

ANNUAL REPORT 2017

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PREFACE

We are pleased to present the annual report of the IHC Merwede Foundation for 2017. With this report, the Executive Committee provides an insight to the financial status over the period from January through to December 2017, as well as an overview of main activities during the year.

In 2017 we were able to continue projects like “World Vision” in Bangladesh and “Mercy Ships” in Africa. These long term commitments enable the organisations to build a sustainable future and support the local communities. Besides, a new collaboration with UNICEF has started in order to give employees another possibility to donate to charities themselves directly.

One of the objectives of the IHC Merwede Foundation is to actively involve IHC employees in the activities of the Foundation. In 2017, an increasing number of employees were actively involved with the activities of the IHC Foundation by means of daily support, an ambassadorship or actual contribution of 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 Merwede Foundation’s activities.

The IHC Merwede Foundation Executive Committee

Hans Smit (chairman)
Arie Vergunst
Bert-Jan de Keijzer (treasurer)
Lars Huizinga
Maria Koutsopoulou
Dominique van 't Hof



FOTOGRAFIE: BEACH CLEANUP TOUR

ABOUT THE FOUNDATION

The IHC Merwede Foundation was established in 2012 as a consequence of IHC's CSR (corporate social responsibility) strategy. Through the Foundation, 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 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 contributing to initiatives that employees can commit to around the world. Through the Foundation, 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 Merwede Foundation aims to contribute to a better life for those in need. The overall objective of the IHC Merwede 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 Merwede 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.
- and all activities related or contributing to the previous point in its broadest sense.

EXECUTIVE COMMITTEE

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

In 2017 there were no changes in the members of the Executive Committee, members.

The members of the Executive Committee do not receive any remuneration for their IHC Merwede Foundation duties. The Executive Committee congregated ten times in 2017 and all of the IHC Merwede Foundation's activities are reported to the IHC Board of Management.

SELECTION CRITERIA

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

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

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

- cooperation with the local population, organisations and governments
- active involvement (passion and knowledge) of IHC employees
- project results are of a sustainable nature
- the IHC Merwede 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 Merwede 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.

COMPANY PROFILE ROYAL IHC

In an ever-changing political and economic landscape, Royal IHC enables its customers to execute complex projects from sea level to ocean floor in the most challenging of maritime environments. We are a reliable supplier of innovative and efficient equipment, vessels and services for the offshore, dredging and wet mining markets.

With a history steeped in Dutch shipbuilding since the mid-17th Century, we have in-depth knowledge and expertise of engineering and manufacturing high-performance integrated vessels and equipment, and providing sustainable services.

From our head office in The Netherlands and with 3,000 employees working from sites and offices on a global basis, we are able to ensure a local presence and support on every continent.

Dredging operators, oil and gas corporations, offshore contractors, mining houses and government authorities all over the world benefit from IHC's high-quality solutions and services. With our commitment to technological innovation, in which sustainability and safety are key, we strive to continuously meet the specific needs of each customer in a rapidly evolving world.

FINANCIAL OVERVIEW

The annual budget of the IHC Merwede Foundation is € 100.000, provided by Royal IHC to support charitable projects on behalf of the entire IHC group. The IHC Merwede Foundation is not engaged in active fundraising, with the only exception that employees have the possibilities to donate part of the value of the Christmas present to the IHC Merwede Foundation.

The most important project category of the IHC Merwede Foundation is “social and cultural initiatives”. In 2017, a total amount of € 102.718 was spent on projects within this category. The second category the IHC Merwede Foundation is the sport initiatives. In 2017, in close cooperation with IHC’s health strategy, sport initiatives to benefit charitable organisations were also organised and supported by with a total budget of € 1.000. The last category include “individual employee initiatives”. With this category, the IHC Merwede 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 2017, an amount of € 3.480 was spent on this category.

In 2017, all employees received a voucher allowing them to select a Christmas present via the online IHC Christmas Shop. This shop offered the possibility to donate (a portion of) the value of the voucher to selected projects of the IHC Merwede Foundation. The beneficiaries selected for 2017 include Multicultural centre greece refugees and Mercy Ships. We are pleased to declare that in 2017 a total donation of € 15.153 was made by IHC employees. Multicultural centre greece refugees will receive € 4.713, Mercy Ships € 5.057, the Ronald McDonald House Charities € 2.445 and Kika € 2.938.

Due to the closing date of the Christmas shop, the donations of 2017 will appear on the annual financial balance of 2018. The donations made in 2016 are included in the financial statements of this report.



FOTOGRAFIE: MERCY SHIPS

SOCIAL AND CULTURAL INITIATIVES

The main focus of the IHC Merwede Foundation, with the involvement of its employees, is to support social and cultural initiatives in the regions where IHC is active. In 2017, several projects with long-term commitment started in previous years were continued and some new projects started, for example Unicef geef een dag and Refill not Landfill. An overview of the main social and cultural initiatives is highlighted below.

Securing a better future for working children, Bangladesh
Beneficiary: World Vision
Donation in 2017: € 35.000
Total cumulative donations: € 105.000

There are 143 registered ship breaking companies in Chittagong, Bangladesh. The ship breaking industry contribute for over 50% to the national steel supply, and employs about 30,000 workers directly and 100,000-200,000 indirectly through ancillary activities. According to a study performed by the International Federation for Human Rights (FIDH), Young Power in Social Action (YPSA) and the NGO Shipbreaking platform at least 25% of the total shipbreaking workers are under 18 years of age.

In 2017, the IHC Merwede Foundation continued the collaboration with World Vision. World Vision provides a life skill based education to 59 children working in the ship breaking yards and a vocational training to 59 children. 97 parents of these children were involved in a training to make them aware about the dangerous effects of child labour in the ship breaking yards and to encourage them to send their children to the vocational training. In total 37 trained graduates found a job or started to be self-employed.

Mohammed Jahidul Hasan aged 17 +, son of Abul Hashem, received training on Electric Motor Rewinding & Controller Connection. He expressed his feelings this way that: *“the work in the Shipbreaking Yards was dangerous and life risk after completing the Vocational Training, now I am working at home with good earnings BDT 10,000 (USD 120) per month. I feel good at my job and can support my family”.*

ACTIVITIES 2017

Maintenance Africa Mercy
Beneficiary: Mercy Ships
Donation in 2017: € 4.406
Total cumulative donations: € 25.949

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. Volunteering medical professionals provide surgeries and healthcare to treat a wide range of problems to patients with little to poor access to medical care.

In 2017, the IHC Merwede Foundation enabled five IHC employees to travel to Las Palmas, Gran Canaria, to volunteer during the annual maintenance period of the Africa Mercy by taking care of the travel and accommodation expenses.

During the “dock period”, Africa Mercy came back from its field work in Camaroon to have its annual two-month maintenance. Our colleagues worked for two weeks on the ship to help with the repairs. After the docking period, AFRICA MERCY returned in Cameroon to continue its activities.

Greece refugees
Beneficiary: Kos solidarity
Donation in 2017: € 10.000

Kos Solidarity, Greece, is a local organisation that since 2015 has been engaged in helping refugees who arrive on the island of Kos. Their goal is to create a friendly, creative and learning environment for refugee families. Refugees need to wait for their asylum application most of the times for months. Kos Solidarity provides a centre where they will have the chance to learn and interact with the local community leading to improve their perception about the European way of living as well as increase prospects of local integration.

The IHC Foundation supported with a donation of € 10.000. With this money Kos solidarity was able to equip the centre in order to provide activities such as; language lessons, recreational and childrens activities, set up a library, reading and computer area.

UNICEF geef een dag
Beneficiary: Unicef
Donation in 2017: € 10.000

Future opportunities for every child. We are responsible for it together. With UNICEF give-a-day everyone in the Netherlands can easily contribute by giving a day off for children.

93 million, that is the number of saved days off in the Dutch market. With the value of all those days off, we could help many children. One donated day off already makes a big difference, think of: school stuff for 16 children, help for 2 severely malnourished children, polio vaccinations for 205 children and/or clean drinking water for 11 children for a year.

In 2017 the IHC Foundation offered the employees for the first time the possibilities to handover their free days in return for a donation for Unicef. A total of 58 employees donated 748 hours in total. This resulted in an amount of € 10.634. The IHC Foundation gave an extra € 10.000,-.

The self-sufficient Simanyene Highschool
Beneficiary: Pro-Simanyene npc
Donation in 2017: € 18.500
Total cumulative donations: € 38.500

Founded in 1999, the Simanyene Secondary School is located in Somerset West (South Africa) and has 1,400 students. Somerset West is a disadvantaged area and a large portion of the students come from single parent families or live with their grandmothers in the nearby squatter camps. Simanyene is a government funded school this covers only the essential items such as text books or laboratory equipment. No money is available for any sports facilities or what so ever.

The IHC Merwede Foundation donated money in order to fund a self-sufficient soccer field. The project is finished this year. The final grass sport field was established to enable the children to play soccer and rugby. The children were also supplied with sport equipment and attire to lift the spirit and give them a professional look. Finally the children can play as it is intended to be!



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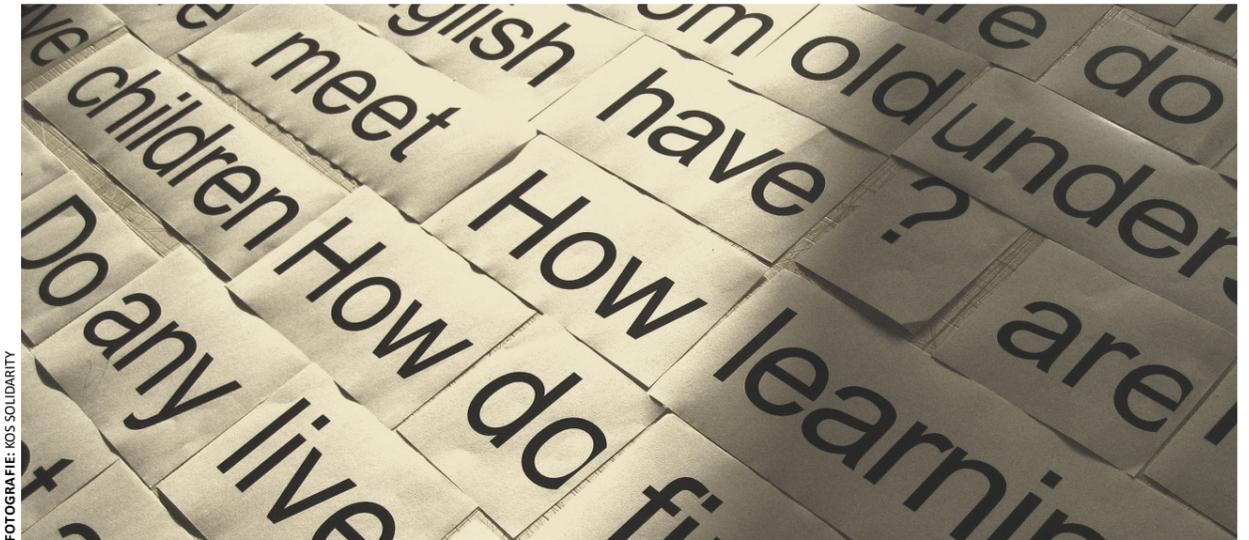


03



04

- 01 Boskalis Beach Cleanup Tour
- 02 Simanyene Highschool - professional sports gear
- 03 Kos Solidarity
- 04 World vision



FOTOGRAFIE: KOS SOLIDARITY

Refill not Landfill
 Beneficiary: Refill not Landfill
 Donation in 2017: € 3.713

Refill Not Landfill aims to cut down on the millions of plastic water bottles discarded in Cambodia each year by offering an alternative: reusable aluminium bottles.

They hope to revolutionise the way that tourists consume water in a country where few plastic containers are recycled, with most ending up in mountainous landfills or piling up beside roads, choking the Kingdom's waterways and littering azure fields with waste.

Since their launch in 2016, the campaign has received orders for more than 41,000 bottles from a diverse range of restaurants, hotels, cafés and NGOs. This represents a staggering potential saving of 175 million plastic bottles over the next four years.

The IHC Foundation bought 250 of special branded bottles. 200 of these stayed in Cambodia and 50 will be shipped to Kinderdijk and will be used as gifts.

Beach Cleanup Tour 2017
 Beneficiary: Stichting Noordzee
 Donation in 2017: € 12.100
 Total cumulative donations: € 24.200

Since 2013, Stichting de Noordzee organizes the Boskalis Beach Cleanup Tour in close collaboration with Boskalis. In two weeks' time the beach of the complete North Sea costs is cleaned in stages from north to south and from south north, meeting in the middle. Every stage an average of 10 kilometers of beach is cleaned and as many garbage as possible is collected.

The main goal of the Cleanup tour is to show the public the amount of garbage left on the beach, which if not cleaned properly will drift ashore.

In 2017, a total of 2,748 volunteers cleaned the beach and together they collected 14,929kg of garbage. Since last year was such a succes, also this year IHC Merwede Foundation, in cooperation with IHC Services, sponsored a stage. 70 volunteers participated in cleaning the beach, whereof 40 IHC employees and/or family members and friends. Together they collected 1,500kg of garbage.

Maldives matter
 Beneficiary: Praktijk vereniging Bout
 Donation in 2017: € 4.000

In collaboration with the United Nations, the TU Delft developed an architectural design brief for the students of the Architectural Engineering Master studio. The objective is to introduce an architectural setting to implement a new infrastructure in both waste management and food production on the Maldives.

The group focussed on on-site extensive research of the Maldives - the extreme location and climate, the constraints and opportunities resulting from that, the country's history, present and future, economy, tourism, nature, people, culture and much more... Back in the Netherlands, they created architectural designs for both, an Island Waste Centre and an Agricultural implementation.

The IHC Foundation donated in order to do the research needed by the students.

SPORT INITIATIVES
 This year the IHC Merwede Foundation supported the foundation of Van Oord with their participation in Tour for Life where money was raised for the Daniel de Hoed foundation.

INDIVIDUAL EMPLOYEE INITIATIVES
 Annually, a certain amount of the budget of the IHC Merwede Foundation is allocated for individual employee initiatives. All IHC employees are encouraged to participate in charitable activities. In 2017, €3,480 was donated to individual initiatives. A variety of organisations have been supported in this way by the IHC Merwede Foundation. Some examples of beneficiaries include:

- Edukans
- Sportschool Kodo vereniging
- KWF kankerbestrijding
- Diabetes fonds
- Victory4all
- Roparun
- Het vergeten kind



FOTOGRAFIE: REFILL NOT LANDFILL

OUTLOOK FOR 2018

The IHC Merwede Foundation will continue its activities in 2018 as well.

A focus point is the involvement of IHC employees in the activities of the IHC Merwede Foundation. We have the aim, just like this year, to organize an event to inform IHC employees about the activities and possibilities of the IHC Merwede Foundation and to gather new project ideas and ambassadors. In 2018 we will do this in collaboration with Young IHC.

Some of the 2017 projects will be continued in 2018, other projects will no longer be supported by the IHC Merwede Foundation. The IHC foundation will have a full and diverse portfolio of projects, the Executive Committee will continue the dialogue with potential project partners and external organisations.

The main projects that will be continued are:

Mercy Ships

In the summer of 2018 the IHC foundation will send another group of employees to the Africa Mercy. Just like last year the maintenance activities will take place in Gran Canaria. The IHC Merwede Foundation contributes in the travel expenses of 2018s employees.

Rode Kruis - Mapathon

Together with Missing maps we will organise a so-called mapathon, to map areas where help is needed by the Dutch Red Cross. This will be a project in collaboration with the group IT department and will take place in april 2018.

Boskalis Beach Cleanup tour

In august the 8th edition of the Beach Cleanup tour will take place and the IHC Merwede Foundation, in close cooperation with IHC Services, will participate again.



01



02

- 01 Mercy Ships
- 02 Beach Cleanup tour

FINANCIAL STATEMENTS 2017

BALANCE SHEET

(after allocation of the result)

IN EUROS	NOTES	31-12-2017	31-12-2016
Current assets			
Other receivables and accrued assets	1	5,000	166
Cash and banks	2	52,287	33,623
Total		57,287	33,789
Capital			
Unappropriated results	3	23,882	12,839
Current liabilities			
Other liabilities and accruals	4	33,405	20,950
Total		57,287	33,789

PROFIT AND LOSS ACCOUNT

IN EUROS	BUDGET 2017	ACTUALS 2017	ACTUALS 2016
Donations			
Annual contribution IHC Merwede	100,000	100,000	100,000
Donations suppliers Christmas	1,000	4,285	2,475
Donations employees' Christmas boxes	1,500	9,126	8,827
Contributions Services Beach Cleanup	5,000	5,000	5,000
Other donations	-	62	120
Total donations	107,500	118,473	116,422
Allocations			
Social and cultural projects	94,724	102,718	95,792
Sport initiatives	1,000	1,000	1,000
IHC employee initiatives	15,000	3,480	14,999
Total allocations	110,724	107,198	111,791
Other	1,000	232	407
Total other costs	1,000	232	407
Results of the year	-4,224	11,043	4,224

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 accrual basis. Profit is only included when realized 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
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	31-12-2017	31-12-2016
Current assets			
Other receivables and accrued assets	1		
Other receivables		5,000	166
Cash and banks			
Cash and banks	2		
The bank balance is freely available			
Capital			
Unappropriated results	3		
Balance as at 1 January		12,839	8,615
Result		11,043	4,224
Balance as at 31 December		23,882	12,839
Current liabilities			
Other liabilities and accruals	4		
Regionale voedselbanken		-	14,000
ALS en Kika		-	5,000
Sporten voor Sophia		-	1,950
Maldives matter		4,000	-
Mercy ships - onderhoud hospital ship		4,405	-
ALS en Kika (Deme4life)		5,000	-
Multicultural Centre Greece refugees		10,000	-
Unicef geef een dag		10,000	-
		33,405	20,950