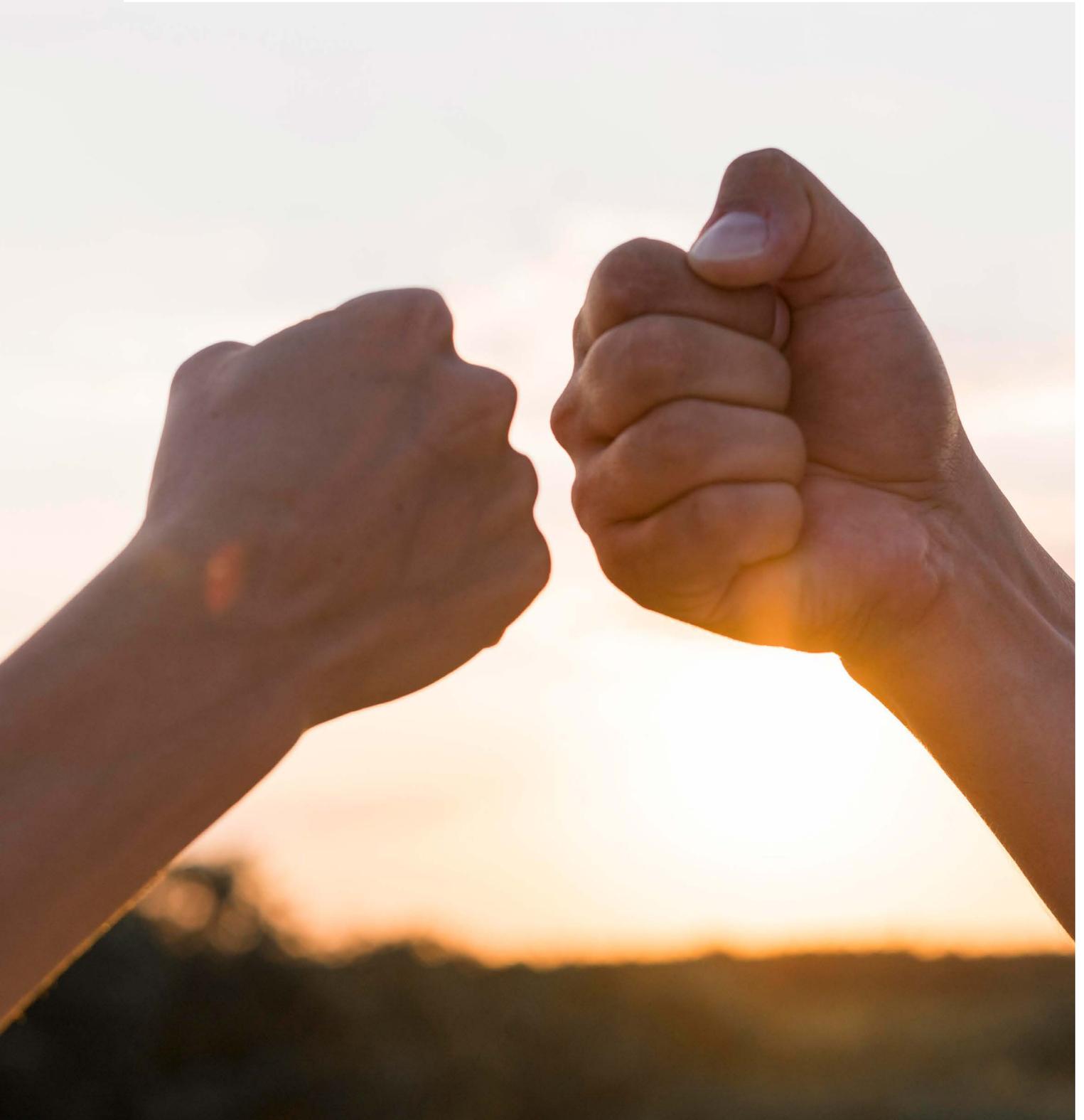


IHC FOUNDATION ANNUAL REPORT



01	PREFACE	05
02	ABOUT THE FOUNDATION	06
	OBJECTIVES	06
	EXECUTIVE COMMITTEE	06
	SELECTION CRITERIA	06
	PROJECT ORGANISATION	06
	ROYAL IHC COMPANY PROFILE	06
03	FINANCIAL OVERVIEW	07
04	ACTIVITIES 2020	08
	SOCIAL AND CULTURAL INITIATIVES	08
	INDIVIDUAL EMPLOYEE INITIATIVES	10
05	OUTLOOK FOR 2021	12
06	FINANCIAL STATEMENTS 2020	13
	BALANCE SHEET (AFTER ALLOCATION OF RESULTS)	13
	PROFIT AND LOSS ACCOUNT	14
	NOTES TO THE BALANCE SHEET	15



PREFACE

We are pleased to present the annual report of the IHC Merwede Foundation for 2020.

With this report, the Executive Committee provides an insight into the financial status during the period from January to December 2020, as well as an overview of the main activities during the year.

One of the objectives of the IHC Merwede Foundation (hereafter referred to as "IHC Foundation") is to actively involve Royal IHC employees in the activities of the foundation. Due to the pandemic this was challenging; however, several employees played their part in the activities of the IHC Foundation by means of daily support, ambassadorship or contributing knowledge and skills.

The Executive Committee would like to express its gratitude to all employees who contributed to – or were involved in any of – the IHC Foundation's activities.

The IHC Merwede Foundation Executive Committee

Lars Huizinga (chairman)
Bert-Jan de Keijzer (treasurer)
Maaïke de Jong
Bas van Oosterhout
Jan Anne Schelling
Paul van der Harten

ABOUT THE FOUNDATION

The IHC Foundation was established in 2012 in line with Royal IHC's CSR (corporate social responsibility) strategy. Through the IHC Foundation, Royal IHC would like to put the knowledge and passion of its employees to good use for the benefit of adults and children, to whom it could make a world of difference.

The IHC Foundation was established in Sliedrecht and acts under the name "Stichting IHC Merwede Foundation". It is registered under number 851985208 in the trade register of the Chamber of Commerce in Rotterdam.

Since the date of establishment, the Dutch tax authorities have designated the IHC Merwede Foundation as a Public Benefit Organisation (ANBI – Algemeen Nut Beogende Instelling). This can be shaped either by the financial support of existing organisations or by contributing to initiatives that employees can commit to around the world. Through the foundation, Royal IHC makes its activities visible in these areas, and by reporting on these, the company is accountable for spending its social and cultural budgets in a sustainable way.

OBJECTIVES

The IHC Foundation aims to contribute to a better life for those in need. The overall objective of the IHC Foundation is therefore primarily to support charitable projects in countries where the company conducts its business activities and its employees are directly involved in operations. The IHC Foundation has the responsibility of arranging:

- all charitable transactions regarding support to social and cultural organisations, or other organisations and people that serve the common good on behalf of Royal IHC
- all activities related or contributing to the previous point in its broadest sense.

EXECUTIVE COMMITTEE

The Executive Committee of the IHC Foundation is a representation of Royal IHC's board members and employees of all the company clusters of Royal IHC.

In 2020, the Executive Committee made the following changes:

- Dominique Nieuwpoort-Van 't Hof left Royal IHC and the committee
- Bas van Oosterhout joined the committee
- Paul van der Harten joined the committee.

The members of the Executive Committee do not receive any remuneration for their IHC Foundation duties. The Executive Committee congregated ten times in 2020 and all of the IHC Foundation's activities are reported to the Royal IHC Board of Management.

SELECTION CRITERIA

As the IHC Foundation has been appointed as a Public Benefit Organisation, all projects and initiatives should serve the common good.

Through the foundation, Royal IHC wishes to focus on projects and initiatives that are relevant to the products and services within Royal IHC's portfolio and the expertise and dedication of its employees.

The following criteria have been defined for selecting projects within the IHC Foundation:

- cooperation with the local population, organisations and governments
- active involvement (passion and knowledge) of Royal IHC employees
- project results are of a sustainable nature
- the IHC Foundation preferably supports projects of acknowledged organisations, both in The Netherlands and abroad.

PROJECT ORGANISATION

Enthusiastic ambassadors have been appointed for each project to stimulate the involvement of employees in the daily activities of the IHC Foundation. The ambassadors have the responsibility to: stay in contact with the project organisation; launch ideas on further cooperation; encourage the involvement of colleagues; and report to the Executive Committee. Each project will be supported by a member of the Executive Committee.

ROYAL IHC COMPANY PROFILE

Anchored in a rich Dutch maritime history, Royal IHC is a leading supplier of maritime technology and expert craftsmanship.

With the right people and skills on board, and driven by innovation, we provide a competitive edge to our worldwide customers in the dredging, offshore, mining and defence industries. However, Royal IHC is much more than equipment, vessels and services. We deliver reliable, integrated solutions that improve operational efficiency and allow for a more sustainable performance.

All over the world, our people are deeply committed to technological innovation, supported by our long-standing experience in our core markets. Our experts work in close collaboration with multiple stakeholders to meet the specific needs of each customer.

As we navigate new waters in an ever-changing world, our aim remains unchanged: to discover the smartest and safest way forward for both our customers and our people. Together, we create the maritime future.

FINANCIAL OVERVIEW



ANNUAL BUDGET 2020

In general the majority of the annual budget of the IHC Foundation is provided by Royal IHC to support charitable projects on behalf of the entire Royal IHC group. The IHC Foundation is not engaged in active fundraising, with the only exception that employees have the option to donate part of the value of their 'Christmas present' to the IHC Foundation. Due to uncertainty about Royal IHC's financial position it took longer for the budget to be allocated. In September, the IHC foundation received the commitment for a contribution from Royal IHC of €50,000.

In the forecast a budget of €30,000 was assigned to support an aid project in Mozambique. This concerns the renovation of a school that was severely damaged by flooding in 2019. Due to local circumstances the start-up of this project has been delayed again. Therefore, no money has been transferred. In the event that the project is launched, a possible contribution will be reconsidered.

COVID-19 PANDEMIC

Due to the COVID-19 pandemic, the majority of the projects for which Royal IHC has made commitments or wanted to make commitments are delayed or put on hold. This is reflected in the balance sheet.

However, some projects did go ahead and the IHC Foundation was therefore very happy that the possibility for support was retained.

The most important project category of the IHC Foundation is 'social and cultural initiatives'. In 2020, a total amount of €21,356 was spent on projects within this category. The second category is the 'individual employee initiatives'. Within this category, the IHC Foundation supports initiatives in which individual employees are actively involved. For example, this could include participation in a charity walk or other fundraising activities. In 2020, an amount of €4,001 was spent on this category.

In 2020, all employees received a voucher allowing them to select a Christmas present via the online IHC Christmas Shop. This shop offered the option of donating (a portion of) the value of the voucher to selected projects of the IHC Foundation. The beneficiaries selected for 2020 include Care for Caretakers and UNHCR. We are pleased to declare that in 2020 the total of donations was €5,601 of which Sea Ranger Service will receive €1,072 and Niketan €1,437. An amount of €1,256 has been allocated and is awaiting the launch of the Flooding Mozambique project.

Due to the closing date of the Christmas Shop, the donations of 2020 will appear on the annual financial balance of 2021. The donations pledged in 2019 are included in the financial statements of this report and summarised in the initiatives.

ACTIVITIES 2020

SOCIAL AND CULTURAL INITIATIVES

The focus of the IHC Foundation, with the involvement of its employees, is to support social and cultural initiatives in the regions where Royal IHC is active. In 2020, several projects with long-term commitments that had begun in previous years were continued and some new collaborations were started, for example with the IHC Foundation sail-ship Eendracht.

Some of the main social and cultural initiatives supported by the IHC Foundation are highlighted below.



MERCY SHIPS

'Tastiest' world record for building new hospital ship, GLOBAL MERCY

Beneficiary: Mercy Ships donation in 2020: €10,255

Total cumulative donations: €48,911

'Give a day' for Mercy Ships

Mercy Ships, an international medical relief organisation, provides free medical care in developing countries on board the largest non-governmental hospital ship in the world – the AFRICA MERCY. As of 2021, Mercy Ships will have its second hospital ship – the GLOBAL MERCY. With these two vessels, the organisation wants to double the impact of its great work and make health care available for those who need it most!

In 2020, Mercy Ships and Frits van Noppen attempted 'The tastiest world record'. To draw attention to Mercy Ships a huge artwork of 1,600 chocolate pieces was made in the RDM Onderzeebootloods, Rotterdam-Heijplaat, in an attempt to achieve a Guinness World Record. By donating free hours, Royal IHC employees have made it possible to achieve this record. The total proceeds, including donations from our employees, is an impressive total of €700,000 for Mercy Ships. The proceeds will be used to support medical care in Africa on behalf of Mercy Ships in the near future.

Royal IHC's ambassador for Mercy Ships, Peter-Jan Moerman, says: "I am happy that, despite the cancellation of the dry-dock period in 2020, Royal IHC was able to support Mercy Ships in a different and original way. This is all the more special now that we have seen where the support has led – a second hospital ship called Global Mercy to provide even more help and hope."

MAPATHON

Create reliable maps

Beneficiary: Red Cross Netherlands

Donation in 2020: €5,000

Emergency workers need dependable maps to provide help and aid during natural disasters, such as floods, earthquakes or hurricanes, especially as some areas have not yet been properly mapped. As a result, Red Cross employees do not always know where certain villages (which may have been hit) are and how to get there. Sometimes, it is also difficult to estimate how many people live in an area, making the distribution of supplies challenging.

As a result, the IHC Foundation, together with the Red Cross Netherlands, organised a 'Mapathon'. A group of 35 Royal IHC employees started drawing online roads, buildings and rivers in parts of Haiti and Kenya using recent satellite images.

After a short introduction from a Red Cross volunteer, this group started drawing villages and roads. Thanks to the efforts of the Royal IHC employees, at the end of the evening a section of Haiti and Kenya was again visible on satellite images.

In addition to organising this evening, the IHC Foundation also handed over a cheque for €5,000 to the Red Cross.



FOUNDATION SAIL-SHIP EENDRACHT

Sailing with newcomers

Beneficiary: Foundation C.J. Jaski Fund

Donation in 2020: €5,000

With enormous passion and incredible enthusiasm, more than 300 volunteers keep the sailing ship Eendracht in service. With all that manpower, Stichting Zeilschip Eendracht can dedicate itself to young people at-risk, the sick and the elderly – literally offering the 'wind in their sails' for all ages. This allows vulnerable people to experience how discipline, cooperation, self-respect and feeling safe can really make a difference and provide those in need with more self-confidence, allowing them to discover new friendships and forget about their worries for a short time.



The IHC Foundation recently sponsored a day trip. On a summer's day last August, 11 Royal IHC employees and 13 newcomers boarded the Eendracht. The whole set-up for the day worked out well – the weather was beautiful, with no hint of rain and a great deal of wind. The Eendracht organisation had prepared some questions that could be used during the programme and throughout the course of the day there was plenty of time for everyone to talk about their experiences, what made them happy and what made them come to The Netherlands.

IHC Foundation board member Bas van Oosterhout: "It was a great experience to talk and sail with each other. Some of the heart-breaking stories that were shared made us realise even more how well we are doing here in The Netherlands – safety really is the basis for happiness!"

CHRISTMAS DONATIONS

Multiple charities

Multiple beneficiaries, such as: Sea Ranger Service,

Nikethan and Flooding Mozambique

Total cumulative donations: €5,600

As in previous years, Royal IHC employees received a Christmas 'present' in December that could be spent in a web shop. In addition to many products on offer such as books, kitchen utensils or vouchers, it was also possible to donate to one of the charities selected by the IHC Foundation. This time the following charities were chosen:

SEA RANGER SERVICE – €1,072

Sea Rangers are young maritime professionals who perform a number of unique management tasks in the North Sea. This includes taking daily water samples for researching levels of plastic pollution, monitoring protected sea areas and monitoring historic shipwrecks.

The Sea Ranger Service is a maritime learning and work trajectory for young people. After basic maritime training, Sea Rangers work at sea for a year to receive their navigation licence. They then move on to other maritime employers. With the donation, the Sea Rangers can safely perform their work at sea and expand projects and their level of impact.



NIKETHAN – €1,437

Everyone wants a good life and to be accepted for who they are, especially children with a disability. For children in Bangladesh, Niketan is a charity that dreams of a world in which young people with complex disabilities are accepted and can go to school, and make decisions about their own future.

With the donation, Niketan can provide high-quality care and education for children with complex disabilities in Bangladesh.



FLOODING MOZAMBIQUE – €1,256

In March 2019, Mozambique (one of the poorest countries in the world) was hit by major floods. These were the result of the devastating hurricane Idai that also struck Zimbabwe and Malawi. Hundreds of thousands of people lost their homes and belongings. One of the places that was severely affected was the port city of Beira.

A number of Dutch companies active in the region (including Van Oord, STC, Kotug and Cornelder) have joined forces to support the reconstruction of two schools, which have been largely destroyed.

The donation will be spent on:

- reconstruction of the school buildings
- furniture (chairs, tables, shelving units)
- IT equipment
- teaching materials.

INDIVIDUAL EMPLOYEE INITIATIVES

Annually, the IHC Foundation has allocated a certain amount of the budget for individual employee initiatives. Royal IHC employees are encouraged to participate in charitable activities.

In 2020, a total of €4,000 was donated to individual initiatives. In this way, the IHC Foundation was able to help a variety of organisations. Some of the employee initiatives supported by the IHC Foundation are highlighted below.

EMBRACE BURUNDI

New construction of day care facilities in Bujumbura, Burundi
 IHC employee: *Johan de Bruin*
 Beneficiary: *Embrace Burundi Foundation*
 Donation in 2020: *€500*

The Embrace Burundi Foundation (EBF) aims to identify underprivileged (street) children in the city of Bujumbura and guide them towards full self-reliance. They believe that education is the basis for an independent life, and offers a chance for a better future. To make this possible, EBF offers the children the opportunity to go to school and where necessary provides tutoring and homework assistance. The foundation also gives the children a nutritious meal every day and helps with medical care if needed.

Currently, 25 children are being cared for in a rented house which is located in a vulnerable location. In the rainy season, the house is regularly flooded, which results in poor living conditions. The desire arose to have a dedicated home where they can facilitate day care for these children in the best possible way.

Various sponsors have now made it possible to buy a higher piece of land on which the construction of the new Embrace Centre has now started. This should allow the dream of a dedicated building for day care to become reality, including a separate building with kitchen and canteen so that the children no longer have to eat outside on the floor, as well as building a separate Education Centre. This ambitious project obviously requires a lot of money.



“Why not share some of our wealth and abundance with those who really need it?”, says Johan de Bruin.

Partly thanks to the contribution of the IHC Foundation, hard work is being done to construct the walls of the first building. If you are interested and want to follow the work of the Embrace Burundi Foundation, please visit <https://www.embraceburundi.nl>



HULA HOOP FOR SOPHIA CHILDREN'S HOSPITAL

Hula hoop competition
 IHC employees: *Andrina Drost and Dominique Nieuwpoort - Van 't Hof*
 Beneficiary: *Sophia Children's Hospital, Rotterdam*
 Donation in 2020: *€1,000*

Did you see a colourful group of (mostly) women dancing with their hula hoops in the sun in Rotterdam last September? Most likely this was the hula hoop competition for the Sophia Children's Hospital. And it was great fun!

This hula hoop competition is a fundraising event organised by the hospital. In most cases a pregnancy ends with the birth of a healthy child. Unfortunately, this is not always the case. On average, one in every 20 babies is born with an illness or birth defect. Until recently, it was only possible to help children just after birth. Due to advanced medical techniques, the hospital is pioneering pre-birth treatment methods. By means of this hula hoop event, it is aiming to raise money to be able to treat children with defects already before birth.

“Together with our sisters and sisters-in-law we supported the Sophia Children's Hospital by participating in this hula hoop challenge,” says Andrina Drost. “As a team we successfully managed to hula hoop for an hour and raised €3,300 (including a donation from the IHC Foundation). We want to give both mothers and children a better start than we experienced ourselves in 2020, because the sooner we give children the best chances of a healthy life, the better!”

THE HAGUE – TEXEL FOUNDATION

Cycling relay
 IHC employee: *Diepek Soekhoe*
 Beneficiary: *Juliana Children's Hospital*
 Donation in 2020: *€500*

Many children visit the Juliana Children's Hospital (JKZ) every day. Most are sick or end up there after an accident.

The stay in the waiting room and/or treatment room is usually very stressful. In addition to medical care, the children also need some kind of distraction. By creating a child-friendly environment and the opportunity to play, the JKZ hopes to make the stay as pleasant as possible. For this, money is needed.

The Hague – Texel is a 155km cycle tour in support of the JKZ. It takes place over the course of a day, starting in the lobby of the hospital in The Hague and ending in De Koog, Texel. The aim of the tour is to collect as much money as possible for the patients of the JKZ in the Hague.



The fundraising goal was around the theme of decorations. If the national soccer team will be playing at the European Championship, if it is Easter, King's Day, Christmas or another special day activity, by having themed decorations hanging in the hospital, the JKZ makes both patients and visitors feel welcome, despite the reasons for their stay.



“I think it's important for the children to feel at home and at ease in a relaxed environment and therefore I put some effort into raising as much money as possible to realise the goal. Thanks to the contribution of colleagues, family, companies and of course the IHC Foundation, an excellent amount was raised,” says Diepek Soekhoe.

OUTLOOK FOR 2021



The IHC Foundation will continue its activities in 2021.

Some of the 2020 projects will no longer be supported by the IHC Foundation and other projects will be continued in 2021. For example, the IHC Foundation will further continue to support Mercy Ships in 2021 with various activities. In addition, the Executive Committee will also look for possible new projects to support.

The IHC Foundation has a full and diverse portfolio of projects and the Executive Committee will continue the dialogue with potential project partners and external organisations.

FINANCIAL STATEMENTS 2020

BALANCE SHEET (AFTER ALLOCATION OF RESULTS)

IN EUROS	NOTES	31-12-2020	31-12-2019
Current assets			
Other receivables and accrued assets	1	-	5,000
Cash and banks	2	80,972	52,934
Total		80,972	57,934
Capital			
Unappropriated results	3	80,972	42,934
Current Liabilities			
Other liabilities and accruals	4	-	15,000
Total		80,972	57,934

PROFIT AND LOSS ACCOUNT

IN EUROS	BUDGET 2020	ACTUALS 2020	ACTUALS 2019
Donations			
Annual contribution Merwede Holding BV	50,000	50,000	50,000
Donations suppliers Christmas	-	1,675	250
Donations employees' Christmas boxes	5,601	6,051	10,213
Contribution employees Mercy Ships	10,255	10,291	-
Other donations	-	100	2,652
Total donations	65,856	68,117	63,115
Allocations			
Social and Cultural Projects	91,616	21,356	49,212
Sports initiatives	5,000	-	2,700
IHC employee initiatives	5,500	4,001	4,500
Total allocations	102,116	25,357	56,412
Other costs	500	110	217
Not received contribution 'beach clean-up'	-	5,000	-
Interest	-	(386)	-
Total costs	102,616	30,080	56,629
Net result	(36,760)	38,037	6,485

GENERAL

The financial statements are stated in accordance with general accounting policies.

ACCOUNTING POLICIES FOR THE VALUATION OF ASSETS AND LIABILITIES

Assets and liabilities are stated at cost, unless indicated otherwise. Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at face value. Income and costs are accounted for on an accrual basis. Profit is only included when realised on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

RECEIVABLES, CASH, LIABILITIES AND ACCRUALS

Receivables, cash, liabilities and accruals are included at face value, less any provision for doubtful accounts. These provisions are determined by individual assessment of the receivables.

ACCOUNTING POLICIES FOR DETERMINING THE RESULT

The result is determined as the difference between the income and all corresponding costs that can be allocated to the financial year. Costs are recognised to the financial year in which the donations are committed.

NOTES TO THE BALANCE SHEET

IN EUROS	NOTES	31-12-2020	31-12-2019
Current assets			
Other receivables and accrued assets	1		
Other receivables		-	5,000
Cash and banks	2		
The bank balance is freely available			
Capital			
Unappropriated results	3		
Balance as 1 January		42,934	36,499
Result		38,037	6,485
Balance as at 31 December		80,972	42,934
Current liabilities			
Other liabilities and accruals	4		
KIKA/Deme4life		-	5,000
Rode Kruis 'Missing Maps'		-	5,000
Stichting Zeilschip 'Eendracht' Goede doelen reizen		-	5,000
			15,000

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