International Maritime Organization to Human Rights Watch dated June 29, 2023. The full letter can be found in Appendix III.

²⁵³ Ibid, para 35.

Cash buyers

Serving as a middleman, cash buyers enable ship owners to avoid selling end-of-life ships directly to a Bangladeshi shipbreaking yard. The cash buyer often will register the ship under new ownership (frequently a P.O. box corporation created for the purposes of disposing the vessel) and works with a flag registry to change the ship's flag. With a new flag, a new name, and a new owner, the cash buyer then sells the ship to the highest shipyard bidder.

Three cash-buyers control about two-thirds of the global market: Global Marketing Systems (GMS), Wirana, and Best Oasis.²⁵⁴ The largest of the three, GMS, incorporated in the US and headquartered in Dubai, boasts having negotiated nearly half of the total mass of ships dismantled in South Asia in 2020.²⁵⁵

Ships imported to Bangladesh for scrap are rarely registered under their beneficial owner. In many cases, the cash buyer will use a shell company as the new registered owner of the ship during its sale to scrapyards in Bangladesh.²⁵⁶ Sometimes these companies are set up by the cash buyer themselves or offered by flag registries which, in addition to providing flag registration, also advertise the ability to set up a company within 24 hours.

Shell companies make it easy for cash buyers to hide their involvement in shipbreaking. In the case of the North Sea Producer described below, public documents showed that the ship was sold to a company called Conquistador Shipping Corporation.²⁵⁷ It wasn't until 2019 that an investigative expose revealed leaked documents linking Conquistador

²⁵⁴ NGO Shipbreaking Platform, "Cash Buyers," <https://www.shipbreakingplatform.org/our-work/the-problem/cash-buyers/> (accessed September 28, 2022).

²⁵⁵ GMS webpage, "About," https://www.gmsinc.net/gms_new/index.php/about (accessed September 28, 2022). The company has offices in the United States, Germany, Greece, the U.A.E., India, Singapore, Korea, China, and Japan and sells ships to yards in Bangladesh, Pakistan, Turkey, India, and China. Human Rights Watch wrote separately to GMS, Wirana, and Best Oasis on May 8, 2023 detailing the findings of Human Rights Watch's research and offering right of reply. Human Rights Watch received a reply from Best Oasis on June 1, 2023. However, the company requested that we do not publish the reply. Human Rights Watch has received no response from GMS or Wirana as of September 5, 2023.

²⁵⁶ Shell companies, according to the US government Treasury department's Financial Crimes Enforcement Network are defined as "non-publicly traded corporations, limited liability companies (LLCs), and trusts that typically have no physical presence (other than a mailing address) and generate little to no independent economic value." US Treasury, Financial Crimes Enforcement Network, "Potential Money Laundering Risks Related to Shell Companies," <https://www.fincen.gov/resources/statutes-regulations/guidance/potential-money-laundering-risks-related-shell-companies> (accessed November 29, 2022).

²⁵⁷ Human Rights Watch wrote to Conquistador Shipping Corporation on May 11, 2023 detailing the findings of Human Rights Watch's research and offering right of reply. Human Rights Watch has received no response as of September 5, 2023.

Shipping Corporation to GMS.²⁵⁸ In its communication to Human Rights Watch on July 3, 2023, Novonor confirmed that the contractual buyer for the North Sea Producer was GMS.²⁵⁹ In a second response to Human Rights Watch on August 22, 2023, Novonor additionally confirmed that GMS acted as the guarantor for the P.O. box company, Conquistador Shipping Corporation as the buyer.²⁶⁰

The use of cash buyers, and cash buyer's reliance on shell companies, has the effect of shielding ships' original owners and operators from accountability for deaths and injuries taking apart their ships. In 2019, the Bangladesh High Court directed the government to monitor and record the activities of cash buyers, but the use of shell companies make it extremely difficult to trace the actual owner of a ship before it is sold for scrap. Additionally, workers explained that many of the ships imported to the yards have the name either painted over or removed as soon as it enters the yard.

Virtually every ship that is broken on Bangladesh's shores was sold to the shipbreaking yard through a cash buyer. By contrast, for EU-approved yards, the involvement of cash buyers is not considered a risk worth taking. "We never use cash buyers," an industrial engineer managing recycling at an EU-approved yard explained, "we only work straight with the owner. It's always clear who is offering, buying, recycling."²⁶¹

By selling through a cash buyer shipping companies essentially forgo oversight over where and how a ship will be scrapped.

The FPSO North Sea Producer Case

The landmark case of the FPSO North Sea Producer illustrates the risks of selling end-of-life ships through cash buyers, both for shipping companies and the workers and communities where the ship is dismantled. The *North Sea Producer* had for 17 years

²⁵⁸ Margot Gibbs, "A moral crime': Leaked contract reveals how shipowners wash their hands of toxic vessels via offshore world," July 23, 2019, Finance Uncovered <https://www.financeuncovered.org/stories/shipbreaking-toxic-ships-offshore-beach-yards-cepsa-gms> (accessed April 12, 2023); NGO Shipbreaking Platform, "Maersk's Toxic Trade: The North Sea Producer Case," <https://shipbreakingplatform.org/spotlight-north-sea-producer-case/> (accessed April 12, 2023).

²⁵⁹ Letter from Novonor to Human Rights Watch dated July 3, 2023 (Appendix V).

²⁶⁰ Letter from Novonor to Human Rights Watch dated August 22, 2023 (Appendix V).

²⁶¹ Human Rights Watch interview with Peter Wyntin, Ghent, Belgium, September 19, 2022.

been used as a Floating Production Storage and Offloading (FPSO) ship to process oil from the UK continental shelf of the North Sea. During that time the *North Sea Producer* was owned by the North Sea Production Company Limited (NSPCL), a joint venture between the Danish shipping company A.P. Moeller Maersk and Brazilian construction company Odebrecht (now Ocyan).²⁶²

After the *North Sea Producer* was decommissioned in August 2015, it sat in UK waters for about a year before Maersk and Odebrecht sold the ship in April 2016 to the world's largest cash buyer, GMS.²⁶³ Maersk stated that upon the ship's contract termination, "the North Sea Producer was sold and transferred to a buyer in April 2016 on an 'as is, where is' basis, whereby the buyer took over operational and legal responsibility for the unit," essentially divesting itself of legal responsibility for where the ship would be scrapped.²⁶⁴ According to Novonor (the parent company of Odebrecht), the NSPCL had "put in place contractual mechanisms that recognized the actual sale process of the FPSO for re-deployment and not for scrapping."²⁶⁵ In other words, the ship was sold on the premise that it would be operated for further use, not scrapped, thus allowing the ship to leave UK waters without triggering the EU Waste Shipment Regulation or Basel Ban Amendment which would prohibit the ship from leaving OECD waters for scrap in a non-OECD country.

However, rather than being sold for further use, the *North Sea Producer* went straight to Bangladesh that same month where it was beached in Janata Steel Shipbreaking yard.²⁶⁶

²⁶² NGO Shipbreaking Platform, "Press Release – NGOs win FPSO North Sea Producer case," November 19, 2019 <https://shipbreakingplatform.org/north-sea-producer-judgement/> (accessed September 28, 2022); NGO Shipbreaking Platform, "Maersk's Toxic Trade: The North Sea Producer Case," <https://shipbreakingplatform.org/spotlight-north-sea-producer-case/> (accessed September 28, 2022). Human Rights Watch wrote to A.P. Moeller Maersk on May 11, 2023 detailing the findings of Human Rights Watch's research and offering right of reply. Human Rights Watch's letter and Maersk's reply are contained in Appendix IV.

²⁶³ Human Rights Watch wrote to Novonor, the parent company of Odebrecht, on June 8, 2023 detailing the findings of Human Rights Watch's research and offering right of reply. Human Rights Watch's letter and Novonor's reply are contained in Appendix V.

²⁶⁴ "Maersk Tightens its Ship Recycling Procedures," April 4, 2019, <https://www.maersk.com/news/articles/2019/04/04/maersk-tightens-its-ship-recycling-procedures> (accessed July 27, 2023).

²⁶⁵ Letter from Novonor to Human Rights Watch dated July 3, 2023 (Appendix V).

²⁶⁶ Supreme Court of Bangladesh, High Court Division, Judgment on November 14, 2019 on Writ Petition No. 8466 of 2017 in the matter of an Application under Article 102 of the Constitution of the People's Republic of Bangladesh and in the Matter of

Local Bangladeshi NGOs, in particular the Bangladesh Environmental Lawyers' Association, pushed Bangladesh's Department of Environment to investigate whether the ship was hazardous. In August 2017, the Bangladesh High Court issued an injunction to stop the ongoing breaking of the ship after investigators found that radiation levels coming from the ship were dangerously high.²⁶⁷

Both Maersk and Novonor stated that GMS had been contractually obligated to ensure that the ship would be recycled in a yard that met international environmental standards, but that GMS violated this agreement.²⁶⁸ According to Novonor:

the Buyer had environmental obligations to cater for the eventual end of life of the FPSO prior to and after the sale, as contained in the sale agreement. Despite its clear obligations not to do so, unknown to the Seller the Buyer facilitated the disposal of the FPSO to a facility in Bangladesh that did not comply with the requirements of the sale contract for Green Scrapping. NSPCL tried, through its partner, the Maersk Company and the eminent legal advisers Reed Smith of London, UK, to vigorously prevent its beaching and dismantling and was thwarted at every attempt to prevent same, by the Buyer.

Maersk said that it was “very, very sorry” that the *North Sea Producer* ended up in Bangladesh and has since stopped selling ships to be recycled in Bangladesh.²⁶⁹

In a letter to Human Rights Watch on July 3, 2023, Novonor said:

Bangladesh Environmental Lawyer's Association (BELA) vs. Bangladesh and others. Page 15. On File with Human Rights Watch. Human Rights Watch wrote to Janata Shipbreaking yard on April 25, 2023, detailing the findings of Human Rights Watch's research and offering right of reply. Human Rights Watch has received no response as of September 5, 2023.

²⁶⁷ Ibid.

²⁶⁸ “Maersk Tightens its Ship Recycling Procedures,” April 4, 2019,

<https://www.maersk.com/news/articles/2019/04/04/maersk-tightens-its-ship-recycling-procedures> (accessed July 27, 2023). Letter from Novonor to Human Rights Watch dated July 3, 2023 (Appendix V).

²⁶⁹ Nikolaj Skydsgaard, “Maersk defends sending ships to Indian shipbreaking yard,” Reuters, October 17, 2016, <https://www.reuters.com/article/maersk/maersk-defends-sending-ships-to-indian-shipbreaking-yard-idUKL8N1CN397> (accessed April 24, 2023); Maersk webpage, “Maersk tightens its ship recycling procedures,” April 4, 2019, <https://www.maersk.com/news/articles/2019/04/04/maersk-tightens-its-ship-recycling-procedures> (accessed May 30, 2023).

We were utterly dismayed and genuinely sorry with what transpired from the scrapping, in Bangladesh, by the buyer of the North Sea Producer FPSO, Global Marketing Systems JLT (“GMS” or “Buyer”), as a consequence of the Buyer totally disregarding certain and specific obligations in the sale agreement with NSPCL. For the avoidance of doubt, it is absolutely unacceptable to Novonor that GMS totally ignored the contractual provisions after the FPSO left UK waters...

GMS has not responded to a right of reply letter sent by Human Rights Watch on May 8, 2023.

Shipping companies, as in the FPSO North Sea Producer case, frequently blame cash buyers for their decision to recycle a ship at an unsustainable or unsafe shipyard. However, in response to a letter from Human Rights Watch, Best Oasis, a major cash buyer, said that shipping companies play a significant role in determining where ships are dismantled.

In response to a letter from Human Rights Watch, a representative of a cash buyer stated that: “The decision as to sending end-of-life ships to ship recycling yards in a particular country vest solely with the owners.”²⁷⁰ He explained that shipping companies frequently choose yards in South Asia because they have “relatively lower labour charges as compared to other countries” and that in some cases this comes at the sacrifice of safety standards.²⁷¹ He further stated that “It has been observed in several cases that the largest of the companies often opt for cheaper ship recycling yards which have a minor difference in pricing thereby detrimentally affecting the safety.”²⁷²

Over the last few years Bangladeshi workers and activists have brought cases against international shipping companies for injuries and deaths that occurred when breaking apart foreign end-of-life ships, that had been sold through cash buyers. These cases challenge the claim that selling a ship through a cash buyer to an unsafe yard shields the

²⁷⁰ Letter sent to Human Rights Watch on June 1, 2023.

²⁷¹ Ibid.

²⁷² Ibid.

original ship owner from liability. Given that the three main cash buyers sell ships almost exclusively to yards in South Asia²⁷³ where labor rights abuses and environmental harms have been well-documented, it is reasonable to expect that shipping companies that sell end-of-life ships through cash buyers know that their ship will likely be scrapped under abusive and environmentally damaging conditions.²⁷⁴

Maran Ltd. Case

In May 2021, Hamida Begum, won the right to sue British shipping agency Maran Ltd. for negligence in the courts of England and Wales over the death of her husband, Khalil Mollah, who fell to his death taking apart a Maran Ltd. oil tanker called *EKTA* while it was being taken apart in Chittagong.²⁷⁵ Maran Ltd. argued that it was not liable for Mollah's death because they had sold the ship to a cash buyer and thus, they were not responsible for where it was sold for demolition, and because the injury was caused by the conduct of a third party (the shipyard).

But Begum's lawyers claim that Maran Ltd. would have known the ship was likely destined for an unsafe facility when they sold it to the cash buyer and should be held liable. Trial and appeal courts both denied Maran Ltd's argument that the case should not go to trial.²⁷⁶ In the appeal court judgement allowing the case to go forward, all three judges agreed that that Maran Ltd.'s decision to sell the ship through a cash buyer did not necessarily shield it from liability. In his legal opinion, Lord Justice Males stated that:

²⁷³ GMS, Best Oasis, and Wirana additionally sell vessels to Turkey, where there are currently 6 EU-approved ship recycling yards out of the 28 total yards. Wirana also sells vessels to China.

²⁷⁴ Wirana webpage, "About Us," <https://www.wirana.com/about-us/why-wirana/> (accessed September 28, 2022); Best Oasis webpage, "About Us," <https://www.best-oasis.com/about-us> (accessed September 28, 2022); GMS webpage, <https://www.gmsinc.net/> (accessed July 27, 2023).

²⁷⁵ Human Rights Watch wrote to Maran Ltd. on May 5, 2023 detailing the findings of Human Rights Watch's research and offering right of reply. Human Rights Watch has received no response as of September 5, 2023.

²⁷⁶ Corporate Accountability Lab, "Hamida Begum v. Maran (UK) Limited: Shipbreaker's Death Turning the Tide in Third-Party Liability Claims Under English Law," May 17, 2021, <https://corpaccountabilitylab.org/calblog/2021/5/17/hamida-begum-v-maran-uk-limited-shipbreakers-death-turning-the-tide-in-third-party-liability-claims-under-english-law> (accessed September 28, 2022).

[I]t is the Claimant's case, supported by evidence, that the interposition of such an intermediate cash buyer was essentially a device for shipowners to seek to distance themselves from an unsavoury sector of the shipping industry... In those circumstances there is at least an arguable case that the shipowner knew and intended that the ship would go to Bangladesh to be broken up, and that it exercised the same control over the ship's destination as if it had been sold directly to the shipbreaker in Chattogram.

Additionally, in response to Maran Ltd's argument that "there was no relationship of 'proximity' between the shipowner and the Claimant's husband," which would be required to establish duty of care, Lord Justice Males stated that:

In the present case the Defendant did not have control over working conditions in Chattogram, but it did have control over whether the Claimant's husband would be exposed to the risk of death or serious injury from working on its ship. That was a foreseeable risk which the Defendant created by its decision to send the vessel to be broken up in Bangladesh and is arguably sufficient, in my judgment, to create the necessary relationship of proximity.²⁷⁷

The judgment sets important precedent in the development of case law on third party negligence, essentially demonstrating that adding cash buyers as an intermediary does not necessarily absolve shipping companies of their obligations to ensure their ships are disposed of in safe and sustainable facilities.

Exporting Ports Failures

Under the Basel Convention, the country of the ship's last port where it is declared waste is obligated to ensure that the receiving country has sufficient capacity for environmentally

²⁷⁷ England and Wales Court of Appeal (Civil Division) Decisions, *Begum v Maran (UK) Ltd (Rev1)* [2021] EWCA Civ 326 (10 March 2021) <https://www.bailii.org/ew/cases/EWCA/Civ/2021/326.html> (accessed September 11, 2023).

sustainable management of toxic waste. Exporting countries are also obligated under the Basel Convention to obtain prior informed consent from the importing country which includes providing documentation of hazardous materials in the ship.²⁷⁸

However, exporting ports frequently fail to meet these obligations. Moreover, there are no yards in Bangladesh with sufficient capacity according to the Basel Convention's Ship Recycling Guidelines and thus the export of any toxic ship to Bangladesh would be a violation of this requirement.

Falsified Ship Inventories

The EU Ship Recycling Regulation, Bangladesh Ship Recycling Act, and the Basel Convention all require ships to maintain an inventory of hazardous materials. According to Bangladesh's Shipbreaking and Recycling Rules, to be imported for breaking, a ship must be issued a "No Objection Certificate" from the BSRB based on a review of the ship's hazardous waste inventory by the customs department. Additionally, the Department of Environment must issue an environmental clearance certificate and the Department of Explosives must issue "gas free for man entry," and a "gas free for hot work" certificates.²⁷⁹ The 2009 High Court Directive forbids the import of any ship "which is not fully compliant with the conditions contained in the Environmental Clearance Certificate and that does not have adequate disposal facilities for hazardous wastes."²⁸⁰

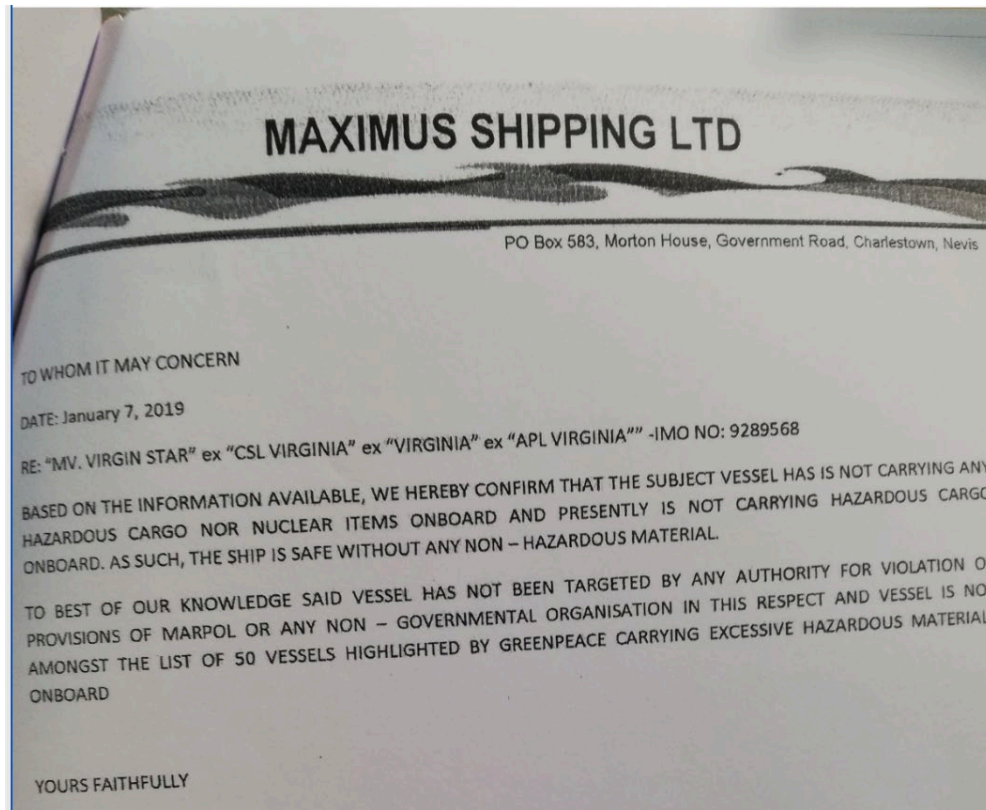
However, many of the inventories for ships entering Bangladesh are simply drafted by a cash buyer or another offshore third party without any oversight, transparency, or clear accreditation.

Human Rights Watch viewed 21 hazardous waste certificates for ships entering Bangladesh for breaking, all of which were prepared by third party companies. In some cases, the certificate was provided by a company linked to a known cash buyer.

²⁷⁸ Bangladesh law additionally requires that before a ship can come ashore, the yard owner must obtain a 'No Objection Certificate' from the SBSRB, which includes an IHM, a certificate from the department of Environment after examining the ship for hazardous waste and toxic materials, and two certificates from the Department of Explosives certifying that the ship is safe to cut with torches.

²⁷⁹ Shipbreaking and Recycling Rules, 2011.

²⁸⁰ Bangladesh High Court Judgement in Writ Petition No 7260 of 2008.



In the case of the *Virgin Star*, Human Rights Watch obtained a copy of the ship’s hazardous materials certificate, which was prepared on January 7, 2019 by Maximus Shipping Ltd., a company with a listed P.O. Box address in Nevis that has been associated with a major cash buyer.²⁸¹ The certification stated that “the ship is safe without any non-hazardous [sic] material.”

The language used to greenlight the *Virgin Star* for import is commonly used on pro-forma hazardous waste certificates for ships being imported to Bangladesh, suggesting that the parties drafting the certificates were not conducting adequate inspections or investigation of the actual materials onboard the ships. All of the certificates viewed by Human Rights Watch used similar language, in many cases verbatim.

By contrast, EU-approved yards require that a ship’s inventory is created in accordance with international regulations, including the IOM’s 2015 Guidelines for the Development of

²⁸¹ Human Rights Watch wrote to Maximus Shipping Ltd on May 8, 2023 detailing the findings of Human Rights Watch’s research and offering right of reply. Human Rights Watch has received no response as of September 5, 2023.

the IHM.²⁸² The IMO guidelines include a thorough inspection with sampling and testing, listing the quantity and location of every material.²⁸³ According to the procedure laid out by the IMO, if it is not possible to visibly assess the presence of hazardous materials, the equipment or area of the ship must be classified as “potentially containing hazardous materials.”²⁸⁴

Asbestos is one of the most common toxic materials in ships. However, most of the certificates viewed by Human Rights Watch indicated that the presence of asbestos on the ship was “nil” or “minimal.” Ship recycling experts explained that it would be impossible to make this determination without tests and sampling that Bangladesh does not have the capacity to perform. As one Bangladeshi activist explained, “They [the Department of Environment] don’t have that many resources and technical capacity to assess. The cash buyer just gives them a toxic free certificate.”²⁸⁵ On average, merchant ships contain about 20 tons of asbestos.²⁸⁶ A shipbreaking expert from an EU-approved yard questioned the probability that the ships entering Bangladesh could truly be free of asbestos said, “There are always hazardous materials. Once in 5 years that we have a ship without asbestos. An asbestos-free ship I would really doubt.”²⁸⁷

Falsified hazardous waste certificates are frequently used to greenlight toxic waste into Bangladesh, where there are no adequate facilities and downstream waste management systems.

In the *North Sea Producer* case, documented above, the Bangladesh Supreme Court ruled in 2019 that the documents used to import the *North Sea Producer* were “superficially prepared” or “fabricated” and that hazardous materials on the ship had been “deliberately

²⁸² 2015 Guidelines for the Development of the Inventory of Hazardous Materials, Resolution MEPC. 269(68), Adopted on 15 May 2015.

²⁸³ In contrast to the two-sentence statement provided for the *Virgin Star*, see appendix VIII with the tables that illustrate the requirements according to IOM guidelines on hazardous material which can range from ozone depleting substances to filament bulbs.

²⁸⁴ 2015 Guidelines for the Development of the Inventory of Hazardous Materials, Resolution MEPC. 269(68), Adopted on 15 May 2015. Appendix IV pp 28.

²⁸⁵ Human Rights Watch interview with activist (name withheld) Chattogram, Bangladesh, May 17, 2022.

²⁸⁶ International Bank for Reconstruction and Development/ The World Bank, “The Ship Breaking and Recycling Industry in Bangladesh and Pakistan,” December 2010, <https://openknowledge.worldbank.org/bitstream/handle/10986/2968/582750ESWoWhit1LIC1011098791web1opt.pdf?sequence=1&isAllowed=y> (accessed September 5, 2022).

²⁸⁷ Human Rights Watch interview with Peter Wyntin, Ghent, Belgium, September 19, 2022.

concealed or left vague.”²⁸⁸ Similar to the certificates reviewed by Human Rights Watch, the certificate used to import the *North Sea Producer* stated that there were no hazardous materials onboard, although it was found to be full of radioactive waste and 500kg of material containing asbestos.²⁸⁹

²⁸⁸ Supreme Court of Bangladesh, High Court Division, Judgment on November 14, 2019 on Writ Petition No. 8466 of 2017 in the matter of an Application under Article 102 of the Constitution of the People’s Republic of Bangladesh and in the Matter of Bangladesh Environmental Lawyer’s Association (BELA) vs. Bangladesh and others. On File with Human Rights Watch.

²⁸⁹ Mostafa Yousuf and Margot Gibbs, “Toxic ships sail in on false papers,” The Daily Star December 19, 2020 <https://www.thedailystar.net/frontpage/news/toxic-ships-sail-false-papers-2013621> (accessed September 28, 2022).

IV. A Way Forward

The number of ships that will be phased out and sent for recycling is projected to double by 2028 and nearly quadruple by 2033.²⁹⁰ Governments and financial institutions should implement policies now to ensure these ships are recycled off the beach, in safe and environmentally sustainable conditions. A combination of legislation and financial incentives could help to incentivize against the use of flags of convenience and cash buyers, and move towards a more transparent, accountable ship recycling industry.

In response to increased scrutiny over the conditions of the yards in Bangladesh, some shipping companies have in recent years shifted the disposal of their ships to the yards in India. However, the yards in India also do their primary cutting in the intertidal zone and lack adequate safety and protection measures. While at least six Indian yards have been inspected by the EU Commission, none of them have been approved as of July 2023, mostly due to gaps in environmental and health protections.²⁹¹

Instead of investing time and resources in defending unsafe practices, companies should invest in proven methods, and they should stop insisting that beaching is safe.²⁹² In order to ensure global capacity to sustainably recycle the massive influx in end-of-life ships over the next decade, shipping companies should invest in building dry-dock facilities that fully protect workers' rights and the environment as well as the downstream management of waste.

Strengthening EU Regulations

In 2023/24, the European Commission is assessing the EU Ship Recycling Regulation (SRR) and will consider whether and how to reform the regulation. The Commission should eliminate existing loopholes by making the regulation applicable to the beneficial owner of

²⁹⁰ Sustainable Shipping Initiative, "Exploring shipping's transition to a circular industry," June 2021, <https://www.sustainableshopping.org/wp-content/uploads/2021/06/Ship-lifecycle-report-final.pdf> (accessed September 28, 2022).

²⁹¹ EU Commission, "Site inspection reports of yards located in third countries," https://environment.ec.europa.eu/topics/waste-and-recycling/ships/site-inspection-reports_en (accessed January 31, 2023).

²⁹² "Maersk Pushes Back on Shipbreaking Practices," *The Maritime Executive* October 201, 2016, <https://www.maritime-executive.com/article/maersk-pushes-back-on-shipbreaking-practices> (accessed September 28, 2022).

ships, not the flag state. If the ship is sold, the regulation should remain applicable to the previous owner for no less than two years from the date of sale, thus discouraging the use of cash buyers to avoid liability. The revised SRR should refer to the due diligence obligations to be agreed upon in the frame of the Corporate Sustainability Due Diligence Directive.

The EU commission should consider creating a ship recycling license as described in the EU Ship Recycling Regulation preamble. A ship recycling license would require any ship that trades in EU waters to pay a fee towards a recycling license, accumulating capital over time. The total will then only be paid back to the last owner of the vessel if the ship is recycled at a shipbreaking yard on the list of EU-approved facilities.

The European Commission should update the 2004 Community Guidelines on State Aid to Maritime Transport to include a tonnage tax subsidy conditioned on recycling of ships in an EU-approved yard.

Creating Financial Incentive

Financial institutions play an important role in incentivizing safe and sustainable ship recycling practices. Banks should adopt explicit policies not to finance loans to shipbreaking yards that do not adequately protect their workers' rights to life and health, including those that use the 'beaching' method of shipbreaking. ING, for instance refuses to finance shipbreaking yards or cash buyers as a matter of policy.²⁹³

In previous years, Norwegian pension funds, the NGPF and KLP, have excluded certain shipping companies on the basis of their disposal of ships in yards that use the beaching method, particularly in Bangladesh and Pakistan.²⁹⁴ The threat of divestment may have contributed to other shipping companies increasing scrutiny of where their ships end up. In 2018, KLP's chief adviser, Aslak Skancke, said that during its investigation the fund

²⁹³ ING webpage, "Sustainability: Our Stance: Ship Recycling," <https://www.ing.com/Sustainability/Our-Stance/Ship-Recycling.htm> (accessed September 28, 2022).

²⁹⁴ KLP, "Decision to exclude Evergreen Marine Corporation Ltd, Korea Line Corporation, Precious Shipping PCL and Thoresen Thai Agencies PCL," January 2018, <https://www.klp.no/en/english-pdf/Skraping%20av%20skip%20beslutning%20ENG.pdf> (accessed September 28, 2022); Rachel Fixsen, "KLP banishes NAT in bid to end ship scrapping on Asian beaches," IPE Magazine March 15, 2019 <https://www.ipe.com/klp-banishes-nat-in-bid-to-end-ship-scrapping-on-asian-beaches/10030074.article> (accessed September 28, 2022).

contacted several firms in its portfolio “and when we made them aware of the possibility of exclusion from the fund, they ... decided to change their policy.”²⁹⁵

The Responsible Ship Recycling Standards

Some shipping companies and financial institutions have taken steps to commit to transparency and incentivize safer and more sustainable shipbreaking practices. In 2017, three major Dutch banks— ABN AMRO Bank N.V., ING Group, and NIBC Bank— introduced the Responsible Ship Recycling Standards (RSRS), a set of voluntary principles for financial institutions invested in the shipping industry based on international standards including the EU Ship Recycling Regulation.²⁹⁶ Since their introduction, 10 other banks joined the RSRS, representing some of the major European financiers of the shipping industry.²⁹⁷

The RSRS is an important step towards responsible investing in the ship recycling sector. Among other things, the RSRS commits the banks to “not be directly involved in financing of unsustainable recycling facilities,” nor in the “financing of purchasers of ships intended for unsustainable ship recycling,” such as cash buyers.²⁹⁸ Additionally, banks that have joined the RSRS agree that “on a best effort basis,” they will ensure that they only finance ships that carry an Inventory of Hazardous Material throughout the entire loan period and that they will require clients to recycle ships in accordance with relevant international law and the EU SRR.

Members of the RSRS also commit to holding their shipping and offshore clients to specific expectations, including to develop a responsible ship recycling policy; to ensure all vessels prepare and maintain an inventory of hazardous materials; to undertake due diligence in selection and ongoing inspection of ship recycling yards; and to publicly disclose where their ships are sent for recycling. The RSRS provides suggested language

²⁹⁵ Jonathan Saul, Simon Jessop, “Shipping’s financiers turning the tide on shipbreaking practices,” Reuters May 14, 2018 <https://www.reuters.com/article/cbusiness-us-shipping-investment-beachin-idCAKCN1lGoJC-OCABS> (accessed September 28, 2022).

²⁹⁶ Responsible Ship Recycling Standards, <https://www.nordea.com/en/doc/nordea-rsrs1.pdf> (accessed January 24, 2023).

²⁹⁷ Danske Bank (Danish), Nordea (Danish), DNB (Norwegian), Eksportkreditt Norge (Norwegian), SpareBank 1 SR-Bank (Norwegian), Sparebanken Vest (Norwegian), Hamburg Commercial Bank (German), KfW-IPEX-Bank (German), Skandinaviska Enskilda Banken AB (SEB) (Swedish).

²⁹⁸ Responsible Ship Recycling Standards.

for loan agreements, recognizing that the agreement “provides an opportunity to require a client to meet the relevant Ship recycling standards.”²⁹⁹

The Ship Recycling Transparency Initiative (SRTI)

In 2018, the Sustainable Shipping Initiative, set up in collaboration between a group of non-profit organizations as well as shipping companies, launched the Ship Recycling Transparency Initiative (SRTI). Membership in the SRTI requires ship owners to publicly disclose their ship recycling practices and related policies. 14 shipping companies had joined the SRTI as of August 2023.³⁰⁰

The initiative depends on stakeholders, like the members of the RSRS, to increasingly demand transparency on sustainable ship recycling practices. It believes that public disclosure through the SRTI will incentivize good practices by shipping companies, which in turn will be “rewarded through the market.”³⁰¹

The SRTI is a positive first step towards transparency and opens shipping companies to public scrutiny of their ship recycling policies. However, the SRTI may promise more than it delivers. While the SRTI says that shipowners are sharing information on their “policies, practices, and progress,” in reality, the disclosure data is primarily general information on policy and does not include, for example, how many ships were sold for recycling in a given year and to which yards as well as what hazardous materials are onboard.

Without requiring commitments to safe and sustainable practices as a condition of membership, the SRTI could serve simply as a whitewashing exercise, offering the appearance of engagement in responsible shipbreaking practices without real action.

The SRTI should adopt public commitments as a requirement of membership, including not to sell ships to cash buyers and to ensure ships are not sold to yards that practice ‘beaching.’ It should also include public reports on annual sales of ships for recycling in its

²⁹⁹ Ibid.

³⁰⁰ These include A.P. Moller – Maersk, Alterra Infrastructure, CMA CGM, Crowley Maritime Corporation, Evergreen Marine Corporation (Taiwan) Ltd., Hapag-Lloyd AG, NORDEN, NYK Line, Seaspan Corporation, Stolt Tankers B.V., Swire Shipping, Teekay, Wallenius Wilhelmsen.

³⁰¹ Ship Recycling Transparency Initiative, “Theory of Change,” <https://www.shiprecyclingtransparency.org/srti-theory-of-change/> (accessed September 28, 2022).

data disclosures, including a list of specific ships and the conditions of the specific facilities where they are recycled.

V. Recommendations

The Government of Bangladesh:

- Enforce the 2009 High Court orders which halted the import of ships for recycling until there were “satisfactory provisions for the safety of the workers.” Properly enforce the High Court’s 18-point directive that required rigorous health and safety standards and labor rights protections.
- Immediately shut down any shipbreaking yards employing children.
- Immediately shut down any yards found to be holding night operations or where there are other serious violations of workers’ rights.
- Set a timebound directive to yards to move all ship recycling operations off the beach and to install proper industrial platforms in accordance with the Basel Convention Technical Guidelines on Ship Recycling.
- Employ occupational health and safety measures in line with ILO Conventions 155 on Occupational Health and Safety, 162 on Asbestos, and 148 on Working Environment to ensure workers’ protection from exposure to toxic substances. Ratify the above ILO conventions.
- Invite the special rapporteur on toxics and human rights to visit Bangladesh, and Chittagong specifically.
- Establish consistent and transparent monitoring and reporting on occupational diseases related to shipbreaking including cancer and asbestosis.
- Ensure workers are educated and informed on exposure to toxic materials in shipbreaking and the potential health consequences.
- Adequately and speedily compensate and rehabilitate all workers who have been injured or, in the case of death, their families, as provided under the Labour Act, 2006, and the Shipbreaking and Recycling Rules, 2011.
- Establish an impartial court-appointed committee to submit a report to the court detailing the compliance of yards according to the Labour Act, 2006, the Shipbreaking and Recycling Rules, 2011, and the Bangladesh Ship Reprocessing Act, 2018. The committee should submit a comprehensive report describing all measures taken by the yards for treatment, compensation, and rehabilitation of workers injured or killed while working in the shipbreaking yards.

- Amend the structure of the Bangladesh Ship Recycling Board (BSRB) to include civil society representatives including local environmental protection groups, labor rights groups, older people’s associations, organizations of persons with disabilities, and shipbreaking workers. Ensure that these representatives have equal voting power in balance with other representatives.
- Require all shipbreaking yards to use clear contracts when hiring workers, routinely audit all shipbreaking facilities and suspend operations of those found to be hiring workers without a contract or otherwise violating labor rights.
- Ensure all workers are paid according to the minimum wage set out in 2018 by the Ministry of Labor and Employment.
- Enforce Section 195 of the Bangladesh Labor Act 2006 (amended 2018) which makes it illegal to “dismiss, discharge, remove from employment a worker, or injure or threaten to injure him in respect of his employment by reason that the worker is or proposes to become, or seeks to persuade any other person to become, a member or officer of a trade union.”
- As set out in the Bangladesh Ship Reprocessing Act, 2018, build a functioning hazardous waste storage, treatment, and disposal facility for shipbreaking that meets international standards for the management of toxic waste and ensure compliance.
- Instruct the Department of Environment to carry out regular and unannounced monitoring of air, soil, and water quality around shipbreaking yards. The Department of Environment should publicly report findings and exercise its authority to revoke authorization from any yard that is not meeting international standards for the environmentally sound management of hazardous waste.
- Call on the director general of the Department of Environment to exercise their authority under the Environmental Conservation Act to order ship recycling yard owners to pay compensation if they are found to have caused direct or indirect “injury to the ecosystem.”
- Follow the Bangladesh High Court directive to stop importing scrapped ships sailing under flags that have been gray or blacklisted by port state controls.³⁰²

³⁰² While international law mandates that the flag state is responsible for ensuring ships meet international requirements, port state controls offer an additional regulatory safety net. Port state controls are required inspections of foreign ships when they enter national ports to verify their condition and that they are operating in compliance with international regulations. If a vessel is found in violation of regulations, the port state control office can require the ship to rectify the problem within a certain time-period, or it can be detained at the port if the ship is unfit to sail or poses undue risk to the crew or the environment. According to the IMO, “These inspections were originally intended to be a backup to flag State implementation,

The European Commission:

- In the review being undertaken in 2023/24, amend the EU Ship Recycling Regulation (EU SRR) to apply to the ship's beneficial owner, not the flag state. If the ship is sold, the EU SRR should remain applicable to the previous owner for no less than two years from the date of sale.
- Create a transparency register of ship ownership, requiring shipping companies to publicly disclose beneficial ownership, including cash buyers.
- Create a "return scheme" for ships as described in the EU Ship Recycling Regulation preamble. The return scheme would require any ship that trades in the EU to pay a fee towards a recycling license, accumulating capital over time. The total will then only be paid back to the last owner of the vessel if the ship is recycled at a ship recycling yard on the list of EU-approved facilities.
- Require all shipping companies conducting operations in the EU to implement a risk-based approach due diligence policy on their whole value-chain in line with the UN Guiding Principles on Business and Human Rights (UNGPR), recognizing shipbreaking as a high-risk business operation, and to publicly report all sales, including to cash buyers, to ensure the traceability of the ship's beneficial ownership over its lifetime.
- Ensure that the proposed EU Corporate Sustainability Due Diligence Directive (CSDDD) covers the full value chain, including the use, disposal, and recycling of goods.
- Update the 2004 Community Guidelines on State Aid to Maritime Transport to include a tonnage tax subsidy conditioned on recycling of ships in a yard that meets international standards.

The International Maritime Organization:

- Work closely with the UN Divisions for Oceans and the Law of the Sea to determine restrictions and public reporting requirements to ensure that a ship's "genuine

but experience has shown that they can be extremely effective," in part because ship owners will face real penalties for failing to comply with international regulations. Most MoUs will publish ongoing monthly and annual lists of ships detained for violations, including their flag state. Publication of the number of port state control violations received by ships registered to a particular flag state can be a useful way to identify and pressure those flag registries persistently used by shipping companies that violate international standards. Each year the Paris MoU on Port State Control for Europe and the North Atlantic publishes a list of state flags that are grey and blacklisted for persistently failing to exercise regulatory control over their ships and are thus subject to trading restrictions.

link” to its flag is meaningful. Sanction flag states each time they are used by cash buyers at end-of-life when a ship is sent to a yard that uses beaching and occupational health and safety standards are not met.

- Require all ships that are dismantled to include a list of hazardous materials according to the IMO standards. Regularly monitor certification procedures in major shipbreaking destinations and penalize those who fail to comply.
- In line with the recommendations laid out by the special rapporteur on toxics, Marcos Orellana, following his visit to the IMO, establish a dedicated stream of work on human rights, including a dedicated human rights office within IMO and a human rights ombudsperson or special adviser to the Secretary-General.
- Provide full public access to audit reports on member states’ implementation and enforcement of the applicable IMO instruments.
- Improve transparency by clarifying and minimizing circumstances under which media can be excluded from IMO proceedings.

Shipping Companies:

- In line with the UNGP and with the upcoming CSDDD, adopt formal and explicit due diligence policies that ensure the company maintains oversight of where ships are recycled and ensures that ships previously owned or operated by your company are not discarded in yards that use the beaching method. Adopt an explicit “off the beach” policy.
- Ensure that ships are not recycled in yards that use child labor.
- Regularly monitor conditions in the yards where the company’s ships are being dismantled, including by engaging safely and meaningfully with the workers and their representatives, and provide public updates. Engage with shipbreaking facilities owners to support them in their reform process.
- Publicly report on types and amounts of hazardous materials onboard vessels within your entire fleet according to the standards set by the IMO.
- Invest in ship recycling facilities so that they can ensure full containment, stable industrial platforms, protective equipment, and environmentally sound management of hazardous materials, including disposal.
- Adopt a sustainable “cradle-to-cradle” approach, investing in green shipbuilding practices developed in close consultation with sustainable recycling experts.
- Support legislation for a ship recycling license.

- Publicly report and keep track of all sales of ships across their lifetime up to the time of their recycling. Publicly report on the place and conditions of the specific facilities where they are recycled.
- Adopt public commitments as a requirement of membership in the SRTI, including not to sell ships to cash buyers and to ensure ships are not sold to yards that practice ‘beaching.’
- Require all shipping companies conducting operations in the EU to implement a risk-based approach due diligence policy on their whole value-chain in line with the UN Guiding Principles on Business and Human Rights (UNGPR), recognizing shipbreaking as a high-risk business operation, and to publicly report all sales, including to cash buyers, to ensure the traceability of the ship’s beneficial ownership over its lifetime.
- Ensure that the proposed EU Corporate Sustainability Due Diligence Directive (CSDDD) covers the full value chain, including the use, disposal, and recycling of goods.

Financial Institutions:

- Adopt a policy against financing or providing loans for the purchase of ships to shipbreaking yards that use the ‘beaching’ method.
- Adopt the Responsible Ship Recycling Standards.
- Divest from shipping companies that sell to cash buyers or whose ships end up in yards that use the beaching method and violate labor rights.
- Invest in developing recycling capacity that complies with international standards on occupational, health, and safety, including the use of industrial platforms, such as drydocks, and supports a transition towards sustainable life cycle management.

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This report was researched and written by Julia Bleckner, Senior Asia Researcher at Human Rights Watch, in collaboration with Ingvild Jenssen, Nicola Mulinaris, and Sara Rita da Costa at the NGO Shipbreaking Platform. Jim Wormington, senior researcher and advocate in the Economic Justice and Rights Division of Human Rights Watch, provided expert analysis and editing.

At Human Rights Watch, the report was reviewed by Meenakshi Ganguly, Deputy Asia Director; Tom Porteous, deputy Program director; Kyle Knight, Senior Researcher on Health and Human Rights, Richard Pearshouse, director of Environment and Human Rights Division, Bede Sheppard, Deputy director of the children's rights division, and Kriti Sharma, Senior Researcher in the Disability Rights Division. H  l  ne de Rengerv   and Emilie McDonnell provided advocacy review. Clive Baldwin provided legal review. Robbie Newton, Asia Coordinator, provided editing and production assistance. Matthew Gill, Senior Associate at Howard Kennedy LLP provided additional review.

This research and reporting would not have been possible without the brave and gracious support of shipbreaking workers who risk their lives to shed light on abuses in the industry and advocate for the rights of their colleagues.

Appendix I: Human Rights Watch Letters to Companies

Between April 21, 2023, and May 15, 2023, Human Rights Watch sent separate letters to the below list of shipping companies and received no response as of September 14, 2023.

Shipping Companies:

1. Amazon Navigation Co. Ltd.
2. Arefin Enterprise
3. Comoros Registry
4. Conquistador Shipping Corporation
5. Cyprus Sea Lines SA
6. Duraven Shipping Company Ltd.
7. Global Marketing Systems (GMS)
8. International Registries (the Marshall Islands Registry)
9. Janata Steel Shipbreaking yard
10. Liberian International Ship & Corporate Registry
11. Maran Ltd.
12. Maximus Shipping Ltd.
13. Palau Registry
14. PSC Holdings
15. Tide line Inc
16. Wirana Shipping Corp
17. Ziri Subedar Shipbreaking yard

350 Fifth Avenue, 34th Floor
New York, NY 10118-3299
Tel: +1-212-290-4700
Fax: +1-212-736-1300; 917-591-3452

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Andrew Zolli

Amazon Navigation Co. Ltd.
C/o The Trust Company of the Marshall Islands,
Trust Company Complex, Ajeltake Road,
Ajeltake Island, MH 96960, Majuro,
The Marshall Islands
Email at [REDACTED]



[HRW.org](https://www.hrw.org)

May 12, 2023

Re: Human Rights Watch report on Shipbreaking in Bangladesh

To Whom it May Concern,

We are writing to share our initial findings from research that Human Rights Watch is conducting on conditions in the shipbreaking industry in Bangladesh.

Human Rights Watch is an international non-government organization working on a range of human rights issues in over 100 countries worldwide. We have been following and reporting on Bangladesh for over two decades. We accept no funding from any government or political entity to ensure our independence.

Our research demonstrates that occupational health and safety measures are deeply inadequate in Bangladesh's shipbreaking yards and, in many cases, in violation of international and national law. Workers regularly suffer preventable injuries or are even killed while tearing apart ships under unsafe conditions. In violation of national laws, workers are rarely provided with adequate protective equipment, do not have access to emergency medical care in case of an accident, and are rarely compensated in case of injury or death. Bangladesh does not have a toxic waste facility and so waste is regularly dumped straight on the beach, polluting the land, air, and sea.

These conditions are enabled by a lack of transparency and effective enforcement of regulations. Moreover, the shipbreaking industry is designed to enable shipping companies to ignore and circumvent the international laws and regulations that are in place to ensure ships are broken down safely and sustainably.

We found several ways that shipping companies evade regulations and distance themselves from transactions with risky yards like the ones in

Bangladesh, including the use of ‘cash buyers.’ Selling end-of-life ships through cash buyers enables shipping companies to evade responsibility for where their ships are scrapped and pass off obligations to carry out due diligence assessments. We found that cash buyers frequently register end-of-life ships under shell companies, making it difficult to determine beneficial ownership.

For instance, one of the cases documented in our report involves an incident that occurred while breaking a ship called the *Max* (IMO 9138616). On August 23, 2021, Mohammed Biplob, 35, was torching through a pipe in the engine room of the *Max* when it suddenly exploded. Biplob said the explosion threw him against the wall, severely burning his face and breaking his back. He lost consciousness and woke up to find that his coworkers were carrying him to the road. He said at the time he could see what was happening but couldn’t speak. Biplob’s family sold all their land to pay for his continued medical treatment and he now runs a tea stall to support them.

According to publicly available shipping records, the previous owner of *the Max*, Tide Line Inc., sold the ship to Amazon Navigation Co Ltd. in June 2021, before it was imported the following month to Arefin Enterprise Yard in Bangladesh. However, it is our understanding that Amazon Navigation Co Ltd is a post-box company for a major cash buyer. The registered agent of Amazon Navigation Co. Ltd. is the Trust Company of the Marshall Islands, Inc.³⁰³, which is owned by International Registries.

It is difficult for Biplob to seek remedies for the injuries he sustained working on the *Max* in part because Tide Line Inc sold the *Max* through a cash buyer and the cash buyer registered the ship under Amazon Navigation Co Ltd. These layers of ownership limit transparency and make it difficult for workers injured on these ships to get remedies, including compensation, from the company that owned, operated, and profited from the ship prior to its export for scrapping.

We found that a lack of regulation and transparency in the shipbreaking industry can be fatal. In Bangladesh, inspection reports and other documentation required to import ships for scrap, including hazardous materials declarations, are often completed by cash buyers and other third parties without any oversight, transparency, or clear accreditation. The reports often fail to meet the bare minimum standards for documenting hazardous materials set by the International Maritime Organization. In many cases, this means ships are imported to Bangladesh full of hazardous materials and broken down by workers who do not have adequate protective equipment or proper facilities to manage the waste safely or sustainably.

³⁰³ See Appendix I.

Shipping companies additionally evade regional regulations registering ships with open flag registries to evade regulations such as the EU Ship Recycling Regulation (EU SRR), which requires EU-flagged ships to be recycled at an EU-approved facility.

Finally, a lack of transparent and regulated system for enforcement of the terms of the Basel Convention means that exporting countries frequently ignore their obligation to obtain prior informed consent from importing countries like Bangladesh, and to ensure that the importer has adequate facilities to sustainably manage the waste. Companies easily circumvent the Basel Ban amendment and EU Waste Shipment Regulation, which ban the export of end-of-life ships from OECD to non-OECD countries, by simply ensuring that the ship has left OECD waters before it is declared waste.

We would be grateful for your response to the above findings and for any additional information you think we should take into consideration. Additionally, we would appreciate your response to the following questions:

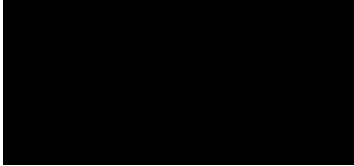
1. How does Amazon Navigation Co Ltd. ensure that ships sold to yards in Bangladesh are safe and environmentally sustainable? Please provide details, including the copy of any policy or procedure in place to ensure that ships sold by Amazon Navigation Co Ltd. are recycled sustainably. How does this policy comport with the findings stated above?
2. Was Amazon Navigation Co Ltd. acting on behalf of GMS in acquiring the *Max*? If not GMS, who was Amazon Navigation Co acting on behalf of?
3. What flag registry(s) does Amazon Navigation Co Ltd. use to register ships for recycling? Why does Amazon Navigation Co Ltd. register EU ships with non-EU flags when recycling the ships?
4. What process did Amazon Navigation Co Ltd. undergo in order to certify *the Max* for import to Bangladesh? Please provide details of the process for compiling and certifying the inventory of hazardous materials.
5. Does Amazon Navigation Co Ltd. publicly report on all ships that it sells for scrap in South Asia?
6. What steps did Amazon Navigation Co Ltd. take before selling *the Max* to Arefin Enterprise to ensure that the ship would be recycled safely and sustainably?
7. Did Amazon Navigation Co Ltd. investigate the explosion that occurred on *the Max* on August 23, 2021? Please provide detailed documentation and the outcomes of any investigation.

Thank you for your attention to these questions. We look forward to your response by **June 2, 2023** so that we can reflect your reply in our upcoming reporting on this subject. Please note that we may publish your written responses at our discretion and when appropriate, either in full or in part.

Sincerely,



Elaine Pearson
 Asia Director
 Human Rights Watch



Arvind Ganesan
 Economic Justice & Rights Director
 Human Rights Watch

Appendix 1

**REPUBLIC OF THE MARSHALL ISLANDS
 NON-RESIDENT ENTITY REPORT**

THIS IS NOT A STATEMENT OF GOOD STANDING

The information provided in this application is real time and reflects the information as of 03-MAY-2023 03:51:45 AM (GMT +00:00)

Entity Number: 38791
Entity Name: AMAZON NAVIGATION CO. LTD.
Entity Type: Corporation
Entity Status: Active
Existence Date: 29-DEC-2009

REGISTERED AGENT INFORMATION

Name: THE TRUST COMPANY OF THE MARSHALL ISLANDS, INC.
Address: Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands, MH 96960



350 Fifth Avenue, 34th Floor
New York, NY 10118-3299
Tel: 212-290-4700
Fax: 212-736-1300; 917-591-3452

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Arefin Enterprise
R.B. Court (3rd Floor),
54, Agrabad C/A, Chittagong Bandar. P.C. 4100,
Chittagong Sadar, Chittagong,
Bangladesh
Email at [REDACTED]

April 21, 2023

Re: Human Rights Watch report on Shipbreaking in Bangladesh

To Whom it May Concern,

We are writing to share our initial findings from research that Human Rights Watch is conducting on conditions in the shipbreaking industry in Bangladesh. We wanted to request your responses to an incident in your yard, and the actions that you have taken since then.

Human Rights Watch is an international non-government organization working on a range of human rights issues in over 100 countries worldwide. We have been following and reporting on Bangladesh for over two decades. We accept no funding from any government or political entity to ensure our independence.

Our research demonstrates that occupational health and safety measures are deeply inadequate in Bangladesh's shipbreaking yards and, in many cases, in violation of international and national law. Workers regularly suffer preventable injuries or are even killed while tearing apart ships under unsafe conditions. In violation of national laws, workers are rarely provided with adequate protective equipment, do not have access to emergency medical care in case of an accident, and are rarely compensated in case of injury or death. Bangladesh does not have a toxic waste facility and so waste is regularly dumped straight on the beach, polluting the land, air, and sea.

Our research documents at least one case in which a worker was injured during ship recycling activities at the Arefin Enterprise yard.

On August 23, 2021, Mohammed Biplob, 35, was torching through a pipe inside the engine room of a ship called *The Max* (IMO 9138616) at Arefin Enterprise when the pipe suddenly exploded. Biplob said the explosion threw him against the wall, breaking his back. He lost consciousness inside the engine room, only becoming alert when he realized his coworkers were

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carrying him to the road. According to Biplob’s family, Arefin Enterprise paid for Biplob’s eight-day emergency treatment and about US \$160 in compensation.

Workers reported that the engine room was not checked before cutting began to ensure that the pipes were “gas-free for hot work.”

We would be grateful for your response to the above findings and for any additional information you think we should take into consideration. Additionally, we would appreciate your response to the following questions:

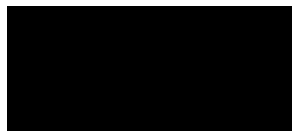
1. Was there an investigation conducted into the August 23, 2021 incident? Could you provide documentation from such an investigation?
2. Is the above assessment of the treatment and compensation provided to Biplob accurate according to Arefin Enterprise’s records? How did Arefin Enterprise calculate the total compensation?
3. What is Arefin Enterprise’s current policy on payment for treatment of work-related injuries?
4. What is Arefin Enterprise’s current policy on compensation for work-related injuries?
5. What safety measures does Arefin Enterprise deploy to protect its workers?
6. What safety equipment is provided to cutters, carriers, and helpers? How often is this equipment reissued?
7. Was the above-mentioned ship (IMO 9138616) certified “gas-free for hot work” before it was imported to Arefin Enterprise? If so, please describe the process for this certification and provide documentation.
8. Was the above-mentioned ship (IMO 9138616) imported with an Inventory of Hazardous Materials? If so, please provide documentation.

Thank you for your attention to these questions. We look forward to your response by **May 5, 2023**, so that we can reflect your reply in our upcoming reporting on this subject. Please note that we may publish your written responses at our discretion and when appropriate, either in full or in part.

Sincerely,



Elaine Pearson
Asia Director
Human Rights Watch
Sydney, Australia



Arvind Ganesan
Economic Justice & Rights Director
Human Rights Watch
Washington, D.C., United States

350 Fifth Avenue, 34th Floor
New York, NY 10118-3299
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Comoros Registry
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BP97 Moroni
Union of Comoros
Tel: +269 7739779
Email at [REDACTED]

May 8, 2023

Re: Human Rights Watch report on Shipbreaking in Bangladesh

To Whom it May Concern,

We are writing to share initial findings from research that Human Rights Watch is conducting on conditions in the shipbreaking industry in Bangladesh. We are requesting your response because the Comoros flag was one of the top flags used during the import of ships for breaking in Bangladesh over the last four years.

Human Rights Watch is an international non-government organization working on a range of human rights issues in over 100 countries worldwide. We have been following and reporting on Bangladesh for over two decades. We accept no funding from any government or political entity to ensure our independence.

Our research demonstrates that occupational health and safety measures are deeply inadequate in Bangladesh's shipbreaking yards and, in many cases, in violation of international and national law. Workers regularly suffer preventable injuries or are even killed while tearing apart ships under unsafe conditions. In violation of national laws, workers are rarely provided with adequate protective equipment, do not have access to emergency medical care in case of an accident, and are rarely compensated in case of injury or death. Bangladesh does not have a toxic waste facility and so waste is regularly dumped straight on the beach, polluting the land, air, and sea.

These conditions are enabled by shipping companies that routinely ignore and circumvent the international laws and regulations in place to ensure ships are broken down safely and sustainably. We found several ways that shipping companies evade regulations and distance themselves from transactions with risky yards like the ones in Bangladesh. This includes:



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- Registering ships with open flag registries like the Comoros Registry to evade regulations such as the EU Ship Recycling Regulation (EU SRR), which requires EU-flagged ships to be recycled at an EU-approved facility.
- The use of “cash buyers” that serve as a scrap dealer between the previous ship owner and the shipbreaking yards in South Asia, enabling shipping companies to evade responsibility for where their ships are scrapped. Cash buyers frequently register end-of-life ships under shell companies, making it additionally difficult to determine beneficial ownership. Some flag agencies offer services to create these companies. This limits transparency and makes it difficult for workers injured on these ships to get remedies, including compensation, from the company that owned, operated, and profited from the ship prior to its export for scrapping.

As of December 31, 2018, the EU SRR required all EU-flagged ships to be recycled at an EU-approved facility. These facilities are thoroughly inspected to ensure that ships are broken down safely and sustainably. Yet, according to publicly available shipping data, less than half of the 475 EU ships decommissioned since January 2019 were recycled in approved yards.³⁰⁴ Instead, the majority were beached in South Asia, where none of the yards meet the safety and environmental standards set by the EU commission. These ships avoided the EU SRR by registering under non-EU flags like the Comoros flag. Since January 2019, at least 34 ships previously owned by EU companies registered under a Comoros flag when they were scrapped on a South Asian beach.

In one of the cases documented in our report, a ship called *The Max* (IMO 9138616) was imported in July 2021 under the Comoros flag to Arefin Enterprise in Bangladesh. Previously owned by a Greek shipping company, the *Max* changed ownership and flagged under the Comoros flag before entering Bangladesh, thus avoiding application of the EU SRR. One month later, on August 23, 2021, Mohammed Biplob, 35, was torching through a pipe inside the engine room of *the Max* at when the pipe suddenly exploded. Biplob said the explosion threw him against the wall, breaking his back.

We additionally found that a lack of regulation and transparency in the shipbreaking industry can be fatal. In Bangladesh, inspection reports and other documentation required to import ships for scrap, including hazardous materials declarations, are often completed by cash buyers and other third parties without any oversight, transparency, or clear accreditation. The reports often fail to meet the bare minimum standards for documenting hazardous materials set by the International Maritime Organization. In many cases, this means ships are imported to Bangladesh full of hazardous materials and broken down by workers who do not have adequate protective equipment or proper facilities to manage the waste safely or sustainably.

³⁰⁴ NGO Shipbreaking Platform, “Annual Lists,” <https://shipbreakingplatform.org/annual-lists/> (accessed April 20, 2023).

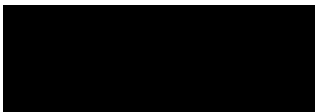
Finally, a lack of transparent and regulated system for enforcement of the terms of the Basel Convention means that exporting countries frequently ignore their obligation to obtain prior informed consent from importing countries like Bangladesh, and to ensure that the importer has adequate facilities to sustainably manage the waste. Companies easily circumvent the Basel Ban amendment and EU Waste Shipment Regulation, which ban the export of end-of-life ships from OECD to non-OECD countries, by simply ensuring that the ship has left OECD waters before it is declared waste.

We would be grateful for your response to the above findings and for any additional information you think we should take into consideration. Additionally, we would appreciate your response to the following questions:

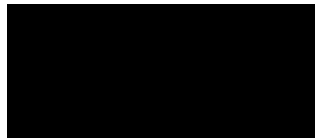
1. What steps does the Comoros Registry take to ensure that ships sailing under its flag are scrapped in safe and sustainable conditions and in line with international regulations on sustainable ship recycling? Please provide details, including the copy of any policy or procedure in place to ensure Comoros-flagged ships are recycled sustainably.
2. Did the Comoros Registry conduct any investigation into the August 23, 2021 incident on the Max described above? If so, please describe the outcome of that investigation and provide any relevant documentation.

Thank you for your attention to these questions. We look forward to your response by **May 29, 2023** so that we can reflect your reply in our upcoming reporting on this subject. Please note that we may publish your written responses at our discretion and when appropriate, either in full or in part.

Sincerely,



Elaine Pearson
Asia Director
Human Rights Watch
Sydney, Australia



Arvind Ganesan
Economic Justice & Rights Director
Human Rights Watch
Washington, D.C., United States

350 Fifth Avenue, 34th Floor
New York, NY 10118-3299
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Andrew Zolli

Conquistador Shipping Corporation
P.O. Box 583, Morton House
Government Road Charlestown,
St Kitts & Nevis
Email at [REDACTED]

May 11, 2023

Re: Human Rights Watch report on Shipbreaking in Bangladesh

To Whom it May Concern,

We are writing to share our initial findings from research that Human Rights Watch is conducting on conditions in the shipbreaking industry in Bangladesh.

Human Rights Watch is an international non-government organization working on a range of human rights issues in over 100 countries worldwide. We have been following and reporting on Bangladesh for over two decades. We accept no funding from any government or political entity to ensure our independence.

Our research demonstrates that occupational health and safety measures are deeply inadequate in Bangladesh's shipbreaking yards and, in many cases, in violation of international and national law. Workers regularly suffer preventable injuries or are even killed while tearing apart ships under unsafe conditions. In violation of national laws, workers are rarely provided with adequate protective equipment, do not have access to emergency medical care in case of an accident, and are rarely compensated in case of injury or death. Bangladesh does not have a toxic waste facility and so waste is regularly dumped straight on the beach, polluting the land, air, and sea.

These conditions are enabled by a lack of transparency and effective enforcement of regulations. Moreover, the shipbreaking industry is designed to enable shipping companies to ignore and circumvent the international laws and regulations that are in place to ensure ships are broken down safely and sustainably.

We found several ways that shipping companies evade regulations and distance themselves from transactions with risky yards like the ones in



HRW.org

Bangladesh, including the use of ‘cash buyers.’ Selling end-of-life ships through cash buyers enables shipping companies to evade responsibility for where their ships are scrapped and pass off obligations to carry out due diligence assessments. We found that cash buyers frequently register end-of-life ships under shell companies, making it difficult to determine beneficial ownership. This limits transparency and makes it difficult for workers injured on these ships to get remedies, including compensation, from the company that owned, operated, and profited from the ship prior to its export for scrapping.

For instance, one case included in our report is the import of the *FPSO North Sea Producer* (IMO 8124058) to Bangladesh in August 2016. According to Bangladesh court documents, in 2016 the *FPSO North Sea Producer* was sold by Conquistador Shipping Corporation to Janata Steel Corporation in Bangladesh for approximately US \$4.8 Million.³⁰⁵ In October 2017, following the publication of sales documents by Politiken and Danwatch showing that GMS had negotiated the deal between the previous owners, Maersk and Odebrecht, and Conquistador Shipping Corporation, Maersk publicly acknowledged that they had sold the North Sea Producer to GMS, with Conquistador Shipping Corporation serving solely as a post-box company.³⁰⁶

The alleged relationship between GMS and Conquistador Shipping Corporation illustrates a common and concerning practice wherein cash buyers use anonymous companies to obfuscate the beneficial ownership of ships destined for scrap in South Asian yards.

We found that a lack of regulation and transparency in the shipbreaking industry can be fatal. In Bangladesh, inspection reports and other documentation required to import ships for scrap, including hazardous materials declarations, are often completed by cash buyers and other third parties without any oversight, transparency, or clear accreditation. The reports often fail to meet the bare minimum standards for documenting hazardous materials set by the International Maritime Organization. In many cases, this means ships are imported to Bangladesh full of hazardous materials and broken down by workers who do not have adequate protective equipment or proper facilities to manage the waste safely or sustainably.

For example, in November 2019, the Bangladesh Supreme Court ruled that the import of the *FPSO North Sea Producer* was illegal and that the documents by provided by Conquistador Shipping Corporation that were used to import the ship were “superficially prepared” or

³⁰⁵ Supreme Court of Bangladesh, High Court Division, Judgement on November 14, 2019 on Writ Petition No. 8466 of 2017 in the matter of an Application under Article 102 of the Constitution of the People’s Republic of Bangladesh and in the Matter of Bangladesh Environmental Lawyer’s Association (BELA) vs. Bangladesh and others. Page 15.

³⁰⁶ Margot Gibbs, “‘A moral crime’: Leaked contract reveals how shipowners wash their hands of toxic vessels via offshore world,” July 23, 2019, Finance Uncovered <https://www.financeuncovered.org/stories/shipbreaking-toxic-ships-offshore-beach-yards-cepsa-gms> (accessed April 12, 2023); NGO Shipbreaking Platform, “Maersk’s Toxic Trade: The North Sea Producer Case,” <https://shipbreakingplatform.org/spotlight-north-sea-producer-case/> (accessed April 12, 2023).

“fabricated” and that hazardous materials on the ship had been “deliberately concealed or left vague.”³⁰⁷

Shipping companies additionally evade regional regulations registering ships with open flag registries to evade regulations such as the EU Ship Recycling Regulation (EU SRR), which requires EU-flagged ships to be recycled at an EU-approved facility.

Finally, a lack of transparent and regulated system for enforcement of the terms of the Basel Convention means that exporting countries frequently ignore their obligation to obtain prior informed consent from importing countries like Bangladesh, and to ensure that the importer has adequate facilities to sustainably manage the waste. Companies easily circumvent the Basel Ban amendment and EU Waste Shipment Regulation, which ban the export of end-of-life ships from OECD to non-OECD countries, by simply ensuring that the ship has left OECD waters before it is declared waste.

We would be grateful for your response to the above findings and for any additional information you think we should take into consideration. Additionally, we would appreciate your response to the following questions:

3. How does Conquistador Shipping Corporation ensure that ships sold to yards in Bangladesh are safe and environmentally sustainable? Please provide details, including the copy of any policy or procedure in place to ensure that ships sold by Conquistador Shipping Corporation are recycled sustainably. How does this policy comport with the findings stated above?
4. What is Conquistador Shipping Corporation’s relationship with GMS?
5. What flag registry(s) does Conquistador Shipping Corporation use to register ships for recycling? Why does Conquistador Shipping Corporation register EU ships with non-EU flags when recycling the ships?
6. What process did Conquistador Shipping Corporation undergo in order to certify the FPSO North Sea Producer for import to Bangladesh? Please provide details of the process for compiling and certifying the inventory of hazardous materials.
7. Does Conquistador Shipping Corporation publicly report on all ships that it sells for scrap in South Asia?
8. What steps did Conquistador Shipping take before selling FPSO North Sea Producer to Janata Steel to ensure that the ship would be recycled safely and sustainably?
9. Why steps did Conquistador Shipping Corporation take following the FPSO North Sea Producer case to change its policies and practices in light of the findings of the case?

Thank you for your attention to these questions. We look forward to your response by **June 1, 2023** so that we can reflect your reply in our upcoming reporting on this subject. Please note

³⁰⁷ Supreme Court of Bangladesh, High Court Division, Judgement on November 14, 2019 on Writ Petition No. 8466 of 2017 in the matter of an Application under Article 102 of the Constitution of the People’s Republic of Bangladesh and in the Matter of Bangladesh Environmental Lawyer’s Association (BELA) vs. Bangladesh and others.

that we may publish your written responses at our discretion and when appropriate, either in full or in part.

Sincerely,



Elaine Pearson
Asia Director
Human Rights Watch



Arvind Ganesan
Economic Justice & Rights Director
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Greece
Email at [REDACTED]

May 15, 2023

Re: Human Rights Watch report on Shipbreaking in Bangladesh

To Whom it May Concern,

We write to share initial findings from research that Human Rights Watch is conducting on conditions in the shipbreaking industry in Bangladesh, and to request your comments.

Human Rights Watch is an international non-government organization working on a range of human rights issues in over 100 countries worldwide. We have been following and reporting on Bangladesh for over two decades. We accept no funding from any government or political entity to ensure our independence.

Our research demonstrates that occupational health and safety measures are deeply inadequate in Bangladesh's shipbreaking yards and, in many cases, in violation of international and national law. Workers regularly suffer preventable injuries or are even killed while tearing apart ships under unsafe conditions. In violation of national laws, workers are rarely provided with adequate protective equipment, do not have access to emergency medical care in case of an accident, and are rarely compensated in case of injury or death. Bangladesh does not have a toxic waste facility and so waste is regularly dumped straight on the beach, polluting the land, air, and sea.

These conditions are enabled by shipping companies that routinely ignore and circumvent the international laws and regulations in place to ensure ships are broken down safely and sustainably. We found several ways that shipping companies evade regulations and distance themselves from transactions with risky yards like the ones in Bangladesh. This includes:



[HRW.org](https://www.hrw.org)

- Registering ships with open flag registries to evade regulations such as the EU Ship Recycling Regulation (EU SRR), which requires EU-flagged ships to be recycled at an EU-approved facility.
- The use of “cash buyers” that serve as a scrap dealer between the previous ship owner and the shipbreaking yards in South Asia, enabling shipping companies to evade responsibility for where their ships are scrapped. Cash buyers frequently register end-of-life ships under shell companies, making it additionally difficult to determine beneficial ownership. Some flag agencies offer services to create these companies. This limits transparency and makes it difficult for workers injured on these ships to get remedies, including compensation, from the company that owned, operated, and profited from the ship prior to its export for scrapping.

As of December 31, 2018, the EU SRR required all EU-flagged ships to be recycled at an EU-approved facility. These facilities are thoroughly inspected to ensure that ships are broken down safely and sustainably. Yet, according to publicly available shipping data, less than half of the 475 EU ships decommissioned since January 2019 were recycled in approved yards.³⁰⁸ Instead, the majority were beached in South Asia, where none of the yards meet the safety and environmental standards set by the EU commission. These ships avoided the EU SRR by registering under non-EU flags.

We additionally found that a lack of regulation and transparency in the shipbreaking industry can be fatal. In Bangladesh, inspection reports and other documentation required to import ships for scrap, including hazardous materials declarations, are often completed by cash buyers and other third parties without any oversight, transparency, or clear accreditation. The reports often fail to meet the bare minimum standards for documenting hazardous materials set by the International Maritime Organization. In many cases, this means ships are imported to Bangladesh full of hazardous materials and broken down by workers who do not have adequate protective equipment or proper facilities to manage the waste safely or sustainably.

Finally, a lack of transparent and regulated system for enforcement of the terms of the Basel Convention means that exporting countries frequently ignore their obligation to obtain prior informed consent from importing countries like Bangladesh, and to ensure that the importer has adequate facilities to sustainably manage the waste. Companies easily circumvent the Basel Ban amendment and EU Waste Shipment Regulation, which ban the export of end-of-life ships from OECD to non-OECD countries, by simply ensuring that the ship has left OECD waters before it is declared waste.

One of the cases documented in our report involves an incident that occurred while breaking a ship previously owned by Cyprus Sea Lines SA called the *Virgin Star* (IMO 9289568).

³⁰⁸ NGO Shipbreaking Platform, “Annual Lists,” <https://shipbreakingplatform.org/annual-lists/> (accessed April 20, 2023).

The *Virgin Star* was imported in February 2019 to Ziri Shipbreaking yard in Bangladesh. However, its journey to Bangladesh began months earlier when, on October 7, 2018, it was hit by the *Ulysse*.³⁰⁹ Because the *Virgin Star* (then named *CSL Virginia*) was involved in an accident in French territorial waters, it was illegal under the EU Waste Shipment Regulation for it to be exported directly to Bangladesh for breaking. The *Virgin Star* was however allowed to leave French territorial waters on the premise that it was going to Romania for repairs.³¹⁰ Instead, the ship just spent a few weeks at a Turkish shipyard where it was renamed (from the *CSL Virginia* to *Virgin Star*), reflagged (from Cyprus to Liberia), and registered under a new company called Duraven Shipping Co Ltd before heading to Bangladesh.³¹¹ By switching to a Liberian flag, the new registered owners of the *Virgin Star* were able to circumvent the EU SRR which went into effect just weeks prior.

Six months later, on August 31, 2019, two workers were killed—Aminul Islam, 35, and Tushar Chakma, 27—and thirteen others were injured when a heavy cable collapsed on top of workers breaking apart the *Virgin Star*.³¹²

Human Rights Watch additionally viewed the hazardous waste certificate used to import the *Virgin Star*. The certificate, prepared by a company called Maximus Shipping Ltd., uses vague pro-forma language indicating that the vessel was not carrying hazardous substances.³¹³

We would be grateful for your response to the above findings and for any additional information you think we should take into consideration. Additionally, we would appreciate your response to the following questions:

1. What steps does Cyprus Sea Lines SA take to ensure that its ships are scrapped in safe and sustainable conditions and in line with international regulations on sustainable ship recycling? Please provide details, including the copy of any policy or procedure in place to ensure that ships owned by Cyprus Sea Lines SA during their operational use are recycled sustainably.
2. How does Cyprus Sea Lines SA ensure that its ships are recycled under conditions that protect labor rights, and maintain health and occupational safety? Please provide details, including the copy of any policy or procedure.
3. Did Cyprus Sea Lines SA conduct any investigation into the August 31, 2019 incident on the *Virgin Star* described above? If so, please describe the outcome of that investigation and provide any relevant documentation.

309 <https://wwz.cedre.fr/en/Resources/Spills/Spills/CSL-Virginia>

310 <https://shipbreakingplatform.org/tag/beaching/page/5/>

311 NGO Shipbreaking Platform, “Annual Lists,” <https://shipbreakingplatform.org/annual-lists/> (accessed April 20, 2023).

312 NGO Shipbreaking Platform, “Accident on board Greek ship kills two and injures thirteen,” September 3, 2019 <https://shipbreakingplatform.org/accident-greek-ship-kills-two-injures-seventeen> (accessed August 11, 2022).

313 Please see Appendix I.

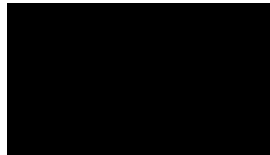
4. Was Cyprus Sea Lines SA aware of the hazardous waste certification procedures to be carried out by Maximus Shipping Ltd? If so, how did Cyprus Sea Lines SA ensure this procedure was sufficiently conducting in accordance with standards set by the International Maritime Organization?
5. Was there any cash buyer involved in the sale of the *Virgin Star* to Duraven Shipping Ltd? What is the relationship between Cyprus Sea Lines and Duraven Shipping Ltd?

Thank you for your attention to these questions. We look forward to your response by **June 5, 2023** so that we can reflect your reply in our upcoming reporting on this subject. Please note that we may publish your written responses at our discretion and when appropriate, either in full or in part.

Sincerely,



Elaine Pearson
Asia Director
Human Rights Watch



Arvind Ganesan
Economic Justice & Rights Director
Human Rights Watch

Appendix 1

MAXIMUS SHIPPING LTD

PO Box 583, Morton House, Government Road, Charlestown, Nevis

TO WHOM IT MAY CONCERN

DATE: January 7, 2019

RE: "MV. VIRGIN STAR" ex "CSL VIRGINIA" ex "VIRGINIA" ex "APL VIRGINIA" -IMO NO: 9289568

BASED ON THE INFORMATION AVAILABLE, WE HEREBY CONFIRM THAT THE SUBJECT VESSEL HAS IS NOT CARRYING ANY HAZARDOUS CARGO NOR NUCLEAR ITEMS ONBOARD AND PRESENTLY IS NOT CARRYING HAZARDOUS CARGO ONBOARD. AS SUCH, THE SHIP IS SAFE WITHOUT ANY NON - HAZARDOUS MATERIAL.

TO BEST OF OUR KNOWLEDGE SAID VESSEL HAS NOT BEEN TARGETED BY ANY AUTHORITY FOR VIOLATION OF PROVISIONS OF MARPOL OR ANY NON - GOVERNMENTAL ORGANISATION IN THIS RESPECT AND VESSEL IS NOT AMONGST THE LIST OF 50 VESSELS HIGHLIGHTED BY GREENPEACE CARRYING EXCESSIVE HAZARDOUS MATERIALS ONBOARD

YOURS FAITHFULLY

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Masa Yanagisawa

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Republic of Cyprus
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May 12, 2023

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- Registering ships with open flag registries to evade regulations such as the EU Ship Recycling Regulation (EU SRR), which requires EU-flagged ships to be recycled at an EU-approved facility.
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As of December 31, 2018, the EU SRR required all EU-flagged ships to be recycled at an EU-approved facility. These facilities are thoroughly inspected to ensure that ships are broken down safely and sustainably. Yet, according to publicly available shipping data, less than half of the 475 EU ships decommissioned since January 2019 were recycled in approved yards.³¹⁴ Instead, the majority were beached in South Asia, where none of the yards meet the safety and environmental standards set by the EU commission. These ships avoided the EU SRR by registering under non-EU flags.

We additionally found that a lack of regulation and transparency in the shipbreaking industry can be fatal. In Bangladesh, inspection reports and other documentation required to import ships for scrap, including hazardous materials declarations, are often completed by cash buyers and other third parties without any oversight, transparency, or clear accreditation. The reports often fail to meet the bare minimum standards for documenting hazardous materials set by the International Maritime Organization. In many cases, this means ships are imported to Bangladesh full of hazardous materials and broken down by workers who do not have adequate protective equipment or proper facilities to manage the waste safely or sustainably.

Finally, a lack of transparent and regulated system for enforcement of the terms of the Basel Convention means that exporting countries frequently ignore their obligation to obtain prior informed consent from importing countries like Bangladesh, and to ensure that the importer has adequate facilities to sustainably manage the waste. Companies easily circumvent the Basel Ban amendment and EU Waste Shipment Regulation, which ban the export of end-of-life ships from OECD to non-OECD countries, by simply ensuring that the ship has left OECD waters before it is declared waste.

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Six months later, on August 31, 2019, two workers were killed—Aminul Islam, 35, and Tushar Chakma, 27—and thirteen others were injured when a heavy cable collapsed on top of workers breaking apart the *Virgin Star*.³¹⁸

Human Rights Watch additionally viewed the hazardous waste certificate used to import the *Virgin Star*. The certificate, prepared by a company called Maximus Shipping Ltd., uses vague pro-forma language indicating that the vessel was not carrying hazardous substances.³¹⁹

We would be grateful for your response to the above findings and for any additional information you think we should take into consideration. Additionally, we would appreciate your response to the following questions:

10. How does Duraven Shipping Ltd. ensure that ships sold to yards in Bangladesh are safe and environmentally sustainable? Please provide details, including the copy of any policy or procedure in place to ensure that ships sold by Duraven Shipping Ltd. are recycled sustainably. How does this policy comport with the findings stated above?
11. What flag registry(s) does Duraven Shipping Ltd. use to register ships for recycling? Why does Duraven Shipping Ltd. register EU ships with non-EU flags when recycling the ships?
12. What process did Duraven Shipping Ltd. undergo in order to certify the *Virgin Star* for import to Bangladesh? Please provide details of the process for compiling and certifying the inventory of hazardous materials.

³¹⁵ <https://wwz.cedre.fr/en/Resourses/Spills/Spills/CSL-Virginia>

³¹⁶ <https://shipbreakingplatform.org/tag/beaching/page/5/>

³¹⁷ NGO Shipbreaking Platform, “Annual Lists,” <https://shipbreakingplatform.org/annual-lists/> (accessed April 20, 2023).

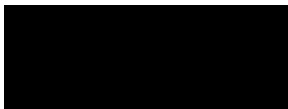
³¹⁸ NGO Shipbreaking Platform, “Accident on board Greek ship kills two and injures thirteen,” September 3, 2019 <https://shipbreakingplatform.org/accident-greek-ship-kills-two-injures-seventeen> (accessed August 11, 2022).

³¹⁹ Please see Appendix I.

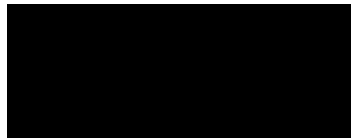
13. How did Duraven Shipping Ltd ensure that Maximus Shipping Ltd., conducted an inventory of hazardous materials in accordance with standards set by the International Maritime Organization?
14. Does Duraven Shipping Ltd. publicly report on all ships sold for scrap in South Asia?
15. What steps did Duraven Shipping Ltd. take before selling the Virgin Star to Ziri Shipbreaking yard to ensure that the ship would be recycled safely and sustainably?
16. Did Duraven Shipping Ltd. conduct any investigation into the August 31, 2019 incident on the Virgin Star described above? If so, please describe the outcome of that investigation and provide any relevant documentation.
6. Was there any cash buyer involved in the sale of the Virgin Star to Duraven Shipping Ltd? What is the relationship between Cyprus Sea Lines and Duraven Shipping Ltd?

Thank you for your attention to these questions. We look forward to your response by **May 12, 2023** so that we can reflect your reply in our upcoming reporting on this subject. Please note that we may publish your written responses at our discretion and when appropriate, either in full or in part.

Sincerely,

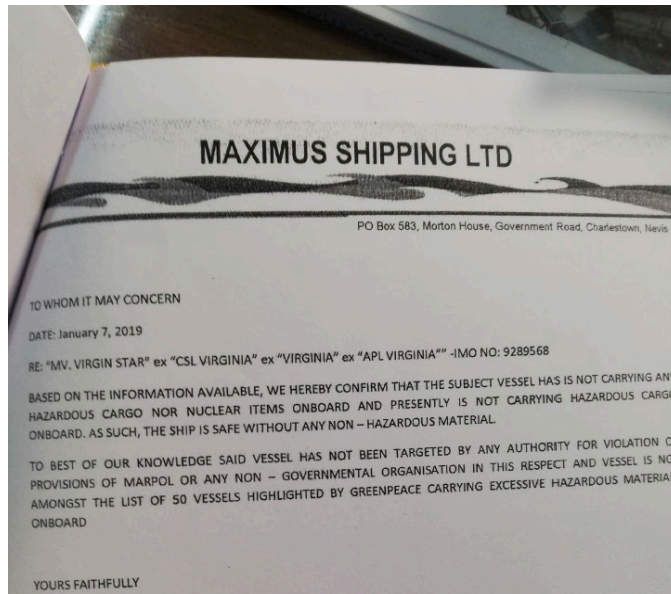


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Asia Director
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GMS

P.O. Box 346041, Suite 101,
Saba 1 Jumeirah Lake Towers,
Dubai, UAE

Email at [REDACTED]

May 8, 2023

Re: Human Rights Watch report on Shipbreaking in Bangladesh

To Whom it May Concern,

We are writing to share our initial findings from research that Human Rights Watch is conducting on conditions in the shipbreaking industry in Bangladesh. We are requesting your response because GMS is the world's largest cash buyer of end-of-life ships and Bangladesh is one of your top markets for selling ships for recycling.³²⁰

Human Rights Watch is an international non-government organization working on a range of human rights issues in over 100 countries worldwide. We have been following and reporting on Bangladesh for over two decades. We accept no funding from any government or political entity to ensure our independence.

Our research demonstrates that occupational health and safety measures are deeply inadequate in Bangladesh's shipbreaking yards and, in many cases, in violation of international and national law. Workers regularly suffer preventable injuries or are even killed while tearing apart ships under unsafe conditions. In violation of national laws, workers are rarely provided with adequate protective equipment, do not have access to emergency medical care in case of an accident, and are rarely compensated in case of injury or death. Bangladesh does not have a toxic waste facility and so waste is regularly dumped straight on the beach, polluting the land, air, and sea.

These conditions are enabled by a lack of transparency and effective enforcement of regulations. Moreover, the shipbreaking industry is designed to enable shipping companies to ignore and circumvent the

³²⁰ <https://www.gmsinc.net/ship-recycling>



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international laws and regulations that are in place to ensure ships are broken down safely and sustainably.

We found several ways that shipping companies evade regulations and distance themselves from transactions with risky yards like the ones in Bangladesh, including the use of ‘cash buyers’ like GMS. Selling end-of-life ships through cash buyers enables shipping companies to evade responsibility for where their ships are scrapped and pass off obligations to carry out due diligence assessments. We found that cash buyers frequently register end-of-life ships under shell companies, making it difficult to determine beneficial ownership. This limits transparency and makes it difficult for workers injured on these ships to get remedies, including compensation, from the company that owned, operated, and profited from the ship prior to its export for scrapping.

For instance, one case included in our report is import of the *FPSO North Sea Producer* (IMO 8124058) to Bangladesh in August 2016. According to Bangladesh court documents, in 2016 the *FPSO North Sea Producer* was sold by Conquistador Shipping Corporation to Janata Steel Corporation in Bangladesh for approximately US \$4.8 Million.³²¹ Following the publication of sales documents by Politiken and Danwatch showing that GMS had negotiated the deal between Maersk and Conquistador Shipping Corporation, in October 2017 Maersk publicly acknowledged that they had sold the North Sea Producer to GMS, with Conquistador Shipping Corporation serving solely as a post-box company.³²²

The alleged relationship between GMS and Conquistador Shipping Corporation illustrates a common and concerning practice wherein cash buyers use anonymous companies to obfuscate the beneficial ownership of ships destined for scrap in South Asian yards.

We found that a lack of regulation and transparency in the shipbreaking industry can be fatal. In Bangladesh, inspection reports and other documentation required to import ships for scrap, including hazardous materials declarations, are often completed by cash buyers and other third parties without any oversight, transparency, or clear accreditation. The reports often fail to meet the bare minimum standards for documenting hazardous materials set by the International Maritime Organization. In many cases, this means ships are imported to Bangladesh full of hazardous materials and broken down by workers who do not have adequate protective equipment or proper facilities to manage the waste safely or sustainably.

³²¹ Supreme Court of Bangladesh, High Court Division, Judgement on November 14, 2019 on Writ Petition No. 8466 of 2017 in the matter of an Application under Article 102 of the Constitution of the People’s Republic of Bangladesh and in the Matter of Bangladesh Environmental Lawyer’s Association (BELA) vs. Bangladesh and others. Page 15.

³²² Margot Gibbs, “‘A moral crime’: Leaked contract reveals how shipowners wash their hands of toxic vessels via offshore world,” July 23, 2019, Finance Uncovered <https://www.financeuncovered.org/stories/shipbreaking-toxic-ships-offshore-beach-yards-cepsa-gms> (accessed April 12, 2023); NGO Shipbreaking Platform, “Maersk’s Toxic Trade: The North Sea Producer Case,” <https://shipbreakingplatform.org/spotlight-north-sea-producer-case/> (accessed April 12, 2023).

For example, in November 2019, the Bangladesh Supreme Court ruled that the import of the *FPSO North Sea Producer* was illegal and that the documents by provided by Conquistador Shipping Corporation that were used to import the ship were “superficially prepared” or “fabricated” and that hazardous materials on the ship had been “deliberately concealed or left vague.”³²³

Shipping companies additionally evade regional regulations registering ships with open flag registries to evade regulations such as the EU Ship Recycling Regulation (EU SRR), which requires EU-flagged ships to be recycled at an EU-approved facility.

Finally, a lack of transparent and regulated system for enforcement of the terms of the Basel Convention means that exporting countries frequently ignore their obligation to obtain prior informed consent from importing countries like Bangladesh, and to ensure that the importer has adequate facilities to sustainably manage the waste. Companies easily circumvent the Basel Ban amendment and EU Waste Shipment Regulation, which ban the export of end-of-life ships from OECD to non-OECD countries, by simply ensuring that the ship has left OECD waters before it is declared waste.

We would be grateful for your response to the above findings and for any additional information you think we should take into consideration. Additionally, we would appreciate your response to the following questions:

17. How does GMS ensure that ships sold to yards in Bangladesh are safe and environmentally sustainable? Please provide details, including the copy of any policy or procedure in place to ensure that ships sold by GMS are recycled sustainably. How does this policy comport with the findings stated above?
18. What is GMS’ relationship with Conquistador Shipping Corporation?
19. Why does GMS utilize separate companies to register ships for recycling and how does GMS ensure that anyone injured on the ship is aware that GMS ultimately owns the ship and can apply for and receive compensation as appropriate?
20. What flag registry(s) does GMS use to register ships for recycling? Why does GMS register EU ships with non-EU flags when recycling the ships?
21. Does GMS provide inventories of hazardous materials for ships that the company is selling for recycling? How are these inventories conducted and how are they certified?
22. Does GMS publicly report on all ships sold for scrap in South Asia —either sold directly by GMS or through an affiliate post-box company?
23. Why did GMS register FPSO North Sea Producer under Conquistador Shipping rather than its under name?

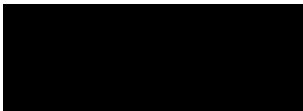
³²³ Supreme Court of Bangladesh, High Court Division, Judgement on November 14, 2019 on Writ Petition No. 8466 of 2017 in the matter of an Application under Article 102 of the Constitution of the People’s Republic of Bangladesh and in the Matter of Bangladesh Environmental Lawyer’s Association (BELA) vs. Bangladesh and others.

24. What steps did GMS and/or Conquistador Shipping take before selling FPSO North Sea Producer to Janata Steel to ensure that the ship would be recycled safely and sustainably?
25. Why steps did GMS take following the FPSO North Sea Producer case to change its policies and practices in light of the findings of the case?

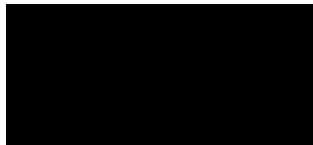
Thank you for your attention to these questions. We look forward to your response by **May 29, 2023** so that we can reflect your reply in our upcoming reporting on this subject. Please note that we may publish your written responses at our discretion and when appropriate, either in full or in part.

Sincerely,

Arvind and Elaine



Elaine Pearson
Asia Director
Human Rights Watch
Sydney, Australia



Arvind Ganesan
Economic Justice & Rights Director
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International Registries, Inc.
11495 Commerce Park Drive
Reston, Virginia 20191-1506
United States of America
Email at [REDACTED]

May 11, 2023

Re: Human Rights Watch report on Shipbreaking in Bangladesh

To Whom it May Concern,

We are writing to share initial findings from research that Human Rights Watch is conducting on conditions in the shipbreaking industry in Bangladesh. We are requesting your response because the Marshall Islands flag is one of the most common flags in the shipping industry.³²⁴

Human Rights Watch is an international non-government organization working on a range of human rights issues in over 100 countries worldwide. We have been following and reporting on Bangladesh for over two decades. We accept no funding from any government or political entity to ensure our independence.

Our research demonstrates that occupational health and safety measures are deeply inadequate in Bangladesh's shipbreaking yards and, in many cases, in violation of international and national law. Workers regularly suffer preventable injuries or are even killed while tearing apart ships under unsafe conditions. In violation of national laws, workers are rarely provided with adequate protective equipment, do not have access to emergency medical care in case of an accident, and are rarely compensated in case of injury or death. Bangladesh does not have a toxic waste facility and so waste is regularly dumped straight on the beach, polluting the land, air, and sea.

These conditions are enabled by shipping companies that routinely ignore and circumvent the international laws and regulations in place to ensure ships are broken down safely and sustainably. We found several ways that

³²⁴ According to dead-weight tonnage and commercial value. United Nations Conference on Trade and Development, November 29, 2022, "Review of Maritime Transport 2022: Navigating Stormy Waters," https://unctad.org/system/files/official-document/rmt2022_en.pdf.



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shipping companies evade regulations and distance themselves from transactions with risky yards like the ones in Bangladesh. This includes:

- Registering ships with open flag registries to evade regulations such as the EU Ship Recycling Regulation (EU SRR), which requires EU-flagged ships to be recycled at an EU-approved facility.
- The use of “cash buyers” that serve as a scrap dealer between the previous ship owner and the shipbreaking yards in South Asia, enabling shipping companies to evade responsibility for where their ships are scrapped. Cash buyers frequently register end-of-life ships under shell companies, making it additionally difficult to determine beneficial ownership. Some flag agencies offer services to create these companies.

One of the cases documented in our report involves an incident that occurred while breaking a ship called the *Max* (IMO 9138616). On August 23, 2021, Mohammed Biplob, 35, was torching through a pipe in the engine room of the *Max* when it suddenly exploded. Biplob said the explosion threw him against the wall, severely burning his face and breaking his back. He lost consciousness and woke up to find that his coworkers were carrying him to the road. He said at the time he could see what was happening but couldn’t speak. Biplob’s family sold all their land to pay for his continued medical treatment and he now runs a tea stall to support them.

According to publicly available shipping records, the previous owner of *the Max*, Tide Line Inc., sold the ship to Amazon Navigation Co Ltd. in June 2021, before it was imported the following month to Arefin Enterprise Yard in Bangladesh. However, it is our understanding that Amazon Navigation Co Ltd is a post-box company for a major cash buyer. The registered agent of Amazon Navigation Co. Ltd. is the Trust Company of the Marshall Islands, Inc.,³²⁵ which is owned by International Registries.

It is difficult for Biplob to seek remedies for the injuries he sustained working on the *Max* in part because Tide Line Inc sold the *Max* through a cash buyer and the cash buyer registered the ship under Amazon Navigation Co Ltd. These layers of ownership limit transparency and make it difficult for workers injured on these ships to get remedies, including compensation, from the company that owned, operated, and profited from the ship prior to its export for scrapping.

The flag swapping and change in corporate registration that occurred before the *Max* was sold is common. As of December 31, 2018, the EU SRR required all EU-flagged ships to be recycled at an EU-approved facility. These facilities are thoroughly inspected to ensure that ships are broken down safely and sustainably. Yet, according to publicly available shipping

³²⁵ See Appendix I.

data, less than half of the 475 EU ships decommissioned since January 2019 were recycled in approved yards.³²⁶ Instead, the majority were beached in South Asia, where none of the yards meet the safety and environmental standards set by the EU commission. These ships avoided the EU SRR by registering under non-EU flags like the Marshall Islands flag. Since January 2019, at least 20 ships previously owned by EU companies registered under a Marshall Islands when they were scrapped on a South Asian beach.

We additionally found that a lack of regulation and transparency in the shipbreaking industry can be fatal. In Bangladesh, inspection reports and other documentation required to import ships for scrap, including hazardous materials declarations, are often completed by cash buyers and other third parties without any oversight, transparency, or clear accreditation. The reports often fail to meet the bare minimum standards for documenting hazardous materials set by the International Maritime Organization. In many cases, this means ships are imported to Bangladesh full of hazardous materials and broken down by workers who do not have adequate protective equipment or proper facilities to manage the waste safely or sustainably.

Finally, a lack of transparent and regulated system for enforcement of the terms of the Basel Convention means that exporting countries frequently ignore their obligation to obtain prior informed consent from importing countries like Bangladesh, and to ensure that the importer has adequate facilities to sustainably manage the waste. Companies easily circumvent the Basel Ban amendment and EU Waste Shipment Regulation, which ban the export of end-of-life ships from OECD to non-OECD countries, by simply ensuring that the ship has left OECD waters before it is declared waste.

We would be grateful for your response to the above findings and for any additional information you think we should take into consideration. Additionally, we would appreciate your response to the following questions:

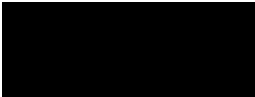
26. What steps does International Registries take to ensure that ships sailing under its flag are scrapped in safe and sustainable conditions and in line with international regulations on sustainable ship recycling? Please provide details, including the copy of any policy or procedure in place to ensure Marshall Islands-flagged ships are recycled sustainably.
27. Does International Registries provide a service to enable shipowners and/or cash buyers to register corporations for the sole purpose of exporting end-of-life ships? What steps does the Registry take to ensure that this does not shield shipowners and/or cash buyers from liability for accidents that occur during ship recycling?
28. Did International Registries specifically provide the service of registering Amazon Navigation Co Ltd to serve as a post-box company for a cash buyer?

³²⁶ NGO Shipbreaking Platform, “Annual Lists,” <https://shipbreakingplatform.org/annual-lists/> (accessed April 20, 2023).

29. We are concerned that the voting structure of the IMO provides for outsized influence from shipping registries. What is the relationship between International Registries and the Marshall Islands delegation with regards to influencing policy at the IMO?

Thank you for your attention to these questions. We look forward to your response by **June 1, 2023** so that we can reflect your reply in our upcoming reporting on this subject. Please note that we may publish your written responses at our discretion and when appropriate, either in full or in part.

Sincerely,



Elaine Pearson
Asia Director
Human Rights Watch



Economic Justice & Rights Director
Human Rights Watch

Appendix I


**REPUBLIC OF THE MARSHALL ISLANDS
NON-RESIDENT ENTITY REPORT
THIS IS NOT A STATEMENT OF GOOD STANDING**

The information provided in this application is real time and reflects the information as of 03-MAY-2023 03:51:45 AM (GMT +00:00)

Entity Number:	38791
Entity Name:	AMAZON NAVIGATION CO. LTD.
Entity Type:	Corporation
Entity Status:	Active
Existence Date:	29-DEC-2009

REGISTERED AGENT INFORMATION

Name:	THE TRUST COMPANY OF THE MARSHALL ISLANDS, INC.
Address:	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands, MH 96960



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Janata Steel Corporation
191, East Nasirabad, 2 No, Gate,
Chittagong
Bangladesh

May 12, 2023

Re: Human Rights Watch report on Shipbreaking in Bangladesh

To Whom it May Concern,

We are writing to share initial findings from research that Human Rights Watch is conducting on conditions in the shipbreaking industry in Bangladesh. We wanted to request information about an incident that occurred in your yard, and actions that may have been taken since then.

Human Rights Watch is an international non-government organization working on a range of human rights issues in over 100 countries worldwide. We have been following and reporting on Bangladesh for over two decades. We accept no funding from any government or political entity to ensure our independence.

Our research demonstrates that occupational health and safety measures are deeply inadequate in Bangladesh's shipbreaking yards and, in many cases, in violation of international and national law. Workers regularly suffer preventable injuries or are even killed while tearing apart ships under unsafe conditions. In violation of national laws, workers are rarely provided with adequate protective equipment, do not have access to emergency medical care in case of an accident, and are rarely compensated in case of injury or death. Bangladesh does not have a toxic waste facility and so waste is regularly dumped straight on the beach, polluting the land, air, and sea.

Our research shows that shipping companies will frequently circumvent requirements to ensure safe and sustainable ship recycling, including by selling ships through cash buyers and outsourcing certifications to unscrupulous third parties. As part of our documentation, we describe the case of import of the *FPSO North Sea Producer* (IMO 8124058). In November 2019, the Bangladesh Supreme Court ruled that the import of the *FPSO North Sea Producer* was illegal and that the documents used to import the

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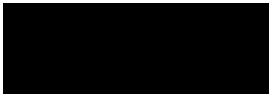
ship were “superficially prepared” or “fabricated” and that hazardous materials on the ship had been “deliberately concealed or left vague.”³²⁷

We would be grateful for your response to the above findings and for any additional information you think we should take into consideration. Additionally, we would appreciate your response to the following questions:

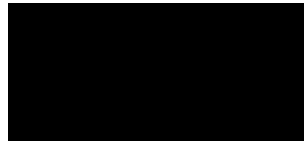
1. How has Janata Steel managed the toxic waste onboard the North Sea Producer since the High Court injunction in 2017?
2. How did Janata Steel ensure that the environmental certificate for the North Sea Producer was accurate?
3. What has been the impact for Janata Steel of the inaccurate documentation of hazardous materials before the North Sea Producer was imported?
4. What is Janata Steel’s current policy to protect against the import of ships containing hazardous or toxic material comply with Bangladesh law?

Thank you for your attention to these questions. We look forward to your response by **June 2, 2023**, so that we can reflect your reply in our upcoming reporting on this subject. Please note that we may publish your written responses at our discretion and when appropriate, either in full or in part.

Sincerely,



Elaine Pearson
Asia Director
Human Rights Watch
Sydney, Australia



Arvind Ganesan
Economic Justice & Rights Director
Human Rights Watch
Washington, D.C., United States

³²⁷ Supreme Court of Bangladesh, High Court Division, Judgement on November 14, 2019 on Writ Petition No. 8466 of 2017 in the matter of an Application under Article 102 of the Constitution of the People’s Republic of Bangladesh and in the Matter of Bangladesh Environmental Lawyer’s Association (BELA) vs. Bangladesh and others. On File with Human Rights Watch.

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Isabelle de Wismes

Masa Yanagisawa

Andrew Zolli

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United States
Email at [REDACTED]

May 9, 2023

Re: Human Rights Watch report on Shipbreaking in Bangladesh

Dear Mr. Adam Cohen and Mr. Elan Cohen,

We are writing to share initial findings from research that Human Rights Watch is conducting on conditions in the shipbreaking industry in Bangladesh. We are requesting your response because the Liberian flag was one of the top flags used during the import of ships for breaking in Bangladesh over the last four years.

Human Rights Watch is an international non-government organization working on a range of human rights issues in over 100 countries worldwide. We have been following and reporting on Bangladesh for over two decades. We accept no funding from any government or political entity to ensure our independence.

Our research demonstrates that occupational health and safety measures are deeply inadequate in Bangladesh's shipbreaking yards and, in many cases, in violation of international and national law. Workers regularly suffer preventable injuries or are even killed while tearing apart ships under unsafe conditions. In violation of national laws, workers are rarely provided with adequate protective equipment, do not have access to emergency medical care in case of an accident, and are rarely compensated in case of injury or death. Bangladesh does not have a toxic waste facility and so waste is regularly dumped straight on the beach, polluting the land, air, and sea.

These conditions are enabled by shipping companies that routinely ignore and circumvent the international laws and regulations in place to ensure ships are broken down safely and sustainably. We found several ways that shipping companies evade regulations and distance themselves from transactions with risky yards like the ones in Bangladesh. This includes:



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- Registering ships with open flag registries like the Liberian International Ship & Corporate Registry to evade regulations such as the EU Ship Recycling Regulation (EU SRR), which requires EU-flagged ships to be recycled at an EU-approved facility.
- The use of “cash buyers” that serve as a scrap dealer between the previous ship owner and the shipbreaking yards in South Asia, enabling shipping companies to evade responsibility for where their ships are scrapped. Cash buyers frequently register end-of-life ships under shell companies, making it additionally difficult to determine beneficial ownership. Some flag agencies offer services to create these companies. This limits transparency and makes it difficult for workers injured on these ships to get remedies, including compensation, from the company that owned, operated, and profited from the ship prior to its export for scrapping.

As of December 31, 2018, the EU SRR required all EU-flagged ships to be recycled at an EU-approved facility. These facilities are thoroughly inspected to ensure that ships are broken down safely and sustainably. Yet, according to publicly available shipping data, less than half of the 475 EU ships decommissioned since January 2019 were recycled in approved yards.³²⁸ Instead, the majority were beached in South Asia, where none of the yards meet the safety and environmental standards set by the EU commission. These ships avoided the EU SRR by registering under non-EU flags like the Liberian flag. Since January 2019, at least 47 ships previously owned by EU companies registered under a Liberian flag when they were scrapped on a South Asian beach.

In one of the cases documented in our report, a ship called the *Virgin Star* (IMO 9289568) was imported in February 2019 under the Liberian flag to Ziri Shipbreaking yard in Bangladesh. Previously owned by a Greek shipping company and registered under the Cyprus flag, the *Virgin Star* changed ownership and reflagged before entering Bangladesh, thus avoiding application of the EU SRR. Six months later, on August 31, 2019, a heavy cable fell from the *Virgin Star*, crushing workers below.³²⁹ Aminul Islam, 35, and Tushar Chakma, 27, died on the spot and 13 others were injured.

We additionally found that a lack of regulation and transparency in the shipbreaking industry can be fatal. In Bangladesh, inspection reports and other documentation required to import ships for scrap, including hazardous materials declarations, are often completed by cash buyers and other third parties without any oversight, transparency, or clear accreditation. The reports often fail to meet the bare minimum standards for documenting hazardous materials set by the International Maritime Organization. In many cases, this means ships are imported to Bangladesh full of hazardous materials and broken down by workers who do not have adequate protective equipment or proper facilities to manage the waste safely or sustainably.

³²⁸ NGO Shipbreaking Platform, “Annual Lists,” <https://shipbreakingplatform.org/annual-lists/> (accessed April 20, 2023).

³²⁹ NGO Shipbreaking Platform, “Press Release – Accident on board Greek ship kills two and injures thirteen,” September 3, 2019, <https://shipbreakingplatform.org/accident-greek-ship-kills-two-injures-seventeen> (accessed September 28, 2022).

Finally, a lack of transparent and regulated system for enforcement of the terms of the Basel Convention means that exporting countries frequently ignore their obligation to obtain prior informed consent from importing countries like Bangladesh, and to ensure that the importer has adequate facilities to sustainably manage the waste. Companies easily circumvent the Basel Ban amendment and EU Waste Shipment Regulation, which ban the export of end-of-life ships from OECD to non-OECD countries, by simply ensuring that the ship has left OECD waters before it is declared waste.

We would be grateful for your response to the above findings and for any additional information you think we should take into consideration. Additionally, we would appreciate your response to the following questions:

30. What steps does the Liberian International Ship & Corporate Registry take to ensure that ships sailing under its flag are scrapped in safe and sustainable conditions and in line with international regulations on sustainable ship recycling? Please provide details, including the copy of any policy or procedure in place to ensure Liberia-flagged ships are recycled sustainably.
31. Does the Liberian International Ship & Corporate Registry provide a service to enable shipowners and/or cash buyers to register corporations for the sole purpose of exporting end-of-life ships? What steps does the Registry take to ensure that this does not shield shipowners and/or cash buyers from liability for accidents that occur during ship recycling?
32. Did the Liberian International Ship & Corporate Registry conduct any investigation into the August 31, 2019 incident on the *Virgin Star* described above? If so, please describe the outcome of that investigation and provide any relevant documentation.
33. We are concerned that the voting structure of the IMO provides for outsized influence from shipping registries. It states on your website that “Liberia has taken a leading role in global shipping at a very early stage and continues to be a voice for shipowners at IMO.”³³⁰ What is the relationship between the Liberian International Ship & Corporate Registry and the Liberian delegation with regards to influencing policy at the IMO? How does Liberia provide a “voice for shipowners at the IMO”?

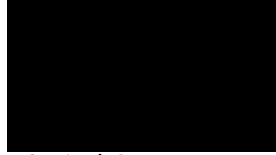
Thank you for your attention to these questions. We look forward to your response by **May 30, 2023** so that we can reflect your reply in our upcoming reporting on this subject. Please note that we may publish your written responses at our discretion and when appropriate, either in full or in part.

³³⁰ Liberian International Ship & Corporate Registry, “About The Liberian Registry,” <https://www.liscr.com/about-liberian-registry> (accessed January 24, 2023).

Sincerely,



Elaine Pearson
Asia Director
Human Rights Watch
Sydney, Australia



Arvind Ganesan
Economic Justice & Rights Director
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May 5, 2023

Re: Human Rights Watch report on Shipbreaking in Bangladesh

To Whom it May Concern,

We write to share initial findings from research that Human Rights Watch is conducting on conditions in the shipbreaking industry in Bangladesh, and to request your comments.

Human Rights Watch is an international non-government organization working on a range of human rights issues in over 100 countries worldwide. We have been following and reporting on Bangladesh for over two decades. We accept no funding from any government or political entity to ensure our independence.

Our research demonstrates that occupational health and safety measures are deeply inadequate in Bangladesh's shipbreaking yards and, in many cases, in violation of international and national law. Workers regularly suffer preventable injuries or are even killed while tearing apart ships under unsafe conditions. In violation of national laws, workers are rarely provided with adequate protective equipment, do not have access to emergency medical care in case of an accident, and are rarely compensated in case of injury or death. Bangladesh does not have a toxic waste facility and so waste is regularly dumped straight on the beach, polluting the land, air, and sea.

These conditions are enabled by shipping companies that routinely ignore and circumvent the international laws and regulations in place to ensure ships are broken down safely and sustainably. We found several ways that shipping companies evade regulations and distance themselves from transactions with risky yards like the ones in Bangladesh. This includes:

- Registering ships with open flag registries to evade regulations such as the EU Ship Recycling Regulation (EU SRR), which requires EU-flagged ships to be recycled at an EU-approved facility.



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- The use of “cash buyers” that serve as a scrap dealer between the previous ship owner and the shipbreaking yards in South Asia, enabling shipping companies to evade responsibility for where their ships are scrapped. Cash buyers frequently register end-of-life ships under shell companies, making it additionally difficult to determine beneficial ownership. Some flag agencies offer services to create these companies. This limits transparency and makes it difficult for workers injured on these ships to get remedies, including compensation, from the company that owned, operated, and profited from the ship prior to its export for scrapping.

We additionally found that a lack of regulation and transparency in the shipbreaking industry can be fatal. In Bangladesh, inspection reports and other documentation required to import ships for scrap, including hazardous materials declarations, are often completed by cash buyers and other third parties without any oversight, transparency, or clear accreditation. The reports often fail to meet the bare minimum standards for documenting hazardous materials set by the International Maritime Organization. In many cases, this means ships are imported to Bangladesh full of hazardous materials and broken down by workers who do not have adequate protective equipment or proper facilities to manage the waste safely or sustainably.

Finally, a lack of transparent and regulated system for enforcement of the terms of the Basel Convention means that exporting countries frequently ignore their obligation to obtain prior informed consent from importing countries like Bangladesh, and to ensure that the importer has adequate facilities to sustainably manage the waste. Companies easily circumvent the Basel Ban amendment and EU Waste Shipment Regulation, which ban the export of end-of-life ships from OECD to non-OECD countries, by simply ensuring that the ship has left OECD waters before it is declared waste.

In our reporting we discuss the case brought by Leigh Day firm against Maran Ltd. on behalf of Hamida Begum over the death of her husband, Khalil Mollah, who fell to his death while working on an oil tanker previously owned by Maran Ltd. Before being sold to Zuma Enterprise Yard in Bangladesh for recycling, Maran Ltd. sold the vessel to Wirana, a known cash buyer.³³¹ The claimants argued that Maran Ltd. should be held liable for the Mollah’s death because Maran Ltd. knowingly sold to a cash buyer that would ultimately sell the ship to a substandard yard. In February 2021, the Court of Appeal of England and Wales concluded that this argument was at least plausible. Lord Justice Males concluded that:

The Defendant was responsible for sending the ship to Chattogram, knowing that this would expose workers such as the Claimant's husband to the risk of

³³¹ “Hamida Begum V. Maran (UK) Limited: Shipbreaker’s Death Turning the Tide in Third-Party Liability Claims Under English Law,” Corporate Accountability Lab May 17, 2021, <https://corpaccountabilitylab.org/calblog/2021/5/17/hamida-begum-v-maran-uk-limited-shipbreakers-death-turning-the-tide-in-third-party-liability-claims-under-english-law> (accessed September 3, 2022).

death or serious injury as a result of the negligence of the shipbreaker which employed him. It was not a case where there was merely a risk that the shipbreaker would fail to take reasonable care for the safety of its workers.

On the contrary, this was a certainty, as the Defendant knew.³³²

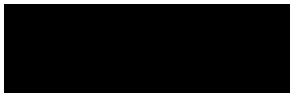
Understanding that the parties to the case have since reached settlement, we want to offer your company the opportunity to comment on the claimant's argument.

We would be grateful for your response to the above findings and for any additional information you think we should take into consideration. Additionally, we would appreciate your response to the following questions:

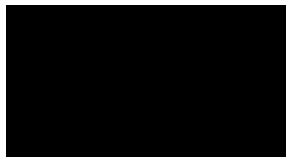
1. Does Maran Ltd. have any comment on the case discussed above?
2. Has the case brought on behalf of Khalil Mollah resulted in any change in policy at Maran Ltd.?
3. Does Maran Ltd. continue to sell ships for recycling to cash buyers such as Wirana, GMS, or Best Oasis?
4. Is Maran Ltd. aware of other incidents in Bangladesh shipyards where workers have been injured or killed recycling vessels previously owned by Maran Ltd.?
5. What steps does Maran Ltd. take to ensure that its ships are scrapped in safe and sustainable conditions and in line with international regulations on sustainable ship recycling? Please provide details, including the copy of any policy or procedure in place to ensure that ships owned by Maran Ltd. during their operational use are recycled sustainably.
6. How does Maran Ltd ensure that its ships are recycled under conditions that protect labor rights, and maintain health and occupational safety? Please provide details, including the copy of any policy or procedure.

Thank you for your attention to these questions. We look forward to your response by **May 26, 2023** so that we can reflect your reply in our upcoming reporting on this subject. Please note that we may publish your written responses at our discretion and when appropriate, either in full or in part.

Sincerely,



Elaine Pearson
Asia Director
Human Rights Watch



Arvind Ganesan
Economic Justice & Rights Director
Human Rights Watch

³³² Court of Appeal of England and Wales (civil division) on Appeal from the High Court of Justice, Queens Bench Division (the Honourable Mr. Justice Jay). Before Lord Justice Bean, Lord Justice Coulson, and Lord Justice Males, Between: Haminda Begum (on behalf of. Md Khalil Mollah) and Maran (UK) Limited. Hearing dates: 9 and 10 February 2021. <https://www.bailii.org/ew/cases/EWCA/Civ/2021/326.html> (accessed September 3, 2022).

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Maximus Shipping Ltd.
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May 11, 2023

Re: Human Rights Watch report on Shipbreaking in Bangladesh

To Whom it May Concern,

We are writing to share our initial findings from research that Human Rights Watch is conducting on conditions in the shipbreaking industry in Bangladesh.

Human Rights Watch is an international non-government organization working on a range of human rights issues in over 100 countries worldwide. We have been following and reporting on Bangladesh for over two decades. We accept no funding from any government or political entity to ensure our independence.

Our research demonstrates that occupational health and safety measures are deeply inadequate in Bangladesh's shipbreaking yards and, in many cases, in violation of international and national law. Workers regularly suffer preventable injuries or are even killed while tearing apart ships under unsafe conditions. In violation of national laws, workers are rarely provided with adequate protective equipment, do not have access to emergency medical care in case of an accident, and are rarely compensated in case of injury or death. Bangladesh does not have a toxic waste facility and so waste is regularly dumped straight on the beach, polluting the land, air, and sea.

These conditions are enabled by a lack of transparency and effective enforcement of regulations. Moreover, the shipbreaking industry is designed to enable shipping companies to ignore and circumvent the international laws and regulations that are in place to ensure ships are broken down safely and sustainably.

We found several ways that shipping companies evade regulations and distance themselves from transactions with risky yards like the ones in



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Bangladesh, including the use of ‘cash buyers.’ Selling end-of-life ships through cash buyers enables shipping companies to evade responsibility for where their ships are scrapped and pass off obligations to carry out due diligence assessments. We found that cash buyers frequently register end-of-life ships under shell companies, making it difficult to determine beneficial ownership. This limits transparency and makes it difficult for workers injured on these ships to get remedies, including compensation, from the company that owned, operated, and profited from the ship prior to its export for scrapping.

We found that a lack of regulation and transparency in the shipbreaking industry can be fatal. In Bangladesh, inspection reports and other documentation required to import ships for scrap, including hazardous materials declarations, are often completed by cash buyers and other third parties without any oversight, transparency, or clear accreditation. The reports often fail to meet the bare minimum standards for documenting hazardous materials set by the International Maritime Organization. In many cases, this means ships are imported to Bangladesh full of hazardous materials and broken down by workers who do not have adequate protective equipment or proper facilities to manage the waste safely or sustainably.

One case documented in our report is the import of the *Virgin Star* (IMO9289568) in January 2019 to Bangladesh. Human Rights Watch obtained a copy of an hazardous materials certificate prepared by Maximus Shipping Ltd, which appears to be signed by Carlos Jesus Hernandez Rivera, director, stating on January 7, 2019 that the *Virgin Star* (IMO9289568) was “safe without any non-hazardous material” (sic).³³³

We would be grateful for your response to the above findings and for any additional information you think we should take into consideration. Additionally, we would appreciate your response to the following questions:

34. Could you please describe the process undertaken by Maximus Shipping Ltd to certify that the *Virgin Star* did not have any hazardous material onboard? Please provide detailed documentation of the process for compiling and certifying the inventory of hazardous materials.
7. What procedures does Maximus Shipping Ltd use to determine whether a ship has asbestos onboard?
8. Was the *Virgin Star* pre cleaned of hazardous waste before import? If so, who conducted this cleaning and how was the waste disposed?
9. Was the *Virgin Star* certified as “gas free for hot work”? If so, how was this certification obtained?

Thank you for your attention to these questions. We look forward to your response by **June 1, 2023** so that we can reflect your reply in our upcoming reporting on this subject. Please note

³³³ See copy of the certificate in Appendix I.

that we may publish your written responses at our discretion and when appropriate, either in full or in part.

Sincerely,

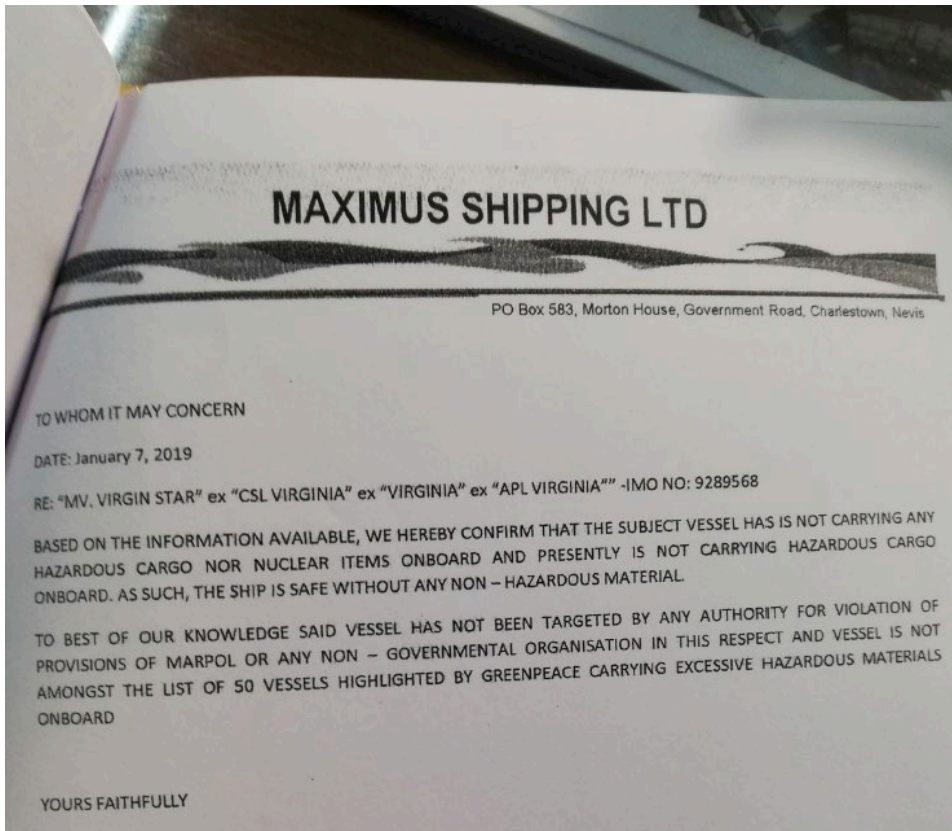


Elaine Pearson
Asia Director
Human Rights Watch



Arvind Ganesan
Economic Justice & Rights Director
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Appendix I



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May 9, 2023

Re: Human Rights Watch report on Shipbreaking in Bangladesh

To Whom it May Concern,

We are writing to share initial findings from research that Human Rights Watch is conducting on conditions in the shipbreaking industry in Bangladesh. We are requesting your response because the Palau flag was one of the top flags used during the import of ships for breaking in Bangladesh over the last four years.

Human Rights Watch is an international non-government organization working on a range of human rights issues in over 100 countries worldwide. We have been following and reporting on Bangladesh for over two decades. We accept no funding from any government or political entity to ensure our independence.

Our research demonstrates that occupational health and safety measures are deeply inadequate in Bangladesh's shipbreaking yards and, in many cases, in violation of international and national law. Workers regularly suffer preventable injuries or are even killed while tearing apart ships under unsafe conditions. In violation of national laws, workers are rarely provided with adequate protective equipment, do not have access to emergency medical care in case of an accident, and are rarely compensated in case of injury or death. Bangladesh does not have a toxic waste facility and so waste is regularly dumped straight on the beach, polluting the land, air, and sea.

These conditions are enabled by shipping companies that routinely ignore and circumvent the international laws and regulations in place to ensure ships are broken down safely and sustainably. We found several ways that shipping companies evade regulations and distance themselves from transactions with risky yards like the ones in Bangladesh. This includes:



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- Registering ships with open flag registries like the Palau International Ship Registry to evade regulations such as the EU Ship Recycling Regulation (EU SRR), which requires EU-flagged ships to be recycled at an EU-approved facility.
- The use of “cash buyers” that serve as a scrap dealer between the previous ship owner and the shipbreaking yards in South Asia, enabling shipping companies to evade responsibility for where their ships are scrapped. Cash buyers frequently register end-of-life ships under shell companies, making it additionally difficult to determine beneficial ownership. Some flag agencies offer services to create these companies. This limits transparency and makes it difficult for workers injured on these ships to get remedies, including compensation, from the company that owned, operated, and profited from the ship prior to its export for scrapping.

As of December 31, 2018, the EU SRR required all EU-flagged ships to be recycled at an EU-approved facility. These facilities are thoroughly inspected to ensure that ships are broken down safely and sustainably. Yet, according to publicly available shipping data, less than half of the 475 EU ships decommissioned since January 2019 were recycled in approved yards.³³⁴ Instead, the majority were beached in South Asia, where none of the yards meet the safety and environmental standards set by the EU commission. These ships avoided the EU SRR by registering under non-EU flags like the Palau flag. Since January 2019, at least 33 ships previously owned by EU companies registered under a Palau flag when they were scrapped on a South Asian beach.

We additionally found that a lack of regulation and transparency in the shipbreaking industry can be fatal. In Bangladesh, inspection reports and other documentation required to import ships for scrap, including hazardous materials declarations, are often completed by cash buyers and other third parties without any oversight, transparency, or clear accreditation. The reports often fail to meet the bare minimum standards for documenting hazardous materials set by the International Maritime Organization. In many cases, this means ships are imported to Bangladesh full of hazardous materials and broken down by workers who do not have adequate protective equipment or proper facilities to manage the waste safely or sustainably.

Finally, a lack of transparent and regulated system for enforcement of the terms of the Basel Convention means that exporting countries frequently ignore their obligation to obtain prior informed consent from importing countries like Bangladesh, and to ensure that the importer has adequate facilities to sustainably manage the waste. Companies easily circumvent the Basel Ban amendment and EU Waste Shipment Regulation, which ban the export of end-of-life ships from OECD to non-OECD countries, by simply ensuring that the ship has left OECD waters before it is declared waste.

³³⁴ NGO Shipbreaking Platform, “Annual Lists,” <https://shipbreakingplatform.org/annual-lists/> (accessed April 20, 2023).

We would be grateful for your response to the above findings and for any additional information you think we should take into consideration. Additionally, we would appreciate your response to the following questions:

35. What steps does the Palau International Ship Registry take to ensure that ships sailing under its flag are scrapped in safe and sustainable conditions and in line with international regulations on sustainable ship recycling? Please provide details, including the copy of any policy or procedure in place to ensure Liberia-flagged ships are recycled sustainably.

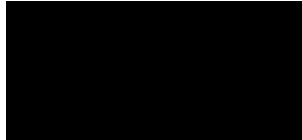
Thank you for your attention to these questions. We look forward to your response by **May 30, 2023** so that we can reflect your reply in our upcoming reporting on this subject. Please note that we may publish your written responses at our discretion and when appropriate, either in full or in part.

Sincerely,

Arvind and Elaine



Elaine Pearson
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May 5, 2023

Re: Human Rights Watch report on Shipbreaking in Bangladesh

To Whom it May Concern,

We are writing to share initial findings from research that Human Rights Watch is conducting on conditions in the shipbreaking industry in Bangladesh. We are requesting your response because the Panama flag was the top flag used during the import of ships for breaking in Bangladesh over the last four years.

Human Rights Watch is an international non-government organization working on a range of human rights issues in over 100 countries worldwide. We have been following and reporting on Bangladesh for over two decades. We accept no funding from any government or political entity to ensure our independence.

Our research demonstrates that occupational health and safety measures are deeply inadequate in Bangladesh's shipbreaking yards and, in many cases, in violation of international and national law. Workers regularly suffer preventable injuries or are even killed while tearing apart ships under unsafe conditions. In violation of national laws, workers are rarely provided with adequate protective equipment, do not have access to emergency medical care in case of an accident, and are rarely compensated in case of injury or death. Bangladesh does not have a toxic waste facility and so waste is regularly dumped straight on the beach, polluting the land, air, and sea.

These conditions are enabled by shipping companies that routinely ignore and circumvent the international laws and regulations in place to ensure ships are broken down safely and sustainably. We found several ways that shipping companies evade regulations and distance themselves from transactions with risky yards like the ones in Bangladesh. This includes:



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- Registering ships with open flag registries like PSC Holdings to evade regulations such as the EU Ship Recycling Regulation (EU SRR), which requires EU-flagged ships to be recycled at an EU-approved facility.
- The use of “cash buyers” that serve as a scrap dealer between the previous ship owner and the shipbreaking yards in South Asia, enabling shipping companies to evade responsibility for where their ships are scrapped. Cash buyers frequently register end-of-life ships under shell companies, making it additionally difficult to determine beneficial ownership. Some flag agencies offer services to create these companies. This limits transparency and makes it difficult for workers injured on these ships to get remedies, including compensation, from the company that owned, operated, and profited from the ship prior to its export for scrapping.

As of December 31, 2018, the EU SRR required all EU-flagged ships to be recycled at an EU-approved facility. These facilities are thoroughly inspected to ensure that ships are broken down safely and sustainably. Yet, according to publicly available shipping data, less than half of the 475 EU ships decommissioned since January 2019 were recycled in approved yards.³³⁵ Instead, the majority were beached in South Asia, where none of the yards meet the safety and environmental standards set by the EU commission. These ships avoided the EU SRR by registering under non-EU flags like the Panama flag. Since January 2019, at least 38 ships previously owned by EU companies registered under a Panama flag when they were scrapped on a South Asian beach.

We additionally found that a lack of regulation and transparency in the shipbreaking industry can be fatal. In Bangladesh, inspection reports and other documentation required to import ships for scrap, including hazardous materials declarations, are often completed by cash buyers and other third parties without any oversight, transparency, or clear accreditation. The reports often fail to meet the bare minimum standards for documenting hazardous materials set by the International Maritime Organization. In many cases, this means ships are imported to Bangladesh full of hazardous materials and broken down by workers who do not have adequate protective equipment or proper facilities to manage the waste safely or sustainably.

Finally, a lack of transparent and regulated system for enforcement of the terms of the Basel Convention means that exporting countries frequently ignore their obligation to obtain prior informed consent from importing countries like Bangladesh, and to ensure that the importer has adequate facilities to sustainably manage the waste. Companies easily circumvent the Basel Ban amendment and EU Waste Shipment Regulation, which ban the export of end-of-life ships from OECD to non-OECD countries, by simply ensuring that the ship has left OECD waters before it is declared waste.

335 NGO Shipbreaking Platform, “Annual Lists,” <https://shipbreakingplatform.org/annual-lists/> (accessed April 20, 2023).

We would be grateful for your response to the above findings and for any additional information you think we should take into consideration. Additionally, we would appreciate your response to the following questions:

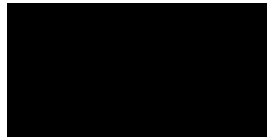
36. What steps does PSC Holdings take to ensure that ships sailing under its flag are scrapped in safe and sustainable conditions and in line with international regulations on sustainable ship recycling? Please provide details, including the copy of any policy or procedure in place to ensure Panama-flagged ships are recycled sustainably.
37. We are concerned that the voting structure of the IMO provides for outsized influence from shipping registries. What is the relationship between the PSC Holdings and the Panama delegation with regards to influencing policy at the IMO?

Thank you for your attention to these questions. We look forward to your response by **May 26, 2023** so that we can reflect your reply in our upcoming reporting on this subject. Please note that we may publish your written responses at our discretion and when appropriate, either in full or in part.

Sincerely,



Elaine Pearson
Asia Director
Human Rights Watch
Sydney, Australia



Arvind Ganesan
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May 5, 2023

Re: Human Rights Watch report on Shipbreaking in Bangladesh

To Whom it May Concern,

We write to share initial findings from research that Human Rights Watch is conducting on conditions in the shipbreaking industry in Bangladesh, and to request your comments.

Human Rights Watch is an international non-government organization working on a range of human rights issues in over 100 countries worldwide. We have been following and reporting on Bangladesh for over two decades. We accept no funding from any government or political entity to ensure our independence.

Our research demonstrates that occupational health and safety measures are deeply inadequate in Bangladesh's shipbreaking yards and, in many cases, in violation of international and national law. Workers regularly suffer preventable injuries or are even killed while tearing apart ships under unsafe conditions. In violation of national laws, workers are rarely provided with adequate protective equipment, do not have access to emergency medical care in case of an accident, and are rarely compensated in case of injury or death. Bangladesh does not have a toxic waste facility and so waste is regularly dumped straight on the beach, polluting the land, air, and sea.

These conditions are enabled by shipping companies that routinely ignore and circumvent the international laws and regulations in place to ensure ships are broken down safely and sustainably. We found several ways that shipping companies evade regulations and distance themselves from transactions with risky yards like the ones in Bangladesh. This includes:

- Registering ships with open flag registries to evade regulations such as the EU Ship Recycling Regulation (EU SRR), which requires EU-flagged ships to be recycled at an EU-approved facility.



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- The use of “cash buyers” that serve as a scrap dealer between the previous ship owner and the shipbreaking yards in South Asia, enabling shipping companies to evade responsibility for where their ships are scrapped. Cash buyers frequently register end-of-life ships under shell companies, making it additionally difficult to determine beneficial ownership. Some flag agencies offer services to create these companies. This limits transparency and makes it difficult for workers injured on these ships to get remedies, including compensation, from the company that owned, operated, and profited from the ship prior to its export for scrapping.

As of December 31, 2018, the EU SRR required all EU-flagged ships to be recycled at an EU-approved facility. These facilities are thoroughly inspected to ensure that ships are broken down safely and sustainably. Yet, according to publicly available shipping data, less than half of the 475 EU ships decommissioned since January 2019 were recycled in approved yards.³³⁶ Instead, the majority were beached in South Asia, where none of the yards meet the safety and environmental standards set by the EU commission. These ships avoided the EU SRR by registering under non-EU flags.

We additionally found that a lack of regulation and transparency in the shipbreaking industry can be fatal. In Bangladesh, inspection reports and other documentation required to import ships for scrap, including hazardous materials declarations, are often completed by cash buyers and other third parties without any oversight, transparency, or clear accreditation. The reports often fail to meet the bare minimum standards for documenting hazardous materials set by the International Maritime Organization. In many cases, this means ships are imported to Bangladesh full of hazardous materials and broken down by workers who do not have adequate protective equipment or proper facilities to manage the waste safely or sustainably.

Finally, a lack of transparent and regulated system for enforcement of the terms of the Basel Convention means that exporting countries frequently ignore their obligation to obtain prior informed consent from importing countries like Bangladesh, and to ensure that the importer has adequate facilities to sustainably manage the waste. Companies easily circumvent the Basel Ban amendment and EU Waste Shipment Regulation (EU WSR), which ban the export of end-of-life ships from OECD to non-OECD countries, by simply ensuring that the ship has left OECD waters before it is declared waste.

One of the cases documented in our report involves an incident that occurred while breaking a ship previously owned by Tide Line Inc., called the *Max* (IMO 9138616).

On August 23, 2021, Mohammed Biplob, 35, was torching through a pipe in the engine room of the *Max* when it suddenly exploded. Biplob said the explosion threw him against the wall, severely burning his face and breaking his back. He lost consciousness and woke up to find

³³⁶ NGO Shipbreaking Platform, “Annual Lists,” <https://shipbreakingplatform.org/annual-lists/> (accessed April 20, 2023).

that his coworkers were carrying him to the road. He said at the time he could see what was happening but couldn't speak. Biplob's family sold all their land to pay for his continued medical treatment and he now runs a tea stall to support them.

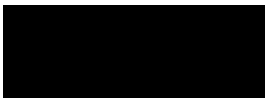
Tide Line Inc. sold *the Max* to Amazon Navigation Co Ltd. in June 2021, before it was imported in July to Arefin Enterprise Yard in Bangladesh. However, it is our understanding that Amazon Navigation Co Ltd is a post-box company for a major cash buyer. The cash buyer avoided EU regulations by ensuring the ship was out of EU waters when it was declared scrap and flagging it under a non-EU Comoros flag.

We would be grateful for your response to the above findings and for any additional information you think we should take into consideration. Additionally, we would appreciate your response to the following questions:

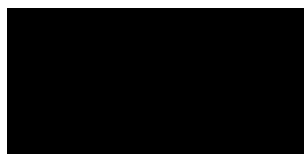
1. What steps does Tide Line Inc. take to ensure that its ships are scrapped in safe and sustainable conditions and in line with international regulations on sustainable ship recycling? Please provide details, including the copy of any policy or procedure in place to ensure that ships owned by Tide Line Inc. during their operational use are recycled sustainably.
2. How does Tide Line Inc. ensure that its ships are recycled under conditions that protect labor rights, and maintain health and occupational safety? Please provide details, including the copy of any policy or procedure.
3. Did Tide Line Inc. conduct any investigation into the August 23, 2021 incident on the *Max* described above? If so, please describe the outcome of that investigation and provide any relevant documentation.
4. Was there any cash buyer involved in the sale of the *Max* to Amazon Navigation Co Ltd? What is the relationship between Tide Line Inc. and Amazon Navigation Co Ltd?

Thank you for your attention to these questions. We look forward to your response by **May 26, 2023** so that we can reflect your reply in our upcoming reporting on this subject. Please note that we may publish your written responses at our discretion and when appropriate, either in full or in part.

Sincerely,



Elaine Pearson
Asia Director
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Sydney, Australia



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May 8, 2023

Re: Human Rights Watch report on Shipbreaking in Bangladesh

To Whom it May Concern,

We are writing to share our initial findings from research that Human Rights Watch is conducting on conditions in the shipbreaking industry in Bangladesh. We are requesting your response because Wirana Shipping Corp. is among the world's top cash buyers of end-of-life ships and Bangladesh is one of Wirana Shipping Corp's top markets for selling ships for scrap.³³⁷

Human Rights Watch is an international non-government organization working on a range of human rights issues in over 100 countries worldwide. We have been following and reporting on Bangladesh for over two decades. We accept no funding from any government or political entity to ensure our independence.

Our research demonstrates that occupational health and safety measures are deeply inadequate in Bangladesh's shipbreaking yards and, in many cases, in violation of international and national law. Workers regularly suffer preventable injuries or are even killed while tearing apart ships under unsafe conditions. In violation of national laws, workers are rarely provided with adequate protective equipment, do not have access to emergency medical care in case of an accident, and are rarely compensated in case of injury or death. Bangladesh does not have a toxic waste facility and so waste is regularly dumped straight on the beach, polluting the land, air, and sea.

These conditions are enabled by a lack of transparency and effective enforcement of regulations. Moreover, the shipbreaking industry is designed to enable shipping companies to ignore and circumvent the



HRW.org

³³⁷ <https://www.wirana.com/market-bangladesh.php>

international laws and regulations that are in place to ensure ships are broken down safely and sustainably.

We found several ways that shipping companies evade regulations and distance themselves from transactions with risky yards like the ones in Bangladesh, including the use of ‘cash buyers’ like Wirana Shipping Corp. Selling end-of-life ships through cash buyers enables shipping companies to evade responsibility for where their ships are scrapped and pass off obligations to carry out due diligence assessments. We found that cash buyers frequently register end-of-life ships under shell companies, making it difficult to determine beneficial ownership. This limits transparency and makes it difficult for workers injured on these ships to get remedies, including compensation, from the company that owned, operated, and profited from the ship prior to its export for scrapping.

We found that a lack of regulation and transparency in the shipbreaking industry can be fatal. In Bangladesh, inspection reports and other documentation required to import ships for scrap, including hazardous materials declarations, are often completed by cash buyers and other third parties without any oversight, transparency, or clear accreditation. The reports often fail to meet the bare minimum standards for documenting hazardous materials set by the International Maritime Organization. In many cases, this means ships are imported to Bangladesh full of hazardous materials and broken down by workers who do not have adequate protective equipment or proper facilities to manage the waste safely or sustainably.

Human Rights Watch viewed the hazardous waste certificates for 21 ships that entered Bangladesh for recycling between January 2018-April 2019. In some cases, the certificate was provided by a company linked to a known cash buyer. For example, two of the certificates were prepared on letterhead for a corporation called Demo International Ltd, but appear to be signed by an official of the Wirana Shipping Corp.³³⁸ These certificates were nearly identical, using pro-forma language indicating that there were “minimal” noxious substances onboard and confirming that the vessels was not carrying hazardous substances.

Shipping companies additionally evade regional regulations by registering ships with open flag registries to evade regulations such as the EU Ship Recycling Regulation (EU SRR), which requires EU-flagged ships to be recycled at an EU-approved facility.

Finally, a lack of transparent and regulated system for enforcement of the terms of the Basel Convention means that exporting countries frequently ignore their obligation to obtain prior informed consent from importing countries like Bangladesh, and to ensure that the importer has adequate facilities to sustainably manage the waste. Companies easily circumvent the

³³⁸ Copies of the certificates included in Appendix I.

Basel Ban amendment and EU Waste Shipment Regulation, which ban the export of end-of-life ships from OECD to non-OECD countries, by simply ensuring that the ship has left OECD waters before it is declared waste.

We would be grateful for your response to the above findings and for any additional information you think we should take into consideration. Additionally, we would appreciate your response to the following questions:

38. How does Wirana Shipping Corp. ensure that ships sold to yards in Bangladesh are safe and environmentally sustainable? Please provide details, including the copy of any policy or procedure in place to ensure that ships sold by Wirana Shipping Corp are recycled sustainably. How does this policy comport with the findings stated above?
39. Why does Wirana Shipping Corp. utilize separate companies to register ships for recycling and how does Wirana Shipping Corp. ensure that anyone injured on the ship is aware that Wirana Shipping Corp. ultimately owns the ship and can apply for and receive compensation as appropriate?
40. What flag registry(s) does Wirana Shipping Corp. use to register ships for recycling? Why does Wirana Shipping Corp. register EU ships with non-EU flags when recycling the ships?
41. What changes did Wirana Shipping Corp. make to its policies or practices following its November 2020 sanction and fine by a Norwegian court for attempting to illegally export a ship from Norway to the shipbreaking yards in Gadani, Pakistan?
 1. Does Wirana Shipping Corp. provide inventories of hazardous materials for ships that the company is selling for recycling? How are these inventories conducted and how are they certified?
 2. Did Wirana Shipping Corp. sell the *Ever Union* (IMO 9116618) and the *Ever Apex* (IMO 9130523) to yards in Bangladesh in 2019? Was the *Ever Union* specifically sold to Mak Corporation yard in Bangladesh? If so, what due diligence assessments did Wirana Shipping Corp., carry out to ensure that these yards meet international standards for health, safety, and environmentally sustainable waste management?
 3. Was Wirana Shipping Corp. responsible for preparing and/or certifying the hazardous waste certificates for the *Ever Union* (IMO 9116618) and the *Ever Apex* (IMO 9130523)? If so, please provide the procedure for the certification. If not, please explain why the certificates appear to be signed by an official of the Wirana Shipping Corp.
 4. What is the relationship between Wirana Shipping Corp. and Demo International Ltd?

Thank you for your attention to these questions. We look forward to your response by **May 29, 2023** so that we can reflect your reply in our upcoming reporting on this subject. Please note that we may publish your written responses at our discretion and when appropriate, either in full or in part.

Sincerely,

Arvind and Elaine



Elaine Pearson
Asia Director
Human Rights Watch
Sydney, Australia



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Bruno Stagno Ugarte, *Chief Advocacy Officer*

Ziri Subedar Group of Companies
1646, Sheikh Mujib Road
Chittagong, Chittagong Division, 4100
Bangladesh
Email at [REDACTED]

April 21, 2023

Re: Human Rights Watch report on Shipbreaking in Bangladesh

To Whom it May Concern,

We are writing to share our initial findings from research that Human Rights Watch is conducting on conditions in the shipbreaking industry in Bangladesh. We wanted to request responses about an incident in your yard and actions that you may have taken since then.

Human Rights Watch is an international non-government organization working on a range of human rights issues in over 100 countries worldwide. We have been following and reporting on Bangladesh for over two decades. We accept no funding from any government or political entity to ensure our independence.

Our research demonstrates that occupational health and safety measures are deeply inadequate in Bangladesh's shipbreaking yards and, in many cases, in violation of international and national law. Workers regularly suffer preventable injuries or are even killed while tearing apart ships under unsafe conditions. In violation of national laws, workers are rarely provided with adequate protective equipment, do not have access to emergency medical care in case of an accident, and are rarely compensated in case of injury or death. Bangladesh does not have a toxic waste facility and so waste is regularly dumped straight on the beach, polluting the land, air, and sea.

Our research documents at least one such major incident that occurred at Ziri Subedar Ship Breaking Yard. On August 31, 2019, two workers were killed—Aminul Islam, 35, and Tushar Chakma, 27—and 13 others were injured when a heavy cable fell from the *Virgin Star* (IMO 9289568), hitting workers below. According to media reports, Ziri Subedar Ship Breaking Yard temporarily closed to investigate the incident. Aminul's family told Human Rights Watch that Ziri Subedar Ship Breaking Yard paid 600,000 BDT as a result of labor court proceedings over the incident.

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We would be grateful for your response to the above findings and for any additional information you think we should take into consideration. Additionally, we would appreciate your response to the following questions:

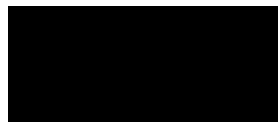
9. Please provide documentation of the procedures and outcomes of the investigation at the August 31, 2019 incident at your yard.
10. Is the above assessment of the treatment and compensation provided to Aminul Islam accurate according to Ziri Shipbreaking's records?
11. Was compensation paid to Tushar Chakma's family and the 13 other workers injured in the accident? If so, could you please provide documentation?
12. What is the Ziri Shipbreaking Yard's current policy on treatment of work-related injuries?
13. What is Ziri Shipbreaking Yard's current policy on compensation for work-related injuries?
14. What safety measures does Ziri Shipbreaking Yard deploy to protect its workers?
15. What safety equipment is provided to cutters, carriers, and helpers? How often is this equipment reissued?

Thank you for your attention to these questions. We look forward to your response by **May 5, 2023**, so that we can reflect your reply in our upcoming reporting on this subject. Please note that we may publish your written responses at our discretion and when appropriate, either in full or in part.

Sincerely,



Elaine Pearson
Asia Director
Human Rights Watch
Sydney, Australia



Arvind Ganesan
Economic Justice & Rights Director
Human Rights Watch
Washington, D.C., United States

Appendix II: Human Rights Watch Letters to the Government of Bangladesh

On June 8, 2023, Human Rights Watch sent separate letters to the Ministry of Industries, the Ministry of Labour and Employment, the Department of Environment, and the Bangladesh Ship Recycling Board and received no responses of September 14, 2023.

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Andrew Zolli

Mr. Nurul Majid Mahmud Humayun
Minister
Ministry of Industries,
91 Motijheel c/a, Dhaka 1000,
Bangladesh
Email at [REDACTED]

June 8, 2023

Re: Human Rights Watch report on Shipbreaking in Bangladesh

Dear Mr. Nurul Majid Mahmud Humayun,

We write to share initial findings from research that Human Rights Watch is conducting on conditions in the shipbreaking industry in Bangladesh, and to request your comments.

Human Rights Watch is an international non-government organization working on a range of human rights issues in over 100 countries worldwide. We have been following and reporting on Bangladesh for over two decades. We accept no funding from any government or political entity to ensure our independence.

Our research demonstrates that occupational health and safety measures are deeply inadequate in Bangladesh's shipbreaking yards and, in many cases, in violation of international and national law. Workers regularly suffer preventable injuries or are even killed while tearing apart ships under unsafe conditions. In violation of national laws, workers are rarely provided with adequate protective equipment, do not have access to emergency medical care in case of an accident, and are rarely compensated in case of injury or death. Bangladesh does not have a toxic waste facility and so waste is regularly dumped straight on the beach, polluting the land, air, and sea.

These conditions are enabled by shipping companies that routinely ignore and circumvent the international laws and regulations in place to ensure ships are broken down safely and sustainably. We found several ways that shipping companies evade regulations and distance themselves from transactions with risky yards like the ones in Bangladesh, including by registering ships with 'flags of convenience' and selling ships for scrap through 'cash buyers.'

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A lack of transparent and regulated system for enforcement of the terms of the Basel Convention means that exporting countries frequently ignore their obligation to obtain prior informed consent from importing countries like Bangladesh, and to ensure that the importer has adequate facilities to sustainably manage the waste. Companies easily circumvent the Basel Ban amendment and EU Waste Shipment Regulation (EU WSR), which ban the export of end-of-life ships from OECD to non-OECD countries, by simply ensuring that the ship has left OECD waters before it is declared waste.

Additionally, a lack of regulation and transparency in the shipbreaking industry can be fatal and environmentally disastrous. We found that inspection reports and other documentation required to import ships for scrap in Bangladesh, including hazardous materials declarations, are often completed by cash buyers and other third parties without any oversight, transparency, or clear accreditation. The reports often fail to meet the bare minimum standards for documenting hazardous materials set by the International Maritime Organization. In many cases, this means ships are imported to Bangladesh full of hazardous materials and broken down by workers who do not have adequate protective equipment or proper facilities to manage the waste safely or sustainably.

According to the 2011 rules, every yard must have an approved Ship Recycling Facility Plan (SRFP) must include adequate facilities for storage of hazardous waste, including a negative pressure chamber for asbestos and sanitation and rest facilities for at least 50 workers. According to the Shipbreaking and Recycling Rules, 2011, the Ministry of Industries has the authority deny shipbreaking facilities permission to operate if they fail to comply with the terms of their Ship Recycling Facility Plan (SRFP).³³⁹

However, the findings of our report indicate that many yards in Bangladesh are not meeting these minimum standards. For instance, workers and experts say the asbestos is just sold in the local market in what are often called “asbestos villages.”³⁴⁰ Asbestos from ships is used in chairs, beds, mattresses, and cooking stoves sold in the local market.

Workers also said that the yards do not provide a safe place to rest, as required by the 2011 rules. Workers described even trying to rest or eating their meals inside the broken ships.

We would be grateful for your response to the above findings and for any additional information you think we should take into consideration. Additionally, we would appreciate your response to the following questions:

1. What is the Ministry of Industries policy for ensuring that shipbreaking facilities maintain SRFPs according to the terms laid out in the 2011 Shipbreaking and Recycling Rules? How does this policy comport with the

³³⁹ Bangladesh Shipbreaking and Recycling Rules, 2011, section 15.8.

³⁴⁰ Human Rights Watch interview in focus group discussion with Sumon (pseudonym), Chattogram, Bangladesh, July 8, 2022.

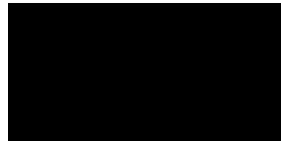
- findings stated above, clearly indicating the yards are operating in violation of their requirements under the 2011 rules.
2. Has the Ministry of Industries revoked permission for a yard to operate based on its failure to maintain its SRFP? Please provide detailed documentation.
 3. The 2011 rules state that the “Ministry of Industries shall carry out twice yearly monitoring” of the air, soil, sediment, and marine quality.³⁴¹ Please provide detailed documentation of these investigations and the outcomes based on their findings.

Thank you for your attention to these questions. We look forward to your response by **June 29, 2023**, so that we can reflect your reply in our upcoming reporting on this subject. Please note that we may publish your written responses at our discretion and when appropriate, either in full or in part.

Sincerely,



Elaine Pearson
Asia Director
Human Rights Watch



Arvind Ganesan
Economic Justice & Rights Director
Human Rights Watch

³⁴¹ Bangladesh Shipbreaking and Recycling Rules, 2011, section 17.22(viii)

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Ministry of Labour and Employment
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1000 Dhaka, Bangladesh
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June 8, 2023

Re: Human Rights Watch report on Shipbreaking in Bangladesh

Dear Ms. Begum Monnujan Sufian MP,

We write to share initial findings from research that Human Rights Watch is conducting on conditions in the shipbreaking industry in Bangladesh, and to request your comments.

Human Rights Watch is an international non-government organization working on a range of human rights issues in over 100 countries worldwide. We have been following and reporting on Bangladesh for over two decades. We accept no funding from any government or political entity to ensure our independence.

Our research demonstrates that occupational health and safety measures are deeply inadequate in Bangladesh's shipbreaking yards and, in many cases, in violation of international and national law. Workers regularly suffer preventable injuries or are even killed while tearing apart ships under unsafe conditions. In violation of national laws, workers are rarely provided with adequate protective equipment, do not have access to emergency medical care in case of an accident, and are rarely compensated in case of injury or death.

These conditions are enabled by shipping companies that routinely ignore and circumvent the international laws and regulations in place to ensure ships are broken down safely and sustainably. We found several ways that shipping companies evade regulations and distance themselves from transactions with risky yards like the ones in Bangladesh, including by registering ships with 'flags of convenience' and selling ships for scrap through 'cash buyers.'

We also found that inspection reports and other documentation required to import ships for scrap in Bangladesh, including hazardous materials

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declarations, are often completed by cash buyers and other third parties without any oversight, transparency, or clear accreditation. The reports often fail to meet the bare minimum standards for documenting hazardous materials set by the International Maritime Organization. In many cases, this means ships are imported to Bangladesh full of hazardous materials and broken down by workers who do not have adequate protective equipment or proper facilities to manage the waste safely or sustainably.

Workers described dangerous working conditions, far below those minimum occupational health and safety standards set out in the 2011 Shipbreaking and Recycling Rules. For instance, according to the 2011 Shipbreaking and Recycling Rules, all shipbreaking workers must be provided with protective equipment “including head protection, face and eye protection; respiratory protective equipment; hearing protection; protectors against radioactive contamination; protection from falls and appropriate clothing.”³⁴² However, shipbreaking workers in Bangladesh are not provided with adequate protective equipment, training, or tools to safely do their jobs. Workers described using their own socks as gloves to avoid burning their hands as they cut through molten steel, wrapping their shirts around their mouths to avoid inhaling toxic fumes, and carrying chunks of steel while barefoot.

Workers are frequently killed or injured by falling or being crushed by falling metal, fires, or explosions. Shipyards in Bangladesh rarely conduct inventories of material on the ship before the cutting begins, as required by Bangladesh law, leaving workers are at risk of serious burns, death, or injury from explosions.³⁴³

The 2011 Shipbreaking and Recycling Rules as well as the 2006 Labour Act require employers to pay for treatment of workplace injuries, to cover wages up to a year during recovery, and to pay compensation in case of injury or death, including for longer-term health impacts including asbestosis and cancer. Under the 2011 Shipbreaking and Recycling Rules, after an accident, a yard is supposed to immediately suspend operations for a week while the Bangladesh Ship Recycling Board (BSRB) conducts an independent investigation and mandates any necessary changes. In case of injury, the board is supposed to initiate penal action and, in the case of negligence, suspend yard operations for a year and mandate

³⁴² Shipbreaking and Recycling Rules, 2011, 17.2.

³⁴³ Specifically defined as “after concentrations of flammable vapours or gases in the atmosphere are declared to be less than 10 percent of the lower explosive limit. Further, hollow metal containers must be filled with water or be thoroughly cleaned of flammable substances, vented and tested prior to cutting.” Basel Convention Secretariate, “Technical Guidelines for the Environmentally Sound Management of the Full and Partial Dismantling of Ships,” Adopted 2002.

payment of around \$2,000 to injured workers alongside coverage of complete treatment and one year's worth of wages. The compensation for fatality is \$5,000.

However, these measures are rarely taken, and workers said that it is often difficult to secure payment for their treatment. In many cases, workers said they received inadequate care either when the yard owner refused to pay for a certain procedure or simply stopped paying. Some workers received compensation for their injuries, but rarely the full amount required under Bangladesh law. The minimum wage requirements for shipbreaking workers set by the Ministry of Labour and Employment include a monthly stipend for medical care, however, none of the workers interviewed received this stipend.

In violation of Bangladesh labor laws, shipbreaking workers are often denied breaks or sick leave, even when they are injured on the job. Though the 2011 Ship Breaking and Recycling Rules require that shipbreaking yards provide dedicated onsite facilities to take rest, workers say they have nowhere to go. Workers described even trying to rest inside of the ships.

Workers are paid a fraction of what they are legally entitled to under Bangladesh's minimum wage regulations set by the Ministry of Labour and Employment for shipbreaking workers. Cutters interviewed for our report, on average, earn a monthly wage of 11,564 BDT, nearly one quarter of the minimum wage for ship cutters of approximately 40,930 BDT per month set by the Ministry of Labour and Employment. Moreover, none of the workers interviewed were receiving monthly stipends for housing, healthcare, and transportation included in the minimum wage total. Helpers we interviewed were earning as little as 5,200 BDT per month—over a sixth of the approximately 31,990 BDT per month that they should be paid according to the minimum wage laws. Helpers were also not being paid the additional allowances they are owed.

Typically employed temporarily, workers are rarely given formal contracts, leaving them with few means to advocate for their rights. Some workers said they were made to sign what they were told were contracts that they were not allowed to read or retain. Others said they were simply made to sign a blank piece of paper. The informal nature of the industry means that yard owners can cover up worker deaths and injuries, in some cases denying that a worker who died on the job had ever worked there. When workers attempt to unionize or protest conditions, they are fired and harassed.

The Bangladesh government has identified shipbreaking as one of 38 most dangerous forms of child labor as part of its 2008 National Elimination of Child Labour Policy. The 2009 High Court 18-point directive bans the employment of children under the age of 16 in shipbreaking yards and both the 2011 Shipbreaking and Recycling Rules and the Hazardous Waste and Ship Breaking Hazardous Waste Management Rules ban the employment of

children. Still, researchers estimate that 13 percent of shipbreaking workers overall are children and that 20 percent of workers during illegal nightshifts are children.³⁴⁴

We would be grateful for your response to the above findings and for any additional information you think we should take into consideration. Additionally, we would appreciate your response to the following questions:

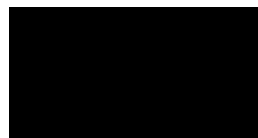
1. What is the Ministry of Labour and Employment doing to ensure that shipbreaking workers are paid the minimum wage? Are there consequences for yards that persistently fail to pay the minimum wage set by the Ministry of Labour and Employment?
2. Is the Ministry of Labour and Employment conducting regular unannounced inspections to ensure that yards are complying with occupational health and safety requirements outlined in the 2011 Shipbreaking and Recycling Rules? What actions does the Ministry take if it is found that yards are persistently fail to comply with these requirements?
3. What is the Ministry of Labour and Employment doing to end illegal night shifts?
4. What is the Ministry of Labour and Employment doing to end the use of child labor in shipbreaking yards?
5. How is the Ministry of Labour and Employment ensuring that workers are offered negotiated contracts?
6. What is the Ministry of Labour and Employment doing to ensure that workers do not face retaliation for exercising their right to free association and unionizing?

Thank you for your attention to these questions. We look forward to your response by **June 29, 2023**, so that we can reflect your reply in our upcoming reporting on this subject. Please note that we may publish your written responses at our discretion and when appropriate, either in full or in part.

Sincerely,



Elaine Pearson
Asia Director
Human Rights Watch



Arvind Ganesan
Economic Justice & Rights Director
Human Rights Watch

³⁴⁴ Dr. Muhammod Shaheen Chowdhury, "Study Report on Child Labour in the Shipbreaking Sector in Bangladesh," June 19, 2019, <https://shipbreakingplatform.org/wp-content/uploads/2020/04/Child20Labor20Final.pdf> (accessed January 6, 2022).

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Email at [REDACTED]

June 8, 2023

Re: Human Rights Watch report on Shipbreaking in Bangladesh

Dear Dr. Abdul Hamid,

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These conditions are enabled by shipping companies that routinely ignore and circumvent the international laws and regulations in place to ensure ships are broken down safely and sustainably. We found several ways that shipping companies evade regulations and distance themselves from transactions with risky yards like the ones in Bangladesh, including by

registering ships with ‘flags of convenience’ and selling ships for scrap through ‘cash buyers.’

A lack of transparent and regulated system for enforcement of the terms of the Basel Convention means that exporting countries frequently ignore their obligation to obtain prior informed consent from importing countries like Bangladesh, and to ensure that the importer has adequate facilities to sustainably manage the waste. Companies easily circumvent the Basel Ban amendment and EU Waste Shipment Regulation (EU WSR), which ban the export of end-of-life ships from OECD to non-OECD countries, by simply ensuring that the ship has left OECD waters before it is declared waste.

Additionally, a lack of regulation and transparency in the shipbreaking industry can be fatal and environmentally disastrous.

The EU Ship Recycling Regulation, the Bangladesh Ship Recycling Act, and the Basel Convention all require ships to maintain an inventory of hazardous materials. According to Bangladesh’s Shipbreaking and Recycling Rules, to be imported for breaking, the Department of Environment must issue an environmental clearance certificate.³⁴⁵ However, our research found that many of the inventories for ships entering Bangladesh are simply drafted by a cash buyer or another offshore third party without any oversight, transparency, or clear accreditation.

Falsified hazardous waste certificates are frequently used to greenlight toxic waste into Bangladesh, where there are no adequate facilities and downstream waste management systems. The reports often fail to meet the bare minimum standards for documenting hazardous materials set by the International Maritime Organization. In many cases, this means ships are imported to Bangladesh full of hazardous materials and broken down by workers who do not have adequate protective equipment or proper facilities to manage the waste safely or sustainably.”³⁴⁶

Human Rights Watch viewed 21 hazardous waste certificates for ships entering Bangladesh for recycling, all of which were prepared by third party companies. In some cases, the certificate was provided by a company linked to a known cash buyer. These are often pro-forma certificates, suggesting that the issuing authority is not conducting adequate inspections. One case documented in our report is the import of the *Virgin Star* (IMO9289568) in January 2019. Human Rights Watch obtained a copy of the hazardous materials certificate prepared by Maximus Shipping Ltd, stating on January 7, 2019 that the

³⁴⁵ Shipbreaking and Recycling Rules, 2011.

³⁴⁶ Human Rights Watch interview with activist (name withheld) Chattogram, Bangladesh, May 17, 2022.

Virgin Star (IMO9289568) was “safe without any non-hazardous material” (sic) language that is replicated in other certificates.³⁴⁷

Asbestos is one of the most common toxic materials in ships. However, most of the certificates viewed by Human Rights Watch indicated that the presence of asbestos on the ship was “nil” or “minimal.” Ship recycling experts explained that it would be impossible to make this determination without tests and sampling that Bangladesh does not have the capacity to perform.

The High Court’s 2009 Directives designate the Department of Environment and Ministry of Labour to monitor compliance and to ensure that “no hazardous substance is released into any river, water body, canal, sea, land or any place other than the waste dumping facilities.” The Department of Environment is responsible for carrying out regular monitoring of air, soil, and water quality and ship recyclers will lose their authorization if it is found that they are not disposing of waste in an “environmentally sound manner.”³⁴⁸

However, the ongoing pollution by shipbreaking yards indicates that these assessments are not being effectively carried out. According to the 2011 Bangladesh Ship Breaking and Recycling Rules, all shipyards are required to have an asbestos storage unit on site³⁴⁹ and workers must be provided with equipment for the safe removal of asbestos.³⁵⁰ Yards are required to remove asbestos in leakproof containers and dispose of it according to regulations set by the Department of Environment.³⁵¹ But these procedures are rarely followed. Instead, workers and experts say the asbestos is just sold in the local market³⁵² Asbestos from ships is used in chairs, beds, mattresses, and cooking stoves sold in the local market.

Bangladesh’s Environmental Conservation Act, 1995, prohibits all industrial units from operating without an environmental clearance certificate.³⁵³ The Department of Environment’s director general, or their delegate, has wide powers to enter premises, search buildings, collect air, water, and soil samples, and seek the assistance of law enforcement

³⁴⁷ See copy of the certificate in appendix I.

³⁴⁸ Shipbreaking and Recycling Rules, 2011, Art. 16.2

³⁴⁹ Bangladesh Ship Breaking and Recycling Rules, 2011, Section 15.2(b).

³⁵⁰ PPE, vacuums, tools to wet the fibers.

³⁵¹ Bangladesh Ship Breaking and Recycling Rules, 2011, Section 17.19(h)

³⁵² Human Rights Watch interview in focus group discussion with Sumon (pseudonym), Chattogram, Bangladesh, July 8, 2022.

³⁵³ Environmental Conservation Act, art. 18 (viii).

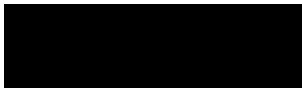
forces or utility providers to ensure compliance with his or her orders.³⁵⁴ It additionally empowers the Director General of the Department of Environment to order a person or group to pay compensation if they are found to have caused direct or indirect “injury to the ecosystem.”³⁵⁵

We would be grateful for your response to the above findings and for any additional information you think we should take into consideration. Additionally, we would appreciate your response to the following questions:

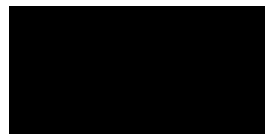
1. Why do third party companies provide the hazardous waste certificates, rather than the Department of Environment?
2. How does the Department of Environment assess the validity of the hazardous waste certificates provided for ships being imported for breaking?
3. Does the Department of Environment carry out regular monitoring of air, soil, and water quality at and around the shipbreaking yards in Chattogram? Please provide detailed documentation. What are the outcomes of these inspections?
4. Has the Department of Environment taken any action to address the failure of shipbreaking yards to adequately dispose of asbestos according to the 2011 Shipbreaking and Recycling Rules? Why have those yards that fail to adequately dispose of asbestos not been shut down?
5. As the director general of the Department of Environment, have you exercised your powers to inspect or delegate any authorities to inspect the shipbreaking yards? Have you ordered any yards to pay compensation for “injury to the ecosystem?” Please provide detailed documentation of the procedures and outcomes of any inspections and orders for compensation.

Thank you for your attention to these questions. We look forward to your response by **June 29, 2023**, so that we can reflect your reply in our upcoming reporting on this subject. Please note that we may publish your written responses at our discretion and when appropriate, either in full or in part.

Sincerely,



Elaine Pearson
Asia Director



Arvind Ganesan
Economic Justice & Rights Director

³⁵⁴ Environmental Conservation Act, art. 12.

³⁵⁵ Environmental Conservation Act, art. 7.

Human Rights Watch

Human Rights Watch

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Bangladesh
Email at [REDACTED]

June 8, 2023

Re: Human Rights Watch report on Shipbreaking in Bangladesh

Dear Mr. Md. Zafar Ullah,

We write to share initial findings from research that Human Rights Watch is conducting on conditions in the shipbreaking industry in Bangladesh, and to request your comments.

Human Rights Watch is an international non-government organization working on a range of human rights issues in over 100 countries worldwide. We have been following and reporting on Bangladesh for over two decades. We accept no funding from any government or political entity to ensure our independence.

Our research demonstrates that occupational health and safety measures are deeply inadequate in Bangladesh's shipbreaking yards and, in many cases, in violation of international and national law. Workers regularly suffer preventable injuries or are even killed while tearing apart ships under unsafe conditions. In violation of national laws, workers are rarely provided with adequate protective equipment, do not have access to emergency medical care in case of an accident, and are rarely compensated in case of injury or death. Bangladesh does not have a toxic waste facility and so waste is regularly dumped straight on the beach, polluting the land, air, and sea.

We found that inspection reports and other documentation required to import ships for scrap in Bangladesh, including hazardous materials declarations, are often completed by cash buyers and other third parties without any oversight, transparency, or clear accreditation. The reports often fail to meet the bare minimum standards for documenting hazardous materials set by the International Maritime Organization. In many cases, this means ships are imported to Bangladesh full of hazardous materials



[HRW.org](http://hrw.org)

and broken down by workers who do not have adequate protective equipment or proper facilities to manage the waste safely or sustainably.

To be imported for breaking, a ship must be issued a “No Objection Certificate” from the BSRB based inspection reports from the customs department, the Department of Environment, and the Department of Explosives.³⁵⁶ However, our research found that many of the inventories for ships entering Bangladesh are simply drafted by a cash buyer or another offshore third party without any oversight, transparency, or clear accreditation.

Falsified hazardous waste certificates are frequently used to greenlight toxic waste into Bangladesh, where there are no adequate facilities and downstream waste management systems. The reports often fail to meet the bare minimum standards for documenting hazardous materials set by the International Maritime Organization. In many cases, this means ships are imported to Bangladesh full of hazardous materials and broken down by workers who do not have adequate protective equipment or proper facilities to manage the waste safely or sustainably. As one Bangladeshi activist explained, “They [the Department of Environment] don’t have that many resources and technical capacity to assess. The cash buyer just gives them a toxic free certificate.”³⁵⁷

Human Rights Watch viewed 21 hazardous waste certificates for ships entering Bangladesh for recycling, all of which were prepared by third party companies. The language on the certificates was pro-forma, suggesting that the parties drafting the certificates were not conducting adequate inspections or investigation of the actual materials onboard the ships.

Workers described dangerous working conditions, far below those minimum occupational health and safety standards set out in the 2011 Shipbreaking and Recycling Rules. For instance, according to the 2011 Shipbreaking and Recycling Rules, all shipbreaking workers must be provided with protective equipment “including head protection, face and eye protection; respiratory protective equipment; hearing protection; protectors against radioactive contamination; protection from falls and appropriate clothing.”³⁵⁸ However, shipbreaking workers in Bangladesh are not provided with adequate protective equipment, training, or tools to safely do their jobs. Workers described using their own socks as gloves to avoid burning their hands as they cut through molten steel, wrapping their shirts around their mouths to avoid inhaling toxic fumes, and carrying chunks of steel while barefoot.

Workers are frequently killed or injured by falling or being crushed by falling metal, fires, or explosions. Shipyards in Bangladesh rarely conduct inventories of material on the ship

³⁵⁶ Shipbreaking and Recycling Rules, 2011.

³⁵⁷ Human Rights Watch interview with activist (name withheld) Chattogram, Bangladesh, May 17, 2022.

³⁵⁸ Shipbreaking and Recycling Rules, 2011, 17.2.

before the cutting begins, as required by Bangladesh law, leaving workers are at risk of serious burns, death, or injury from explosions.³⁵⁹

Workers said that the healthcare clinic run by the Bangladesh Ship Recycling Board (BSRB), only has facilities to treat primary injuries. In the case of any major injury, workers need to be transported either to a private clinic or, more often, the government-run Chattogram Medical College Hospital.

The 2011 Shipbreaking and Recycling Rules and the 2006 Labour Act require employers to pay for treatment of workplace injuries, to cover wages up to a year during recovery, and to pay compensation in case of injury or death, including for longer-term health impacts including asbestosis and cancer. Under the 2011 Shipbreaking and Recycling Rules, after an accident, a yard is supposed to immediately suspend operations for a week while the Bangladesh Ship Recycling Board (BSRB) conducts an independent investigation and mandates any necessary changes. In case of injury, the board is supposed to initiate penal action and, in the case of negligence, suspend yard operations for a year and mandate payment of around \$2,000 to injured workers alongside coverage of complete treatment and one year's worth of wages. The compensation for fatality is \$5,000.

However, these measures are rarely taken, and workers said that it is often difficult to secure payment for their treatment. In many cases, workers said they received inadequate care either when the yard owner refused to pay for a certain procedure or simply stopped paying. Some workers received compensation for their injuries, but rarely the full amount required under Bangladesh law. The minimum wage requirements for shipbreaking workers set by the Ministry of Labour and Employment include a monthly stipend for medical care, however, none of the workers interviewed received this stipend.

In violation of Bangladesh labor laws, shipbreaking workers are often denied breaks or sick leave, even when they are injured on the job. Though the 2011 Ship Breaking and Recycling Rules require that shipbreaking yards provide dedicated onsite facilities to take rest, workers say they have nowhere to go. Workers described even trying to rest inside of the ships.

³⁵⁹ Specifically defined as “after concentrations of flammable vapours or gases in the atmosphere are declared to be less than 10 percent of the lower explosive limit. Further, hollow metal containers must be filled with water or be thoroughly cleaned of flammable substances, vented and tested prior to cutting.” Basel Convention Secretariate, “Technical Guidelines for the Environmentally Sound Management of the Full and Partial Dismantling of Ships,” Adopted 2002.

Workers are paid a fraction of what they are legally entitled to under Bangladesh’s minimum wage regulations set by the Ministry of Labour and Employment for shipbreaking workers. Cutters interviewed for our report, on average, earn a monthly wage of 11,564 BDT, nearly one quarter of the minimum wage for ship cutters of approximately 40,930 BDT per month set by the Ministry of Labour and Employment. Moreover, none of the workers interviewed were receiving monthly stipends for housing, healthcare, and transportation included in the minimum wage total. Helpers we interviewed were earning as little as 5,200 BDT per month—over a sixth of the approximately 31,990 BDT per month that they should be paid according to the minimum wage laws. Helpers were also not being paid the additional allowances they are owed.

Typically employed temporarily, workers are rarely given formal contracts, leaving them with few means to advocate for their rights. Some workers said they were made to sign what they were told were contracts that they were not allowed to read or retain. Others said they were simply made to sign a blank piece of paper. The informal nature of the industry means that yard owners can cover up worker deaths and injuries, in some cases denying that a worker who died on the job had ever worked there. When workers attempt to unionize or protest conditions, they are fired and harassed.

The Bangladesh government has identified shipbreaking as one of 38 most dangerous forms of child labor as part of its 2008 National Elimination of Child Labour Policy. The 2009 High Court 18-point directive bans the employment of children under the age of 16 in shipbreaking yards and both the 2011 Shipbreaking and Recycling Rules and the Hazardous Waste and Ship Breaking Hazardous Waste Management Rules ban the employment of children. Still, researchers estimate that 13 percent of shipbreaking workers overall are children and that 20 percent of workers during illegal nightshifts are children.³⁶⁰

Finally, understanding that the Ship Recycling Board was created in early 2022, we are concerned that the structure of the Board raises serious concerns about its independence, undermining its ability to adequately ensure the protection of workers’ rights and safety. While the board includes representatives of relevant ministries, local authorities, the president of the Association of Ship Recycling Industries, and two representatives of ship recycling yard owners, it does not include those most impacted including local environmental organizations, labor rights groups, or worker representatives.

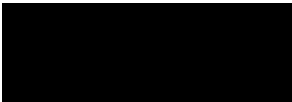
We would be grateful for your response to the above findings and for any additional information you think we should take into consideration. Additionally, we would appreciate your response to the following questions:

³⁶⁰ Dr. Muhammod Shaheen Chowdhury, “Study Report on Child Labour in the Shipbreaking Sector in Bangladesh,” June 19, 2019, <https://shipbreakingplatform.org/wp-content/uploads/2020/04/Child20Labor20Final.pdf> (accessed January 6, 2022).

1. How does the BSRB plan to address the issue of falsified hazardous material certificates that form the basis of the BSRB’s “No Objection Certificate”? How does the BSRB plan to ensure that inspections are adequate and thorough?
2. Has the BSRB conducted any investigations into accidents that have occurred in Bangladesh yards since the board was created? What were the results of these investigations and were any changes mandated?
3. How does the BSRB plan to ensure that shipbreaking workers are paid the minimum wage set by the Ministry of Labour and Employment?
4. Has the BSRB inspected the shipbreaking health clinic? Are there plans to improve the capacity of the BSRB clinic in order to be able to provide adequate emergency treatment for injuries that commonly occur during shipbreaking?
5. What is the BSRB doing to end illegal night shifts?
6. What is the BSRB doing to end the use of child labor in shipbreaking yards?
7. How will the BSRB ensure that workers are offered negotiated contracts?

Thank you for your attention to these questions. We look forward to your response by **June 29** so that we can reflect your reply in our upcoming reporting on this subject. Please note that we may publish your written responses at our discretion and when appropriate, either in full or in part.

Sincerely,



Elaine Pearson
Asia Director
Human Rights Watch



Arvind Ganesan
Economic Justice & Rights Director
Human Rights Watch

Appendix III: Correspondence between Human Rights Watch and the International Maritime Organization

On June 8, 2023, Human Rights Watch sent a letter to the International Maritime Organization (IMO) to which the IMO responded on June 29, 2023.

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Mr. Kitack Lim
Secretary General
International Maritime Organization
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London, SE1 7SR
United Kingdom
Email at [REDACTED]

June 8, 2023

Re: Human Rights Watch report on Shipbreaking in Bangladesh

Dear Mr. Kitack Lim,

We write to share initial findings from research that Human Rights Watch is conducting on conditions in the shipbreaking industry in Bangladesh, and to request your comments.

Human Rights Watch is an international non-government organization working on a range of human rights issues in over 100 countries worldwide. We have been following and reporting on Bangladesh for over two decades. We accept no funding from any government or political entity to ensure our independence.

Our research demonstrates that occupational health and safety measures are deeply inadequate in Bangladesh's shipbreaking yards and, in many cases, in violation of international and national law. Workers regularly suffer preventable injuries or are even killed while tearing apart ships under unsafe conditions. In violation of national laws, workers are rarely provided with adequate protective equipment, do not have access to emergency medical care in case of an accident, and are rarely compensated in case of injury or death. Bangladesh does not have a toxic waste facility and so waste is regularly dumped straight on the beach, polluting the land, air, and sea.

These conditions are enabled by shipping companies that routinely ignore and circumvent the international laws and regulations in place to ensure ships are broken down safely and sustainably. We found several ways that shipping companies evade regulations and distance themselves from transactions with risky yards like the ones in Bangladesh. This includes:

- Registering ships with open flag registries to evade regulations such as the EU Ship Recycling Regulation (EU SRR), which requires EU-flagged ships to be recycled at an EU-approved facility.
- The use of ‘cash buyers’ that serve as a scrap dealer between the previous ship owner and the shipbreaking yards in South Asia, enabling shipping companies to evade responsibility for where their ships are scrapped. Cash buyers frequently register end-of-life ships under shell companies, making it additionally difficult to determine beneficial ownership. This limits transparency and makes it difficult for workers injured on these ships to get remedies, including compensation, from the company that owned, operated, and profited from the ship prior to its export for scrapping.

Our report finds that the use of ‘flags of convenience’ to circumvent important regulations on safety and environmental sustainability suggests that the current approach by the IMO and UN Divisions for Oceans and the Law of the Sea to ensure a ship’s “genuine link” to its flag, is undermining the meaningful application of regional law.

We additionally found that a lack of regulation and transparency in the shipbreaking industry can be fatal. In Bangladesh, inspection reports and other documentation required to import ships for scrap, including hazardous materials declarations, are often completed by cash buyers and other third parties without any oversight, transparency, or clear accreditation. The reports often fail to meet the bare minimum standards for documenting hazardous materials set by the International Maritime Organization. In many cases, this means ships are imported to Bangladesh full of hazardous materials and broken down by workers who do not have adequate protective equipment or proper facilities to manage the waste safely or sustainably.

Finally, a lack of transparent and regulated system for enforcement of the terms of the Basel Convention means that exporting countries frequently ignore their obligation to obtain prior informed consent from importing countries like Bangladesh, and to ensure that the importer has adequate facilities to sustainably manage the waste. Companies easily circumvent the Basel Ban amendment and EU Waste Shipment Regulation, which ban the export of end-of-life ships from OECD to non-OECD countries, by simply ensuring that the ship has left OECD waters before it is declared waste.

The International Maritime Organization has the authority to set international shipping standards including environmental and labor protections. However, we are concerned that the IMO’s organizational structure allows for undue influence from the shipping industry and undermines its ability to function as an independent regulator.

Because voting is weighted by flag presence and ‘flags of convenience’ are up for sale, the shipping industry can influence important regulations regarding labor, health, human rights,

and environmental protections by essentially buying flags—and thus influence—at the IMO. For example, the website of the Liberian shipping registry, a privately owned company, boasts: “Liberia has taken a leading role in global shipping at a very early stage and continues to be a voice for shipowners at IMO.”³⁶¹ A 2018 study by Transparency International found that member states with open flag registries have uneven influence on decisions at the IMO and that the shipping industry itself had “disproportionate influence.”³⁶² It also found that activities of the IMO lacked transparency and there was a lack of delegate accountability.³⁶³

Finally, we are concerned that the IMO’s Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 (Hong Kong Convention) rolls back environmental and safety protections, rather than improve an already dangerous industry. The terms of the convention are overly broad, and it fails to set out obligations that will effectively regulate the shipbreaking industry. More than 100 civil society organizations have said that the Hong Kong Convention does not meet minimum standards for safety and environmental responsibility.³⁶⁴

The convention does not ban or even discourage the beaching method. It does not require shipowners to pre-clean the ship of hazardous waste before recycling, regardless of whether the ship recycling yards have facilities to manage such waste, and only calls for the cargo residues, fuel, oil, and waste on board to be “minimized.”³⁶⁵ It fails to ban the movement of all ships containing asbestos, Polychlorinated biphenyls (PCBs),³⁶⁶ or other hazardous materials to places where such wastes could not be handled in an environmentally sound way.

While the Basel Convention emphasizes the importance of traceability of waste until its final disposal to ensure it is managed in a way that is environmentally sound, the Hong Kong Convention only stipulates that waste be transferred to a facility authorized for its disposal and does not require monitoring of waste dispatched downstream. Many of the important

³⁶¹ Liberian International Ship & Corporate Registry, “About The Liberian Registry,” <https://www.lisr.com/about-liberian-registry> (accessed January 24, 2023).

³⁶² Transparency International, “Governance at the International Maritime Organization,” July 2, 2018, <https://www.transparency.org/en/publications/governance-international-maritime-organisation> (accessed May 24, 2022).

³⁶³ Ibid.

³⁶⁴ Rizwana Hasan, “Final Speech of the NGO Platform on Shipbreaking Before the International Conference on the Safe and Environmentally Sound Recycling of Ships,” May 15, 2019, https://shipbreakingplatform.org/wp-content/uploads/2019/01/IMOSpeechRIZWANA_HASAN1.pdf (accessed September 7, 2022).

³⁶⁵ The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, Part B (Preparation for Ship Recycling), Regulation 8 (general requirements), paragraph 2.

³⁶⁶ PCBs are a type of synthetic organic chemicals. They are classified as a probable carcinogen by the International Agency for Research on Cancer. See: World Health Organization, “Polychlorinated biphenyls and polybrominated biphenyls / IARC Working Group on the Evaluation of Carcinogenic Risks to Humans,” 2015, IARC Monographs on the Evaluation of Carcinogenic Risks to Humans Volume 107, <https://publications.iarc.fr/131>.

aspects of the ship recycling process are relegated to a series of nonmandatory guidelines which the state parties are only requested to “take into account.”³⁶⁷ Unlike the EU Commission’s comprehensive assessment protocols, the Hong Kong Convention makes it easy to approve substandard yards. For example, if there is no objection to a yard’s ship recycling plan within two weeks, the plan “shall be deemed approved.”³⁶⁸

Despite the Hong Kong Convention having not entered into force, we are concerned with the proliferation of companies offering shipyard owners “statements of compliance” with the Hong Kong Convention, further legitimizing substandard yards.³⁶⁹

As with other legislation, enforcement of the Hong Kong Convention will be difficult because it applies to the recycling state and the ship’s flag state, not the beneficial owner. As with the EU Ship Recycling Regulation, a company seeking to circumvent the terms of the Hong Kong Convention need only to change its flag to that of a country that has not signed the convention before being imported for breaking. Since the Hong Kong Convention is also applicable to the recycling state, it puts all the pressure on developing countries that do not have the resources, capacity, or leverage to ensure the ships they are importing are not full of toxic waste. At the same time, the convention does not contain any provisions for funds or alternative financing mechanisms to support the development of adequate facilities for the safe and environmentally sound recycling of ships.

We would be grateful for your response to the above findings and for any additional information you think we should take into consideration. Additionally, we would appreciate your response to the following questions:

1. How does the IMO ensure independence from industry influence, in light of the organizational issues described above?
2. What is the IMO’s access to information policy? Please provide details and documentation. Why is journalist access to open plenary meetings restricted and would the IMO consider removing these restrictions to improve transparency?
3. What is the IMO’s current policy and procedure member state representatives’ disclosure of conflicts of interests, including assets?
4. How does the IMO monitor and record the certification of hazardous materials for ships sold for breaking? Please provide details of the procedure.

³⁶⁷ International Maritime Organization, “The development of the Hong Kong convention,” <https://www.imo.org/en/OurWork/Environment/Pages/Ship-Recycling.aspx> (accessed September 5, 2022).

³⁶⁸ The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, Part B (Preparation for Ship Recycling) Regulation 9 (Ship Recycling Plan), paragraph 4.2.

³⁶⁹ The requirements for a statement of compliance are unspecified.

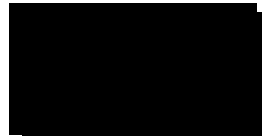
5. How does the IMO ensure that the “genuine link” between ships and their flag state is meaningful? How does the IMO ensure that this system does not allow for the circumvention of regional laws and how does this comport with the findings stated above?

We would be grateful for any additional information you think we should take into consideration. Thank you for your attention to these questions. We look forward to your response by **June 29, 2023**, so that we can reflect your reply in our upcoming reporting on this subject.

Sincerely,



Elaine Pearson
Asia Director
Human Rights Watch



Arvind Ganesan
Economic Justice & Rights Director
Human Rights Watch

29 June 2023

Ms. Elaine Pearson and Mr. Arvind Ganesan
Asia Director / Economic Justice & Rights Director
Human Rights Watch
350 Fifth Avenue, 34th Floor
New York, NY 10118-3299

Dear Ms Pearson and Mr Ganesan,

Human Rights Watch Report on Shipbreaking in Bangladesh

I acknowledge with thanks your letter of 8 June 2023 in respect of the initial findings from the upcoming Human Rights Watch Report on Shipbreaking in Bangladesh, which was referred to me for response.

The Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships (Hong Kong Convention) aims to ensure that ships, when being recycled after reaching the end of their operational lives, do not pose any unnecessary risks to human health, safety or to the environment. I am pleased to inform you that all the entry-into-force conditions of the Hong Kong Convention have now been met and, therefore, the Convention will enter into force on 26 June 2025. As the Convention sets out inclusive and effective standards that are to be applied globally, its entry into force brings certainty as regards to the application and enforcement of the requirements therein.

Within the context of human rights, the Hong Kong Convention introduces an international legal framework within which the working conditions of workers in the ship recycling industry will undoubtedly be made safer and the impact of the activity on the environment will be reduced, thus making a positive contribution in regards of the right of workers to a safe and clean working environment. Furthermore, the entry into force of the Convention will enable amendments to be considered by the relevant IMO bodies, subject to proposals by IMO Member States, that may be aimed at introducing improved requirements or at addressing any gaps identified based on experience gained from the implementation of the international requirements.

In this connection, the 175 States that are members of IMO have an equal say in the decision-making process that has, over the years, led to the development of the current international legal and technical framework for shipping. The representatives of Member States are appointed by their respective Governments and in order to participate in meetings of IMO decision-making bodies they need to present credentials signed by their respective ministers of foreign affairs.

In addition to Member States, non-governmental international organizations that have been granted consultative status with IMO are able to attend IMO meetings and can provide input either by submitting documents or verbally during the meetings.¹ These organizations represent a variety of stakeholders, such as classification societies, trade associations, ports, and environmental groups. While non-governmental international organizations that have been

1 <https://www.imo.org/en/About/Membership/Pages/Default.aspx>



granted consultative status do not have any voting rights at IMO, their views and technical input are available to be considered by Member States representatives as appropriate.

Concerning access to information, all IMO documents (e.g., documents submitted to IMO bodies, reports, circulars, amendments to mandatory instruments) are available via the online IMO documents portal upon registration,² with registration being open to the public. As to media accreditation, the terms and conditions have been developed and approved by the IMO Council and are available on the IMO website.³

I also take this opportunity to highlight the efforts of IMO to promote the early entry into force and effective implementation of the Hong Kong Convention. Since the adoption of the Hong Kong Convention in 2009 numerous workshops on ship recycling have been delivered through the IMO Integrated Technical Cooperation Programme to raise awareness of the Convention internationally, as well as to build capacity and establish the conditions in major ship recycling countries that would enable them to ratify or accede to the Convention.

With regard to ship recycling in Bangladesh, targeted and extensive capacity building support has been provided through the project on "Safe and Environmentally Sound Ship Recycling in Bangladesh" (SENSREC), which has been ongoing since 2015, with funding by the Government of Norway, and implemented jointly by the Government of Bangladesh, IMO and the Secretariat of the Basel, Rotterdam and Stockholm Conventions (BRS).

Under SENSREC, key implementing partners in Bangladesh, namely the Ministry of Industries and the Bangladesh Ship Breakers and Recyclers Association (BSBRA), have been engaged in cultivating a strong sense of ownership in greening ship recycling nationally as well as developing a comprehensive understanding of the challenges and opportunities for ship recycling workers, yard owners, and other stakeholders.

As part of phase II of SENSREC, more than 700 recycling yard workers have been trained on skill development using the training modules developed under SENSREC phase I and each individual has been provided with personal protective equipment. In addition, 200 skilled professionals have been trained to form a trainers' pool for the training of ship recycling workers. Furthermore, an institutional and legal roadmap towards ratification was developed. The remaining activities under Phase II focus on gender awareness in the ship recycling industry, including the holding of a workshop in June 2023 in Chittagong to discuss recommended actions on the economic participation of women in the ship recycling industry.

SENSREC Phase III is planned to provide further support to Bangladesh for compliance with the Convention, by focusing on technical assistance towards the establishment of Treatment, Storage, and Disposal Facilities for waste management, as well as analysis of further needs required by the yards.

Taking into account the multi-faceted nature of ship recycling, which encompasses environmental, safety and occupational health considerations, IMO, ILO and the BRS cooperate to minimize the risks associated with ship recycling activities in their respective fields of competence. In this connection, IMO will continue to promote the Hong Kong Convention, and contribute to achieving the UN Sustainable Development Goals, together with Member Governments, the shipping and recycling industries and other stakeholders.

Yours sincerely,



Arsenio Dominguez
Director
Marine Environment Division

² <https://docs.imo.org>

³ <https://www.imo.org/en/MediaCentre/IMOMediaAccreditation/Pages/Default.aspx>

Appendix IV: Correspondence between Human Rights Watch and Maersk A/S

On May 11, 2023, Human Rights Watch sent a letter to Maersk to which Maersk A/S responded on May 29, 2023.

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Maersk A/S
Esplanaden 50
1263 Copenhagen K
Denmark

Email at [REDACTED]

CC: [REDACTED]

May 8, 2023

Re: Human Rights Watch report on Shipbreaking in Bangladesh

Dear Mr. Vincent Clerc,

We write to share initial findings from research that Human Rights Watch is conducting on conditions in the shipbreaking industry in Bangladesh, and to request your comments.

Human Rights Watch is an international non-government organization working on a range of human rights issues in over 100 countries worldwide. We have been following and reporting on Bangladesh for over two decades. We accept no funding from any government or political entity to ensure our independence.

Our research demonstrates that occupational health and safety measures are deeply inadequate in Bangladesh's shipbreaking yards and, in many cases, in violation of international and national law. Workers regularly suffer preventable injuries or are even killed while tearing apart ships under unsafe conditions. In violation of national laws, workers are rarely provided with adequate protective equipment, do not have access to emergency medical care in case of an accident, and are rarely compensated in case of injury or death. Bangladesh does not have a toxic waste facility and so waste is regularly dumped straight on the beach, polluting the land, air, and sea.

These conditions are enabled by shipping companies that routinely ignore and circumvent the international laws and regulations in place to ensure ships are broken down safely and sustainably. We found several ways that shipping companies evade regulations and distance themselves from transactions with risky yards like the ones in Bangladesh. This includes:

- Registering ships with open flag registries to evade regulations such as the EU Ship Recycling Regulation (EU SRR), which requires EU-flagged ships to be recycled at an EU-approved facility.



[HRW.org](http://hrw.org)

- The use of ‘cash buyers’ that serve as a scrap dealer between the previous ship owner and the shipbreaking yards in South Asia, enabling shipping companies to evade responsibility for where their ships are scrapped. Cash buyers frequently register end-of-life ships under shell companies, making it additionally difficult to determine beneficial ownership. This limits transparency and makes it difficult for workers injured on these ships to get remedies, including compensation, from the company that owned, operated, and profited from the ship prior to its export for scrapping.

For instance, one case included in our report is the import of a ship previously owned jointly by Maersk and Odebrecht called the *FPSO North Sea Producer* (IMO 8124058) to Bangladesh in August 2016. According to Bangladesh court documents, in 2016 the *FPSO North Sea Producer* was sold by Conquistador Shipping Corporation to Janata Steel Corporation in Bangladesh for approximately US \$4.8 Million.¹ Following the publication of sales documents by Politiken and Danwatch showing that GMS had negotiated the deal between Maersk and Conquistador Shipping Corporation, in October 2017 Maersk publicly acknowledged that the company had sold the North Sea Producer to GMS, with Conquistador Shipping Corporation serving solely as a post-box company.² The alleged relationship between GMS and Conquistador Shipping Corporation illustrates a common and concerning practice wherein cash buyers use anonymous companies to obfuscate the beneficial ownership of ships destined for scrap in South Asian yards.

We additionally found that a lack of regulation and transparency in the shipbreaking industry can be fatal. In Bangladesh, inspection reports and other documentation required to import ships for scrap, including hazardous materials declarations, are often completed by cash buyers and other third parties without any oversight, transparency, or clear accreditation. The reports often fail to meet the bare minimum standards for documenting hazardous materials set by the International Maritime Organization. In many cases, this means ships are imported to Bangladesh full of hazardous materials and broken down by workers who do not have adequate protective equipment or proper facilities to manage the waste safely or sustainably. For example, in November 2019, the Bangladesh Supreme Court ruled that the import of the *FPSO North Sea Producer* was illegal and that the documents by provided by Conquistador Shipping Corporation that were used to import the ship were “superficially prepared” or “fabricated” and that hazardous materials on the ship had been “deliberately concealed or left vague.”³

Finally, a lack of transparent and regulated system for enforcement of the terms of the Basel Convention means that exporting countries frequently ignore their obligation to obtain prior informed consent from importing countries like Bangladesh, and to ensure that the importer has adequate facilities to sustainably manage the waste. Companies easily circumvent the Basel Ban amendment and EU Waste Shipment Regulation, which ban the export of end-of-life ships from OECD to non-OECD countries, by simply ensuring that the ship has left OECD waters before it is declared waste.

We recognize that there have been no Maersk ships scrapped in Bangladesh since the incident with the *FPSO North Sea Producer* and that Maersk has invested significantly in improving yards in India. However, we are concerned that Maersk's promotion and continued use of yards that use the 'beaching' method of ship recycling presents undue risks to workers lives, health, and to the environment. Until the yards in India are off the beach, their safety and environmental sustainability cannot be assured, as demonstrated by the repeated rejection of the Indian yards by the EU commission's assessments for inclusion in the list of EU-approved yards.⁴

We are concerned that Maersk's promotion of the yards in India⁵ that do not meet international safety and environmentally sound standards alongside the company's promotion of the Hong Kong Convention serves to undermine efforts towards truly safe and sustainable ship recycling practices.

Maersk is a leader among major shipping companies in promoting safe and sustainable ship recycling practices. However, as one of the world's largest shipping companies, we urge Maersk to go further to ensure that ship recycling in South Asia is not greenwashed, but instead made safe and sustainable.

We commend Maersk on the creation of its own policy on shipbreaking standards, the Responsible Ship Recycling Standard (RSRS). However, the RSRS fail to ensure adequate health, safety, labor, and environmental protections. In particular, the RSRS does not ban the beaching method, nor does it ensure adequate labor protections including fair wages and collective bargaining.

Finally, we commend Maersk for its leadership in the creation of the Ship Recycling Transparency Initiative (SRTI). The SRTI is a positive step towards transparency and opens shipping companies to public scrutiny of their ship recycling policies. However, we are concerned that the SRTI may promise more than it delivers. While the SRTI says that shipowners are sharing information on their "policies, practices, and progress," in reality, the disclosure data is primarily general information on policy and does not include, for example, how many ships were sold for recycling in a given year and to which yards. Moreover, participation in the SRTI does not lead to any commitments to ensure ships are broken down in safe and sustainable ship recycling yards.

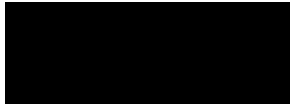
We would be grateful for your response to the above findings and for any additional information you think we should take into consideration. Additionally, we would appreciate your response to the following questions:

1. Would Maersk be willing to take an explicit off-the-beach policy on ship recycling given the proven dangers and environmental hazards of this method?

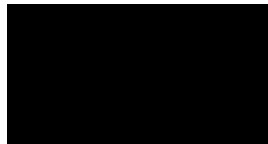
2. As a leader of the SRTI, would Maersk support the creation of commitments to sustainable and safe ship recycling practices, including not to sell ships to cash buyers and to ensure ships are not sold to yards that practice ‘beaching,’ as a requirement of membership within the SRTI?
3. Would Maersk commit to publicly reporting on annual sales of ships for recycling, including a list of specific ships and the conditions of the specific facilities where they are recycled?
4. Has Maersk changed its policies on working with cash buyers since the *FPSO North Sea Producer* incident? If so, please describe Maersk’s current policy on sales to cash buyers.
5. Did Maersk conduct any investigation into the import of the *FPSO North Sea Producer*? In particular, did Maersk conduct any assessment of the hazardous materials certification process and the yard where it was to be scrapped? If so, please describe the outcome of that investigation and provide any relevant documentation.

We would be grateful for any additional information you think we should take into consideration. Thank you for your attention to these questions. We look forward to your response **by May 29, 2023** so that we can reflect your reply in our upcoming reporting on this subject.

Sincerely,



Elaine Pearson
Asia Director
Human Rights Watch
Sydney, Australia



Arvind Ganesan
Economic Justice & Rights Director
Human Rights Watch
Washington, D.C., United States



Human Rights Watch
350 Fifth Avenue, 34th Floor
New York, NY 10118-3299

Human Rights Watch Report on Shipbreaking in Bangladesh

Dear Ms. Elaine Pearson and Mr. Arvind Ganesan,

We appreciate you reaching out to Maersk and sharing initial findings on the research that Human Rights Watch is conducting on conditions in the ship recycling industry in Bangladesh. We also appreciate you seeking our comments in general and on certain specific topics.

The report calls attention to poor health, safety and environmental conditions in ship recycling yards in Bangladesh and touches upon the lack of regulation and transparency in the industry. We have sent ships for recycling in China, India and Türkiye and have not recycled in Bangladesh so far. The absence of a global ship recycling regulation and practice of shipowners allowing recycling under sub-standard conditions are some of the key drivers resulting in this condition in South Asian countries, that include Bangladesh.

As an industry leader, Maersk did not wait for the global regulation to come into force. We conceived the Responsible Ship Recycling (RSR) Programme and have ambitions for creating global responsible ship recycling solutions for the benefit of workers and the environment as well as the responsible yard and shipowners.

The Programme is governed by Maersk's Responsible Ship Recycling Standards (RSRS) that are independent of geography. The standards comprise stringent interpretation of the adopted IMO Hong Kong Convention and exceed requirements on certain parameters like no contact in the inter-tidal zone and downstream waste management. It additionally includes standards on labour and human rights, anti-corruption and sub-contractors. A comprehensive due diligence strategy is followed across the project lifecycle that includes yard screening and approval. To ensure stringent implementation, Maersk supervision teams, which have the authority to stop work in case of unsafe acts and RSRS non-compliances, are deployed at the yards. An external audit regime is present that regularly verifies RSRS compliances. At Alang, India, we have successfully demonstrated that responsible ship recycling is possible.

29 May 2023

A.P. Møller – Maersk A/S
Esplanaden 50
1263 Copenhagen K
Denmark

www.maersk.com

Page 01/04

Maersk's EU-flagged vessels are recycled at yards on the European Union (EU)'s list of approved recycling facilities, the details of which are available [here](#). Maersk does not have an open flag registry and ensures that the End of Life ("EOL") vessel's flag for the final trip shall not be a blacklisted flag by the Paris MOU, as well as the crew on board shall be employed under terms and conditions approved by the national flag. As a responsible ship owner, we provide EU Ship Recycling Regulation ("SRR") standard Inventory of Hazardous Material (IHM) for our vessels which includes additional elements like Perfluoro octane sulfonic acid (PFOS) and Hexabromocyclododecane (HBCDD).

We would like to offer a few additional reflections on the report's observations:

- a) The study makes an incorrect conjecture that Maersk engaged yards do not comply with the international standards. Maersk only engages with yards which are ClassNK (Nippon Kaiji Kyokai) / ClassLR (Lloyds Register) HKC compliant. Maersk further ensures that yards (throughout the project lifecycle) comply with our own internationally benchmarked standards. Several of the Maersk engaged yards have been audited by the EU Commission with a view to being listed on the EU approved list of ship recycling facilities.
- b) The study links 'beaching' as a reason for the non-inclusion of Indian yards on the EU approved list. The reason for the EU withholding inclusion of two leading yards was broadly due to two solvable items including availability of a tertiary trauma care facility in the area and downstream waste management. These items are unrelated to the individual yards or the beaching method per se, and the local government authorities are progressing in addressing these findings.
- c) The study concludes that RSRS fail to ensure compliance with adequate health and safety, labour and human rights for the workers and environmental safeguards. We disagree. On the contrary, we are proud of our proven positive impact on the ground¹.

Maersk's RSR Programme has been recognised by several institutions for its holistic approach and proven positive impact. Recently, the RSR Programme was included as a case study in the Danish Institute for Human Rights' [publication](#): "Due diligence in the downstream value change: case studies of current company practice."

For your specific questions, please find our responses below.

1. Would Maersk be willing to take an explicit off-the-beach policy on ship recycling given the proven dangers and environmental hazards of this method?

¹ For details, please see Sustainability reports - [2022](#) (pages 38-39); [2021](#) (pages 33-34)

Response: There are a few factual errors in the initial findings of the Human Rights Watch research that needs highlighting.

- a) The study links 'beaching' with risks to health and safety of the workers and the environment. We have experienced and demonstrated that with adequate infrastructure and safeguard measures in place, using the aforementioned method, ships can be recycled in a safe and environmentally sound manner. Our position is further validated by the EU Commission's independent assessments and approvals. Multiple EU assessment reports can be referenced from the below:
 - i. Site Inspection [Report](#) Application 006
 - ii. Site Inspection [Report](#) Application 023
 - iii. Site Inspection [Report](#) Application 024

2. As a leader of the SRTI, would Maersk support the creation of commitments to sustainable and safe ship recycling practices, including not selling ships to cash buyers and ensuring ships are not sold to yards that practice 'beaching,' as a requirement of membership within the SRTI?

Responses:

- a) Maersk engages directly with the ship recycling facility while selling the vessels.
 - b) As a founding member of Ship Recycling Transparency Initiative (SRTI), Maersk supports enhanced disclosures by the shipowners. However, key stakeholders like the regulators, investors, cargo owners, financial institutions and others should also play a key role in demanding improved disclosures. A detailed disclosure on Maersk's ship recycling activities is available [here](#).
3. Would Maersk commit to publicly report on annual sales of ships for recycling, including a list of specific ships and the conditions of the specific facilities where they are recycled?

Response: This is already in place. We disclose vessel details, ship recycling facility and their location, which is publicly available [here](#). Additional information like the external audits progress is also disclosed for Indian recycling projects.

4. Has Maersk changed its policies on working with cash buyers since the FPSO North Sea Producer incident? If so, please describe Maersk's current policy on sales to cash buyers.

5. Did Maersk conduct any investigation into the import of the FPSO North Sea Producer? In particular, did Maersk conduct any assessment of the hazardous materials certification process and the yard where it was to be scrapped? If so, please describe the outcome of that investigation and provide any relevant documentation.

Combined responses for questions 4 and 5:

- a) Maersk runs the tender process and commercial negotiations directly with the Maersk RSRS approved yards. However, due to long established industry practices, once the commercial agreement is in place, the yards in India require a cash buyer to be appointed to perform certain contractual obligations on behalf of the recycling yard.
- b) More specifically, after the FPSO North Sea Producer incident, as a response, Maersk put forward facts on the case, tightened its ship recycling procedures including requiring all subsequent recycling agreements to have the commercial agreement negotiated directly with the recycling yards, and broke all commercial relations with the buyer. More details can be found [here](#). EU standard Inventory of Hazardous Material (IHM) parts 1, 2 and 3, which are approved by the class-approved vendors are provided to the buyers.

We welcome the opportunity to respond to your letter and support creating global responsible ship recycling solutions for the benefit of workers and the environment as well as the responsible yard and shipowners. If you should have any further questions, please do not hesitate to reach out.

Sincerely,



Lene Bjørn Serpa
Head of Corporate Sustainability & ESG



Appendix V: Correspondence between Human Rights Watch and Novonor

On June 8, 2023, Human Rights Watch sent a letter to Novonor to which Novonor responded on July 3, 2023. On August 8, 2023, Human Rights Watch responded to the letter to which Novonor responded again on August 22, 2023.

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Siri Stolt-Nielsen

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Isabelle de Wismes

Masa Yanagisawa

Andrew Zolli

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Salvador, Bahia, Brazil, 05501-050

Email at [REDACTED];
[REDACTED]

June 8, 2023

Re: Human Rights Watch report on Shipbreaking in Bangladesh

To Whom it May Concern,

We write to share initial findings from research that Human Rights Watch is conducting on conditions in the shipbreaking industry in Bangladesh, and to request your comments.

Human Rights Watch is an international non-government organization working on a range of human rights issues in over 100 countries worldwide. We have been following and reporting on Bangladesh for over two decades. We accept no funding from any government or political entity to ensure our independence.

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These conditions are enabled by shipping companies that routinely ignore and circumvent the international laws and regulations in place to ensure ships are broken down safely and sustainably. We found several ways that shipping companies evade regulations and distance themselves from transactions with risky yards like the ones in Bangladesh. This includes:



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- Registering ships with open flag registries to evade regulations such as the EU Ship Recycling Regulation (EU SRR), which requires EU-flagged ships to be recycled at an EU-approved facility.
- The use of ‘cash buyers’ that serve as a scrap dealer between the previous ship owner and the shipbreaking yards in South Asia, enabling shipping companies to evade responsibility for where their ships are scrapped. Cash buyers frequently register end-of-life ships under shell companies, making it additionally difficult to determine beneficial ownership. This limits transparency and makes it difficult for workers injured on these ships to get remedies, including compensation, from the company that owned, operated, and profited from the ship prior to its export for scrapping.

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We additionally found that a lack of regulation and transparency in the shipbreaking industry can be fatal. In Bangladesh, inspection reports and other documentation required to import ships for scrap, including hazardous materials declarations, are often completed by cash buyers and other third parties without any oversight, transparency, or clear accreditation. The reports often fail to meet the bare minimum standards for documenting hazardous materials set by the International Maritime Organization. In many cases, this means ships are imported to Bangladesh full of hazardous materials and broken down by workers who do not have adequate protective equipment or proper facilities to manage the waste safely or sustainably. For example, in November 2019, the Bangladesh Supreme Court ruled that the import of the *FPSO North Sea Producer* was illegal and that the documents by provided by Conquistador Shipping Corporation that were used to import the ship were

³⁷⁰ Supreme Court of Bangladesh, High Court Division, Judgement on November 14, 2019 on Writ Petition No. 8466 of 2017 in the matter of an Application under Article 102 of the Constitution of the People’s Republic of Bangladesh and in the Matter of Bangladesh Environmental Lawyer’s Association (BELA) vs. Bangladesh and others. Page 15.

³⁷¹ Margot Gibbs, “‘A moral crime’: Leaked contract reveals how shipowners wash their hands of toxic vessels via offshore world,” July 23, 2019, Finance Uncovered <https://www.financeuncovered.org/stories/shipbreaking-toxic-ships-offshore-beach-yards-cepsa-gms> (accessed April 12, 2023); NGO Shipbreaking Platform, “Maersk’s Toxic Trade: The North Sea Producer Case,” <https://shipbreakingplatform.org/spotlight-north-sea-producer-case/> (accessed April 12, 2023).

“superficially prepared” or “fabricated” and that hazardous materials on the ship had been “deliberately concealed or left vague.”³⁷²

Finally, a lack of transparent and regulated system for enforcement of the terms of the Basel Convention means that exporting countries frequently ignore their obligation to obtain prior informed consent from importing countries like Bangladesh, and to ensure that the importer has adequate facilities to sustainably manage the waste. Companies easily circumvent the Basel Ban amendment and EU Waste Shipment Regulation, which ban the export of end-of-life ships from OECD to non-OECD countries, by simply ensuring that the ship has left OECD waters before it is declared waste.

We would be grateful for your response to the above findings and for any additional information you think we should take into consideration. Additionally, we would appreciate your response to the following questions:

1. What steps does Novonor take to ensure that its ships are scrapped in safe and sustainable conditions and in line with international regulations on sustainable ship recycling? Please provide details, including the copy of any policy or procedure in place to ensure that ships owned by Novonor during their operational use are recycled sustainably.
2. How does Novonor ensure that its ships are recycled under conditions that protect labor rights, and maintain health and occupational safety? Please provide details, including the copy of any policy or procedure.
3. Has Novonor changed its policies on working with cash buyers since the *FPSO North Sea Producer* incident? If so, please describe Novonor’s current policy on sales to cash buyers.
4. Did Novonor conduct any investigation into the import of the *FPSO North Sea Producer*? In particular, did Maersk conduct any assessment of the hazardous materials certification process and the yard where it was to be scrapped? If so, please describe the outcome of that investigation and provide any relevant documentation.

We would be grateful for any additional information you think we should take into consideration. Thank you for your attention to these questions. We look forward to your response by **June 29, 2023**, so that we can reflect your reply in our upcoming reporting on this subject.

Sincerely,

³⁷² Supreme Court of Bangladesh, High Court Division, Judgement on November 14, 2019 on Writ Petition No. 8466 of 2017 in the matter of an Application under Article 102 of the Constitution of the People’s Republic of Bangladesh and in the Matter of Bangladesh Environmental Lawyer’s Association (BELA) vs. Bangladesh and others.



Elaine Pearson
Asia Director
Human Rights Watch



Arvind Ganesan
Economic Justice & Rights Director
Human Rights Watch

NOVONOR

July 3rd, 2023

HUMAN RIGHTS WATCH
350 Fifth Avenue, 34th Floor
New York, NY – 10118-3299
Attn: Elaine Pearson – Asia Director
Arvind Ganesan – Economic Justice & Rights Director
Email: hrwasia@hrw.org

Ref. Human Rights Watch report on Shipbreaking in Bangladesh

Dear Ms Elaine Pearson – Asia Director and Mr Arvind Ganesan - Economic Justice & Rights Director,

We refer to your communication dated June 8th, 2023 addressed to Novonor S.A (“Novonor”).

We apologize for the delay in responding to your letter and take this opportunity to inform you that Novonor’s position on this matter has been previously communicated to the United Nations Human Rights Office of the High Commissioner, Chief Special Procedures Branch – OHCHR and the Chief Rapporteur of the working Group on the issue of human rights.

We confirm that North Sea Production Company Limited (“NSPCL” or “Seller”), ex-owner of the ship named North Sea Producer FPSO, is indeed one of our affiliates, which is controlled by one of our subsidiaries, Ocyan S.A. (“Ocyan”, former Odebrecht Óleo e Gás S.A.), together with a A.P. Moeller – Maersk A/S subsidiary, Maersk Company Limited.

Therefore, the responses contained herein in relation to the specifics of this case have been provided to us by NSPCL, through Ocyan. We were utterly

^{DS}
MJB

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dismayed and genuinely sorry with what transpired from the scrapping, in Bangladesh, by the buyer of the North Sea Producer FPSO, Global Marketing Systems JLT (“GMS” or “Buyer”), as a consequence of the Buyer totally disregarding certain and specific obligations in the sale agreement with NSPCL.

For the avoidance of doubt, it is absolutely unacceptable to Novonor that GMS totally ignored the contractual provisions after the FPSO left UK waters following what was very clearly a diligent approach taken by NSPCL.

NSPCL put in place contractual mechanisms that recognized the actual sale process of the FPSO for re-deployment and not for scrapping. In addition, the Buyer had environmental obligations to cater for the eventual end of life of the FPSO prior to and after the sale, as contained in the sale agreement.

Despite its clear obligations not to do so, unknown to the Seller the Buyer facilitated the disposal of the FPSO to a facility in Bangladesh that did not comply with the requirements of the sale contract for Green Scrapping. NSPCL tried, through its partner, the Maersk Company and the eminent legal advisers Reed Smith of London UK, to vigorously prevent its beaching and dismantling and was thwarted at every attempt to prevent same, by the Buyer.

Moreover, we were advised that despite these vociferous protestations to halt its beaching and scrapping, the Buyer categorically stated, in communication, that the facility they had sold the FPSO to, did comply with the conventions for Green Scrapping contained within the sale contract and that they had complied fully with the terms of sale, and in doing so they had not breached the sale terms and that they were supporting the dismantling facility with the highest level of expertise to ensure environmentally sound recycling of the FPSO to meet the Hong Kong convention.

^{DS}
MDB

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Clearly, what the Buyer has done and or is alleged to have done is contrary to what they stated to NSPCL in the sale process that they were intending to do by way of re-deployment and reuse.

This matter remains in the hands of the competent authorities in Bangladesh and the United Kingdom undergoing due process between the parties that are involved in order to bring closure. NSPCL and its directors have always fully cooperated with the authorities. We hope that the Buyer will face the consequences for the acts committed.

We trust that our response to you assists your due process.

Yours sincerely,

DocuSigned by:
Mauricio Dantas Bezerra
B3CB4F5A414B44E
Mauricio Dantas Bezerra
General Counsel

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Mr. Mauricio Dantas Bezerra
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August 8, 2023

**Re: Human Rights Watch response to letter
dated July 3 from Novonor**

Dear Mr. Bezerra,

We would like to thank you for your informative and transparent response. We appreciate and share your concern regarding the role of cash buyers such as GMS in sending ships to dangerous and polluting yards.

To ensure clarity in our reporting, we are hoping you might provide detail on a few additional questions:

1. In your letter, when you note that the buyer failed to comply with the requirements of the sale contract for “Green Scrapping,” does this refer to a specific set of standards such as the Hong Kong Convention, on the environmentally sound management of the full and partial dismantling of ships, or other specific requirements? Could you provide detail on what “Green Scrapping” entailed according to the contract?
2. Could you please provide a confidential copy of the contract with GMS for verification?
3. According to Bangladesh High Court documents, the named buyer of the FPSO was Conquistador Shipping Corporation. What is the relationship between GMS and Conquistador Shipping Corporation? Is Conquistador Shipping Corporation a GMS subsidiary and/or is it controlled by GMS?

Thank you for your attention to these questions. We look forward to your response by **August 22, 2023** so that we can reflect your reply in our upcoming reporting on this subject. Please note that we may publish your written responses at our discretion and when appropriate, either in full or in part.

Best regards,



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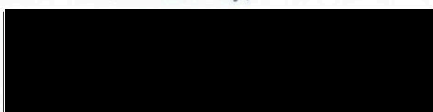
Elaine Pearson
Asia Director
Human Rights Watch

Arvind Ganesan
Economic Justice & Rights Director
Human Rights Watch



We trust you can understand our position in that should you require any further information in this matter we would urge you to contact the companies directly involved or the authorities concerned.

Yours sincerely,



Mauricio Dantas Bezerra
General Counsel

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August 22nd, 2023

HUMAN RIGHTS WATCH
350 Fifth Avenue, 34th Floor
New York, NY – 10118-3299
Attn: Elaine Pearson – Asia Director
Arvind Ganesan – Economic Justice & Rights Director
Email: hrwasia@hrw.org

Ref: Human Rights Watch response to Letter Dated July 3 from Novonor

Dear Ms Elaine Perason – Asia Director and Mr Arvind Ganesan – Economic Justice & Rights Director

We refer to your communication dated August 8th, 2023 addressed to Novonor S.A. (“Novonor”)

As we advised in our previous response to you dated July 3rd 2023 the source of our response manifested from one of our subsidiary companies, Ocyan S.A. (“Ocyan”) via the UK domiciled NSPCL affiliate, which receives information from a joint venture that owned the ship.

However, in the spirit of co-operation, from records available please find below our response:

Items 1 and 2) we don't have a copy of this contract and believe that the parties cannot provide details or a copy due to confidentiality obligations.

Item 3) GSM acted as a guarantor of Conquistador Shipping Corporation, the buyer. We cannot answer further for their relationship however we can confirm that Novonor, Ocyan nor NSPCL were, or are a party to, the mentioned writ.

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Appendix VI: Correspondence between Human Rights Watch and Best Oasis

On May 8, 2023, Human Rights Watch sent a letter to Best Oasis to which Best Oasis responded on June 1, 2023. However, the company requested that we do not publish the reply.

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Jumeirah Lake Towers,
Dubai,
United Arab Emirates
Email at [REDACTED]

May 8, 2023

Re: Human Rights Watch report on Shipbreaking in Bangladesh

To Whom it May Concern,

We are writing to share our initial findings from research that Human Rights Watch is conducting on conditions in the shipbreaking industry in Bangladesh. We are requesting your response because Best Oasis is among the world's top cash buyers of end-of-life ships and Bangladesh is one of your top markets for selling ships for recycling.³⁷³

Human Rights Watch is an international non-government organization working on a range of human rights issues in over 100 countries worldwide. We have been following and reporting on Bangladesh for over two decades. We accept no funding from any government or political entity to ensure our independence.

Our research demonstrates that occupational health and safety measures are deeply inadequate in Bangladesh's shipbreaking yards and, in many cases, in violation of international and national law. Workers regularly suffer preventable injuries or are even killed while tearing apart ships under unsafe conditions. In violation of national laws, workers are rarely provided with adequate protective equipment, do not have access to emergency medical care in case of an accident, and are rarely compensated in case of injury or death. Bangladesh does not have a toxic waste facility and so waste is regularly dumped straight on the beach, polluting the land, air, and sea.

These conditions are enabled by a lack of transparency and effective enforcement of regulations. Moreover, the shipbreaking industry is designed to enable shipping companies to ignore and circumvent the



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³⁷³ <https://www.best-oasis.com/green-ship-recycling>

international laws and regulations that are in place to ensure ships are broken down safely and sustainably.

We found several ways that shipping companies evade regulations and distance themselves from transactions with risky yards like the ones in Bangladesh, including the use of ‘cash buyers’ like Best Oasis. Selling end-of-life ships through cash buyers enables shipping companies to evade responsibility for where their ships are scrapped and pass off obligations to carry out due diligence assessments. We found that cash buyers frequently register end-of-life ships under shell companies, making it difficult to determine beneficial ownership. This limits transparency and makes it difficult for workers injured on these ships to get remedies, including compensation, from the company that owned, operated, and profited from the ship prior to its export for scrapping.

We found that a lack of regulation and transparency in the shipbreaking industry can be fatal. In Bangladesh, inspection reports and other documentation required to import ships for scrap, including hazardous materials declarations, are often completed by cash buyers and other third parties without any oversight, transparency, or clear accreditation. The reports often fail to meet the bare minimum standards for documenting hazardous materials set by the International Maritime Organization. In many cases, this means ships are imported to Bangladesh full of hazardous materials and broken down by workers who do not have adequate protective equipment or proper facilities to manage the waste safely or sustainably.

Shipping companies additionally evade regional regulations registering ships with open flag registries to evade regulations such as the EU Ship Recycling Regulation (EU SRR), which requires EU-flagged ships to be recycled at an EU-approved facility.

Finally, a lack of transparent and regulated system for enforcement of the terms of the Basel Convention means that exporting countries frequently ignore their obligation to obtain prior informed consent from importing countries like Bangladesh, and to ensure that the importer has adequate facilities to sustainably manage the waste. Companies easily circumvent the Basel Ban amendment and EU Waste Shipment Regulation, which ban the export of end-of-life ships from OECD to non-OECD countries, by simply ensuring that the ship has left OECD waters before it is declared waste.

We would be grateful for your response to the above findings and for any additional information you think we should take into consideration. Additionally, we would appreciate your response to the following questions:

42. How does Best Oasis ensure that ships sold to yards in Bangladesh are safe and environmentally sustainable? Please provide details, including the copy of any policy

- or procedure in place to ensure that ships sold by Best Oasis are recycled sustainably. How does this policy comport with the findings stated above?
43. Why does Best Oasis utilize separate companies to register ships for recycling and how does Best Oasis ensure that anyone injured on the ship is aware that Best Oasis ultimately owns the ship and can apply for and receive compensation as appropriate?
 44. What flag registry(s) does Best Oasis use to register ships for recycling? Why does Best Oasis register EU ships with non-EU flags when recycling the ships?
 45. Does Best Oasis provide inventories of hazardous materials for ships that the company is selling for recycling? How are these inventories conducted and how are they certified?
 46. Does Best Oasis publicly report on all ships sold for scrap in South Asia—either sold directly by Best Oasis or through an affiliate post-box company?

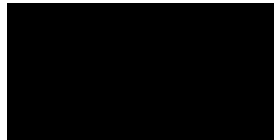
Thank you for your attention to these questions. We look forward to your response by **May 29, 2023** so that we can reflect your reply in our upcoming reporting on this subject. Please note that we may publish your written responses at our discretion and when appropriate, either in full or in part.

Sincerely,

Arvind and Elaine



Elaine Pearson
Asia Director
Human Rights Watch
Sydney, Australia



Arvind Ganesan
Economic Justice & Rights Director
Human Rights Watch
Washington, D.C., United States

Appendix VII: Correspondence between Human Rights Watch and the St Kitts & Nevis International Ship Registry

On May 9, 2023, Human Rights Watch sent a letter to the St Kitts & Nevis International Ship Registry to which the St Kitts & Nevis International Ship Registry responded on May 10, 2023.

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Andrew Zolli

St. Kitts & Nevis International Ship Registry
Office 32, The Old Courthouse, Orsett Road,
Grays, Essex, RM17 5DD
United Kingdom
Email at [REDACTED]

May 9, 2023

Re: Human Rights Watch report on Shipbreaking in Bangladesh

To Whom it May Concern,

We are writing to share initial findings from research that Human Rights Watch is conducting on conditions in the shipbreaking industry in Bangladesh. We are requesting your response because the St. Kitts & Nevis flag was one of the top flags used during the import of ships for breaking in Bangladesh over the last four years.

Human Rights Watch is an international non-government organization working on a range of human rights issues in over 100 countries worldwide. We have been following and reporting on Bangladesh for over two decades. We accept no funding from any government or political entity to ensure our independence.

Our research demonstrates that occupational health and safety measures are deeply inadequate in Bangladesh's shipbreaking yards and, in many cases, in violation of international and national law. Workers regularly suffer preventable injuries or are even killed while tearing apart ships under unsafe conditions. In violation of national laws, workers are rarely provided with adequate protective equipment, do not have access to emergency medical care in case of an accident, and are rarely compensated in case of injury or death. Bangladesh does not have a toxic waste facility and so waste is regularly dumped straight on the beach, polluting the land, air, and sea.

These conditions are enabled by shipping companies that routinely ignore and circumvent the international laws and regulations in place to ensure ships are broken down safely and sustainably. We found several ways that shipping companies evade regulations and distance themselves from transactions with risky yards like the ones in Bangladesh. This includes:



[HRW.org](https://www.hrw.org)

- Registering ships with open flag registries like the St. Kitts & Nevis International Ship Registry to evade regulations such as the EU Ship Recycling Regulation (EU SRR), which requires EU-flagged ships to be recycled at an EU-approved facility.
- The use of “cash buyers” that serve as a scrap dealer between the previous ship owner and the shipbreaking yards in South Asia, enabling shipping companies to evade responsibility for where their ships are scrapped. Cash buyers frequently register end-of-life ships under shell companies, making it additionally difficult to determine beneficial ownership. Some flag agencies offer services to create these companies. This limits transparency and makes it difficult for workers injured on these ships to get remedies, including compensation, from the company that owned, operated, and profited from the ship prior to its export for scrapping.

As of December 31, 2018, the EU SRR required all EU-flagged ships to be recycled at an EU-approved facility. These facilities are thoroughly inspected to ensure that ships are broken down safely and sustainably. Yet, according to publicly available shipping data, less than half of the 475 EU ships decommissioned since January 2019 were recycled in approved yards.³⁷⁴ Instead, the majority were beached in South Asia, where none of the yards meet the safety and environmental standards set by the EU commission. These ships avoided the EU SRR by registering under non-EU flags like the St. Kitts & Nevis flag. Since January 2019, at least 28 ships previously owned by EU companies registered under a St. Kitts & Nevis flag when they were scrapped on a South Asian beach.

We additionally found that a lack of regulation and transparency in the shipbreaking industry can be fatal. In Bangladesh, inspection reports and other documentation required to import ships for scrap, including hazardous materials declarations, are often completed by cash buyers and other third parties without any oversight, transparency, or clear accreditation. The reports often fail to meet the bare minimum standards for documenting hazardous materials set by the International Maritime Organization. In many cases, this means ships are imported to Bangladesh full of hazardous materials and broken down by workers who do not have adequate protective equipment or proper facilities to manage the waste safely or sustainably.

Finally, a lack of transparent and regulated system for enforcement of the terms of the Basel Convention means that exporting countries frequently ignore their obligation to obtain prior informed consent from importing countries like Bangladesh, and to ensure that the importer has adequate facilities to sustainably manage the waste. Companies easily circumvent the Basel Ban amendment and EU Waste Shipment Regulation, which ban the export of end-of-life ships from OECD to non-OECD countries, by simply ensuring that the ship has left OECD waters before it is declared waste.

³⁷⁴ NGO Shipbreaking Platform, “Annual Lists,” <https://shipbreakingplatform.org/annual-lists/> (accessed April 20, 2023).

We would be grateful for your response to the above findings and for any additional information you think we should take into consideration. Additionally, we would appreciate your response to the following questions:

47. What steps does the St. Kitts & Nevis International Ship Registry take to ensure that ships sailing under its flag are scrapped in safe and sustainable conditions and in line with international regulations on sustainable ship recycling? Please provide details, including the copy of any policy or procedure in place to ensure St. Kitts & Nevis-flagged ships are recycled sustainably.

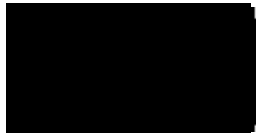
Thank you for your attention to these questions. We look forward to your response by **May 30, 2023** so that we can reflect your reply in our upcoming reporting on this subject. Please note that we may publish your written responses at our discretion and when appropriate, either in full or in part.

Sincerely,

Arvind and Elaine



Elaine Pearson
Asia Director
Human Rights Watch
Sydney, Australia



Arvind Ganesan
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Washington, D.C., United States

From: Spencer Eade <[REDACTED]>
Sent: 10 May 2023 15:20
To: hrwasia <hrwasia@hrw.org>
Subject: RE: Human Rights Watch Letter to St Kitts & Nevis International Ship Registry

To Whom It May Concern

We act as Public Relations Manager for the St Kitts & Nevis International Ship Registry.

Your Letter has been passed to us for reply.

The St. Kitts & Nevis International Ship Registry adheres to the international rules and regulations as stipulated by the International Maritime Organisation and, as a matter of policy, does not comment on individual vessels.

Kind regards.

Spencer Eade

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Appendix VIII: International Maritime Organization Standards for an Inventory of Hazardous Materials³⁷⁵

ITEMS TO BE LISTED IN THE INVENTORY OF HAZARDOUS MATERIALS

Table A – Materials listed in appendix 1 of the Annex to the Convention

No.	Materials	Inventory			Threshold value
		Part I	Part II	Part III	
A-1	Asbestos	x			0.1% ⁴
A-2	Polychlorinated biphenyls (PCBs)	x			50 mg/kg ⁵
A-3	Ozone depleting substances	CFCs	x		no threshold value ⁶
		Halons	x		
		Other fully halogenated CFCs	x		
		Carbon tetrachloride	x		
		1,1,1-Trichloroethane (Methyl chloroform)	x		
		Hydrochlorofluorocarbons	x		
		Hydrobromofluorocarbons	x		
		Methyl bromide	x		
	Bromochloromethane	x			
A-4	Anti-fouling systems containing organotin compounds as a biocide	x			2,500 mg total tin/kg ⁷

Table B – Materials listed in appendix 2 of the Annex to the Convention

No.	Materials	Inventory			Threshold value
		Part I	Part II	Part III	
B-1	Cadmium and cadmium compounds	x			100 mg/kg ⁸
B-2	Hexavalent chromium and hexavalent chromium compounds	x			1,000 mg/kg ⁸
B-3	Lead and lead compounds	x			1,000 mg/kg ⁸
B-4	Mercury and mercury compounds	x			1,000 mg/kg ⁸
B-5	Polybrominated biphenyl (PBBs)	x			50 mg/kg ⁹
B-6	Polybrominated diphenyl ethers (PBDEs)	x			1,000 mg/kg ⁸
B-7	Polychlorinated naphthalenes (more than 3 chlorine atoms)	x			50mg/kg ¹⁰
B-8	Radioactive substances	x			no threshold value ¹¹
B-9	Certain shortchain chlorinated paraffins (Alkanes, C10-C13, chloro)	x			1% ¹²

³⁷⁵ Resolution 269(68), adopted on 15 May 2015 by the Marine Environment Protection Committee, 2015 Guidelines for the Development of the Inventory of Hazardous Materials. MEPC 68/21/Add.1, Annex 17.
[https://wwwcdn.imo.org/localresources/en/OurWork/Environment/Documents/02-1%20RESOLUTION%20MEPC%20269\(68\)%20IHM%20Guidelines.pdf](https://wwwcdn.imo.org/localresources/en/OurWork/Environment/Documents/02-1%20RESOLUTION%20MEPC%20269(68)%20IHM%20Guidelines.pdf).

Table C – Potentially hazardous items

No.	Properties		Goods	Inventory		
				Part I	Part II	Part III
C-1	Liquid	Oiliness	Kerosene			x
C-2			White spirit			x
C-3			Lubricating oil			x
C-4			Hydraulic oil			x
C-5			Anti-seize compounds			x
C-6			Fuel additive			x
C-7			Engine coolant additives			x
C-8			Antifreeze fluids			x
C-9			Boiler and feed water treatment and test re-agents			x
C-10			De-ioniser regenerating chemicals			x
C-11			Evaporator dosing and descaling acids			x
C-12			Paint stabilizers/rust stabilizers			x
C-13			Solvents/thinners			x
C-14			Paints			x
C-15			Chemical refrigerants			x
C-16			Battery electrolyte			x
C-17			Alcohol, methylated spirits			x
C-18	Gas	Explosives/ inflammables	Acetylene			x
C-19			Propane			x
C-20			Butane			x
C-21		Oxygen			x	
C-22		Green House Gases	CO ₂			x
C-23			Perfluorocarbons (PFCs)			x
C-24			Methane			x
C-25			Hydrofluorocarbon (HFCs)			x
C-27			Nitrous oxide (N ₂ O)			x
C-28			Sulfur hexafluoride (SF ₆)			x
C-29		Liquid	Oiliness	Bunkers: fuel oil		
C-30	Grease					x
C-31	Waste oil (sludge)				x	
C-32	Bilge and/or waste water generated by the after-treatment systems fitted on machineries			x		
C-33	Oily liquid cargo tank residues			x		
C-34	Ballast water			x		
C-35	Raw sewage			x		
C-36	Treated sewage			x		
C-37	Non-oily liquid cargo residues			x		
C-38	Gas	Explosibility/ inflammability	Fuel gas			x

No.	Properties		Goods	Inventory			
				Part I	Part II	Part III	
C-39	Solid		Dry cargo residues		x		
C-40			Medical waste/infectious waste		x		
C-41			Incinerator ash ¹³		x		
C-42			Garbage		x		
C-43			Fuel tank residues		x		
C-44			Oily solid cargo tank residues		x		
C-45			Oily or chemical contaminated rags		x		
C-46			Batteries (incl. lead acid batteries)			x	
C-47			Pesticides/insecticide sprays			x	
C-48			Extinguishers			x	
C-49			Chemical cleaner (incl. electrical equipment cleaner, carbon remover)			x	
C-50			Detergent/bleacher (could be a liquid)			x	
C-51			Miscellaneous medicines			x	
C-52			Fire fighting clothing and Personal protective equipment			x	
C-53			Dry tank residues		x		
C-54			Cargo residues		x		
C-55			Spare parts which contain materials listed in Table A or Table B				x

No.	Properties	Goods	Inventory		
			Part I	Part II	Part III
C-39	Solid	Dry cargo residues		x	
C-40		Medical waste/infectious waste		x	
C-41		Incinerator ash ¹³		x	
C-42		Garbage		x	
C-43		Fuel tank residues		x	
C-44		Oily solid cargo tank residues		x	
C-45		Oily or chemical contaminated rags		x	
C-46		Batteries (incl. lead acid batteries)			x
C-47		Pesticides/insecticide sprays			x
C-48		Extinguishers			x
C-49		Chemical cleaner (incl. electrical equipment cleaner, carbon remover)			x
C-50		Detergent/bleacher (could be a liquid)			x
C-51		Miscellaneous medicines			x
C-52		Fire fighting clothing and Personal protective equipment			x
C-53		Dry tank residues		x	
C-54		Cargo residues		x	
C-55		Spare parts which contain materials listed in Table A or Table B			x

Table D – Regular consumable goods potentially containing hazardous materials¹⁴

No.	Properties	Example	Inventory		
			Part I	Part II	Part III
D-1	Electrical and electronic equipment	Computers, refrigerators, printers, scanners, television sets, radio sets, video cameras, video recorders, telephones, consumer batteries, fluorescent lamps, filament bulbs, lamps			x
D-2	Lighting equipment	Fluorescent lamps, filament bulbs, lamps			x
D-3	Non ship-specific furniture, interior and similar equipment	Chairs, sofas, tables, beds, curtains, carpets, garbage bins, bed-linen, pillows, towels, mattresses, storage racks, decoration, bathroom installations, toys, not structurally relevant or integrated artwork			x

Appendix IX: Unofficial English Translation of the Bangladesh Ship Recycling Act, 2018

**Bangladesh Ship Recycling Act, 2018
(Act No VIII of 2018)**

[February 12, 2018]

**An act to enact provisions aiming for the overall development, management and
growth of the ship recycling industry.**

As an act to legislate provisions aiming for the overall development, management and
growth of the ship recycling industry is expedient and necessary;

Therefore, the following law has been enacted:

Chapter One Preliminary

Short title and Commencement

1. (1) This law may be called Bangladesh Ship Recycling Act 2018.
(2) It shall come into force at once.

Definition

2. In this act, unless there is anything repugnant in the subject or context, -
 - (1) "Certificate of No Objection" means a certificate of no objection issued by the Board under sub-section (2) of section 6;
 - (2) "Permission" means permission granted by the Government under sub-section (1) of section 5;
 - (3) "Yard" means any land in a zone designated for ship recycling;

(4) "Chairman" means the Chairman of the Board;

(5) "Clearance Certificate" means clearance by the Board under sub-section (5) of section 6;

(6) "Ship recycling" means the separation of different parts of the ship and which also includes the removal and the management of those separated parts;

(7) "Ship recycling plan" means a plan prepared in accordance with the guidelines or rules following the ship recycling plan;

(8) "Ship Recycling Facility Plan" means a plan for the use of yard or other facilities for ship recycling;

(9) "Zone" means any zone declared by the Government under section 4;

(10) "Fund" means the fund of the Board;

(11) "Regulation" means a regulation made under the law;

(12) "Criminal Procedure" means Code of Criminal Procedure, 1898 (Act No. V of 1898);

(13) "Rules" means rules made under this Act;

(14) "Board" means Bangladesh Ship Recycling Board established under section 8;

(15) "Director General" means the Director General of the Board;

(16) "Member" means any member of the Board; and

(17) "Beaching" means anchoring a ship to the shore of a yard for the purpose of recycling;

This law to be deemed as additional

3. Without prejudicing any provision relating to the concerned matter of any other law for the time being in force, the provisions of this Act shall be applied to the matter in addition to such provision.

CHAPTER TWO

Declaration of Zone, etc.

Declaration of Zone

4. (1) The Government may, in specific procedure by notification in the official Gazette, in order to keep the operations of ship recycling limited within specific areas, a suitable area can be declared or be expanded.

(2) The Government may acquire land for the purpose of declaring and expanding the zone and may lease it in the manner prescribed by the rules for the establishment of yards in it.

Establishment of Yard

5. (1) Any individual or organization may establish a yard in a zone with the permission of the government.

(2) Yards may not be established outside the zone or similar installations may not be constructed for this purpose.

(3) Prior to the enactment of this Act in the declared zone, permission must be obtained for the yard established within the period prescribed by the Government.

(4) Unless permission is obtained under subsection (3), operations shall not be conducted in the yard and the property within the yard shall be eligible for confiscation.

(5) The conditions, procedure and fee for granting permission for establishment of yard under sub-section (1) shall be determined by the Government.

Ship Recycling

6. (1) Vessels those are imported or locally procured can be recycled at any yard.

(2) Under the sub-section (1), Certificate of No Objection of the board, requires to be granted before importing or locally procuring vessels.

(3) Any vessel imported under sub-section (1) or, after procurement, as the case may be, shall be inspected by any employee, authorized by the Board to issue clearance for beaching and dismemberment. .

(4) After inspection under sub-section (3), any vessel shall perform beaching, reprocessing and other ancillary functions..

(5) No ship beaching, recycling and ancillary functions shall be performed under sub-section (4) without obtaining clearance from the Board.

(6) Any matters related to the issuance of no-objection certificate, inspection, beaching and ship recycling, clearance, and fees under this section may be determined by rules.

(7) In case of ship recycling, the government and the owners of the shipyard can make necessary arrangements to introduce other

environment friendly advanced methods as an alternative to beaching.

(8) The Board may, in accordance with the rules, specify the period of dismemberment or cutting of ships according to the type and size of vessel imported or procured for recycling.

(9) Failure to complete the dismemberment or cutting within the period specified by rules under sub-section (8) may result in a penalty to the concerned yard at the rate specified in the rules.

(10) All vendors involved in ship recycling shall obtain a license from the Board subject to payment of a fee advised by the rules.

Explanation: To fulfill the purpose of this sub-section, "vendor" means the person or organization purchasing the various equipment of the ship from the yard.

Preservation of international standards

7. (1) The Board shall ensure compliance with the conditions of international law and conventions relating to the ship recycling industry in the case of ship recycling activities.

(2) In order to comply with the provisions of the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009, the government shall take effective measures to achieve the required capacity within 5 (five) years of the enactment of this Act.

(3) The Board, in accordance with the international law and the provisions of the

Convention, may prepare guidelines or, issue instructions time to time for this purpose

Chapter Three

Bangladesh Ship Recycling Board

Board established

8. (1) Following the enactment of this Act, the Government by the notification of Gazette will, as soon as possible, establish a board called the Bangladesh Ship Recycling Board.

(2) The Board shall be a statutory body and shall have a permanent continuity and shall have a common seal and subject to the provisions of this act, it shall have the power to acquire, possess and transfer of both movable and immovable property and the Board may file case by its own name and cases may be also filed against it.

Board Office

9. (1) The head office of the Board shall be established at a place designated by the Government

(2) The Board, if necessary, with the prior approval of the Government, may establish its branch offices anywhere in Bangladesh

Structure of Board

10. (1) The Board shall consist of the following members, e.g.:

(A) A representative, not below the rank of the additional Secretary of the Ministry nominated by the Ministry of Industries, who will also be appointed as its Chairman;

- (B) A representative, not below the rank of the joint secretary of the Ministry or equivalent rank, shall be nominated by the Ministry of Industries;
- (C) A representative, not below the rank of the Joint Secretary of the ministry or the equivalent rank, shall be nominated by the Ministry of Environment and Forests;
- (D) A representative, not below the rank of the joint secretary of the Ministry or equivalent rank, shall be nominated by the Ministry of Labor and Employment;
- (E) A representative, not below the rank of the joint secretary of the Ministry or equivalent rank, shall be nominated by the Ministry of Power, Energy and Mineral Resources;
- (F) A representative, not below the rank of the commissioner of the board, shall be nominated by the National Board of Revenue;
- (G) A representative, not below the rank of the joint secretary of the Ministry or equivalent rank, shall be nominated by the Ministry of Shipping;
- (H) Divisional Commissioner, Chittagong;
- (I) Deputy Inspector General, Chittagong Range, Bangladesh police;
- (J) A compatible representative nominated by the Bangladesh Navy;

- (K) President of the Association of Ship Recycling Industries;
- (L) Two representatives of the owner party of the Ship Recycling Industries, shall be nominated by the Government;
- (M) General Secretary of the Board, who will also be appointed as its Member-Secretary.

(2) The membership of the person nominated by the Government under subsection (L) of clause (l) shall be 3 (three) years from the date of his nomination.

However, as conditions applied that, the Government, if necessary, at any time before the expiration of the member nominated by the Government, may expel him without giving any reason.

(3) The Board, subject to the approval of the Ministry of Industries, may co-opt one or more persons as members of the Board, if necessary.

Functions & Power of Board

11. Subject to the provisions of this Act, the functions and powers of the Board shall be applied as follows, for example:

- (a) Overall supervision of ship recycling activities;
- (b) Reviewing and evaluating the overall activities of the yard from time to time;
- (c) Approval of ship recycling plan;
- (d) Approval of Ship Recycling Facility Plan;

(e) Coordinating with the concerned ministry, agency or department where necessary to ensure the health and safety of the workers and to reduce the risks in the workplace and to take action following the labor laws, and petroleum as well as explosives laws.

(f) Coordinating with the concerned ministry, agency or department where necessary to take actions to ensure recycling of ships in an environment friendly manner following the environmental law.

(g) Coordinating with the concerned ministry, agency or department where necessary to take actions according to the existing laws related to Bangladesh Customs and Excise. ;

(h) To send recommendations or proposals to the Government for the development of the ship recycling industry and to take action following the direction of the Government in this regard.

(i) To place recommendations to the government on the establishment of new zones or expansion of existing zones for the development of ship recycling industry;

(j) To receive national and international supports in ship recycling activities and to make deal with national- international agency or institutions in this regard with the prior approval of the government.

(k) To build liaise with domestic and international organizations, research institutes and universities

(l) Exercise other powers conferred by the Government and perform other duties as assigned for.

Assembly

12. (a) Subject to other provisions of this section, the Board may determine the procedure of its assembly.

(b) Board meetings shall be held on the date, place and time, fixed by the Chairman.

(c) At least one board meeting will be held in every four months.

(d) The Chairman shall preside over all the meetings of the Board and in his absence, one of the members nominated by the Chairman shall preside over the meetings.

(e) Each member of the Board shall have one vote and the decision of the meeting shall be taken by majority vote, but in case of equality of votes, the person presiding over the meeting shall have the power to cast a second or criterion vote.

(f) The presence of at least one-third of its total members shall be required to fulfill the quorum of the board meeting, but no quorum shall be required for adjourned meetings.

(g) No action or procedure shall be invalidated or not even a question shall be raised merely in respect of vacancy or defect in the constitution of the Board.

Director General of the Board

13. (1) The government shall appoint a suitable government employee as the director general of the board.

(2) The Director General shall be the Chief Executive of the Board and shall exercise the powers and perform the functions conferred by the Board.

(3) The Director General shall be responsible to the Board for works performed by himself and his subordinates.

Employee of the Board

14. (1) The board may, in accordance with the organizational structure approved by the government, appoint such number of employees as required to carry out its functions.

(2) The appointment and terms of service of the employees of the Board shall be determined by regulations.

(3) To fulfill the purposes of this Act, the Government may appoint the appropriate staff to the board on deputations from the Department of Environment, Bangladesh Customs, Department of Labor, Department of Inspection for Factories and Establishments and Department of Explosives.

Chapter Four

Inspection

Inspection

15. (1) Subject to the provisions of this section, any person in general or specially authorized by the Board for this purpose may inspect the yard, imported or locally procured ships and ship recycling activities.

(2) During the inspection under sub-section (1), the yard operating authority and the ship importing company and all the officers and employees of the ship shall be required to provide necessary assistance.

Power to entry, check records, interrogate etc.

16. To fulfill the purposes of this Act, any employee in general or specially authorized by the Board may exercise the following power, e.g.:

- (a) Entering into any yard, ship or project area or interrogating any person or performing checking or reviewing records or data;
- (b) Inspecting anything located in the yard, ship or project area; And
- (c) Conducting any investigation or sample collection or survey in the yard, ship or project area.

Chapter Five

Environmental protection and; Health protection and safety of workers

Environmental protection

17. (1) To fulfill the purposes of this Act, Government may issue guidelines or instructions according to the existing environmental laws and regulations for the collection, storage, and management of all types of waste generated from ship recycling activities.

(2) The government shall install a Treatment Storage and Disposal Facility (TSD) within 3 (three) years of

the enactment of this law to manage all waste generated from ship recycling activities.

(3) The use of TSDF will be mandatory for all concerned and the government may issue guidelines and instructions for its operation and usage.

Classification of workers

18. (1) The government shall be able to formulate work classification by determining the minimum qualifications according to the types of ship recycling work.

Training and recruitment of workers

19. (1) The Board shall make arrangements for appropriate training in the manner prescribed in the rules in order to acquire the required skills as per the work classification.

(2) The government shall establish a training institute within 5 (five) years of the enactment of this law to improve the skills of workers.

(3) The board shall record an up-to-date database of trained workers-employees, and yard owners will hire workers from among the workers in that database.

Insurance and compensation

20. (1) Yard owners must ensure life insurance for all respective workers in the yard.

(2) In the event of death or serious injury of a worker due to an accident in the yard, the yard owners, in addition to the compensation specified in the Bangladesh Labor Act, may compensate the worker or his family in the manner prescribed by the rules,

following the worker's efficiency and work classification.

Chapter Six

Board reporting and financial management

Annual Reporting

21. (1) The Board shall submit an annual report containing details of its activities in each financial year to the Government within three months after the end of the financial year.

(2) The Government may, if necessary, at any time summon a statement, return, report and information from the Board on any of its matters and the Board shall be obliged to provide those to the Government.

Funds of the Board

22. (1) The Board shall have a fund and the below amount shall be deposited, e.g.:

(a) Loans and grants provided by the government;

(b) Grants from any foreign government, organization or international organization with the prior approval of the government;

(c) Proceeds from the Board's property investment;

(d) Fees collected by the Board, if any; and

(e) Proceeds from any other source approved by the government.

(2) From the funds of the Board, in accordance with the budget approved by the Government, the necessary expenses of the

Board shall be met following the Government Rules.

(3) Funds must be deposited in a Scheduled Bank approved by the Board.

(4) The funds will be invested in sectors approved by the government.

(5) The accounts of the fund shall be conducted under the joint signature of the officer nominated by the Director General and the Chairman.

(6) If there is any surplus in the fund of the board after the expenditure of the board in any financial year, the entire or partial amount shall be deposited in the government treasury as per the instructions of the government.

Explanation- "Scheduled Bank" in this section means "Scheduled Bank" as defined in Article 2 (j) of Bangladesh Bank Order, 1972 (P.O. No. 127 of 1972).

Budget

23. (1) The Board shall submit the annual budget statement to the Government for the next financial year within the period fixed by the Government each year, and thereby specify the amount of money required to be received from the Government in the next or upcoming financial year, subject to expenditure from the Board's funds.

Accounting/Keeping accounts and auditing

24. (1) The Board shall properly maintain the financial records of each fiscal year and prepare

the annual financial statements of the accounts in the manner prescribed by the Government.

(2) The Auditor General and Comptroller of Bangladesh, here in after referred to as the Auditor General, will audit the Board's financial records every year and send a copy of the audit report to the Government and the Board.

(3) In addition to the audit mentioned in subsection (2), the financial records of the Board may be audited by any “chartered accountant” as defined in Article 2 (1) (b) of the Bangladesh Chartered Accountants Order, 1973 (P.O. No. 2 of 1973). And more than one “chartered accountant” or such appointed “chartered accountant” will be rewarded at the rate fixed by the government.

(4) The “chartered accountant” appointed by the Auditor General or any person authorized by him or under sub-section (3) for the purpose of audit of the Board may examine all records, documents, annual balance sheets, cash or bank deposits, securities, deposits of the Board, or other assets, etc. and may question the Chairman, members or any member and employee of the Board.

Chapter Seven

Crime, punishment and justice

Penalty for setting up yard without permission

25. If any person establishes a yard without the permission of the Government, he shall be punished with imprisonment for a term not

exceeding 2 (two) years and with a fine not exceeding Tk 10 (ten) lakhs but not more than Tk 30 (thirty) lakhs or both.

Penalties for importer locally procured ships for recycling without a no-objection certificate

26. Any person who imports or procures ships locally for re-processing without a no-objection certificate from the Board shall be liable to imprisonment for a term not exceeding 2 (two) years or of not less than Tk 10 (ten) lakhs but not more than Tk 30 (thirty) lakhs or both.

Penalty for beaching and recycling ships without clearance

27. Any person who does beaching an imported or locally procured vessel for re-processing or performs re-processing or ancillary functions without clearance from the Board shall be liable to imprisonment for a term not exceeding 2 (two) years or of not less than Tk 10 (ten) lakhs but not more than Tk 30 (thirty) lakhs or both.

Penalty for presenting or submitting fake certificates or documents

28. At any stage of obtaining permission to set up a yard or obtaining no-objection certificate for import or locally collected ships for recycling, ship inspection, obtaining clearance for beaching or recycling, if any person presents or submits fake certificates or documents for malicious purposes, obtains to the Board or any of its employees, he will be punished with a fine of not less than Tk 5 (five) lakhs but not more than Tk 20 (twenty) lakhs.

Penalty for constructing or operating any yard outside the zone

29. If any person constructs or operates a yard for the purpose of recycling a ship outside the zone shall be liable to imprisonment for a term not exceeding 2 (two) years or to a fine not less than Tk 10 (ten) lakhs but not more than Tk 30 (thirty) lakhs or both.

Penalties for violating board orders, etc.

30. If any person violates any order or direction given by the Board under this Act shall be liable to imprisonment of 6 (six) months or a fine not exceeding Tk 10 (ten) lakhs.

Penalty for second or repeated offenses

31. If any person commits a same offense second time or repeatedly, he shall be fined twice as much as the first offense for each subsequent offense.

Permission revoked and cargo seized

32. (1) If any person is found guilty of the offense under this Act, the Board may suspend or revoke the permission of the concerned yard in the manner prescribed by the Government.

(2) If any person is found guilty of the crime described in this Act, the court may confiscate the yard, ship and its cargo.

Ability to detain

33. If any person commits a crime or initiates an offense under this Act, the Board may file a complaint against him and seize the concerned yard, ship and its cargo.

Criminal justice, bailable, non-enforceable and compromising

34. (1) Notwithstanding anything different contained in any other law for the time being in force, the offenses committed under this Act shall be judged by a First Class Judicial Magistrate or a Metropolitan Magistrate.

(2) Offenses committed under this Act shall be considered as bailable, non-cognizable and compoundable.

(3) The trial of offenses committed under this Act shall be conducted in a concise manner.

(4) Notwithstanding anything contained in the Criminal Procedure Code, the court shall have the power to impose any amount of fine specified in this Act in the case of imposition of fine on any person under this Act.

Explanation- for carrying out the purposes of this Act,-

(1) "Judicial Magistrate" means "Judicial Magistrate" as described in Section 11 of the Criminal Procedure Code.

(2) "Metropolitan Magistrate" means "Metropolitan Magistrate" as described in Section 18 of the Criminal Procedure Code.

Crime committed by the company

35. (1) If any offense under this Act has been committed by a company, the owner, director, manager, secretary or any other officer or employee or representative of the company having direct involvement in such offense shall be deemed to have committed the offense unless he is able to prove it, either the crime was committed without his knowledge or he did his best to prevent the crime.

Explanation- in this section,-

(A) "Company" shall include any statutory body, commercial entity, partnership, association, organization consisting of one or more persons; And

(B) "Director" means any of its partners or members of the Board of Directors, as the name implies.

(2) If the company referred to in sub-section (1) is a legal entity, the person mentioned in that sub-section may be charged and convicted separately in this case apart from charged and convicted separately, but only fine may be imposed on it following the relevant provisions.

Application of criminal procedure

36. (1) Subject to the provisions of this Act, the Criminal Procedure Code shall be applied to the investigation, trial and appeal of any offense described in this Act, and to all matters relating to detention and incident.

(2) A case initiated on the basis of the report of the Director General or any employee authorized by him under this Act shall be deemed to be a case initiated on the basis of the police report under the Criminal Procedure Code.

Acceptance of criminal trial

37. No court shall take cognizance of any case under this Act without the written complaint of the Board or any employee empowered by it.

**Chapter Eight
Miscellaneous**

One stop service

38. The Board shall introduce inter-ministerial one-stop service in the manner prescribed by the rules to ensure timely and expeditious completion of administrative work relating to ship recycling.

Special provisions relating to ship beaching on an emergency basis

39. (1) In a situation of catastrophic weather, if the ship will be required to be beaching on an urgent basis in the interest of safety, the ship

can be performed for beaching with the permission of the local administration.

(2) According to sub-section (1), if a vessel shall be required for beaching on an emergency basis, the matter must be immediately notified to the board by the director general.

Explanation.- For carrying out the purposes of this section, "Local Administration" means the Deputy Commissioner of the concerned district or any employee empowered by him.

Submission of report by yard authorities

40. (1) Each yard authority shall submit a report containing details of the activities performed by it each year to the Board by 31st March of the following year.

(2) The Board may, if necessary, call for a statement, return and report or any other information from any yard authority at any time and the yard authority shall be obliged to provide those to the board.

Committee

41. (1) To assist the act in exercising any of its powers or carrying out any functions under this Act, the Board may form one or more committees in coordination with any member or officers of the Board and, if necessary, an expert, subject to such limitations and conditions as prescribed by the act.

Endowment of power

42. The Board may delegate any of its powers, by a written order, to the Chairman, any member, any officer, committee or any person.

Public servant

43. Members and other employees nominated by the Government shall be deemed to be Public Servants referred to in Section 21 of the Penal

Code, 186o (Act No. XLV of 186o) while performing their duties under this Act.

The power to formulate rules

44. 1) The Government may, by notification in the Official Gazette, formulate rules for carrying out the purposes of this Act.

2) The Ship Breaking and Ship Recycling Rules-2011, hereinafter referred to as the Rules, shall be applicable, subject to compliance with this Act, until the Rules under this Act are enacted.

3) Any lawsuit filed under the Rules prescribed in this Act and any action taken or initiated remain unresolved, it shall be disposed of as if this Act had not been enacted.

Ability to formulate regulations

45. To fulfill the purpose of section 14, the Board may, with the prior approval of the Government and by notification in the Official Gazette, formulate regulations consistent with this Act or the rules enacted thereunder.

Publish translated text into English

46. (1) After the enactment of this Act, the Government may, by notification in the Official Gazette, publish an authentic English text of the Bengali text of this Act translated into English.

(2) In case of conflict between Bangla text and English text, Bangla text shall prevail.



Trading Lives for Profit

How the Shipping Industry Circumvents Regulations to Scrap Toxic Ships on Bangladesh's Beaches

Bangladesh is a top destination for end-of-life ships to be scrapped and recycled. Since 2020, approximately 20,000 Bangladeshi workers—many of whom are children — ripped apart 520 ships, totaling far more tonnage than any other country in the world.

Many Bangladeshi shipbreaking yards cut costs by compromising on occupational and safety measures and by denying workers living wages, rest, or compensation in case of death or injuries. Workers reported being denied adequate protective equipment, training, or tools to safely do their jobs, and even described using their own socks as gloves to avoid burning their hands as they cut through molten steel. The yards dump toxic waste onto the beach, exposing workers and surrounding communities to deadly pollutants in the air they breathe, the water they drink, and the food they grow and eat, impacting health and livelihood.

International and regional laws prohibit the export of ships to places like the yards in Bangladesh that do not have adequate environmental or labor protections to prevent accidents and pollution. Shipping companies have, however, simply found ways to circumvent regulations and avoid culpability.

Written in partnership with the NGO Shipbreaking Platform, *“Trading Lives for Profit”* documents abusive practices in the shipbreaking industry in Bangladesh and maps out the actors, policies, and loopholes that enable these abuses. It calls on the European Union to amend the EU Ship Recycling Regulation so that it is applied to the ship's beneficial owner and to incentivize safe and sustainable ship recycling practices. Shipping companies should adopt formal and explicit policies that ensure the company maintains oversight of where ships are recycled and ensure that ships are recycled using safe containment facilities off the beach.

(above) Ships are broken down directly on the beach in Bangladesh, releasing toxic pollutants into the sea, land, and air. Chattogram, Bangladesh, 2023

(front cover) Workers dismantle a ship in Chattogram, Bangladesh, 2023.

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