Roundtable on the Responsible Recycling of Metals (RRRM) Shipbreaking and Steel Working Group – Recommendations and Road Map

7 December 2023

Meeting Agenda

- 1. Introduction and review of outcomes from the last meeting/matters arising
- 2. Reminder of where we are in the process
- 3. Recommendation and route map introduction
- 4. Discussions regarding the Recommendations
- 5. Launch Plan
- 6. Next Steps and Closing

Discussions, Outcomes, and Decisions

After sharing the agenda for the meeting, some key points from the previous meeting were presented. It was stated that smaller steel mills do not have access to the required finances for implementing more sustainable schemes. One of the underlying challenges was highlighted as including lowerperforming organisations in sustainable schemes. Temes. Therefore, it is needed to be more open to cooperation in the value chain. Another point that was brought up, is that current audits are too limited in scope to get full information. The recommendations report can brighten the scope and methods of audits. audits.

Outstanding issues:

Dave presented the following outstanding issues:

- Are all SRF's high ESG risk? Or can we agree on a subset of these that depends on the specific facility?
 - Should all 'beaching' arrivals be a red flag that means the specific SRF location and circumstances of ESG management and performance should be looked at in more detail?
 - Should EOL 'flag of convenience' be a red flag that means the specific SRF location and circumstances of ESG management and performance should be looked at in more detail?
- Is there a danger that focusing on improving conditions at beach-breaking locations reduces the incentive to change the industry altogether towards better-controlled dry docks?

Andreea and Benedetta introduced <u>the Ship Recycling Transperency Initiative (SRTI)</u>. SRTI uses transparency to drive progress on responsible ship recycling by way of a one-stop shop online platform to report information on policies and practices against a set of predefined disclosure criteria. SRTI is hosted by Smart Freight Centre, an international non-profit organization focused on reducing greenhouse gas emissions from freight transportation.

Furthermore, Benedetta brought up the question of whether we should create new standards, or whether the current standards and regulations (e.g. Basel Convention) are already sufficient but should be better applied in practice. She also introduced a new view on the EOL discussion, where a flag of convenience is not only a red flag, but as a dealbreaker according to current regulations. Overall, the WG regards the SRFs as high-risk environments. Since it is rather a shorter value chain,

due diligence is more manageable within the value chain. Benedetta also mentioned the specific high-risk environment is located in South Asia because of the lack of regulations.

It was stated that this was the last formal SSWG meeting. The Secretariat will keep communicating with the group members via emails about news, 1:1 meetings, and other updates. It was also stated that could be that the WG could meet again in 2024, if necessary.

The discussions on the recommendations are recorded on the spreadsheet, which will be shared by email. One of the points raised was better defining vulnerable / marginalised groups and making sure that the Roundtable's recommendation to include such groups is not utilised as greenwashing tool. It was highlighted that government enforcement will be key here.

The discussions also included how the impact of the deliverables can be maximized. ResponsibleSteel will review its standards in 2024. The recommendations can be implemented into the new standards. Furthermore, Andreea introduced the <u>Climate Catalyst Group</u>. Within the organisation, a working group is looking at shipbreaking practices. This could be used for follow-ups. Another thing that was discussed was the development of new schemes. For example, the <u>OECD</u> <u>Handbook on Environmental Due Diligence in Mineral Supply Chains</u> and the <u>RE-SOURCING Project</u>, which is an EU-funded Multi-Stakeholder Platform that aims to advance responsible sourcing of raw materials along and across global mineral value chains, although this was concluded in line with the Horizon 2020 research and innovation program funding. The discussion was followed by the question of how far the leading regulations are only impacting Europe and/or the Global North, or to what extent it also affects improvements in the Global South.

Deliverables and Launch Plan

Dave shared how the feedback on the Landscaping and Mapping reports are integrated in the final versions of the reports. The recommendations are still being collected and will be included in a report. Each recommendation is classified as short-term (0-2 years), medium-term (2-5 years) or long-term (more than 5 years).

Benedetta shared an image that shows how a vision for sustainable shipbuilding, ship docking, and ship recycling could look like when it is concentrated around one place. The image is available in the presentation.

Action agreed	Owner	Deadline
Scoring and giving feedback on the recommendations	WG	15
	members	December

This was our final meeting for the Shipbreaking and Steel Working Group. Thank you for participating, and for your support!

Attendees

- Benedetta Mantoan, NGO Shipbreaking Platform
- Elin Saltkjel, Grieg Green
- Rory Meredith, ResponsibleSteel
- Sameen Kahn, The Climate Group
- Alex Graf, Kumi Consulting
- Andreea Miu, Sustainable Shipping Initiative
- Dave Knight, Roundtable for the Responsible Recycling of Metals

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- Umut Cantoru, Roundtable for the Responsible Recycling of Metals
- Mark Prins, Roundtable for the Responsible Recycling of Metals

Apologies

- Ehud Bar-Lev, Lloyd's Register
- Henning Gramann, GSR Services
- Ladin Camci, CARES
- Victor Nieto, Metalshub
- Patrick Davison, Mayer Environmental EMR