SHIP RECYCLING TRANSPARENCY INITIATIVE

2025 ANNUAL PROGRESS REPORT

Smart Freight Centre
Keizersgracht 572 / Amsterdam (NL)
smartfreightcentre.org

CONTENTS

A word from the Secretariat

2025 BRIDGING SECTORS, BUILDING IMPACT: SHIP RECYCLING IN A CHANGING INDUSTRY

As we present the 2025 Annual Progress Report of the Ship Recycling Transparency Initiative (SRTI), I look back on a year in which our community moved from building foundations to sharpening direction.

Since its launch in 2018, the SRTI has grown into a trusted, independent voice for transparency and accountability in ship recycling. In 2025, we built on that legacy by focusing our strategic path on two areas where our contribution can be most decisive: finance and steel decarbonization. By engaging financial institutions, charterers, and cargo owners, we laid the foundations to understand how central these sectors are to driving real impact in ship recycling, while our growing dialogue with the steel industry helped establish the SRTI as a credible bridge between two sectors that, until recently, rarely spoke to one another.

This work is guided by a long-term vision: an industry where transparent, safe, and environmentally sound ship recycling is not the exception but the baseline, supported by robust data, informed capital, and genuine cross-sector collaboration.

2025 also underlined how much remains uncertain: the entry into force of the Hong Kong Convention was a milestone years in the making, yet it has not resolved the regulatory landscape, if anything, it has made clear how fragmented and uncertain that landscape remains for an industry still navigating overlapping and evolving requirements. Within the EU, the process for approving new ship recycling yards continues to raise questions of transparency and consistency; several yards outside th OECD list, for instance, appear to have invested significantly in upgrading their facilities to meet EU SRR standards, yet remain without recognition, and the criteria and timelines guiding such decisions could be communicated more clearly. Meanwhile, the growing fleet of Postpanamax and larger vessels is testing the industry's capacity to respond: the window to act is now, and yet regulatory uncertainty continues to lock recycling capacity away at a global scale, rather than unlocking it where it is most needed.

Amid these challenges, we see real opportunity on the horizon. The next decade is expected to be a turning point for steel decarbonization, offering a meaningful push to global decarbonization efforts, and ship recycling has a role to play in that story. The SRTI is actively working to bridge the supply of scrap steel from end-of-life vessels with steelmakers seeking lower-carbon feedstock, a project we expect to deliver its first tangible results in 2027.

I want to thank our signatories and partners, and the broader Maritime team at Smart Freight Centre, for their continued trust and commitment. As the regulatory and industrial landscape around us keeps shifting, the SRTI remains focused on turning uncertainty into actionable clarity, and on building a ship recycling sector that is transparent, accountable, and genuinely aligned with a sustainable future.

Giulio Venier
SFC PROGRAM MANAGER MARITIME

About the SRTI

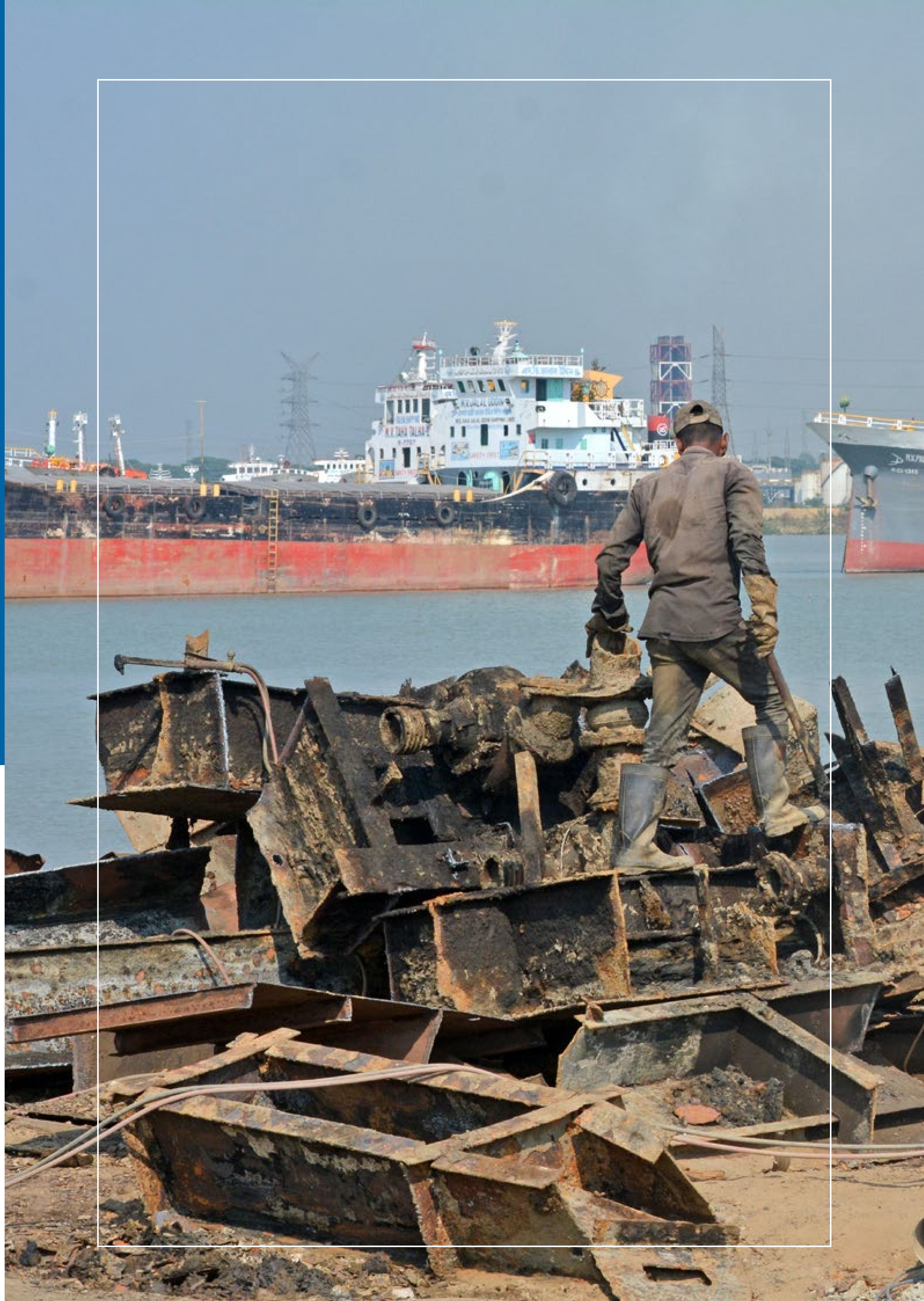
The Ship Recycling Transparency Initiative (SRTI) is an **online platform** that allows shipowners to publicly disclose their ship recycling policies, practice and progress, thereby holding themselves to account before key stakeholders – including ship owners, financial stakeholders, policy makers, classification agencies, NGOs and the wider public. Since 2023, **Smart Freight Centre** is the host of the SRTI.

THE SRTI ANNUAL REPORT

The SRTI publishes an annual progress report that compiles and presents data disclosed by signatory shipowners on the SRTI online platform. It is important to note that the SRTI is neither a performance standard nor a rating mechanism.

The information shared on the platform is self-reported and is not audited or independently verified by the SRTI. However, all data remains publicly accessible and can be verified directly with the disclosing shipowners by any interested stakeholder.

This report highlights key data points related to shipowners' policies and practices on ship recycling, offering an overview of both the initiative's scope and the disclosures available. Full, individual disclosures are accessible on the SRTI website.



Mission & Vision

Our Mission

The SRTI aims to accelerate a voluntary market-driven approach to responsible ship recycling practices through transparency.

Our Vision

We believe in a world where ships are recycled responsibly, socially, environmentally and economically, meeting and going beyond international conventions and norms.

Theory of Change

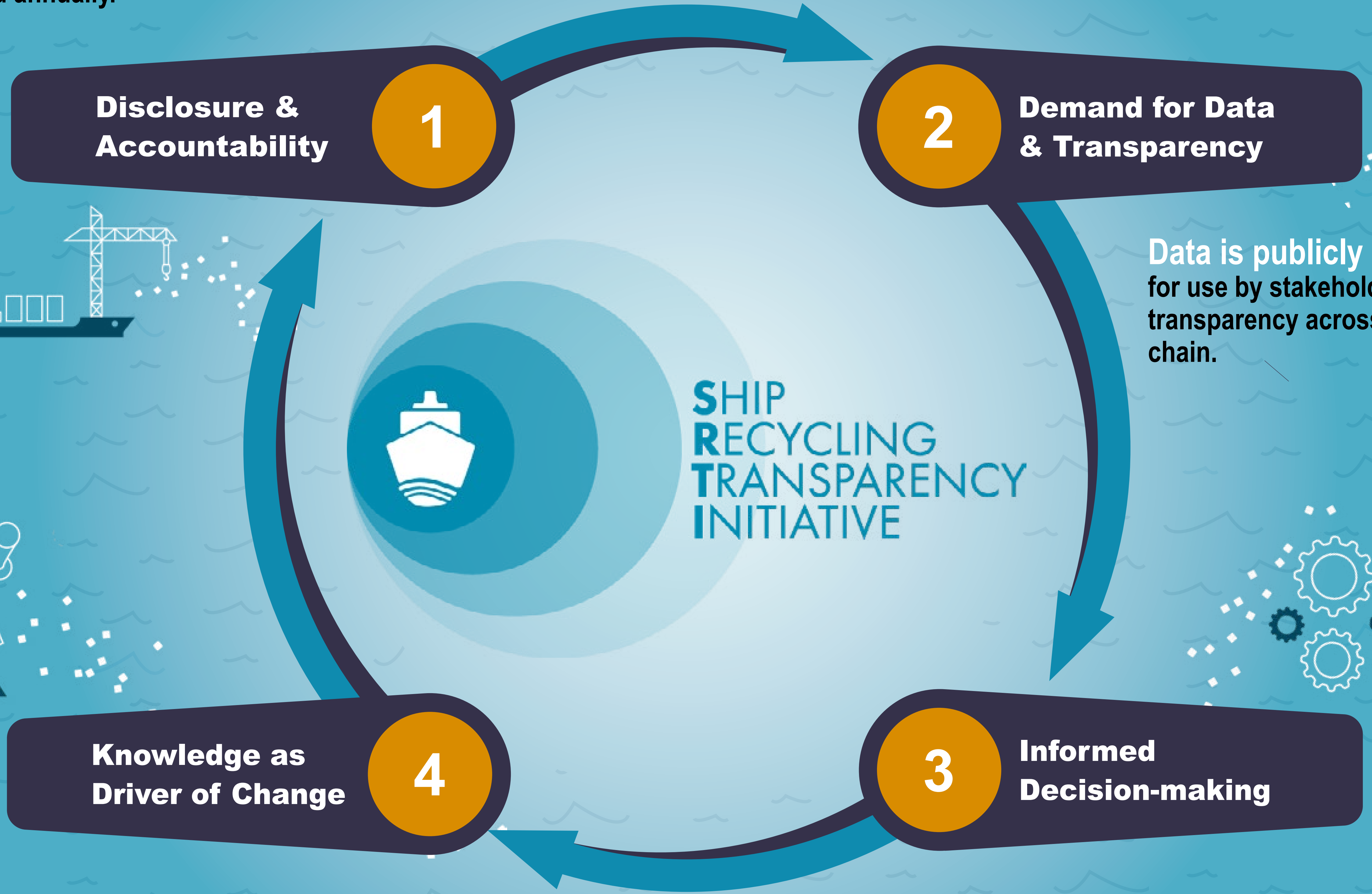
SRTI's theory of change breaks down the ways in which openly disclosed, easily accessible data can lead to improvements in the industry and create a virtuous cycle of transparency that rewards good practice, demanding and encouraging more transparency regarding ship recycling.

The Platform – The SRTI provides a platform through which shipowners can publicly disclose their ship recycling policies, practices and progress, thereby holding themselves to account before all stakeholders – including customers, investors, governments, NGOs, and the wider public.

Informed Decisions – This data, in turn, enables cargo owners, financial stakeholders and others to make informed decisions and reward good practice through the market, raising the bar for the industry.

Theory of Change

Shipowners collect and disclose data
on their ship recycling policies, practices and progress, holding themselves to account before key stakeholders - including customers, investors, governments, NGOs and the wider public. Data is updated annually.



Data is publicly available
for use by stakeholders demanding transparency across their value chain.

SRTI Data is used by stakeholders
to develop incentives and inform procurement, investment and lending decisions, mitigating supply chain sustainability risks and ensuring that they can work with shipowners whose approach to recycling is transparent and aligned with their own sustainability goals and values.

Good practice is rewarded through the market
Increased transparency raises the bar for the entire industry, promoting fair competition among shipowners and providing reputational advantages for those that recycle sustainably and responsibly.

The Ecosystem

STEEL SUPPLY AND DEMAND

Steel is the commodity exchanged .through a supply and demand mechanism. The life cycle of this material is flowing from vessels up to the steel manufacturer furnaces.

SHIPOWNERS

For shipowners, transparency in how they dispose of vessels, their adherence and approach to regulations, and the conditions under which recycling takes place directly affects their reputation. Aligning with growing regulatory and societal pressures, shipowners are increasingly expected to take a stance on how they manage the environmental and social impacts of their end-of-life fleet.

SHIP RECYCLERS

Ship recycling yards, in turn, face scrutiny for their environmental performance and worker safety conditions. Transparency in their operations—such as how hazardous materials are handled, worker conditions, and environmental impacts—can lead to better stakeholder relationships and compliance with international norms.

CARGO OWNERS

Cargo owners rely on transparency to ensure that their supply chains comply with environmental, social, and governance (ESG) standards. Knowing the conditions under which ships are recycled allows cargo owners to assure their customers and stakeholders that they are committed to responsible practices, further enhancing their brand's credibility and ESG performance.

STEEL MAKERS

The steel industry must ensure that the scrap steel they source is recycled under responsible conditions. Their commitment to transparency throughout the value chain reinforces their sustainability goals and boosts their reputation in a market increasingly driven by ESG considerations.

SHIP FINANCE

Investors and financiers need clear and reliable information on the risks associated with ship recycling to make informed decisions. They require transparency in the financial, environmental, and social aspects of the entire process to safeguard their investments and uphold ethical standards. Similarly, insurers depend on transparent industry data to assess risks accurately and to offer coverage that aligns with responsible practices.

POLICY MAKERS

Policy makers rely on transparency to effectively assess the impact of regulations. Clear, accessible data from the industry enables them to monitor compliance, environmental impacts, worker safety and sustainability. In this interconnected ecosystem, transparency is the foundation for building accountability, trust, and progress across the ship recycling industry.

Signatories

GSR Services

Akademiker Pension

ONE OCEAN NETWORK EXPRESS

MAERSK

BMW GROUP

CALMOCEAN

CMA CGM

CROWLEY

EVERGREEN

NYK LINE NIPPON YUSEN KAISHA

YANG MING

HÖEGH AUTOLINERS

Hapag-Lloyd

HFW

NORDEN

uff Universidade Federal Fluminense

JOHN DEERE

pbu Pædagogernes Pension

BR PETROBRAS

SCANIA

SEA SENTINELS

Stolt-Nielsen

TEEKAY

VOLKSWAGEN KONZERNLOGISTIK

Wallenius Wilhelmsen

Using the SRTI Data

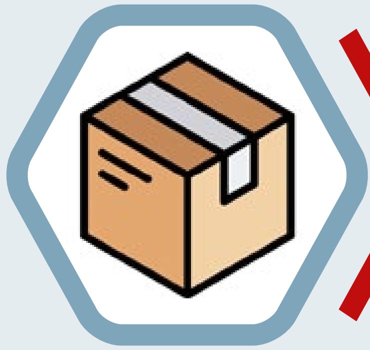
The data disclosed through the SRTI serves as a vital resource for diverse stakeholders across the maritime value chain.

By providing transparent, comparable information on ship recycling policies and practices, the SRTI empowers actors to make informed decisions, foster accountability, and collectively advance responsible ship recycling.

This shared access to reliable data supports collaboration, drives higher standards, and helps steer the industry toward safer, more transparent, and sustainable end-of-life practices.

SHIPOWNERS

Who want to understand best practice, see what their peers are doing, or who have not recycled or had a need for a ship recycling policy in the past.



CARGO OWNERS AND CHARTERERS

To understand the policies and practices of the carriers they work with in order to mitigate supply chain sustainability risk as well as consider and demand transparency across their value chains.

LENDERS, INVESTORS, AND INSURANCE PROVIDERS

To promote responsible ship recycling, and protecting financial and reputational interests by directing capital toward shipowners committed to transparent and sustainable end-of-life practices.

RESEARCHERS

To study ship recycling trends, identify industry gaps, and produce evidence-based insights that inform policy, academic work, and best practices for safer, fairer, and more environmentally sound recycling.

CIVIL SOCIETY

To monitor ship recycling practices, hold shipowners accountable, and advocate for higher standards that protect workers, communities, and the environment through greater transparency and public accountability.

Progress & News

In 2025, SRTI worked to consolidate its impact on ship recycling and laid the foundations for its next chapter one that will take full shape in 2026 through a comprehensive new strategy.

This strategy will continue to drive responsible commitment across the industry, while also exploring future opportunities linked to steel production and its decarbonization, and to bringing financiers to the decision-making table.

The year's primary focus was strengthening the Initiative's position and deepening relationships with key stakeholders, laying the groundwork for the 2026 strategy rollout.

Alongside our regular newsletters keeping members informed, SRTI achieved a significant milestone: official accreditation as an Observer to the Basel Convention Secretariat. Building on this status, we submitted an official proposal outlining a potential resolution path between the Basel and Hong Kong Conventions, shaped directly by input gathered from our members.

Continuing our bi-annual update cycle, the SRTI Disclosure Questionnaire was revised to reflect evolving member disclosure practices. The update expanded ESG and financial reporting sections, supporting our strategic vision to broaden SRTI's relevance beyond shipowners alone.

New Signatories

ONE — **Singapore**

Ocean Network Express (ONE) is a global container shipping company connecting businesses and communities worldwide, delivering reliable, efficient, and sustainable ocean transportation across major trade lanes through a modern fleet and integrated logistics network.

UFF — **Brazil**

Universidade Federal Fluminense (UFF) is a Brazilian public university advancing research and education on maritime sustainability, contributing academic expertise and scientific rigor to support responsible practices across the ship recycling industry.

SRTI Communication

RETHINKING HOW TO SERVE THE COMMUNITY AND THE ECOSYSTEM

In 2025, SRTI continued to refine its communications to better serve its community and amplify its mission. Building on the success of 2024, the SRTI Webinar Series brought together subject matter experts to explore critical topics in ship recycling. Meanwhile, the Monthly Update and Quarterly Newsletter kept members informed with timely coverage of market trends, policy developments, and key industry events.

The SRTI Webinar Series

EPISODE 4

"IHM: Mission accomplished or time for a shift?"

With the participation of:

- **Henning Gramann** [GSR]
- **Philip Nigel** [Lloyds Register]
- **Naeem Masani** [YSI Recyclers]
- **Bryce Lawrence** [Leviathan]

Moderated by **Giulio Venier** [SFC/SRTI]

EPISODE 5

"One ship, two Conventions: is a solution to the recycling deadlock within reach?"

With the participation of:

- **Susan Wingfield** [UNEP Basel Convention]
- **Nick Walker** [Watson Farley & Williams]
- **Jun Sun** [UN IMO]

Moderated by **Giulio Venier** [SFC/SRTI]

EPISODE 6

"Business After the Hong Kong Convention: What Changes in Ship Recycling?"

With the participation of:

- **Rakesh Bhargava** [Sea Sentinels]
- **Magnus Hammerstad** [CalmOcean]
- **Metin Aytekin** [Interwits]

Moderated by **Giulio Venier** [SRTI Secretariat]

The SRTI Newsletter

Monthly Update Email

The Monthly Update email was introduced to deliver quick, concise insights directly to members' inboxes. Designed to be straightforward and easily digestible, these updates provide timely highlights on emerging topics, key developments, and upcoming opportunities relevant to ship recycling, ensuring members remain informed without information overload.

Quarterly Newsletter

Complementing the monthly updates, the Quarterly Newsletter offers a more structured and in-depth perspective on the sector. With a classic newsletter format, it provides members with curated articles, market outlooks, policy updates, and event summaries, supporting deeper engagement and a broader understanding of the evolving ship recycling landscape.

The Disclosure Questionnaire

The SRTI Disclosure Questionnaire is central to promoting transparency and accountability in ship recycling. By collecting and sharing meaningful data, it helps stakeholders gain vital insights into industry trends and practices, strengthening informed and responsible decision-making.

THE STRUCTURE

The SRTI Disclosure Questionnaire is a critical tool supporting transparency, comparability, and evidence-based progress in ship recycling. Its structure ensures signatory shipowners provide consistent, meaningful data that can be used to identify industry trends and challenges.

A BI-ANNUAL UPDATE CYCLE

The 2025 version is the latest update, released as part of the questionnaire's regular bi-annual review cycle. This cadence ensures the disclosure framework stays current with evolving regulation and market practice, while preserving enough continuity in the data collected to support robust year-on-year comparison.

EXPANDED SCOPE AND RATIONALE

This update introduces two new sections: Financial Transparency and Circularity and ESG Performance, alongside expanded questions in the Ship Recycling Contracts section. The rationale is twofold: first, to extend accountability beyond the shipowner's internal policy to the financing relationships and contractual chains that shape recycling outcomes; and second, to shift the questionnaire's focus from policy and intent toward measurable results, closing a gap in the previous version where implementation questions were not matched by outcome data. Together, these additions better align SRTI with the direction of international standards (HKC, EU SRR, RSRS, Equator Principles).

The Disclosure Questionnaire Structure

The questionnaire is organized into eight sections, guiding signatories from baseline business data through to future priorities.

A

BUSINESS DETAILS

Captures key information about the shipowner's organisation, its fleet profile, and its recycling activities, providing essential context for disclosures.

B

POLICIES

Gathers details on whether the organisation has a ship recycling policy, what standards it references, and how these policies are implemented across owned or chartered vessels.

C

SHIP RECYCLING CONTRACTS

Focuses on the contractual aspects of responsible recycling, including the use of standard contracts, provisions for facility access, and conditions tied to sales for further trading or recycling.

D

IMPLEMENTATION

Explores how policies are put into practice, such as facility evaluations, yard compliance monitoring, and protections for workers' rights and safety during the recycling process.

E

FINANCIAL TRANSPARENCY

Provides an opportunity for signatories to share their views on capacity-building needs, engagement priorities, and tools that could further support responsible ship recycling.

F

CIRCULARITY AND ESG PERFORMANCE

Measures actual recycling outcomes, material recovery/reuse rates, downstream waste tracking, emissions, and social indicators, plus whether data is externally verified and ESG-reported.

G

FUTURE PRIORITIES

Provides an opportunity for signatories to share their views on capacity-building needs, engagement priorities, and tools that could further support responsible ship recycling.

H

OTHER COMMENTS

Open space for additional context not otherwise captured.

A Look at the Data

ACCESSING SRTI DISCLOSED DATA

All data disclosed by shipowners via the [SRTI platform] is publicly available to any interested stakeholder. A watermark with the Disclosure Questionnaire section has been added to the following pages to simplify correlating the data and the charts presented in this report with the data provided by the signatories.There are three ways to access the data:

- Individual shipowner disclosures can be downloaded in PDF format;
- The full data set used to elaborate the results of this report are available for the download at [this link] as an Excel file, allowing the user to filter, search, and otherwise explore the data;
- The annual SRTI Progress Report publishes the data in an aggregated format, discussing common themes in the disclosures and providing additional context.

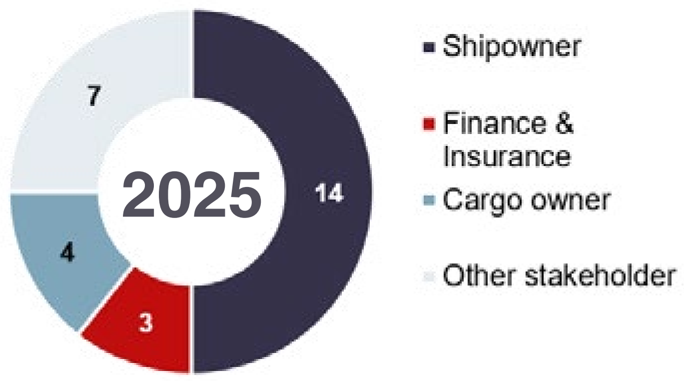
SIGNATORIES EVOLUTION

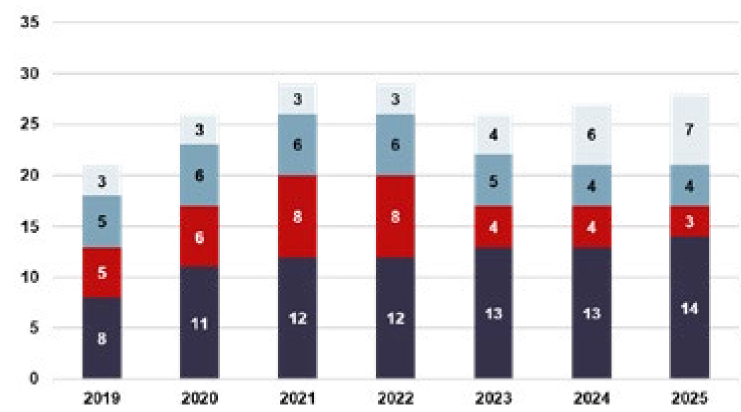
Since 2018, SRTI's community of signatories has expanded steadily, mirroring the industry's growing embrace of transparency and responsible ship recycling. By the end of 2025, the Initiative counted 28 signatories, shipowners, cargo owners, financial stakeholders, and other actors across the maritime value chain. Shipowners remain the driving force behind this growth, now numbering 14, while representation from "other stakeholders" climbed to 7, pointing to a widening circle of interest beyond the sector's core players. This sustained momentum reflects not just numerical growth, but deepening trust in SRTI's mission and a maturing recognition that transparent, sustainable practices are becoming a shared priority across the industry.

STAKEHOLDERS CATEGORY	2019	2020	2021	2022	2023	2024	2025
Shipowners	8	11	12	12	13	**13**	**14**
Finance Stakeholders	5	6	8	8	4	**4**	**3**
Cargo owners	5	6	6	6	5	**4**	**4**
Other stakeholder	3	3	3	4	6	**7**	**7**
Total	**21**	**26**	**29**	**29**	**26**	**27**	**28**

VESSEL FIGURES

As SRTI's signatory base has grown, so has the volume of vessel data disclosed, reflecting the substantial fleets represented within the Initiative's community. Compared to 2024, shipowner disclosures remained stable in 2025, accounting for 14, thanks to new members joining the Initiative and natural turnover within the community, underscoring shipowners' continued central role in driving fleet transparency forward. The "Other Stakeholder" category has expanded to 7 in 2025, highlighting the diversity of business models and growing interest from actors beyond traditional shipowners. This range of composition reinforces a core SRTI principle: responsible ship recycling requires systemic approaches, while proving that transparency remains fundamental regardless of company size, type or structure.

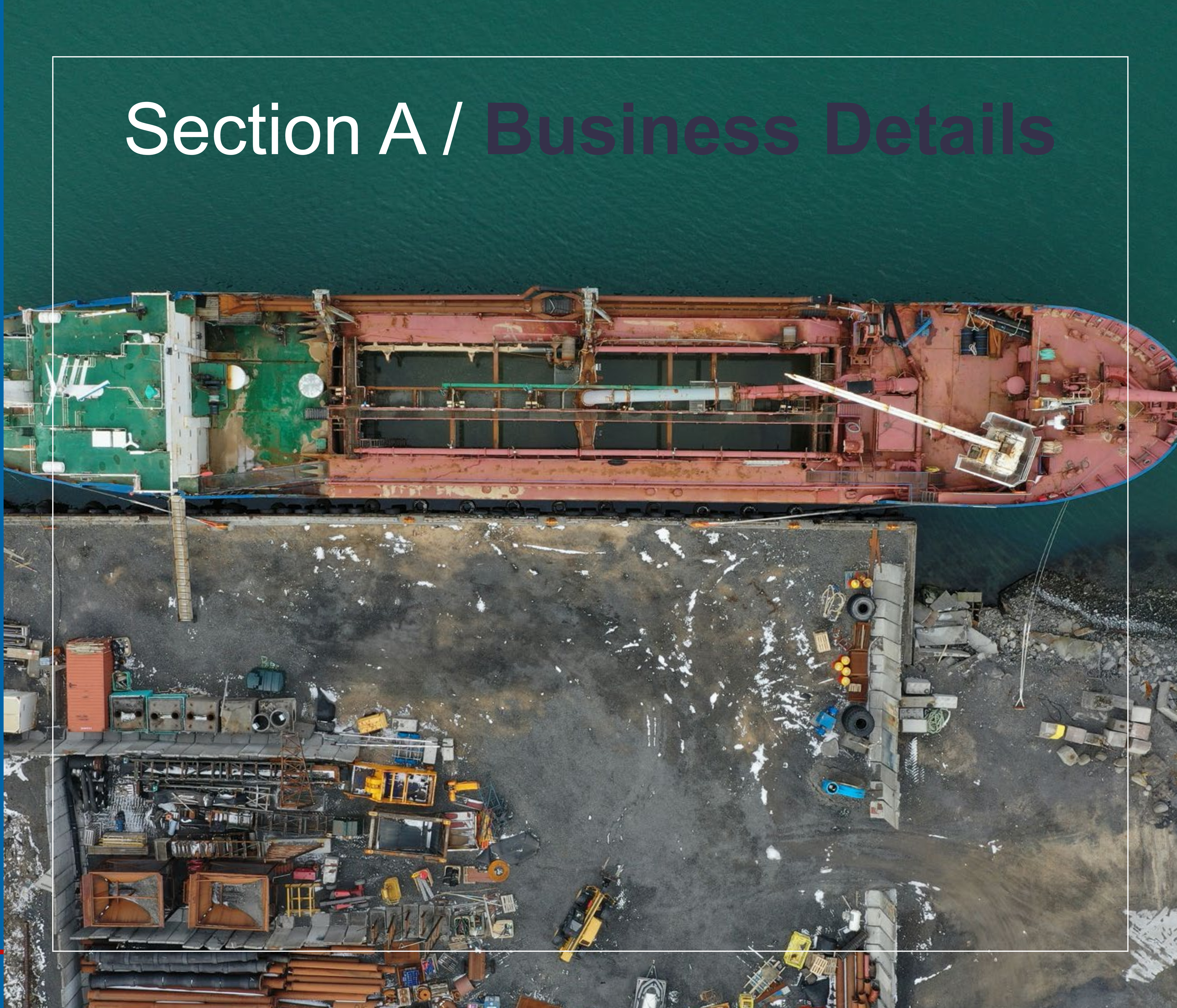




A look
at the data

SECTION A

Section A / Business Details

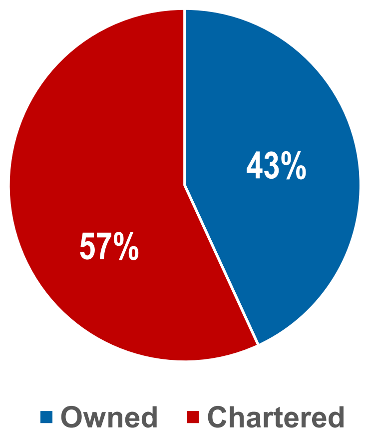


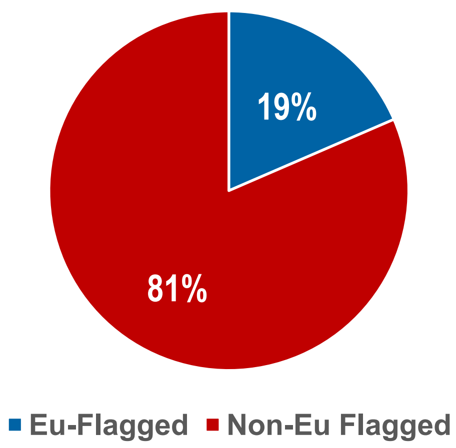
FLEET PROFILE

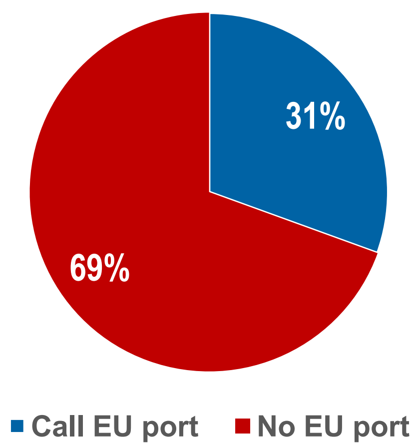
The 2025 data shows the total fleet reported by signatories rose from 3,576 to 3,994 ships (+11.7%) year-on-year, meaning SRTI now captures a larger slice of the global fleet under its transparency framework, a sign the initiative's coverage is expanding. This growth was driven mainly by chartered tonnage rather than owned tonnage, consistent with last year's finding that signatories rely heavily on chartering to flex capacity, and showing that this broader reach extends across both owned and flexible tonnage.
At the same time, the 2025 figures show 739 ships fly an EU flag and 1,092 report calling EU ports, so even as SRTI's overall footprint grows, the EU-linked share of the fleet remains a minority.

A2 - NUMBER OF SHIPS OPERATED

	2024			2025				
Signatory	**Owned**	**Chartered**	**Total**	**Owned**	**Chartered**	**Total**	**EU Flagged**	**Call EU Ports**
A.P. Moller - Maersk	310	381	691	332	439	771	123	261
Altera Infrastructure	35	1	36	N/A	N/A	N/A	N/A	N/A
CMA CGM	351	318	669	395	327	722	431	358
Crowley	59	8	67	73	11	84	0	0
D/S NORDEN	13	404	417	14	427	441	51	64
Evergreen	128	84	212	163	74	237	8	42
Hapag-Lloyd AG	131	168	299	131	207	338	NP	NP
Höegh Autoliners	35	3	38	37	5	42	31	42
NYK	278	388	666	297	387	684	17	0
Ocean Network Express	32	22	54	21	216	237	16	99
Petrobras	32	22	54	32	22	54	0	0
Stolt Tankers B.V.	128	35	163	74	83	157	49	NP
Teekay	36	4	40	N/A	N/A	N/A	N/A	N/A
Wallenius Wilhelmsen	90	35	125	91	36	127	44	127
Yang Ming	61	38	99	62	38	100	0	29
Total	**1687**	**1889**	**3576**	**1722**	**2272**	**3994**	**739**	**1092**





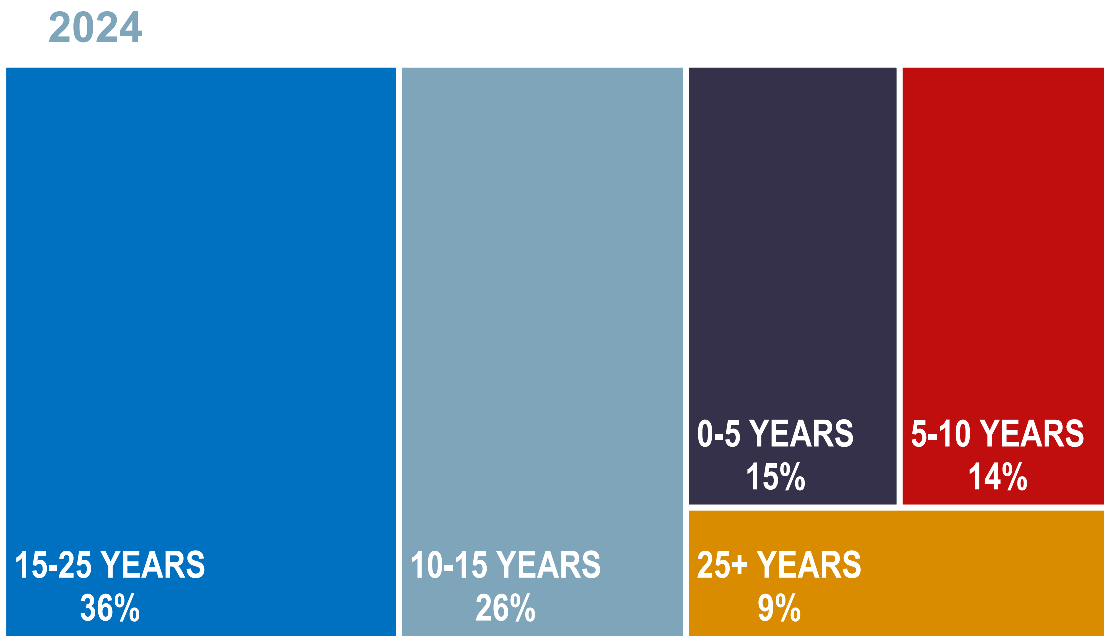


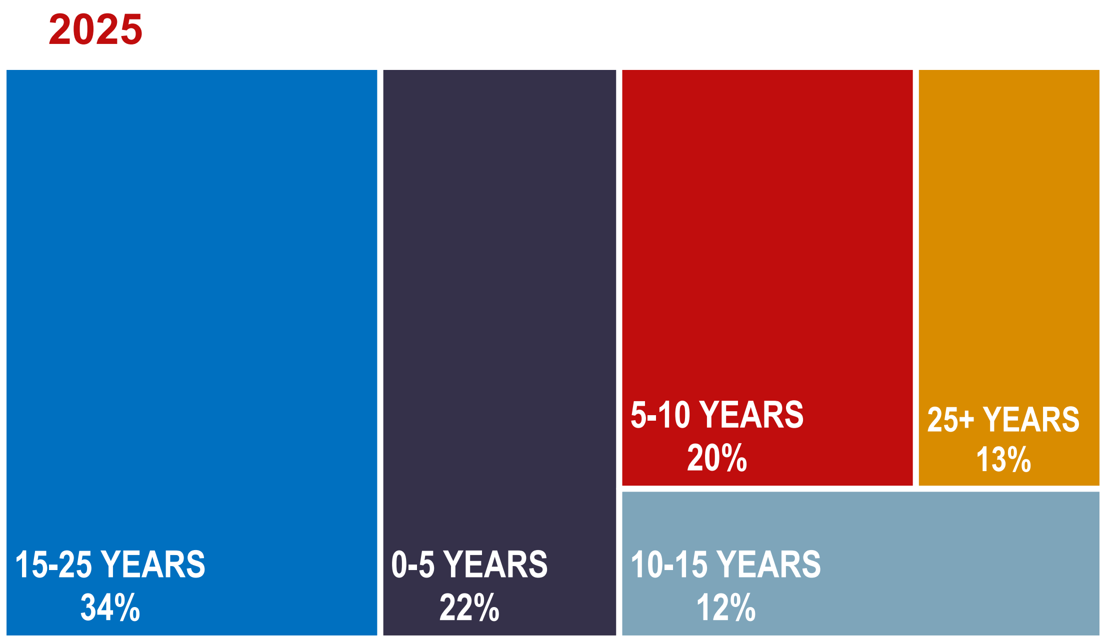
FLEET AGE RANGE AND RECYCLING DESTINATIONS

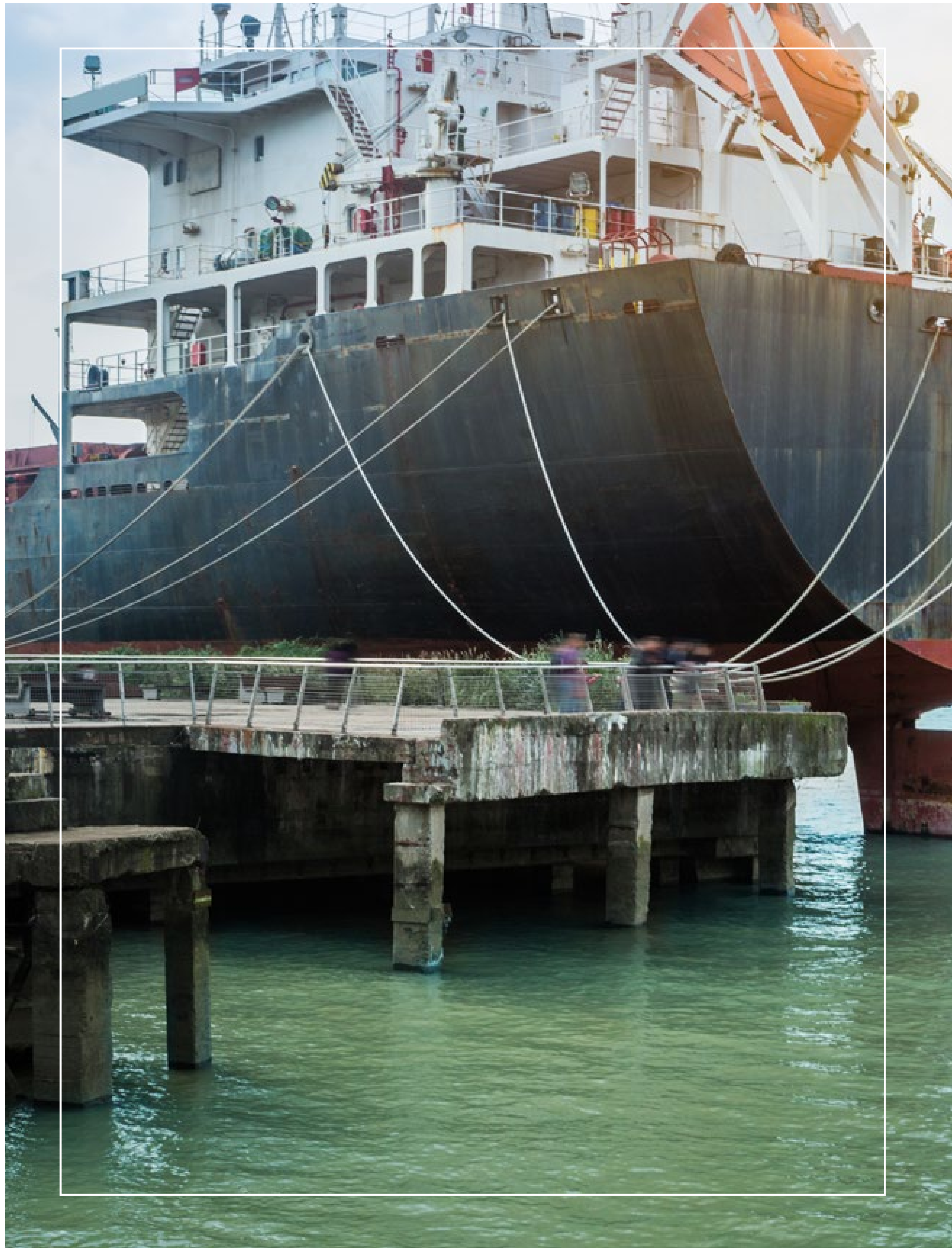
The 2025 data shows a notable shift compared to 2024. The 0-5 year bracket jumped from 15% to 41%, signaling a wave of newbuild deliveries entering the SRTI-disclosed fleet, while the 15-25 year bracket held steady at 41% (vs. 36% in 2024). The 5-10 year bracket rose from 14% to 33%, and 10-15 years increased from 26% to 27%, while the 25+ year bracket shrank, pointing to some retirement or recycling of the oldest tonnage.

Taken together, the 2025 profile shows a fleet renewing at both ends: a strong influx of newer vessels alongside a persistently large share of ships in the 15–25 year bracket approaching end-of-life, reinforcing the need for signatories to plan concurrently for two priorities: responsible recycling pathways for the aging 15-25+ year segment, and ensuring the new capacity entering the fleet is built to sustainability and safety standards from the outset.

A2.5 FLEET AGE RANGE



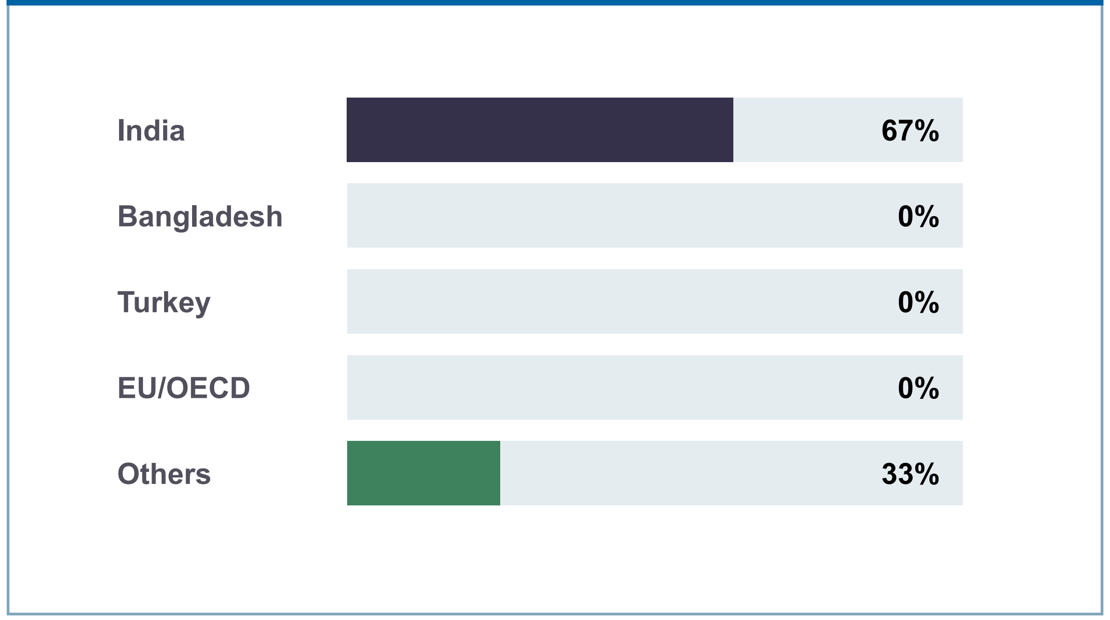




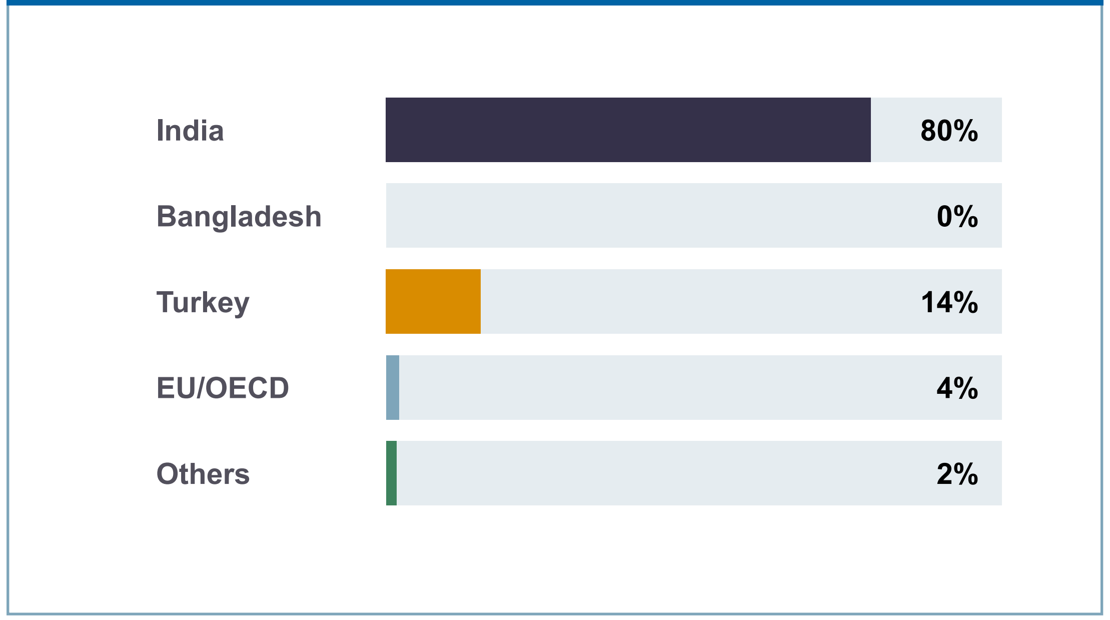
RECYCLING ACTIVITY AND LOCATION

In 2025, India remained the leading recycling destination for SRTI signatories at 67%, though this is well below the 2020-2025 average of 80%, indicating some diversification away from India in the most recent year. Turkey, Bangladesh, and EU/OECD facilities all recorded 0% in 2025, a notable drop for Turkey from its 14% multi-year average, while EU/OECD recycling fell from an already low 4% average over 2020-2025. The "Others" category rose sharply to 33% in 2025, up from just 2% in the 2020-2025 average, suggesting signatories are increasingly directing vessels to a broader, less concentrated set of recycling states outside the traditional India-Turkey axis. This shift may reflect capacity constraints, pricing, or growing signatory attention to yard-specific standards, but the continued absence of Bangladesh and EU/OECD recycling confirms that activity remains concentrated in South Asia and other non-traditional destinations rather than shifting toward facilities with stricter environmental and labor oversight.

A4.1 RECYCLING STATES BREAKDOWN 2025



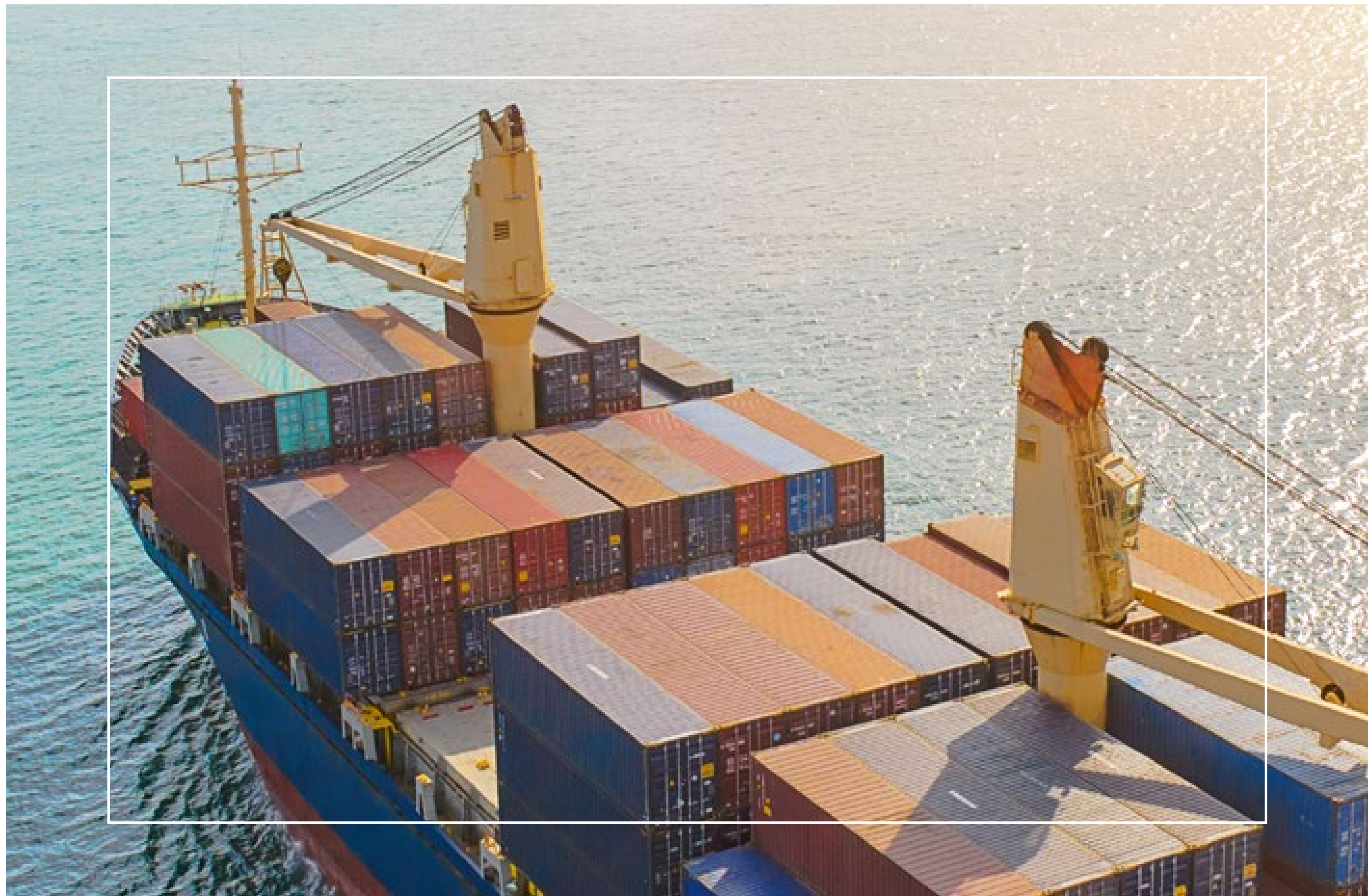
A4.2 RECYCLING STATES BREAKDOWN 2020-2025



INDIA'S EMERGENCE AS A POTENTIAL EU-COMPLIANT RECYCLING HUB

India's continued position as the leading recycling destination for SRTI signatories, even against a backdrop of constrained overall recycling volumes, points to a deliberate and sustained repositioning of its ship recycling sector.

This suggests Indian yards are progressively aligning with international standards under the **Hong Kong Convention** and the **EU Ship Recycling Regulation**, moving beyond their traditional reputation and toward genuine EU-compliant capacity. This trajectory raises the prospect that India could become a credible challenger to Turkey, long considered the default destination for EU-flagged vessels requiring compliant recycling. Should this repositioning continue, signatories may soon have a broader set of compliant options, gradually reshaping the competitive landscape of EU-approved ship recycling.



A look
at the data

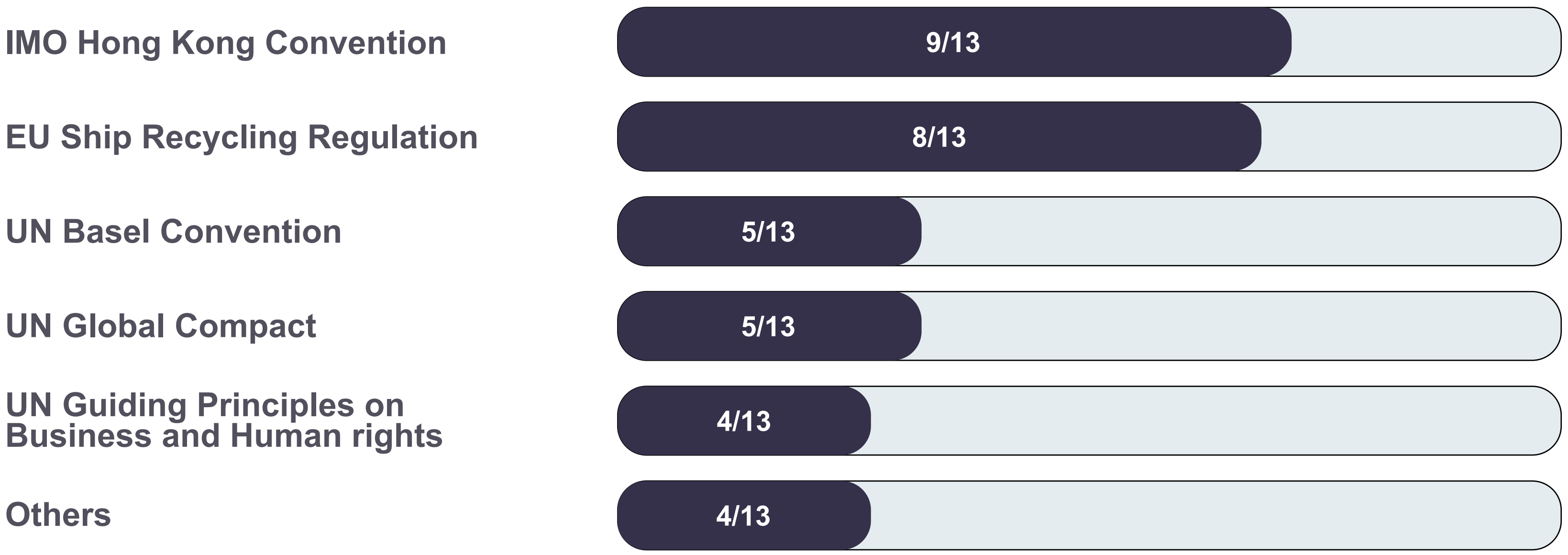
SECTION B

Section B / **Policies**

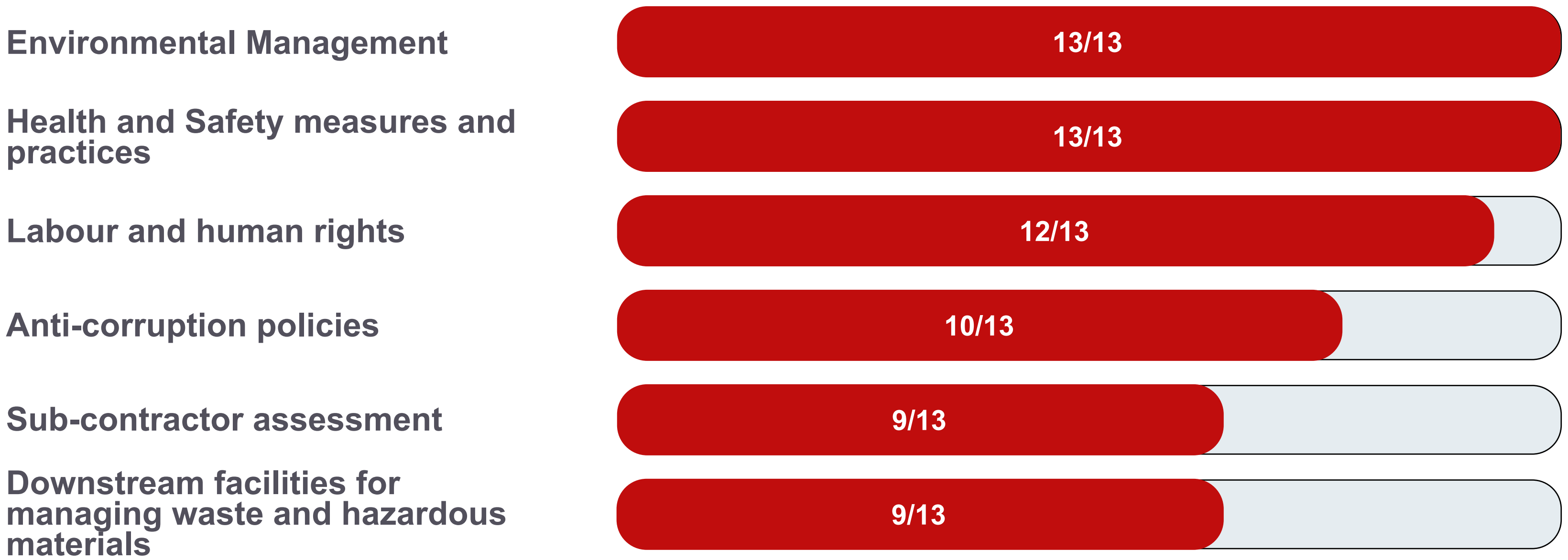
APPLIED STANDARDS

SRTI signatories show strong, near-universal alignment on core operational policy areas, with virtually all members addressing environmental management and health and safety in their ship recycling practices. Labour and human rights protections and anti-corruption policies are also broadly embedded, while sub-contractor assessment and oversight of downstream waste and hazardous materials handling, though still widely adopted, show somewhat more variation across signatories. This points to a mature, shared baseline on the fundamentals of responsible recycling, with slightly more divergence emerging around extended supply chain accountability. When it comes to formal conventions and principles, the picture is more mixed. The IMO Hong Kong Convention and the EU Ship Recycling Regulation are the most commonly referenced frameworks, underscoring their role as the primary regulatory anchors for the industry. Broader instruments such as the UN Basel Convention, the UN Global Compact, and the UN Guiding Principles on Business and Human Rights are referenced less consistently, suggesting that while recycling-specific regulation is well embedded, alignment with wider international human rights and environmental governance frameworks still has room to grow.

B1.5 Conventions and Principles



B1.6 Ship Recycling Policy Subjects



Beyond these core conventions, signatories also draw on a range of ISO management system standards to reinforce their compliance frameworks. ISO 9001 and ISO 14001 feature most prominently, reflecting the value signatories place on embedding quality and environmental management into everyday operations rather than treating recycling compliance as a standalone exercise. ISO 45000, focused on occupational health and safety, and more specialized references such as ISO 30000 and ASTM E1527, further illustrate how signatories layer general management system standards on top of recycling-specific conventions. Rather than functioning as substitutes, these ISO standards play a complementary role, embedding the discipline, documentation, and continuous improvement practices needed to make convention-level commitments operational and auditable in practice.

A look
at the data

SECTION C

Section C / Ship Recycling Contracts

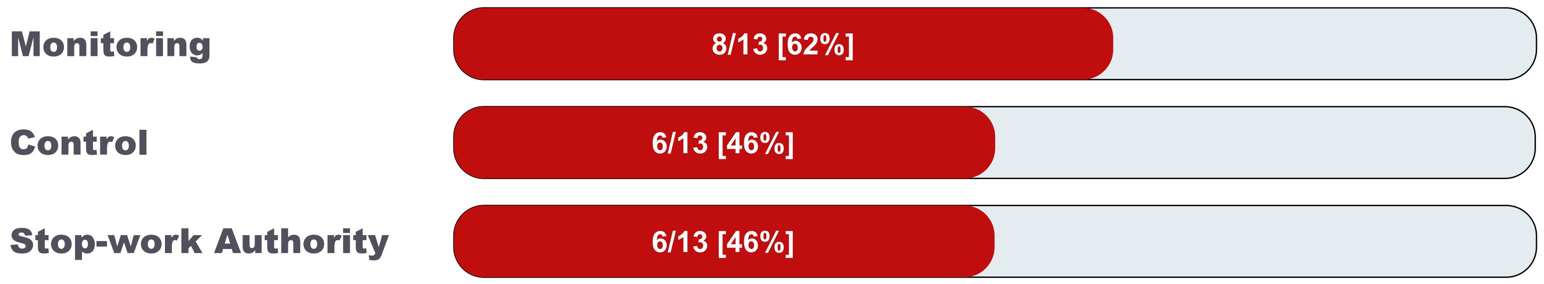
CONTRACTUAL PRACTICES IN SHIP RECYCLING

The data reveals a clear divide between policy commitments and binding contractual practice. Signatories show strong adoption of foundational safeguards: most have a policy promoting responsible recycling of owned vessels, require compliance with written recycling policies, and impose legally binding covenants or incentives on buyers. Contractual specificity is also fairly well established, with most following standard contract templates and requiring explicit recycling-facility criteria. This commitment weakens for chartered tonnage and end-of-life financial accountability. Only a small minority extend responsible recycling requirements to vessels chartered for two or five years or more, exposing an oversight gap in non-owned fleet segments that, as seen elsewhere in this report, make up a substantial share of total tonnage.

Indicator	YES [%]	NO [%]
C1.1 Does your organization have a policy in place to promote responsible recycling of owned vessels sold for further trading?	85%	15%
C1.2 Does your organization follow a Standard Contract for the sale of vessels for green recycling (e.g. RECYCLECON from BIMCO)?	69%	31%
C1.3 Does the contract include explicit requirements for recycling vessels at specific ship recycling facilities?	69%	31%
C1.5 Does the contract require compliance with your organization's written ship recycling policy?	90%	10%
C1.6 Does your organization impose legally binding covenants or offer commercial incentives to buyers to encourage responsible ship recycling?	90%	10%
C1.7 Does your organization take steps to promote responsible recycling of vessels chartered for 5 years and over, released for redeployment or recycling?	23%	77%
C1.8 Does your organization take steps to promote responsible recycling of vessels chartered for 2 years and over released for redeployment or recycling?	25%	75%
C1.9 Does your organization include lender-imposed requirements in contracts for vessel sale or recycling (e.g., HKC compliance, EU SRR alignment, IHM maintenance obligations)?	54%	46%
C1.10 Does your organization require buyers to disclose the source of financing for the vessel and any associated compliance obligations related to end-of-life management?	25%	75%
C1.11 Does your organization offer incentives to encourage buyers to pursue responsible ship recycling (e.g., price adjustments, rebates, performance-based conditions)? associated compliance obligations related to end-of-life management?	17%	83%

C1.4 Ship Recycling Contract Provisions

Does the contract include explicit requirements for recycling vessels at specific ship recycling facilities?



Few signatories require buyers to disclose financing sources tied to compliance, and even fewer offer commercial incentives for responsible recycling outcomes. Lender-imposed compliance requirements sit in the middle, included by just over half. On specific contract provisions, monitoring is the most consistently embedded safeguard, followed at a materially lower, equal rate by control mechanisms and stop-work authority, suggesting signatories can generally verify recycling activity but fewer have tools to intervene in real time.

A look
at the data

SECTION D

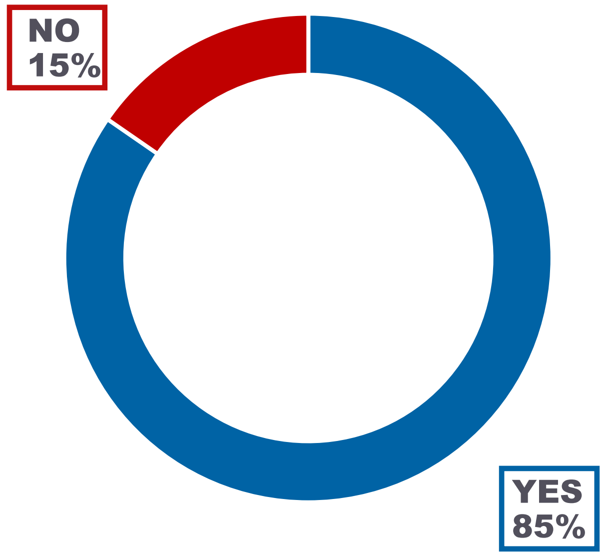
Section D / Implementation

OVERSIGHT AND COMPLIANCE MONITORING

With 2025 data, signatories demonstrate strong and consistent commitment to verifying recycling facility standards, though the depth of oversight varies across the different compliance stages. Requiring a Hong Kong Convention statement of compliance is widely adopted, and pre-recycling facility evaluation, such as onsite audits, is even more prevalent, pointing to a strong preventive due-diligence culture before vessels are sent for recycling. Ongoing monitoring of yard compliance during or after the recycling process is somewhat less consistent, with a meaningful minority of signatories not maintaining this continuous oversight. This pattern suggests that while upfront vetting of facilities is nearly universal, sustained monitoring throughout the recycling lifecycle remains an area with room for strengthening.

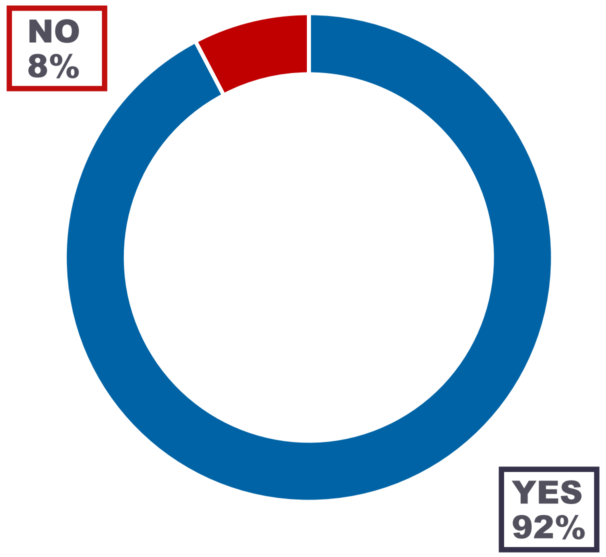
D1.1 Statement of Compliance

Does your organization require the ship recycling facility in charge of the recycling process to have a Hong Kong Convention statement of compliance?



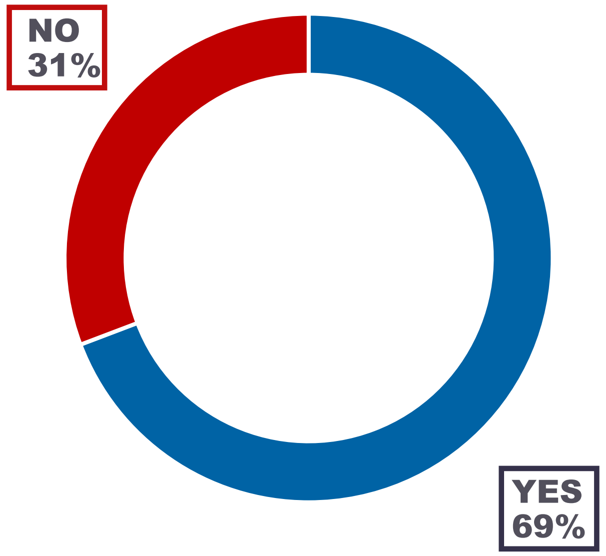
D1.2 Facilities Evaluation

Does your organization evaluate facilities where your ships are sent to be recycled, before the start of recycling (e.g. through onsite audits)?



D1.3 Facility Requirements

Does your organization monitor yard compliance during or after the recycling process?



STATEMENT OF COMPLIANCE: SIGNATORY APPROACHES IN PRACTICE

Beyond confirming that a Hong Kong Convention statement of compliance is required, signatories' additional details reveal a broadly convergent but increasingly stringent set of practices. Several signatories note that HKC compliance functions as a baseline entry criterion for approved yards, with some stating it carried limited formal weight prior to HKC ratification but was nonetheless a longstanding internal requirement. Many go further than the convention itself, requiring independent verification by classification societies (such as BV, NK, RINA, IRClass, or Lloyd's Register) or making inclusion on the EU's list of approved ship recycling facilities a mandatory condition, effectively layering EU Ship Recycling Regulation standards on top of HKC requirements. Others combine HKC compliance with broader ISO certifications (e.g., ISO 9001, 14001, 18001, or 30000), reflecting the same complementary use of management-system standards seen elsewhere in this report. A few signatories highlight jurisdiction-specific nuances, noting that HKC is not formally referenced in their policy because their flag state has not ratified the convention, while emphasizing that their own internal requirements exceed HKC standards, often benchmarked instead against EU Regulation No. 1257/2013. Collectively, these responses indicate that for many signatories, HKC compliance is treated as a necessary but not sufficient condition, with EU-listing, classification society certification, and internal policy thresholds used to raise the bar beyond baseline convention requirements.

INCIDENT RESPONSE AND CORRECTIVE MEASURES

Among signatories who monitor yard compliance during or after recycling, the specific approaches used reveal a preference for reactive and targeted oversight over continuous, independently verified supervision. On-site follow-up triggered specifically when non-compliances are identified is the most common practice, adopted by just over half of signatories, suggesting that many monitoring frameworks are structured to respond to emerging issues rather than to provide constant surveillance.

Having a company representative physically present on-site is also fairly widespread, reflecting a preference for direct, in-house oversight over reliance on external parties. Random spot checks, regular-interval supervision, and general monitoring measures are each adopted by a more modest and equal share of signatories, indicating that systematic, scheduled monitoring is practiced by a minority rather than the norm. Notably, reliance on authorized third parties for independent verification is the least common approach, matched only by "Other" arrangements such as monitoring delegated to a recycling agent or full-process monitoring throughout recycling.

Taken together, this breakdown suggests that where yard monitoring exists, it more often takes the form of direct, in-house, and issue-triggered oversight rather than continuous, third-party-verified supervision, pointing to a potential opportunity to strengthen independent assurance mechanisms going forward.

D1.3.1 Yard Non-Compliances Monitoring Measures

Does the contract include explicit requirements for recycling vessels at specific ship recycling facilities?

Random spot checks	5/13	[38%]
Supervision at regular intervals	5/13	[38%]
On-site follow-up in case non compliances	7/13	[54%]
Company representative on-site	6/13	[46%]
Authorized third party	2/13	[15%]
Other	2/13	[15%]

Section E / **Financial Transparency**

A look
at the data

SECTION E

FINANCIAL TRANSPARENCY

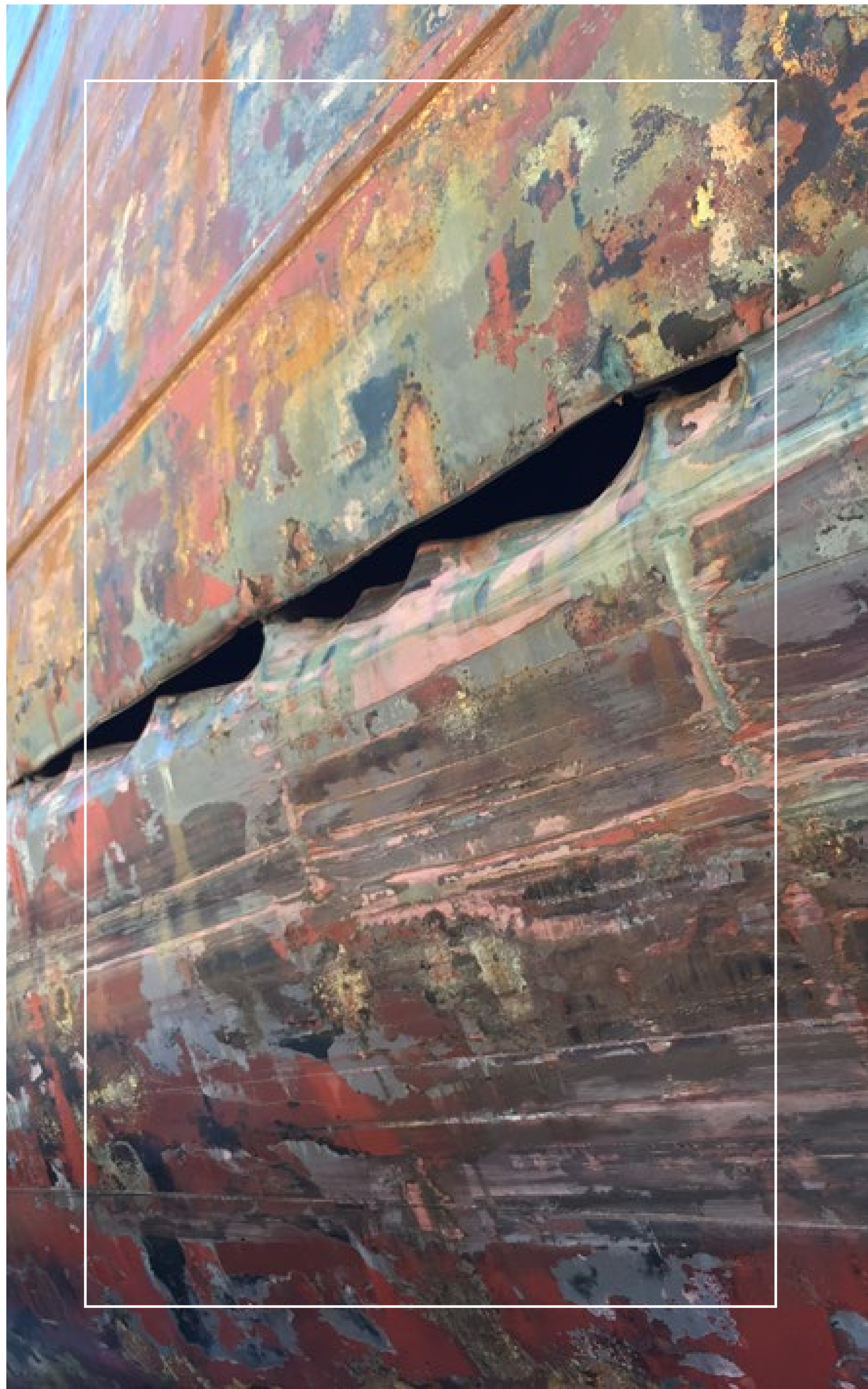
Financial transparency is a new addition to the SRTI Disclosure questionnaire for 2025. As a first-year section, response rates were lower and less consistent than for established sections, with participation ranging from 8 to 10 out of 13 signatories depending on the question. Given this limited base, the figures below are presented as directional signals rather than a robust dataset, and no charts have been included at this stage; a fuller quantitative view should become possible as participation and data quality mature in future cycles.

GREEN RECYCLING COVENANTS AND REFERENCED STANDARDS

Among the signatories who answered, only 1 reported systematically embedding "*green recycling*" covenants across all new and refinanced facilities, while half said no such covenant exists, and the remainder described inclusion as negotiated or bank-driven rather than standardized. Where standards were referenced (9 respondents, multiple selections allowed), the Hong Kong Convention was cited most often, followed by the EU Ship Recycling Regulation, with RSRS itself, being newly introduced, referenced by only a small minority. Notably, one response set showed an internal inconsistency (a "custom green criteria" option marked as selected by all respondents alongside a majority also marking "not applicable"), which is itself a useful illustration of why this section's data needs to mature before conclusions can be drawn with confidence.

FLEET COVERAGE AND FINANCIAL EXPOSURE

Of the 9 signatories reporting the share of their financed fleet covered by green recycling provisions, responses were notably bimodal: a third reported 0% coverage, roughly a fifth reported 76–100% coverage, and almost no one fell in the intermediate bands. This suggests financing practices are not yet converging toward a common baseline — signatories appear to either have fully embedded provisions or none at all. Relatedly, only about a fifth of respondents confirmed having loan, lease, or guarantee arrangements that influence end-of-life responsibilities, with the remainder split between "no" and "not applicable."



REPORTING AND INCENTIVE MECHANISMS

Routine disclosure of recycling-related information to financiers remains limited: roughly a third of respondents confirmed doing so, while more than half said they do not. On incentive mechanisms specifically — covenants, pricing benefits, or penalties tied to responsible recycling — every respondent who answered reported having none in place, a clean and notable signal that financial incentive structures for responsible recycling are, at this stage, essentially absent across the group.

IHM COMPLIANCE AND ESMS MATURITY

On Inventory of Hazardous Materials requirements, results were mixed: about 40% of respondents confirmed IHM maintenance verified via a class society Statement of Compliance, while roughly 30% marked the question as not applicable. A similar split appears for "Certificate of Completion" practices upon recycling sale, with responses fairly evenly divided between yes, no, and not applicable. On broader governance, only 1 in 10 signatories reported having a publicly available, cradle-to-grave Environmental and Social Management System, with the majority maintaining such frameworks internally or not at all.

TREND SPOTLIGHT: FINANCIAL INCENTIVES ARE STILL ABSENT

The clearest and most consistent finding in this section is the complete absence of financial incentive mechanisms for responsible recycling, no respondent reported using covenants, pricing benefits, or penalties to encourage compliant outcomes. Combined with the bimodal fleet-coverage pattern, this points to an early-stage landscape where a handful of signatories have moved decisively to embed recycling considerations into financing, while the rest have yet to begin, with little evidence, so far, of financing itself acting as a lever to close that gap.

Section F / **Circularity and ESG Performance**

CIRCULARITY AND ESG PERFORMANCE

Circularity and ESG Performance is another newly introduced section of the SRTI Disclosure questionnaire for 2025, covering how signatories track material recovery, downstream waste flows, environmental performance, and safety outcomes at the recycling facilities they use. Like Financial Transparency, this is a first-year addition, and participation was limited and uneven. As with the financial transparency section, the figures below should be read as early, directional signals rather than a robust picture, and no charts have been included at this stage; both the completeness and the internal consistency of responses will need to improve before a fuller quantitative analysis is warranted.

MATERIAL RECOVERY AND REUSE

Among the signatories who answered, the overwhelming majority said the approximate percentage of vessel material recovered during recycling was simply not available to them, with only 1 respondent reporting a 0-50% recovery rate and 1 reporting above 90%. The same distribution appeared for the share of recovered material that was reused or refurbished, which, combined with the identical response pattern, suggests either a genuine parallel data gap or a possible duplication in how the two questions were captured. Either way, the underlying signal is consistent: most signatories currently lack visibility into the core circularity outcomes of their recycling activity, even where broader recycling policies and facility vetting practices are well established.

DOWNSTREAM DATA AND EMISSIONS REPORTING

Only one third of respondents said they receive data on downstream waste and material flows from recycling facilities, such as steel mills or hazardous waste handlers, while the remaining do not. Reporting of greenhouse gas emissions tied to vessel recycling is similarly limited: just signatory receives full emissions data from their yards, half report receiving none, and the rest say the position is simply not known. Where facilities do report broader environmental performance metrics, energy consumption is the most commonly cited category, but two-thirds of respondents said no such metrics are provided at all.

SAFETY PERFORMANCE REPORTING

Responses on facility-level safety indicators (accident frequency rate, lost-time injury rate, fatalities, near-miss reporting) could not be meaningfully calculated from the data submitted, reflecting either very low response volume or inconsistent completion of these fields. This represents one of the least mature areas of this year's disclosure and a clear priority for improved data capture going forward, given how central safety performance is to responsible recycling practice.

FACILITY ASSESSMENTS AND OWN ESG REPORTING

Where signatories reported on facility-level assessments, worker interviews and human rights assessments were each cited by 50% respondents, with third-party social audits and "no assessment conducted" each cited once. On whether circularity-related outcomes feed into signatories' own ESG reporting, half of respondents said they do not, while the remainder split evenly across operational indicators, environmental/circular-economy indicators, and full transparency including third-party audit results.

EXTERNAL VERIFICATION

External verification or assurance of facility-provided data was confirmed, in some form, by half of respondents, while the remaining half said the position was not known, indicating that even where circularity data exists, independent assurance over its quality remains inconsistently established.

TREND SPOTLIGHT: OUTCOME DATA LAGS BEHIND POLICY MATURITY

The standout finding from this section is the gap between process maturity and outcome measurement. Earlier sections of this report show signatories have well-established policies for facility vetting, monitoring, and contractual safeguards, yet when it comes to quantifying actual circularity results, such as material recovery rates or downstream waste tracking, the large majority of signatories currently cannot report a figure at all. This suggests the next stage of progress for the industry lies less in adding new policy commitments and more in building the data infrastructure needed to measure and verify the circularity outcomes those policies are meant to deliver.

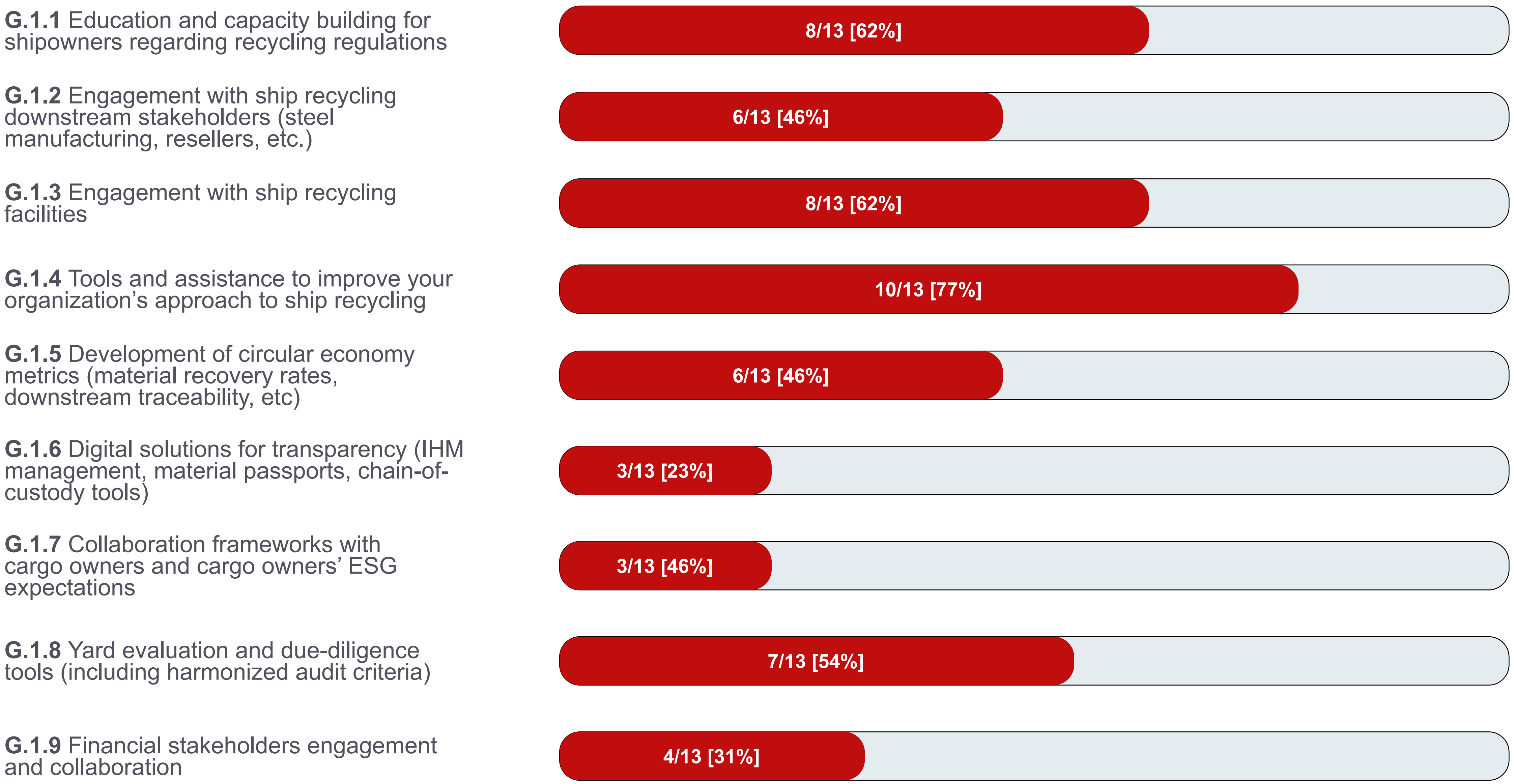
A look
at the data

SECTION G

Section G / Future Priorities

FUTURE PRIORITIES

Looking ahead, signatories point most consistently to practical, capacity-building support as their top priority, tools and assistance to strengthen their own approach to ship recycling stand out as the most widely requested area, alongside education on recycling regulations and deeper engagement with the recycling facilities themselves. Yard evaluation and due-diligence tools also feature prominently, reflecting a desire for more harmonized, reliable ways to assess facility performance. By contrast, more advanced or systemic priorities, such as digital transparency solutions, collaboration frameworks with cargo owners, and structured engagement with financial stakeholders, are cited less frequently, suggesting these are seen as longer-term ambitions rather than immediate needs. Taken together, the results suggest signatories are currently focused on strengthening foundational knowledge and operational capability, with more transformative, cross-industry initiatives positioned as a next horizon rather than a current priority.



Credits

DISCLAIMER AND USAGE RIGHTS

Smart Freight Centre

SHIP RECYCLING TRANSPARENCY INITIATIVE

shiprecyclingtransparency.org

AUTHOR CREDITS

Giulio Venier - Smart Freight Centre / SRTI Secretariat

PHOTO CREDITS

All the images used in this document were sourced on Adobe Stock libraries, in accordance and compliance with the rights contained within Adobe Stock "Terms and Conditions", except the images not previously listed are courtesy of Wallenius Wilhelmsen, Hapag Lloyd, AP Moeller Maersk, Smart Freight Centre.

All company logos featured in this report are the property of their respective owners and are used with permission. Their inclusion is intended solely for the purpose of acknowledging participation in the SRTI. No other use, reproduction, or distribution of these logos is permitted without the express consent of the respective companies.

The Secretariat of the Ship Recycling Transparency Initiative (SRTI) **is committed to respecting intellectual property rights**. If any images or media hosted by the SRTI are identified as belonging to specific owners and are being used without proper authorization, the Secretariat will promptly remove them upon request.

Owners who wish to have their images removed are encouraged to contact the Secretariat directly, and appropriate actions will be taken to ensure compliance with the request in a timely manner.