



IOGP FPSO Decommissioning Guiding Principles

Background

Floating Production Storage and Offloading vessels, or FPSOs, are widely used in the oil and gas industry. These craft are enormous and complex feats of technology and engineering, and are an indispensable part of meeting the world's energy needs. As these ships reach the end of their operational lives, they must be decommissioned in a way that minimizes the impact to health and human safety and the environment.

This document outlines the guiding principles to enable FPSO owners to ensure the safe and responsible decommissioning, dismantling and recycling of Floating Production Storage and Offloading (FPSO) units. The principles can be extended to other floating units used in the oil and gas industry. The objective is to mitigate and prevent various issues associated with the practice of scrapping FPSOs on beaches. There have been cases in the shipbreaking industry, including in FPSO decommissioning, where the following issues have occurred:

- **Safety, health, and human rights concerns:**
 - Violation of labour rights
 - High risk of safety accidents leading to damage to workers' health
 - Insufficient or improper provision of Personal Protective Equipment (PPE) to manage basic worker's safety to protect them from hazardous substances
 - Inadequate worker welfare
- **Environmental and waste management concerns:**
 - Uncontrolled leakage and solids into the sea and ground within the intertidal zone
 - Poor or absent treatment, disposal, or management of wastes
 - Wastewater management from cleaning and/or decontamination
 - Compromised quality and misleading third-party surveys
 - Lack of transparency in the management of waste streams
 - Presence and potential exposure of hazardous substances

IOGP Members who follow the guiding principles uphold the highest standards of environmental responsibility, safety, human rights, and ethics throughout the decommissioning and recycling processes, thereby addressing and preventing the problems and issues that can occur during decommissioning.

Safe and responsible decommissioning of FPSO is grounded in adherence to applicable local regulations, regional pacts, international standards, industry guidelines, and good environmental practices which include:

- the United Nations Guiding Principles on Business and Human Rights
- EU Ship Recycling Regulation 1257/2013 or its equivalent
- the International Convention for the Safe and Environmentally Sound Recycling of Ships (the 'Hong Kong Convention') of the International Maritime Organization (IMO) of the United Nations
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal and Basel Ban Amendment.









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IOGP has developed the following ten guiding principles, which, together with adherence to regulations and any necessary class and flag compliance requirements, enable safe and responsible FPSO decommissioning.

SAFETY, HUMAN RIGHTS & BUSINESS ETHICS PRINCIPLES

-  Conduct pre-award assurance of yard safety performance and Health, Safety, Security, Environment and Quality (HSSEQ) management systems, including worker welfare, adherence to labour laws, and protection of human rights.
-  Use representatives in the recycling yard to oversee and ensure safe and sustainable HSSEQ practices during the dismantling process.
-  Conduct business in accordance with the United Nations' Guiding Principles for Business and Human Rights (UNGPs).
-  Prohibit the involvement of intermediate parties such as cash buyers, ensuring direct control of vessel delivery and handover to recycling yard, with no change of flag.

ENVIRONMENTAL AND WASTE MANAGEMENT PRINCIPLES

-  Implement appropriate controls to mitigate against hazardous discharges to the surrounding the environment. Avoid beaching practices.
-  Implement appropriate measures to control the spread of invasive alien species.
-  Mandate that all yards have an approved Document of Authorization to Conduct Ship Recycling (DASR) and capability to develop Ship Recycling Plans (SRP), with each SRP specific to the recycled vessel.
-  Prepare an Inventory of Hazardous Materials (IHM), certified by a third party prior to taking the FPSO off station, with continuous tracking of the materials throughout the dismantlement, recycling, and waste disposal process.
-  Confirm that the selected yard and its subcontractors has been licensed by the respective local authority to manage all hazardous materials (including NORM, mercury, biofouling, asbestos).
-  Maximize reuse and recycling, supporting circular economy principles.