

Royal IHC Group of Companies Modern Slavery Act Statement 2020-21

Statutory Statement

Pursuant to section 54 (1) of the Modern Slavery Act 2015 ('the Act'), this statement sets out the steps that IHC Merwede Holding BV and its subsidiaries ("Royal IHC") take to ensure that slavery and human trafficking does not take place in our business.

Our Business

Royal IHC is a leading supplier of maritime technology and expert craftsmanship in the dredging, offshore, mining and defence industries. Royal IHC enables its customers to execute complex projects from sea level to ocean floor in the most challenging of maritime environments.

Our Commitment

Royal IHC is committed to conducting business with integrity and to the highest ethical standards, respecting human rights and protecting the interests of both, Royal IHC employees and society.

Royal IHC does not tolerate modern slavery and is committed to ensuring no form of modern slavery or human trafficking exists within its business or supply chain.

Royal IHC expects the same commitment from everyone it does business with and will not knowingly engage any person or organisation who uses, or knowingly tolerates, modern slavery or human trafficking in their business or supply chain.

How We are Organised

Royal IHC is a Netherlands based leading designer, builder and supplier of integrated vessels, equipment and services which predominantly manufacturers in the Netherlands and the UK, with sales offices around the globe.

The company is organized into four divisions, namely:

- IHC Dredging
- IHC Offshore Energy
- IHC Mining
- IHC Defence

IHC Dredging

IHC Dredging is the market leader for the design, build and delivery of reliable, integrated vessels, equipment and services in the dredging sector. Our broad spectrum of dredging vessels are utilised for the completion of all types of dredging projects, such as:

- port and harbour construction and maintenance
- land reclamation
- coastal protection
- offshore trenching
- environmental dredging
- lakes and reservoirs construction and maintenance
- aggregate dredging.

IHC Offshore Energy

IHC Offshore Energy is a leading supplier of reliable and advanced vessels, equipment and services for numerous offshore industries, with a proven track record in delivering a wide range of offshore systems, including pipe and cable lay equipment, subsea vehicles, FPSO equipment and a wide range of integrated vessels.

IHC Mining

For every phase in the mining life cycle for raw materials, IHC Mining provides reliable, integrated solutions, fully tailored to specific demand for mineral resources. By means of the state-of-the-art equipment that we design and build – and the services we deliver – our customers can improve operational efficiency, lower the cost per tonne and make their activities more sustainable.

We have a proven track record in solutions for mineral sands, tailings rehabilitation, battery minerals, gold, diamonds, tin and other commodities.

IHC Defence

IHC Defence is a reliable partner to its customers globally, for the design, build and maintenance of navy vessels, equipment and accessories. We offer solutions and support for the full life cycle, encompassing: research and development; design and engineering; production; equipment; and services (ISS/ILS).

Compliance with our policies

Royal IHC has a number of extant policies that ensure compliance with the Act, including a specific Anti-Slavery & Human Trafficking Policy.

A summary of Royal IHC's key internal policies and principles relating to the Act have been collated in our Code of Conduct in the sections covering human rights and employee rights. This document is available from our website and has been developed for all our stakeholders, including employees, contractors and suppliers, to ensure they are familiar with our key principles, values and policies, including those pertaining to the Act.

Royal IHC is in the process of developing a global Human Rights Policy, that will provide a global, overarching framework for all our policies relating to human rights. Associated communications and training to accompany the launch of this policy is planned over the next 12 months.

Royal IHC's rules and regulations for all contractors and subcontractors also outline what we expect of all of our (sub)contractors, including our expectations in relation to providing a safe working environment and prohibiting any form of modern slavery.

Royal IHC has recently launched a SpeakUp line, providing a hotline to all stakeholders, including suppliers and contractors to raise concerns and report breaches of our Code of Conduct and associated policies anonymously. We plan to run regular communication campaigns to highlight the availability of the SpeakUp line.

Supplier risk assessment

Royal IHC has conducted a preliminary risk assessment and has concluded the likelihood of modern slavery in operations controlled by Royal IHC to be small due to the highly educated and skilled workforce requirements of our business.

We are aware that some of Royal IHC's suppliers have a higher risk of modern slavery in their own supply chains. The supply chain risks include (amongst others) the sourcing of raw materials for castings, the assembly of electronic and components in lower cost geographies, the sourcing of materials used in those electronics and components, and the use of subcontractors in areas such as cleaning and construction in countries that are known to have incidences of modern slavery in these areas.

We are planning a more detailed risk analysis that will provide a picture of where the risks are in our supply chain.

Working with Suppliers

Royal IHC expects all of our suppliers, contractors and other business partners to adhere to the same high standards that we do. As part of our contracting processes, we include specific prohibitions against the use of modern slavery and expect that our suppliers will in turn hold their own suppliers to the same standards.

Pursuant to these terms, Royal IHC makes it incumbent upon its suppliers to respect and comply with the Act, and Royal IHC reserves the right to terminate its commercial relationship with any supplier who is found to be in breach of, or fails to comply with, the Act, or is unable or unwilling to provide information as to their compliance with the Act.

Royal IHC's supplier improvement process, with a current focus on quality, also provides us the opportunity to work closely with suppliers to improve their own procurement processes, safety standards or the working conditions of employees and subcontractors.

Training of Staff

Our UK based supply chain team were initially trained when the Act came into force and a number of ad-hoc refresher training sessions have taken place subsequently. We plan to roll out further training to all relevant staff across our operations when we launch the updated supplier Terms & Conditions and due diligence processes in the next 12 months.

As part of launching the new Human Rights Policy and an updated Code of Conduct in the next 12 months, we will be conducting training and communications which will raise general awareness of human rights amongst staff. The planned training and communications will also highlight the availability of our Speak Up line and how to report any concerns or breaches of our Human Rights Policy and Code of Conduct.

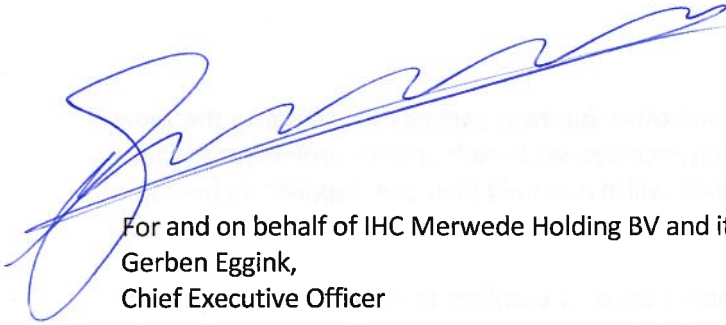
Further steps

Royal IHC's senior management team have the overall responsibility for Royal IHC's compliance with the Act. Besides the planned changes already listed in this statement, Royal IHC's key corporate functions such as Operations, Procurement, Sales, SHE-Q (Safety, Health, Environment & Quality), CSR, Legal, Group Control, Compliance and Human Resource teams will keep under review all relevant business activities, practices and policies and will make the necessary adjustments to ensure continued compliance with the Act.

Declaration

This statement is made in accordance with section 54(1) of the Act. It has been approved by the Royal IHC Merwede Board of Directors and constitutes Royal IHC's modern slavery and human trafficking statement up to the date of publication of this statement.

Date: 3 September 2021



For and on behalf of IHC Merwede Holding BV and its subsidiaries,
Gerben Eggink,
Chief Executive Officer