

Policy: Ship Recycling

Safe, Sustainable, Socially Responsible Ship Recycling

Seaspan Corporation (“Seaspan”) is led by strong values that strive to achieve the best possible business performance while promoting ethical behaviour and ensuring a positive environmental and social impact in all areas of its activity. Accordingly, Seaspan is committed to safe, sustainable, socially responsible recycling of ships and strives to ensure that such recycling is performed at shipyards that do not present any unnecessary risk to human health, safety or the environment.

Background

A vessel’s useful life typically does not exceed 30 years. Ship recycling reuses a significant portion of the ship structure by weight, by way of dismantling. The ship recycling industry actively supports many developing countries’ economies and is an important activity which, by recycling metals and other components, contributes to sustainability efforts by keeping resources in use for longer periods of time. However, ship recycling must be performed according to strict standards to protect human health, safety and the environment.

The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 (the “HK Convention”) aims to ensure that ships, when recycled after reaching the end of their operational lives, do not pose a risk to the safety of workers or to the environment. Seaspan has adopted this policy to ensure any future recycling of its vessels will be done in compliance with the HK Convention and in alignment with the ten UN Global Compact principles.

This policy also aligns with the UN Social Development Goals, to which Seaspan aims to contribute, and reflects Seaspan’s commitment to the principles of human rights and social welfare throughout the enterprise.



Policy Statements

Newbuild Vessels

- 1) Newbuild vessels will be designed and constructed in conformity with requirements of the HK Convention.
- 2) Each newbuild vessel shall have onboard an approved Inventory of Hazardous Materials (“IHM”) specific to the vessel.

Lifecycle Management of Existing Vessels

- 1) Each Seaspan vessel will maintain an up to date IHM [Part 1], duly approved by a classification society.
- 2) Whenever repairs or maintenance are carried out (whether as part of dry-dock repairs or otherwise) which involves the removal of hazardous substances, Seaspan will ensure such substances are removed in a controlled manner and, if practical, replaced by non-hazardous material.
- 3) Where possible, we will avoid the procurement of stores and spares containing hazardous materials.
- 4) We will identify and safely manage (including safe handling and disposal where required) any hazardous materials reported onboard ships.

Recycling

- 1) Seaspan will comply with all applicable laws, regulations and guidelines when concluding the sale of a vessel directly or indirectly to a yard for recycling. Seaspan will require, through the relevant sales contracts, that the buyer and/or the recycling facility undertakes safe and environmentally sound recycling in accordance with the standards established by the HK Convention and all applicable laws.
- 2) Seaspan will ensure its vessels are only recycled by facilities that:
 - a) Meet or exceed the standards set out in the HK Convention and, where applicable, the European Union regulations and possess a related Statement of Compliance from a IACS member.
 - b) Carry ISO 14001 (Environmental), ISO 45001 (Occupational Health and Safety) and the ISO 30000 series (Ship Recycling Management) certifications.
 - c) Otherwise demonstrate compliance with all applicable laws and best practices, including without limitation those relating to anti-corruption and human rights
- 3) Seaspan undertakes to inspect selected recycling yards, either independently or with an industry body. Furthermore, Seaspan may

appoint its own auditor or an independent third party to attend at a recycling yard during recycling of a vessel to monitor and assess environmental, health and safety conditions, including labour conditions and human rights, and compliance with applicable anti-corruption laws. Seaspan may also monitor waste handling by any downstream facilities. Any non-compliance with this policy observed during such monitoring will be reported to the recycling yard management for immediate corrective action.

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