



Sustainability report

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1. Royal IHC, at a glance

1.1 Company Profile

Royal IHC is determined to play a leading role in making the maritime industry more efficient and sustainable.

Anchored in more than 350 years of 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 continuous innovation, we provide a competitive edge to our worldwide customers in the dredging, offshore, mining and defence markets. However, Royal IHC is much more than vessels, equipment 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 most effective and safest way forward for both our customers and our people.

Together, we create the maritime future.



1.2 Message from the CEO

Royal IHC continues to operate in a complex and demanding maritime environment.

In 2025, we strengthened our order book and delivered a number of successful projects, showing the flexibility of our organisation and the commitment of our people. At the same time, we made clear progress on our financial position, further developed our 2026–2030 strategy, and increased our focus on data security, safety and culture.

Not everything progressed as planned but the direction remains clear.

Across our yards and partner network, we reached several important milestones. In Krimpen aan den IJssel, we launched a 31,000 m³ trailing suction hopper dredger and started the midlife upgrade of an offshore patrol vessel. In Kinderdijk, we launched two electric mining cutters and signed a contract for the Orka class submarines. Together with our partners, we also celebrated the launch of the largest trailing suction hopper dredger ever built in India and progressed projects in Jordan, the United States and Vietnam.

Looking ahead, we continue to build on our core strengths: engineering expertise, integrated solutions and a growing equipment portfolio. Shipbuilding remains an important part of our business, supported by our Dutch yards and international partners. At the same time, we are strengthening operational performance, deploying our people more effectively and increasing collaboration across our network.

In parallel, we are accelerating our transition towards a high-tech systems and equipment supplier as part of our smart growth pillar. This goes hand in hand with closer collaboration with our customers and partners. We focus on market-driven innovation, scalable solutions and the expansion of aftermarket and lifecycle services. This not only improves margins, but also strengthens long term partnerships and allows us to support our customers throughout the full lifecycle of their assets.

Sustainability remains a key focus. We aim to deliver more efficient and lower emission vessels and equipment, in line with developments in the maritime sector. The reality however is that by far the largest part of our footprint is caused by the driveline of our vessels, which is a decision the owner takes. Decisions on low-emission engines are driven by availability and price of fuels and by regulations. Royal IHC continues to invest in R&D on the drivelines and fuels available and support both newbuild and retrofit solutions on a wide range of solutions. In addition, we are preparing for new regulations such as CSRD and further improving the transparency of our reporting.

1.3 Highlights

ESG Highlights (2025)

- CO_{2-eq} footprint of Royal IHC 2019 – 2025 (Scope 1 and 2 combined): -45%
- Number of employees: 1,821
- Average number of training hours per employee: 7.2
- Gender Diversity: 87% male and 13% female
- Nationalities: 57
- LTIFR: 5.9

R&D Highlights (2025)

- Continued Corporate R&D program 2025-2028
- Participation in multiple R&D projects: 9, including Maritime Master Plan
- Added 14 new patents across 5 patent families, bringing the total portfolio to 420 patents.

Highlights per market

IHC Dredging	IHC Offshore Energy	IHC Mining	IHC Defence
Launch of a state-of-the-art TSHD (31,000 m³) in Krimpen aan den IJssel.	Keel laying ceremony for two advanced fibre optic cable lay vessels at partner yard Pacific Shipbuilding JSC.	Delivery of two electric CSDs (cutter power of 1,350 kW).	Agreement signed for the delivery of key components for the Royal Netherlands Navy new Orka-class submarines.
Keel lay ceremony of a Beagle® 8 (8,000 m³).	Contract signed for a modular cable lay system	Delivery of an OTTer® 250 to a customer in South Africa.	Lifetime extension and a midlife upgrade for HNLMS HOLLAND.
Launch of a Beagle® 12 at our partner yard Cochin Shipyard.	Contract signed for a Hi-Traq subsea trencher.	Delivery of an electric salt harvester.	Maintenance activities executed on the submarine support vessel HNLMS Mercuur.
Contract signed with partner yard ESG for a Beagle® 10.2.	Delivery of a 15-tonne breakback tensioner.	Contract for an electric CSD for a customer in Madagascar.	Participated in European defence programmes: Four-track seabed crawler and UXO-clearance.
Start of the construction of a medium class hopper dredger at partner yard ESG.	Expanding the rental services including winches and multiple tensioners.	Contract signed to deliver slurrification and dewatering equipment for a tailings removal project.	Signed an MoU to supply four seagoing support vessels for the Royal Dutch Navy.



2. The year 2025 for Royal IHC

2.1 Global trends

In 2025, the maritime industry continued operating within a rapidly evolving geopolitical, regulatory, and economic environment that increasingly shapes sustainability expectations and operational practices. Global maritime trade remains essential to economic stability and to global food and energy security.

Geopolitical trends

Geopolitical instability has continued to affect global maritime flows. Prolonged and complex conflicts, including the war in Ukraine and the conflict in the Middle East have resulted in sustained geopolitical tension, rerouting of shipping lanes, and volatility in the availability and pricing of key commodities and fuels. For shipbuilding, maritime equipment, and offshore industries, strengthened climate commitments by emerging economies such as India and Brazil are expanding demand for compliant vessels, offshore assets, and port infrastructure beyond traditional OECD markets. Climate risk is increasingly shaping geopolitical priorities, placing pressure on maritime and offshore sectors to demonstrate tangible contributions to decarbonisation and resilience, which in turn affects export opportunities, access to financing, and international industrial partnerships.

Economic trends

Carbon pricing through mechanisms such as the EU ETS and FuelEU Maritime is increasing the total cost of ownership of vessels and offshore assets, shifting customer focus away from upfront capital expenditure toward lifecycle efficiency and operational performance. This dynamic is driving growing demand for retrofit, conversion, and upgrade projects alongside newbuilds, particularly for fuel flexibility and energy efficiency improvements. At the same time, financiers, insurers, and export credit agencies are applying stricter sustainability criteria, favouring shipyards and equipment suppliers with strong compliance records and credible transition pathways.

Legislative and regulatory trends

FuelEU Maritime and the EU ETS are already in force and directly influence vessel design, onboard systems, and maritime equipment specifications. While the CSRD and CSDDD remain under discussion and may be simplified, they continue to exert indirect pressure on shipbuilders and offshore suppliers through customer reporting obligations and supply chain transparency requirements. The fact that implementation timelines for key regulations such as FuelEU Maritime, ETS, and the EUDR remain unchanged provides a degree of medium term certainty for engineering, procurement, and production planning.

Increasing alignment between IMO and EU regulation is reducing regulatory fragmentation globally, but it is also raising baseline compliance expectations for shipyards and offshore contractors worldwide. Safety remains a core focus of international maritime regulation. Recent developments include updated pilot transfer safety standards under SOLAS, next to continued development of safety frameworks for emerging technologies such as autonomous and remotely operated vessels, which require new certification and operational guidelines



Demographic and workforce trends

The maritime and offshore industries face growing demand for highly skilled technical labour in areas such as alternative fuels, electrification, power electronics, and digital integration. At the same time, increasing attention to health, safety, and environmental performance is influencing yard operations, offshore installation practices, and equipment certification requirements. Workforce ageing and the retirement of experienced engineers are accelerating the need for standardisation, modular design, and digital tools to preserve knowledge and improve productivity.

Technological trends

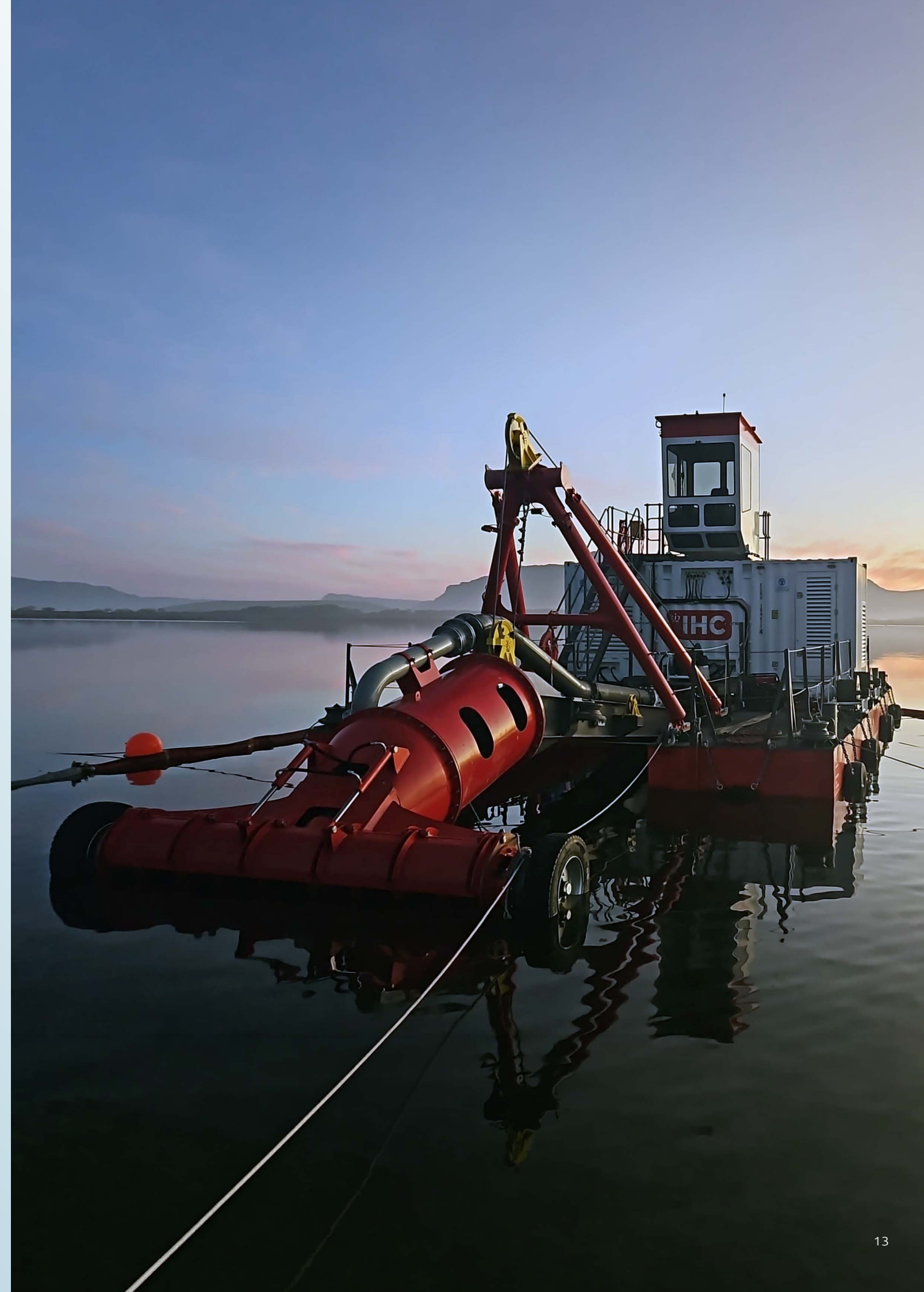
Rapid development of low and zero carbon propulsion technologies, including methanol, ammonia, hybrid electric systems, and fuel ready designs, is reshaping vessel and offshore asset design philosophies. Digitalisation is becoming central to competitiveness, with growing use of energy management systems, emissions monitoring, digital twins, and lifecycle data platforms. Shipbuilders and offshore contractors are increasingly adopting modular, upgrade ready designs to manage regulatory uncertainty and extend asset lifetimes, while technological convergence between maritime and offshore energy sectors is accelerating, particularly in electrification,

hydrogen systems, offshore wind support vessels, and subsea infrastructure. Artificial Intelligence is also making its way further into the maritime sector by application in algorithms to e.g. improve energy efficiency and maintenance through real time operational optimisation. AI driven analytics in shipbuilding also enhances project planning, yard operations, and offshore construction activities by reducing downtime and supporting data driven decision making.

The convergence of geopolitical dynamics, evolving regulatory frameworks, and energy transition developments is reshaping the maritime industry. These trends are driving:

- Increased investment in energy-efficient vessels and low-emission technologies.
- Strengthening the importance of resilient and transparent supply chains.
- Accelerating innovation in digitalisation, automation, and alternative fuels.

For Royal IHC these developments underline the importance of aligning business strategies with sustainability objectives, regulatory compliance, and responsible maritime governance. Demand is increasing for resilient and reliable vessels and equipment capable of operating safely and reliably in complex environments, such as in dredging, offshore energy, and defence-related activities.





2.2 Royal IHC’s capabilities

At Royal IHC, we leverage and integrate our in-house capabilities to deliver fully integrated maritime solutions. Every aspect of our operations and innovations is focused on operational efficiency and sustainable performance.

Royal IHC employs more than 1,800 professionals, with the majority of our workforce based in the Netherlands. From this strong foundation, we are strategically positioned to serve clients worldwide. Our commitment to excellence extends beyond designing and building equipment and vessels and providing services.

Our in-house engineering capabilities, which are built on decades of experience in advanced vessel construction, enable us to tackle complex technical challenges. Continuous innovation and the acquisition of new knowledge ensure that Royal IHC remains a leader in key equipment development.

By maintaining full control over the design, production, and quality assurance processes, we deliver tailored solutions that meet demanding operational requirements. This integrated approach reflects our commitment to providing value through innovation, quality, and craftsmanship. Table 2 illustrates Royal IHC’s major inhouse capabilities and solutions.

Inhouse capabilities	Examples
Dredging	Trailing suction hopper dredgers (TSHD) and cutter suction dredgers (CSD). Activities: New build, maintenance, repairs, overhauls and retrofits. Equipment: dredge pumps, cutter heads, drag heads, dredge valves, floating hoses, overflow systems, winches, anchors and automation and control systems.
Offshore energy	Fibre optic cable lay vessels, offshore- and floating wind vessels, oil & gas pipelaying vessels. Activities: New build, maintenance, repairs, overhauls and retrofits. Equipment: cable lay systems, subsea vehicles, pipelay systems, LARS, tensioners and winches, FPSO equipment.
Defence	Navy vessels. Activities: New build, maintenance, repairs, overhauls and retrofits. Equipment: winches, repair equipment, subsea vehicles, seabed crawlers, LARS.
Mining	Wet mining vessels and salt mining vessels. Activities: New build, maintenance, repairs, overhauls and retrofits. Equipment: mineral processing equipment, slurrification tools, dredge mining equipment.
Engineering	Feasibility studies, concept design, basic engineering, detailed engineering, lifecycle engineering
Services	Operational services & support: Local teams provide 24/7 services (repair, test and maintenance) at any location globally.
Maintenance	Maintenance programmes for all type of Royal IHC maritime assets. Activities: midlife upgrades, maintenance and repair.
Piping systems	High pressure and hydraulic piping systems, hydrogen piping systems.
Hydraulics	HPU systems, underwater hydraulics, accumulator systems.
Steel processing capabilities	Steel cutting, 2D bending, 3D bending, welding, assembly.
R&D capabilities	A dedicated team of R&D engineers and specialists. Typical research areas: hydraulic transport, excavation, material science, motion and control, new fuels and drive systems, vessel hydrodynamics, AI and digitalisation.
R&D laboratory	Experimental setups to study dredging, mining and offshore phenomena and validate models.
Steel and iron foundry	Design, casting and post processing within a CNC machine park.
Interior design and manufacturing	Custom interiors and refits for the maritime and commercial sector.
Automation and control systems	Integrated and connected automation and mission equipment.
Training institute	High quality courses. Types of training: (1) Simulator training, (2) On-the-job operator training, (3) Maintenance training, (4) Project engineer training, (5) Train the trainer programme, (6) Introduction courses, (7) Specialised master classes.

Table 2: Royal IHC’s inhouse capabilities and solutions

2.3 Long term value creation

As a maritime supplier, we design, build, and provide operational support for work vessels and equipment used in the dredging, offshore energy, mining, and defence sectors. We create value for our customers and for society by serving as a key supplier of vessels and equipment essential for offshore infrastructure, coastal protection, and inland waterway maintenance.

Anticipating the impacts of climate change, we develop cutting-edge solutions and offer the knowledge and capabilities needed to implement sustainable technologies. These include more efficient operations, low- and zero-emission vessels, and turbidity-control technologies.

As illustrated in Figure 1, Royal IHC supports the maritime industry throughout the lifecycle, with a strong focus on products and equipment.

After many decades of operation, vessels and equipment become obsolete and are dismantled. Some components are re-used in the second-hand market. The remaining is recycled to a high degree, as the majority materials in the vessel and equipment are metals and other valuable materials.

During Research & Development, new technologies are developed and external technologies are integrated into highly efficient, low emission and reliable equipment concepts. Using modelling, simulation and our in-house laboratory, we investigate these technologies to ensure the effective integration into advanced functionality and improved equipment.



Our vessels are built to last. During operation, many services are provided by Royal IHC, such as training, operations monitoring, maintenance and repair. After decades of efficient operation, often in the harshest environments, the vessels are retrofitted to include new technologies, such as new cleaner engines, exhaust gas after treatment and updated automation and control.

During Shipbuilding, steel plate is transformed according to engineering drawings and instructions, and equipment is assembled into a highly effective and long-lasting vessel. Equipment is assembled and effectively integrated in the vessel. High quality and safety standards ensure a highly qualitative product, and the safety and well being of the workers.

During Design and Engineering, existing and new technologies are integrated into effective designs, resulting in a design and production drawings that lead to fit for purpose, efficient and reliable vessels and equipment.

Figure 1: Royal IHC’s approach to long term value creation



2.4 Global presence

Royal IHC is a global company operating from multiple locations around the world, as illustrated in Figure 2.

With our headquarters in Kinderdijk, we operate as an integrated system yard where vessel design and construction, steel cutting, equipment manufacturing, engineering,

control system development, services, quality assurance, and R&D are fully aligned to ensure the delivery of high-quality assets. Our second major location, the yard in Krimpen aan den IJssel, features the largest covered slipway in Europe. Both sites are equipped to construct large-scale, complex projects with short lead times.

In Slidrecht, our streamlined production facility specialises in custom-fitted piping systems, including hydraulic, high-pressure, double-walled, and green hydrogen pipelines. Meanwhile, our Hardinxveld-Giessendam site focuses on interior design for the maritime industry and other sectors.

Beyond our headquarters and Dutch production locations, Royal IHC operates several global facilities that support localised services and strengthen our integrated network of capabilities. Our three major international production sites include the Port of Blyth, our steel and iron foundry Allard Europe, and the IHC India production facility. IHC Mining is further supported by production locations in South Africa, Brazil, and Australia. Our engineering activities are reinforced by regional offices in Croatia, Slovakia, and Singapore. Through this global footprint, we remain close to our customers and operate at the forefront of their needs.

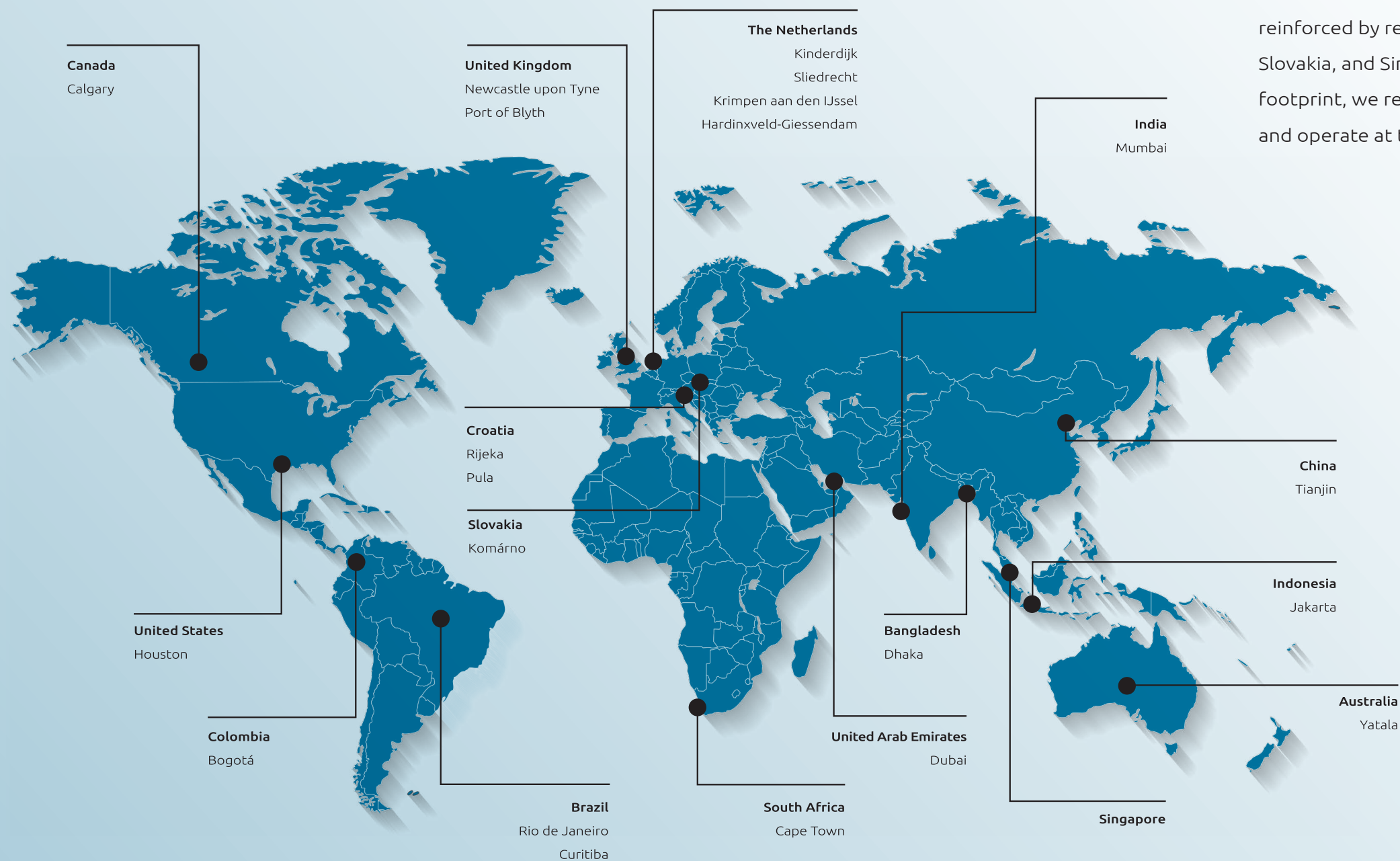


Figure 2: Royal IHC’s global presence

2.5 Strategy

In recent years, Royal IHC has restored financial stability and strengthened its operational performance. Shipbuilding activities have stabilised and returned to growth, while the equipment portfolio has expanded, reinforcing the company's position as a provider of integrated maritime solutions. Following the completion of the recovery phase in 2025, Royal IHC now enters a new strategic stage directed towards sustainable value creation and long-term resilience.

For the period 2026 to 2030, the company concentrates on operational excellence, profitable growth and technological leadership. The strategy follows a dual-track approach: reinforcing the core business while accelerating high-tech growth.

Core strength

Royal IHC builds on its foundation of engineering expertise, integrated solutions and a growing high-tech equipment portfolio. Further expansion of the equipment business is a key priority, enabling the delivery of scalable, high-value systems to a global market.

Shipbuilding remains an essential capability. Royal IHC continues to deliver complex, integrated maritime projects and turnkey vessels, supported by Dutch yards and an international partner network. This balanced model ensures flexibility, quality and competitiveness.

Key priorities include:

- Strengthening operational excellence and effective talent deployment.
- Securing long-term continuity of core capabilities in the Netherlands.
- Expanding international collaboration to enhance flexibility and competitiveness.

Through this integrated model, Royal IHC combines equipment for diverse purposes, engineering and shipbuilding expertise to deliver tailored, future-ready solutions.

Smart growth

Alongside reinforcing its core, Royal IHC accelerates its transformation into a leading high-tech systems and equipment supplier.

Priorities include:

- Market-driven innovation supported by structured portfolio management.
- Development of scalable, high-margin solutions with advanced functionality.
- Expansion of aftermarket and lifecycle services to increase recurring revenue.
- Protection and strengthening of intellectual property.

By increasing recurring revenue through services and data-driven solutions, Royal IHC strengthens long-term customer relationships and builds a more resilient earnings profile.

Looking ahead to 2030

With stability restored and a renewed strategic focus, Royal IHC is positioned to build a resilient, competitive and future-proof organisation. The coming years will centre on disciplined execution, innovation and sustainable value creation for all stakeholders.





2.6 Developments per market segment

Dredging

With more than 300 years of experience, IHC Dredging is the market leader in the design, construction, and delivery of reliable, integrated vessels, equipment, and services for the dredging sector. Thanks to our proven track record, global dredging operators, contractors, and governmental authorities rely on IHC Dredging for high-quality solutions and services.

To meet the full spectrum of dredging needs, our product portfolio ranges from standard, modular, stationary, and mechanical dredgers to the world's largest custom-built self-propelled dredgers and their associated equipment. Our local, remote, and digital services provide customers with the support required to keep their assets in optimal condition and ready for the future. With a global team of experts, we ensure local presence and industry-leading support on every continent.

Developments

Global demand for dredging services is growing due to long-term drivers such as the energy transition, climate adaptation, urbanisation, and expanding global trade. Coastal protection projects, port expansion and offshore wind development, are key contributors to increased dredging activity. At the same time, stricter environmental regulations and carbon pricing are pushing companies to modernise fleets, adopt cleaner technologies, and prioritise sustainability in operations. Technological innovation and ESG compliance are becoming critical for competitiveness, while demand remains strong despite financing challenges.

Achievements 2025

- **Launch** of a state-of-the-art trailing suction hopper dredger (31,000 m³) in Krimpen aan den IJssel.
- **Keel laying ceremony** of a TSHD (8,000m³) from our Beagle® 8 series in Kinderdijk.
- **Launch of the largest TSHD** build in India at partner yard Cochin Shipyard Ltd (CSL).
- **Contract signed** with Eastern Shipbuilding Group (ESG) for the design, engineering and supply of key components for a Beagle® 10.2 Mk2.
- **Start of the construction** of a medium class hopper dredger at partner yard Eastern Shipbuilding Group (ESG).
- **Successful upscaling** the flow business of equipment and services.

Offshore Energy

IHC Offshore Energy applies extensive knowledge, expertise, and proven capabilities to address the global challenges of the offshore industry. We deliver reliable, advanced vessels, equipment, and services for the offshore energy market, including solutions for telecommunications, oil and gas, and renewable energy. Our track record includes the supply of pipe-lay and cable-lay vessels as well as mission equipment and subsea vehicles.

Our production facilities in Kinderdijk and at the Port of Blyth support IHC Offshore Energy in being the system integrator within the offshore energy industry. These sites are staffed by experienced professionals and equipped with cutting-edge technology to deliver complex offshore solutions.

The offshore construction vessel (OCV) market in 2025 remained strong, supported by ongoing demand from both oil and gas and offshore renewable energy projects, with high vessel utilisation and day rates driven by limited supply of modern and specialised vessels. An aging global fleet and high replacement costs are constraining new-build investments, leading operators to extend the life and efficiency of existing assets. Growing complexity in offshore wind and deepwater projects are increasing the demand for advanced, high-specification vessels. Cable-lay vessels for power and fiber optic cable lay and repair are seeing rising importance due to expanding subsea capacity in the renewable market and in the data infrastructure. Overall, long-term market demand remains positive, supported by energy transition trends, digitalisation, geopolitics and increasing focus on sustainability.

Achievements 2025

- **Keel laying ceremony** for two advanced fibre optic cable lay vessels at partner yard Pacific Shipbuilding JSC.
- **Contract signed** for a modular cable lay system to support the mission of rapid mobilisation.
- **Contract signed** for a Hi-Traq subsea trencher.
- **Delivery** of a new 15-tonne breakback tensioner.
- **Expanding the rental services** including winches and multiple tensioners.
- **Performed Concept design study** for Cable Lay Support Vessels.





Mining

IHC Mining remains committed to advancing sustainable innovation across the global mining sector. Building on a strong track record in mineral sands, tailings rehabilitation, battery minerals, gold, diamonds, tin, and other critical commodities, we design mining dredgers and advanced processing equipment that minimise environmental impact and support responsible resource development. Our integrated consultancy, engineering, and after-sales services help clients embed sustainable principles into project planning, operations, and long-term asset performance.

By focusing on energy and water efficiency, responsible tailings management, and low emission technologies, IHC Mining supports the transition to lower emissions, improved water stewardship, and the integration of cleaner technologies.

Developments

In 2025, the mining industry continues facing notable macro-economic and geopolitical volatility. Global uncertainty, driven by ongoing conflicts and geopolitical tensions, placed pressure on supply chains and investor confidence.

Tariff measures introduced by the United States affected demand patterns in key mining jurisdictions such as Canada and Australia, contributing to a more cautious investment climate. Meanwhile, rapid advances in lab-grown diamond production in China added further complexity to the market.

Despite these challenges, the sector is simultaneously experiencing renewed momentum around the supply of critical minerals, as jurisdictions such as the European Union advance policy frameworks, including the Critical Raw Materials Act, to strengthen strategic resource security. This shift highlights new opportunities for IHC Mining, particularly in tailings reprocessing, a domain increasingly recognised by mining companies.

While global conditions remain fluid, IHC Mining's diversified capabilities and sustainability driven approach, position the company to support the industry's transition toward lower carbon operations, enhanced resource circularity, and more resilient supply chains.

Achievements 2025

- **Delivered two electrical dredgers** (CSD's) with a cutter power of 1,350 kW.
- **Commissioned an OTTer® 250** to dredge Zeekoevlei in South Africa.
- **Awarded an order** for six cable reelers for a client in Zambia.
- **Delivered** an electric salt harvester to extract carnallite (potassium salt) in Jordan.
- **Significant progress** on construction of an electric mining CSD.
- **Contract** for an electric CSD for a client in Madagascar.
- **Contract** to design and build slurrification and dewatering equipment for a large tailings removal project in Chile.
- **Detail engineering** design for a gold recovery plant for a client in USA.

Defence

IHC Defence provides reliable solutions that enhance operational efficiency and support the sustainable performance of defence fleets. We address critical challenges such as subsea warfare and infrastructure protection with innovative, cost-effective technologies that meet stringent military specifications.

Worldwide, we support naval clients with maintenance, repair, and docking management to increase the availability and readiness of vessels and equipment. We also deliver tailored solutions for the design, construction, and maintenance of navy vessels, equipment, and accessories.

Our track record includes the delivery of advanced naval systems such as launch and recovery systems, subsea vehicles, seabed crawlers, and electrical and automation systems.

Our OSBIT (On Specification, Budget and In Time) approach ensures precise and timely delivery, while our secure infrastructure and IT systems uphold the highest standards of confidentiality and data protection.

Developments

2025 marked the fourth consecutive year of ongoing conflict between Ukraine and Russia. The protection of seabed infrastructure has become a top priority for governments. Escalating geopolitical tensions have prompted European states to significantly increase their defence budget. The Netherlands supports a new NATO target to raise total defence-related budget to 5% of GDP by 2035. This includes 3.5% for core military needs and 1.5% for security-related investments. While 2026 spending is projected around 2.2% of GDP, the government is committed to this long-term 5% goal.

Based on civil ship building standards focus has come on fast track development projects for multifunctional mid-size supplier type vessels that are able to be used as weapon platforms. This to counter the long lasting development programmes for the more traditional high-end war vessels as developed by Tier 1 suppliers. IHC is focussing on using state of the art technology as used in the traditional dredge- and offshore markets in the Defence domain. Royal IHC is providing the expertise, capacity, and technological capability required to support modern defence needs.

Achievements 2025

- **Naval Group** discussions between Royal IHC and Naval Group progressed, following the framework agreement, covering scope definition and early work requirements, in line with planning.
- **Lifetime extension and a midlife upgrade** for HNLMS HOLLAND, an offshore patrol vessel was rolled onto the slipway for maintenance in the Krimpen aan den IJssel Shipyard.
- **Maintenance activities** executed on the submarine support vessel HNLMS Mercur. Docking took place at the Navy shipyard in Den Helder.
- **Maritime Maintenance Valley** resulted in advisory on optimising the Royal Dutch Navy's maintenance program, with IHC Defence contributing as an industrial partner in the long-term civil-military cooperation.
- **Signed an MoU** to supply four seagoing support vessels for the Royal Dutch Navy, with Royal IHC being involved in the concept design and construction foreseen at Royal IHC in 2028.
- **Participated in a European defence programme** on two workflows: operating a four-track seabed crawler for survey work and developing technical principles for UXO clearance.



3. Governance

3.1 The Board of Management



Derk te Bokkel
(CEO)
Appointed CEO in 2023.

MSc degree Agricultural Economics from Wageningen University – 1987.

Te Bokkel has extensive experience in the energy industry and currently builds a strategic and future proof business plan for Royal IHC.



Bert Jaap Dijkstra
(CFO)
Appointed CFO in 2024.

MSc degree Soil Chemistry and Physics (with honours) from Wageningen University – 1997. Holds an MBA from MIT Sloan.

Dijkstra has a track record in management and financial strategy, with a background in energy and offshore services.



Bert Jan ter Riet
(COO)
Appointed COO in 2024.

MSc degree Naval Architecture & Marine from Delft University - 1990.

Ter Riet brings decades of management experience from global ship-building and excels in upscaling productivity at international yards.

3.2 The Supervisory Board

- **Frank Verhoeven**, a former member of the Board of Directors of Boskalis, was appointed as a member of the Supervisory Board of Royal IHC in July 2020.
- **Hans Kamps**, former CFO of Boskalis, was appointed as a member of the Supervisory Board of Royal IHC in April 2020.
- **Birgit Otto**, former COO of Schiphol Group and member of the SB of Royal Flora Group, was appointed as a member of the Supervisory Board of Royal IHC in November 2023.
- **Gerben van den Rozenberg**, director of HAL Investments, has been appointed as a member of the Supervisory Board of Royal IHC in January 2023.
- **Ruud van den Bergh**, has been appointed as member of the Supervisory Board of Royal IHC per March 2024 upon recommendation by the works council.

The Supervisory Board met six times during 2025 and held two Teams meetings. Members also attended regular meetings between the Board of Management and the Works Council on a rotational basis. Overall, the Supervisory Board remained closely involved throughout the year.

Key topics discussed by the Supervisory Board included financial reporting and financing, the three-pillar shipbuilding strategy, and key account management. The Board also focused on Royal IHC’s commitment to operational performance, health and safety, and compliance with regulatory standards, including those related to CSRD.

3.3 Shareholders

The ultimate holding company of the Royal IHC group is IHC Merwede Holding B.V. All shares in the capital of IHC Merwede Holding B.V. are (directly and indirectly) being held by Stichting Continuïteit IHC.

3.4 Organisational structure

Royal IHC has a matrix structure. Product market groups (PMGs) are responsible for the four core markets:

- Dredging
- Offshore Energy
- Mining
- Defence

A series of business disciplines, functional disciplines and Capacity Centres supply assignments and projects to the PMGs and support in their execution. The entire organisation is supported by a staff organisation, known as the Corporate Discipline. Each of the organisation's components contributes to achieving Royal IHC's goals in specific ways. In addition to becoming and remaining profitable, this includes playing a leading role in making the maritime industry more efficient and sustainable.



3.5 Corporate governance

At Royal IHC, we firmly believe that long-term business continuity is inseparable from our commitment to creating the maritime future with honesty and integrity. Our core values of Commitment, Partnership and Innovation reflect who we are, what we aspire to be and how we work. We expect every member of our team, regardless of position or role, to reflect these values in every action they take. We strongly believe it is through our collective efforts that we can grow, innovate and lead with purpose.

Conducting business honestly and with integrity is vital for building trust with our clients, partners, and amongst ourselves. This is not just an ethical choice: it is a strategic imperative that ensures our business to thrive in the long run, building a foundation of trust that not only attracts but retains customers and talent alike.

Our Code of Conduct serves as a roadmap for both our strategic decisions and our daily operations. It empowers each of us to take pride, not only in what we do, but also in how we do it. It enables us to act responsibly and contribute to an environment where honesty and integrity are the norm, not the exception. And it facilitates us to speak up when we encounter misconduct, assured our voice will be heard and respected.

The Management Board is committed to driving business integrity, good governance, and to maintaining our corporate policies and risk management. And our senior leadership is responsible for embedding our values, our Code of Conduct and principles of business integrity, as well as our policies and procedures throughout the organisation and for fostering a culture of trust and transparency in which risks can be identified and escalated if necessary.

3.6 Risk management

Royal IHC's risk profile is shaped by strong market dynamics and intense competition, which place continuous pressure on prices and margins. By working closely with customers and maintaining a deep understanding of their needs, the company is able to navigate these market conditions effectively. Robust risk management is embedded throughout Royal IHC's business processes, enabling a balanced approach that mitigates threats while capitalising on opportunities.

The Supervisory Board oversees how the Management Board monitors compliance with Royal IHC's risk management policies and procedures, and it evaluates the adequacy of the overall risk management framework in relation to the risks faced. The Management Board holds ultimate responsibility for Royal IHC's risk management and internal control framework. The CEO acts as the owner of this framework, supported by his leadership team and informed by the company's risk management procedures.

Royal IHC has identified and monitors a range of risks that are inherently linked to its business activities. Additional risks may emerge over time that are not currently considered significant but could become material in the future. The following key risks have been identified:

- Market, operational and strategic risks
- Human resources risks
- Safety, health and environment risks
- Contract risks
- Project risks
- Litigation
- International compliance risks
- Fraud risks
- IT risks
- Currency risk
- Credit risk
- Liquidity risk
- Tax risks

The risks including the mitigation measures, can be reviewed in the Annual Report of 2025.





4. Sustainability disclosures

4.1 General information

Royal IHC aims to be among the leading suppliers of innovative and sustainable vessels, equipment, and services in its markets, aligning with global developments in sustainable maritime technology and practices. The company’s sustainability policy and goals are discussed with senior leadership and approved by the Management Board. These goals are firmly embedded across the organisation by linking them to specific products and operational activities. Progress on sustainability objectives and reporting is regularly shared with both the Management Board and the Supervisory Board.

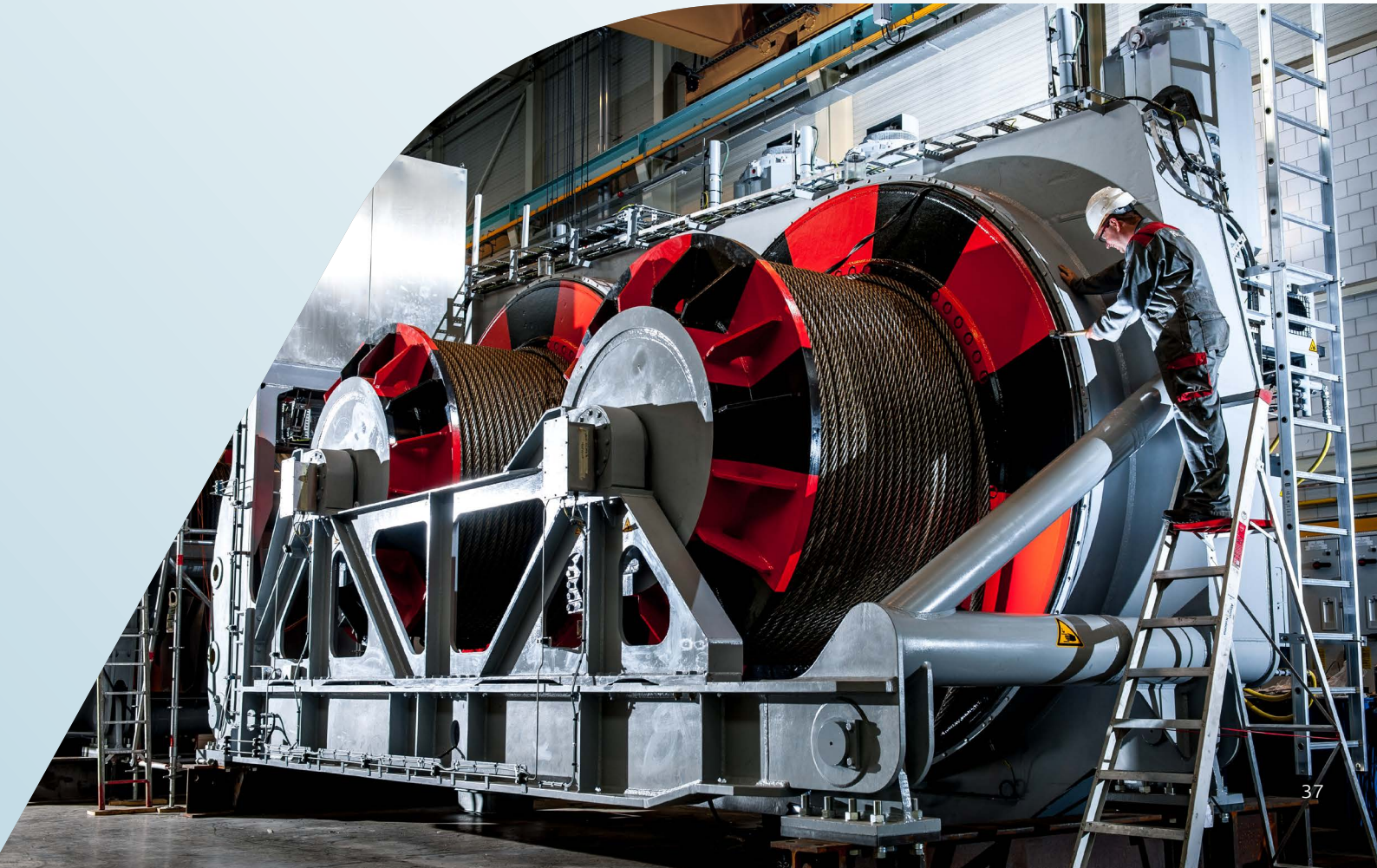
Basis for the preparation

Royal IHC’s sustainability reporting is guided by the principles of double materiality, focusing on ESG topics where the company has the most significant impact on people and the environment, or where it faces material financial risks and opportunities. In 2020, Royal IHC voluntarily developed its first Double Materiality Assessment (DMA), which has since been refined in anticipation of the Corporate Sustainability Reporting Directive (CSRD). The updated DMA follows a pragmatic approach aligned with ESRS expectations, incorporating stakeholder engagement and a structured assessment of impacts, risks, and opportunities across the value chain.

Stakeholder engagement

Royal IHC collaborates closely with its stakeholders on a daily basis, reflecting one of its core values: Partnership. As part of the DMA process, the Sustainability Working Group identified key stakeholder groups and actively engaged with them to better understand and assess the company’s material impacts, risks, and opportunities.

The following stakeholders were recognised as essential to this process: employees, clients, suppliers, shareholders, the Supervisory Board, insurance providers, lenders (banks), governmental authorities, and non governmental organisations (NGOs). Their perspectives were carefully evaluated and weighted, forming a critical component of the DMA outcomes.



Double Materiality Assessment

Royal IHC adopted a Double Materiality Assessment (DMA) as the foundation for its sustainability reporting. This process followed a bottom up approach to ensure that the perspectives of both internal and external stakeholders were fully incorporated. Through this methodology, Royal IHC identified its material impacts, risks, and opportunities (IROs). The process consisted of several distinct phases:

1. Preparation phase:

Key stakeholders were identified, the value chain was mapped, and desk research was conducted. This resulted in a long list of potential topics based on ESRS – AR 16.

2. Relevance phase:

Internal and external stakeholders were consulted through questionnaires to validate the relevance of the long list of topics. This resulted in a medium list of topics.

3. Impacts, Risks and Opportunities Phase:

All potential IROs were identified based on the medium list of topics.

4. Internal Materiality Phase:

Impact materiality and financial materiality were assessed using the following dimensions:

- **Impact materiality:** scale, scope, and irremediable character

- **Financial materiality:** likelihood and magnitude Time horizons were also defined during this phase. Time horizons were also defined during this phase.

5. Conclusion Phase:

The consolidated findings resulted in a final shortlist of 10 material topics as highlighted in Figure 3. ‘Research and Development’ is seen as a company-specific topic, but was not part of the DMA. This topic is described in section 4.5.

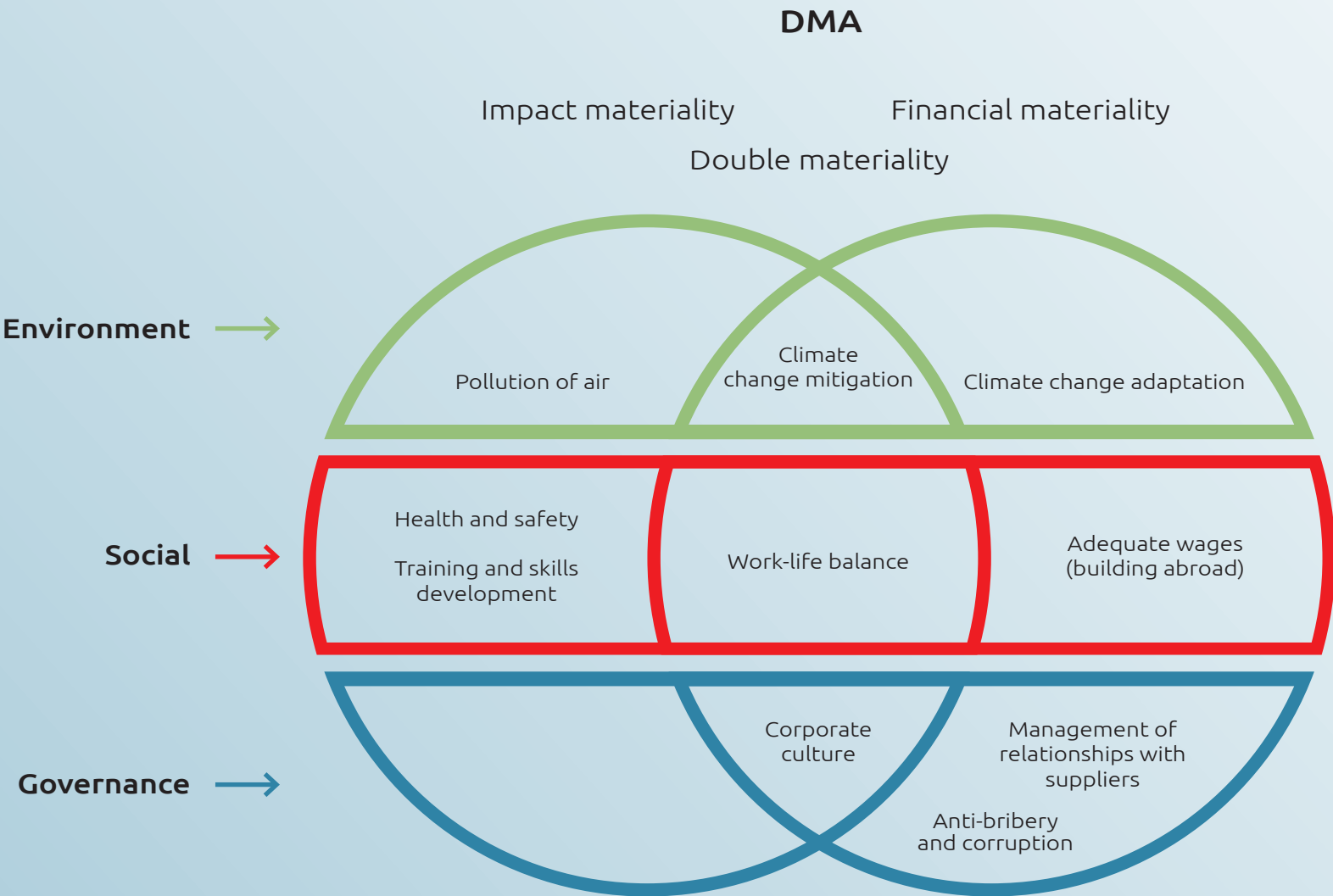


Figure 3: Royal IHC material topics, scored on Impact Materiality and Financial Materiality

Sustainability policies

Royal IHC actively supports its customers in reducing their carbon footprint by developing advanced expertise in low GHG power supply systems and integrating these technologies into vessel designs. Although demand for such vessels will depend on the pace of regulatory developments and evolving customer requirements, the company continues to invest in low emission, energy-efficient solutions. This positions Royal IHC to provide well informed guidance on both new-build and retrofit options that best meet customers’ future needs.

Royal IHC aims to meet the EU’s 2030 target of a 55% absolute emissions reduction and achieve carbon neutrality by 2050. However, if European targets change, the organisation will reassess its long-term ambitions. Royal IHC’s key sustainability policies and ambitions are highlighted in Table 3.

Key policies	Ambitions
Emissions Sustainability policy	Net zero of scope 1 and 2 by 2050 and intermediate targets for 2030.
Quality, Safety, Health & Environment - Safety, Health & Environment Policy - Sustainability policy - Quality policy - Safety pocket book - Alcohol & drugs policy	Safety: An environment where we care for our people and work towards zero incidents. Quality: A consistently high-quality level across all our products and processes, supported by a robust ISO certified management system, aiming for zero defects, full compliance and continuous improvement.
Our People - Confidential advisor regulation - Complaints regulation - HR Handbook - Privacy policy - Behavioural Guidelines	Attract, retain and develop a workforce with a wide range of competencies and skills.
Human rights, ethics and compliance - Human rights statement - Code of Conduct - Anti-bribery and corruption policy - Intermediary Policy - SpeakUp line - Sanctions & Export Control policy	Highest standards of business integrity, zero tolerance on bribery, corruption and fraud.

Table 3: Royal IHC policies and ambitions related to ESG topics.



4.2 Environmental disclosures

Royal IHC has established a new foundation for managing transparency and sustainability, as outlined in the previous chapter. The Double Materiality Assessment (DMA) has been structured and finalised in 2024 and will be used as key focus areas for ESG for the upcoming years. Based on the DMA outcomes, this section of the report outlines Royal IHC's policies, actions, and targets related to environmental topics.

To support the environmental material topics, the following policies and frameworks are in place:

- Sustainability policy
- Safety, Health and Environment policy
- Safety, Health and Environment management system
- Corporate R&D program.

Climate change mitigation

Royal IHC aims to reduce the environmental impact within the maritime industry by building vessels integrated with low emission propulsion systems. Royal IHC anticipates an increasing demand for low carbon solutions and continues to explore innovative integration solutions for sustainable vessels.

Sustainability achievements of our products

Over the past years, Royal IHC has built a strong track record in integrating sustainable technologies into its vessel designs.

Key achievements contributing to climate change mitigation include:

- **Two Electric Mining Cutter Suction Dredgers** (1,350 kW) were delivered in 2025.
- **Electric Mining Cutter Suction Dredger** has been built in 2025.
- **Electric salt harvester** has been launched in 2025.
- **In-house capability** to engineer and build vessels for the offshore wind market.
- **Sustainable value proposition** with the Beaver® E series.
- **A hydrogen powered TSHD** has been engineered and is ready to order.
- **Track record of LNG dual fuel powered vessels:** SPARTACUS (44,180kW CSD), Meuse River (7,950m³ TSHD), Bonny River (15,000 m³ TSHD), Scheldt River (8,400m³ TSHD).
- **A partner in R&D programs** focused on sustainable shipbuilding:
 - Green Maritime Methanol
 - HELENUS
 - MENENS
 - MethaNorms
 - NEON Research
 - SH2IPDRIVE

Sustainability achievements of our operations

Royal IHC is transforming into a financial stable organisation, which is reflected by our sustainability achievements of our operations:

- **Reduced consumption of natural gas:** Between 2021 and 2025, natural gas consumption decreased from 1.80 million m³ to 1.34 million m³.
- **In 2025, 964 solar panels** were installed in 2025 at Royal IHC's subsidiary Allard-Europe. Together with a licensed wind turbine, they now generate over 28% of the site's electricity demand.

- **From 2023 to 2025**, Allard-Europe achieved a 19.8% reduction in gas consumption and 8.2% in electricity, per ton of delivered materials.
- **At Allard-Europe**, in 2025 all castings combined already contained 93% of re-used metal, including rework, pre-consumer, and post-consumer metal scrap (mass balanced).
- **Electrification of Royal IHC's vehicle fleet:** Royal IHC has more than 20 electric driven forklifts. In 2025, Royal IHC extended its vehicle fleet with two electric minivans.

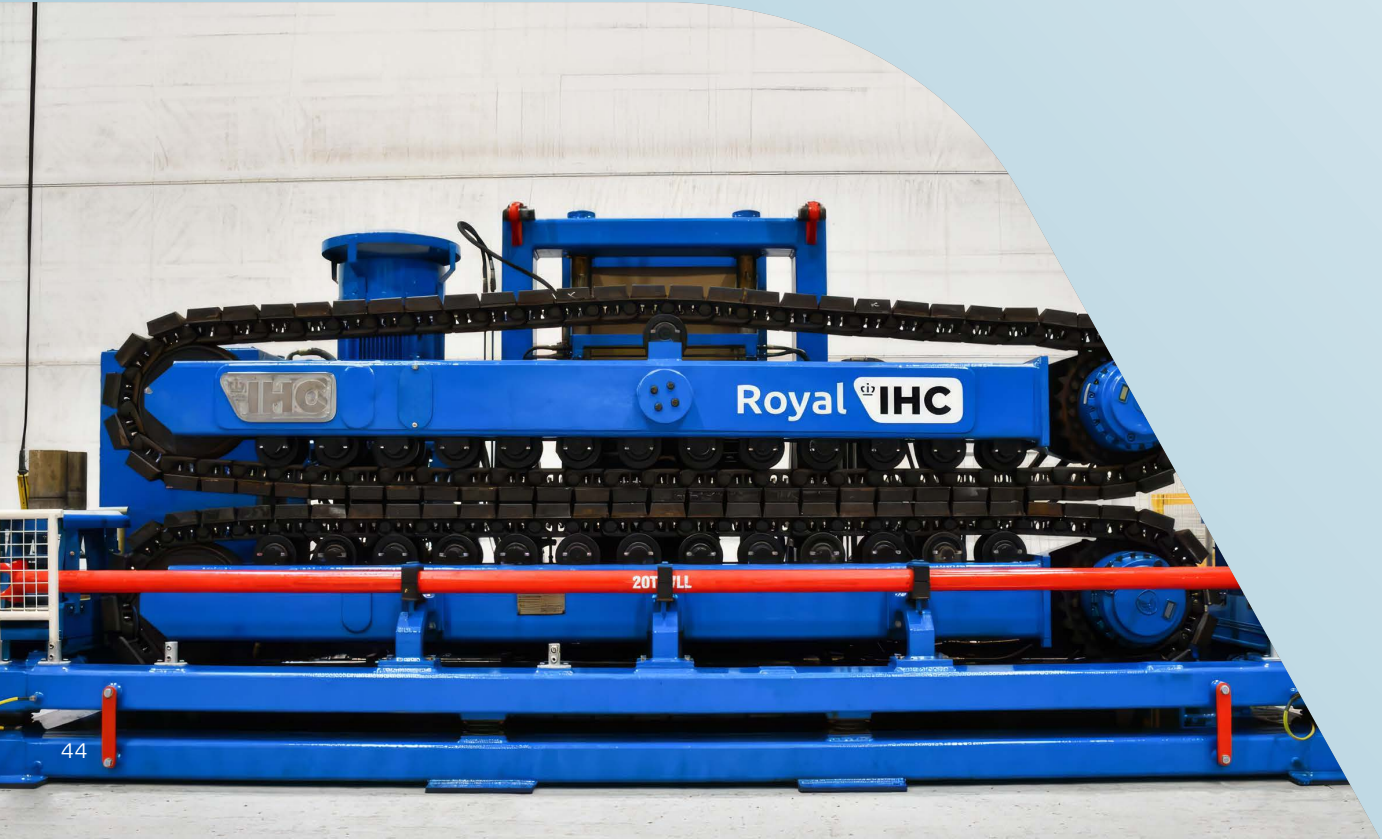


Definitions of Scope 1, 2 and 3:

Scope	Description
Scope 1	Direct emissions from sources owned or controlled by the company, such as fuel combustion in facilities and company vehicles.
Scope 2	Indirect emissions from purchased energy.
Scope 3	Emissions across the upstream and downstream value chain.

Royal IHC recognises that Scope 3 emissions - those arising across our upstream and downstream value chain - represent the bulk of our total footprint. The largest impact stems from the use of sold products, as customers ultimately determine the propulsion systems and fuels used in their vessels. These emissions are calculated as the total emissions from 20 years of operation. Compared with 2024, emissions from the use

of sold products declined sharply, from 805,000 tonnes to 324,000 tonnes CO₂ eq, a reduction of approximately **60%**. As a result, the relative contribution of sold products to our total value chain emissions decreased from **99,0% to 90,6%**. This decline is primarily driven by the construction of several large electric mining vessels, which significantly reduce operational emissions during their lifetime.



GHG emissions (x 1,000 tonnes of CO ₂ eq)			
Scope 1	Scope 2 (market-based)	Scope 3 (use of products)	Scope 3 (purchased goods & services)
2,8	7,0	323,6	23,6

Table 4: Royal IHC’s greenhouse gas emissions table of scope 1, 2 and 3 for Year 2025.

Scope 1, 2 and 3 emissions - 2025

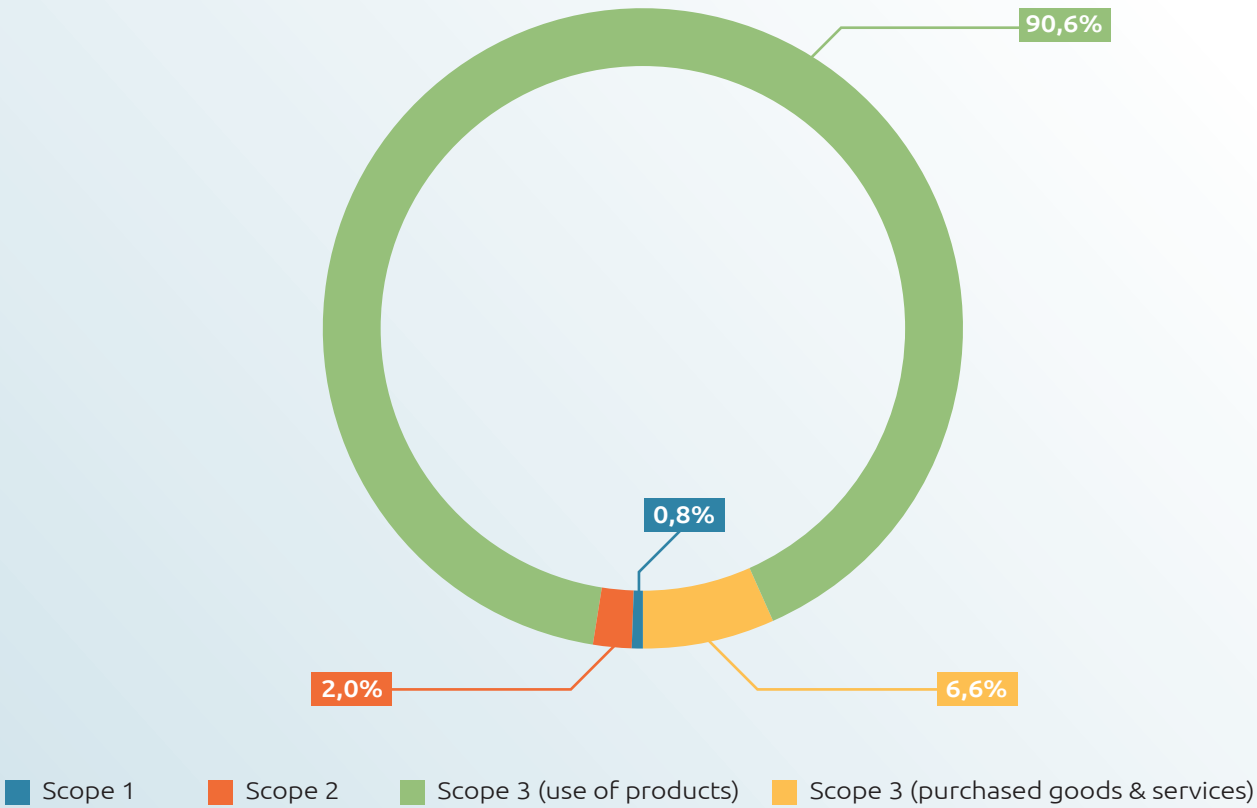


Figure 4: Royal IHC’s Scope 1, 2 and 3 emissions for Year 2025..

In line with the developments of the CSRD, Royal IHC presents its direct emissions (scope 1), indirect (scope 2), avoided emissions and GHG intensity in Table 5.

	Retrospective (Emissions in 1,000 t CO ₂ eq)				Status 2025 (Progress relative to baseline)	Target 2030
	Base year (2019)	2023	2024	2025	% 2019 / 2025	% 2019 / 2030
Scope 1 GHG emissions Direct emissions	4,5	3,0	2,8	2,8	-37,8%	-55%
Scope 2 GHG emissions Emissions from purchased electricity – market-based	15,3	5,6	7,2	7,0	-54,3%	
Scope 2 GHG emissions Emissions from purchased electricity – location-based	10,1	4,2	4,6	5,2	-48,5%	
Avoided GHG emissions	0,00	0,34	0,30	0,27	-	
Scope 1 & 2 GHG emissions combined (location based)	14,6	7,2	7,4	8,0	-45,2%	
Scope 1 & 2 GHG emissions combined (market-based)	19,9	8,6	10,1	9,8	-50,8%	-
GHG intensity* (tonnes CO ₂ eq / million euro turnover)*	18,6	26,8	23,1	19,9	+7,0%	

Table 5: Royal IHC’s GHG Emissions Progress: 2019 Baseline to 2025 Status and 2030 Targets.

* GHG intensity reflects emissions per turnover in the same year. Since large portions of revenues occur at vessel delivery, which can fall in a different year than when emissions occurred, this metric does not translate the impact of our operations accurately and can be misleading, and should therefore not be looked at on a yearly basis, but as a trend during a number of years.



Climate transition plan

To achieve the target of a 55% reduction in scope 1 and 2 greenhouse gas (GHG) emissions by 2030 compared with 2019, Royal IHC has developed a comprehensive climate transition plan. As illustrated in Figure 5, the plan identifies the organisation’s key emission hotspots and the main levers required to reach the reduction target.

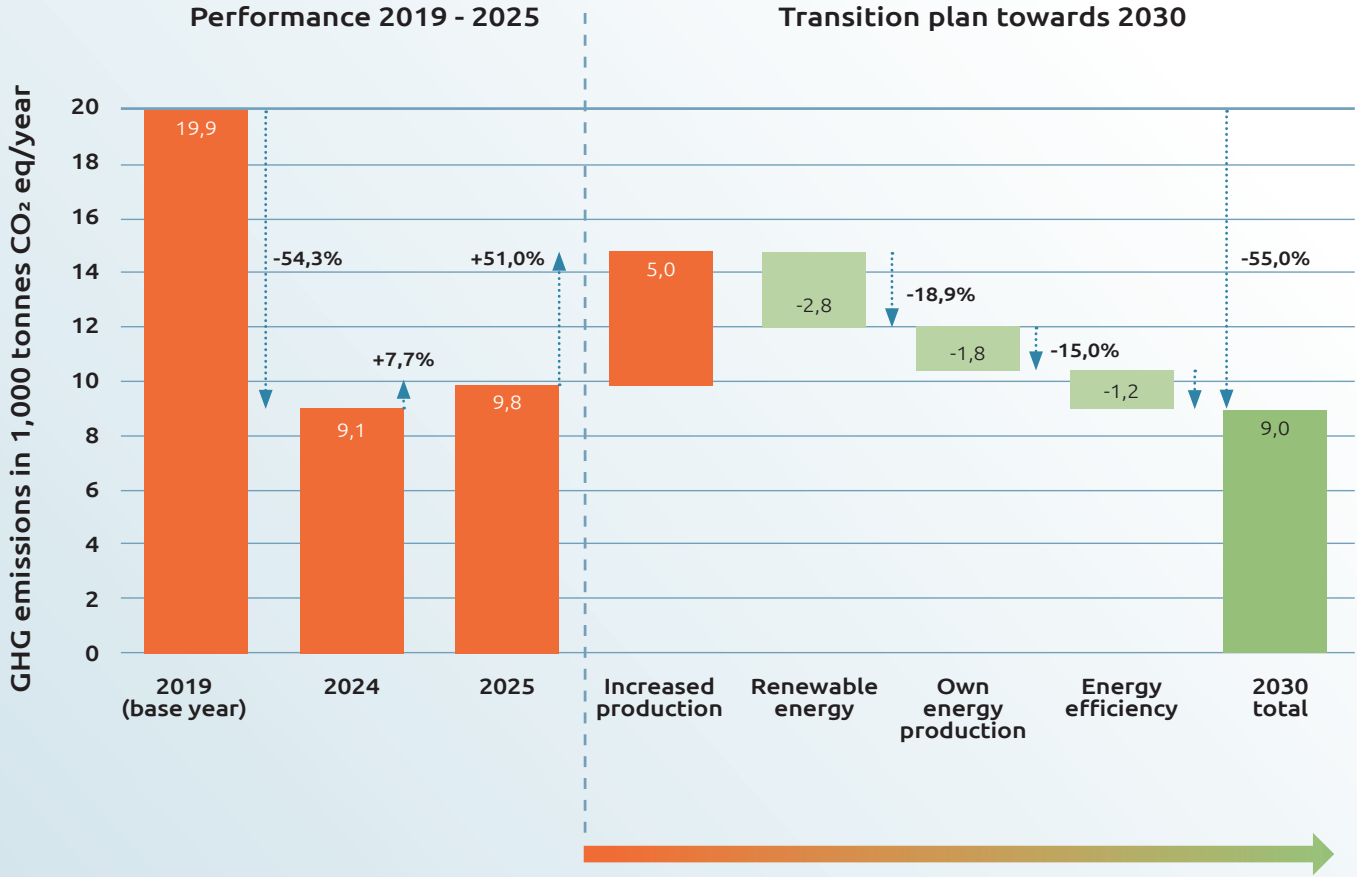
Royal IHC is projecting a growth in economic activities, which correlate with growth of our yard activities. This growth is estimated to correlate with a 51% increase in GHG emissions.

Numerous measures including purchasing renewable energy, expanding inhouse renewable energy production, and improving the energy efficiency of its assets, Royal IHC expects to achieve the 55% reduction target by 2030.

While the plan provides a clear pathway toward achieving the 2030 target, it does not impose binding obligations on the organisation. Royal IHC pursues projected growth in economic activity, which put the absolute 55% reduction target under pressure.

At the same time, a revenue-based intensity metric may not adequately capture actual performance, given the cyclical and project-driven nature of Royal IHC’s business.

Therefore, for upcoming years we will explore a representative metric for tracking GHG performance over time.



* The climate transition plan expects increasing production levels up to 2030. The exact impact of this is estimated and hard to quantify.
Figure 5: Royal IHC’s transition plan to achieve at least 55% emission reduction by 2030 compared to 2019.



Climate change adaptation

The increasing frequency and severity of extreme weather events resulting from climate change pose a growing risk to Royal IHC's business continuity. Our sites are experiencing heightened exposure to storms, high tides, extreme heat, and other climate related disruptions. These developments underscore the importance of strengthening climate resilience to minimise operational interruptions and avoid unexpected costs.

Royal IHC has implemented extreme weather response plans for several company-owned sites, which will be updated in 2026 based on a climate vulnerability assessment to ensure continued effectiveness. In collaboration with partner shipyards, we also promote adherence to our weather response principles to support resilience across the value chain.

On the other hand, our core business activities within the dredging sector sit at an intersection with a changing climate. Rising sea levels, changing sediment patterns, and more frequent weather events are increasing the need for dredging. Dredging is one of Royal IHC's core maritime markets, making climate change adaptation a key opportunity.

Pollution to air

Air pollution has been identified as a key environmental material topic for Royal IHC due to the nature of its operational activities. A focus area is the emissions generated during painting and coating processes, which are essential for protecting and finishing our products. These activities can release non methane volatile organic compounds (NMVOCs), substances known to affect air quality.

In 2025, total NMVOC emissions from Royal IHC's operations amounted to 55 tonnes.

This figure underscores the importance of continued investment in cleaner production technologies and emission reduction practices. In the coming years, Royal IHC will intensify its efforts to minimise air pollution by working closely with suppliers and customers to source coatings with lower NMVOC footprints and by further optimising its production processes.



4.3 Social disclosures

This chapter presents the material topics from the DMA related to Human Resources, including workforce characteristics, the collective labour agreement, Royal IHC’s salary gap, skills development, training hours, and work–life balance. With respect to Health and Safety, the chapter highlights key performance indicators related to safety, awareness, environmental incidents, and employee vitality. The final section addresses adequate wages within Royal IHC’s international construction activities.

Our workforce

Royal IHC’s employees are the organisation’s most important asset. Their craftsmanship, knowledge, and experience form the foundation of long-term business continuity. The company strives to create an optimal working environment through competitive remuneration, extensive opportunities for continuous learning and development, clear goal-setting and performance management processes, well-established social benefits, and a transparent governance structure. These efforts contribute to strong employee retention, reflected in the significant number of employees with more than ten years of service at Royal IHC.

In 2025, Royal IHC employed an average of 1,821 people worldwide, with the majority (1,277) based in the Netherlands. As a global organisation, Royal IHC’s workforce represents a broad international identity, comprising 57 nationalities across six continents, as highlighted in Figure 6 and Table 6. Royal IHC highly supports inclusivity and diversity within the organisation as the cultural and regional experiences broadens our global perspective. A wide distribution of Royal IHC’s own workforce, including the locations, gender distribution, and type of contract, can be viewed in Annex 1- Table 11.

Maintaining a stable and engaged workforce is a core priority for Royal IHC. In 2025, the employee turnover rate was 11%. When compared with the manufacturing sector benchmark (2025) of 12–14%, this rate reflects a normal and healthy level of retention, indicating that Royal IHC continues to preserve valuable talent and organisational knowledge.

Nationalities of Royal IHC’s employees

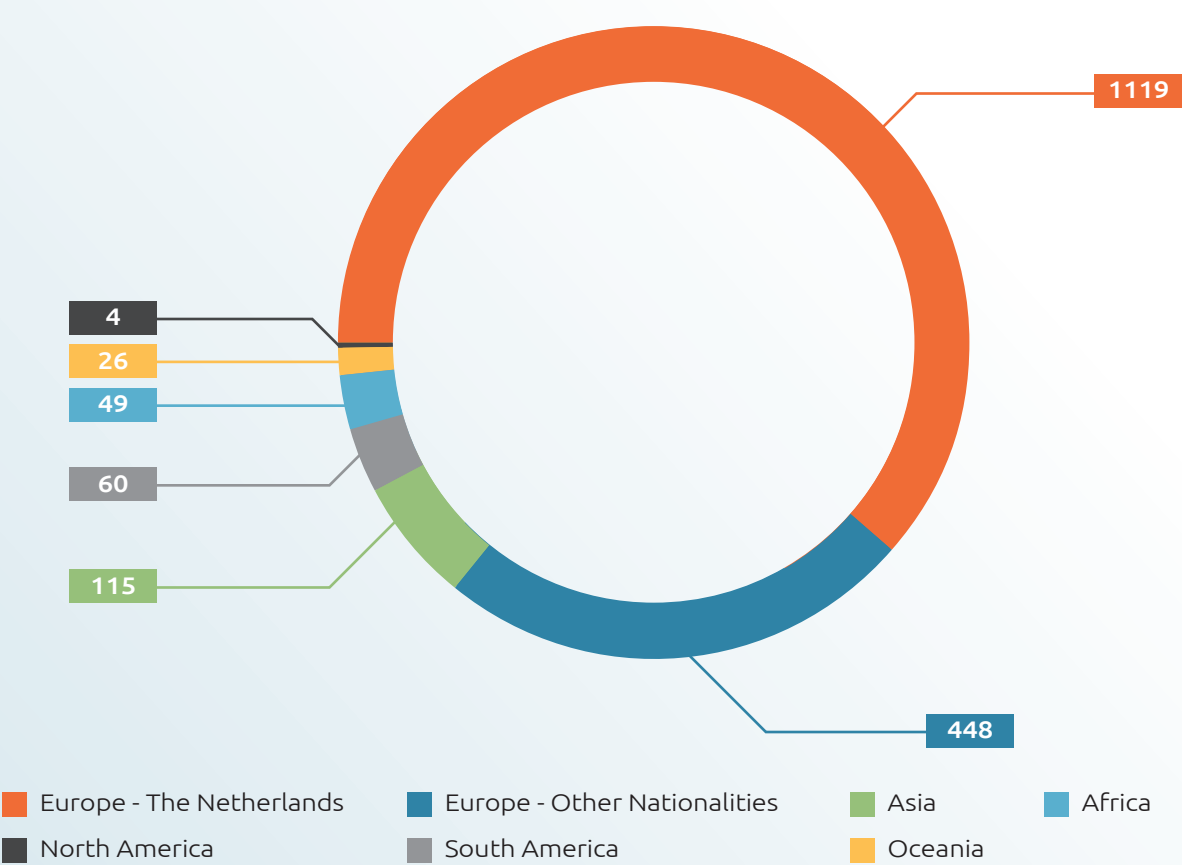


Figure 6: Nationalities of Royal IHC’s employees (measured for the date 31-12-2025)

Region	Number of nationalities	Workforce size by regional nationality
Europe – The Netherlands	1	1119
Europe – Other nationalities	26	448
Asia	15	115
Africa	7	49
South America	4	60
North America	2	4
Oceania	2	26

Table 6: Royal IHC’s workforce background

IHC Foundation

The IHC Foundation, established in 2012, aims to support charities in countries where Royal IHC is active. This is done monetarily, but also with knowledge and other resources. On behalf of and in collaboration with all Royal IHC employees around the world, we contribute to social, environmental and cultural initiatives where help, whatever the size or effort, can make a lot of difference. The common factor in all initiatives supported by the IHC Foundation is that they serve the interests of society (public benefit) and have no political or religious relation.

For 2025, the following activities have been supported through donations of the IHC Foundation:

- Supporting two Royal IHC colleagues who contribute to the maintenance of the Global Mercy ship.
- Participating in Dutch beach clean-up activities alongside IHC colleagues.
- Giving 15 Royal IHC colleagues the chance to volunteer on sailing vessel Eendracht.
- Reserving part of its annual budget for partners' sporting initiatives, this year 5 colleagues participated in the Swim to fight Cancer event.
- Providing several donations to support individual employee-led initiatives.

Collective Labour Agreement

For this reporting year, all employees with temporary or permanent contracts working in the Netherlands are covered by the Metalelektro collective labour agreement. Whether Royal IHC's international staff is also covered by collective agreements is subject to future assessment.

Salary gap

With the aim of transparently reporting social metrics, Royal IHC conducted a basic assessment of the average salary gap between female and male employees. Management Board members and Directors were excluded from this review.

It is important to note that the assessment considered average salaries by gender.

Factors such as age, years of experience, education level, and performance were taken into account. As a result, the KPI provides an initial indication and potentially ground for further investigation, rather than a basis for firm conclusions.

The assessment covered employees registered at Royal IHC's three largest business units. The observed salary gaps were as follows:

- The Netherlands: 7%
- United Kingdom: 9%
- Croatia: 18%

In 2026, we examined the gap for Croatia in more detail; the findings show that the differences are linked to the diversity of job profiles and the years of service of our employees.



Health and safety

At Royal IHC, we want everybody involved in our business activities to return home safe, every day.

That is the goal of our I-CARE (I Create A Right Environment) safety program. This means we want our workspace to be physically and socially safe, while maintaining a just culture as we learn from incidents that still occur. We expect all Royal IHC-colleagues to be a safety leader, following the I-CARE values:

- I lead by example.
- I plan ahead & stick to the plan.
- I take action in an unsafe situation.
- I empower others to work safely.
- I always prepare for emergencies.
- I am fit for duty.

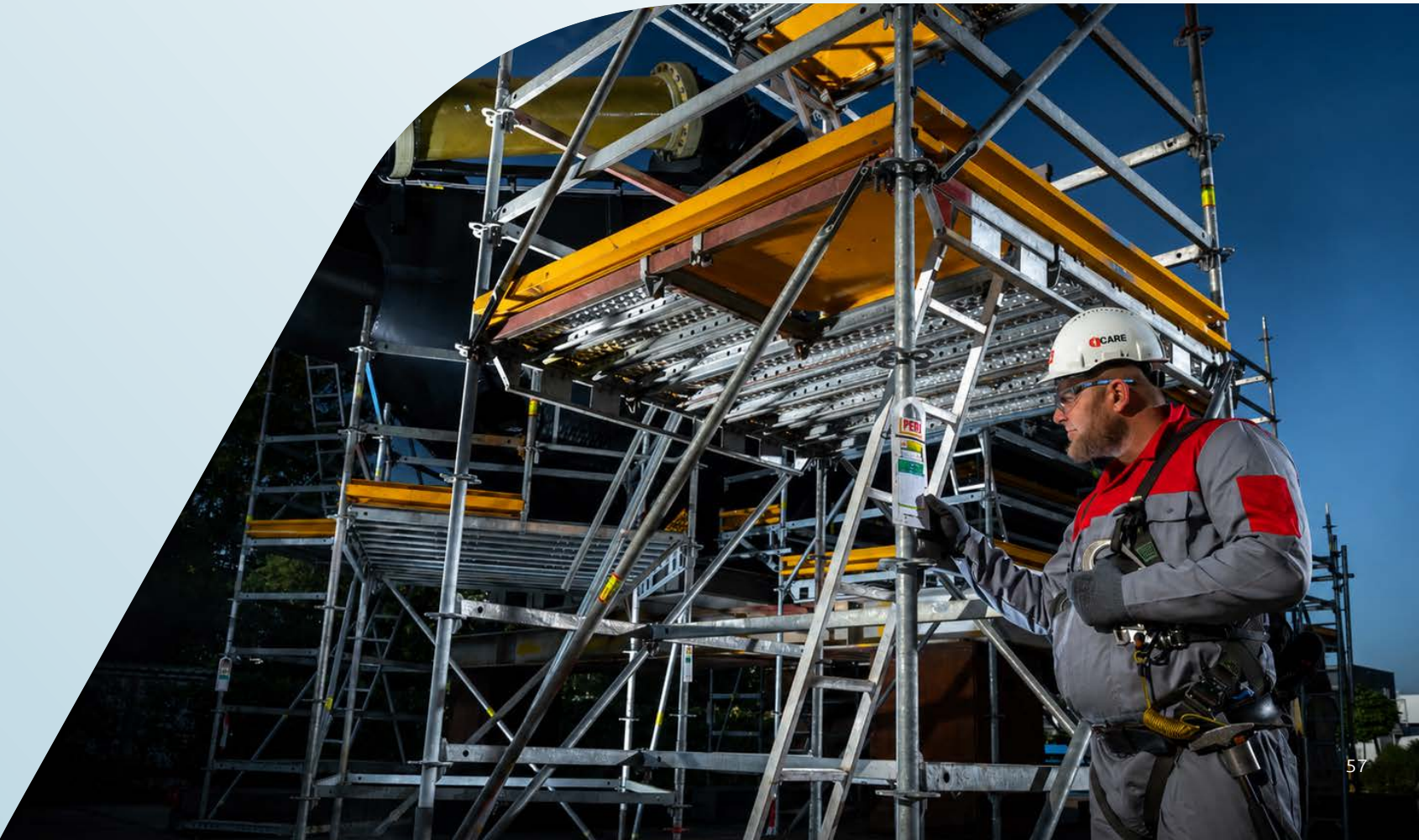
A new safety campaign has been launched in 2025, which focused on safe lifting and hoisting. This was done in response to the trend witnessed during 2024, where the majority (43%) of Lost Time Injuries (LTIs) were lifting-related. The demonstration was done three times in the Netherlands and shared with the rest of the organisation through a video recording.

In 2025, no lifting-related LTIs were reported, indicating an effective safety campaign. Going into 2026, Royal IHC remains committed to our I-CARE goal and values. Actions are ongoing to deploy a new safety awareness campaign, based on incident data as well as feedback from various key parts of our operational organisation.

Unfortunately, Royal IHC recorded 21 LTIs (including subcontractors and temporary workers) across its operation throughout the year. This demonstrates that, even though our exposure hours have increased due to a much higher workload, this highlights that we need to continually improve risk awareness and acceptance of safety as part of our business.

Safety metrics	2025	2024	2023	2022	2021
LTIs (Lost Time Injury)	21	14	16	16	17
LTIFR (Lost Time Injury Frequency Rate)	5.9	5.0	5.4	3.3	2.9
TRIR (Total Recordable Injury Rate)	7.2	6.7	9.8	6.0	5.7
Near Misses	32	42	32	51	75

Table 7: HSE incidents of Royal IHC for 2021 to 2025.





Over the past years, Royal IHC recorded a declining number of environmental incidents, most of which involved minor oil spills. The number of environmental incidents decreased from 13 reported incidents in

2021 to 5 reported incidents in 2025, as illustrated in Table 9. These figures reflect ongoing efforts to improve environmental performance and incident prevention.

Environmental metrics	2025	2024	2023	2022	2021
Environmental Incidents	5	6	5	10	13

Table 9: Environmental incidents of Royal IHC for 2021 to 2025.

Leadership commitment to health and safety was demonstrated through regular safety walks conducted by our senior leadership team. In 2025, they were also joined by members of our Supervisory Board. Demonstrating the importance of safety by management and discussing with colleagues working on the yards and in the workshops

has been insightful for all involved, while also identifying areas of improvement. Furthermore, new targets (80% executed as-planned) were set on Toolbox Talks and Workplace Inspection to ensure regular safety instructions and supervision at our sites and projects continue as intended.

Safety metrics	2025	2024	2023	2022	2021
Toolbox Talks	310	NR	NR	NR	NR
Workplace Inspections	461	NR	NR	NR	NR
SHARP observations (Safety Hazard Awareness Response Program)	123	235	265	288	4251
SLT safety visits	69	117	NR	NR	NR

Table 8: HSE leading indicators of Royal IHC for 2021 to 2025.
NR: Not Recorded

Skills development and work-life balance

At Royal IHC, we recognise that all employees, ranging from our craftsman- and woman to engineer or manager, are our greatest asset.

To foster a resilient and future-ready workforce, we actively invest in an optimal work environment for our people. Royal IHC has competitive remuneration, including an attractive set of secondary benefits, learning and development opportunities, clear goal setting through performance management reviews, well-established social benefits and a transparent governance structure. In order to improve technical competencies of the colleagues, Royal IHC installed a skills matrix to support colleagues in developing their skillset over the years.

Additionally, Royal IHC supports a highly skilled workforce through its Technical Education Centre (TOC), the Training Institute and the Royal IHC Academy:

- **The Vocational School Program** provided by TOC offers young, eager and hands-on oriented craftsmen- and women the opportunity to learn all practical skills of working in production at an international oriented organisation. Classroom instructions and hands-on experiences help upcoming colleagues in developing a practical skillset. The TOC has enabled Royal IHC to attract and retain skilled craftsmen- and women for the construction and maintenance of vessels and equipment.

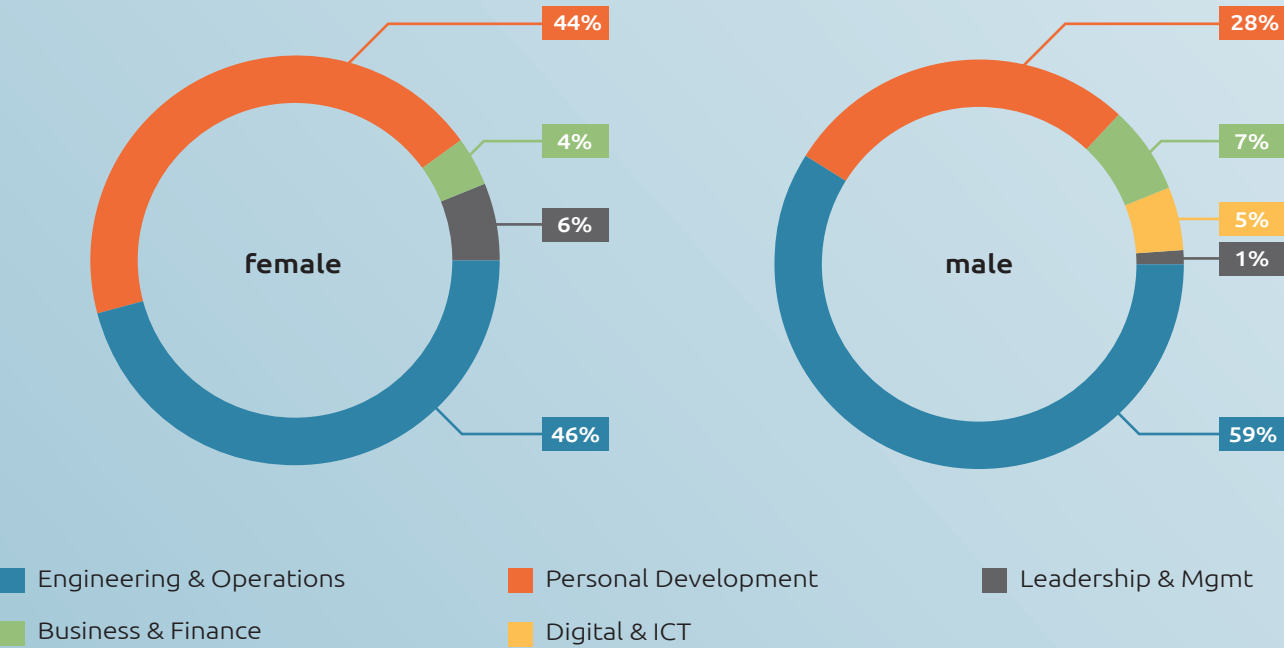
- **The Trainings Institute** of Royal IHC provides a total training solutions to own employees and external personnel. Masterclasses, simulator trainings, on the job trainings, technical trainings and theory trainings help in adaptability of a crew and better respond to changing conditions.
- **Royal IHC Academy** offers more than 200 online courses and e-learning for every audience and level of proficiency. Through the Academy, employees develop knowledge and skills which are immediately applicable in practice. In addition to online learning, the Academy also provides a wide range of classroom-based trainings on topics such as leadership, language, communication, and presenting.

Training statistics

9,292
total hours

708
total trainings

9,7%
female share



Category	Average Hours of Training & Development (Offline) *	Average Hours of E-Learning (Online) **
Women	6.5	2.7
Men	7.4	0.8

Table 10: Average training hours of employees: Training & Development (Offline) & E-Learnings (Online).
 * Figures reflect only colleagues based in the Netherlands
 ** Figures reflect colleagues across global IHC locations

Work-life balance

Royal IHC’s maritime projects demand a dedicated workforce and a resilient, hard-working mentality. Recognising the importance of employee retention, both the HR department and project teams prioritise a supportive and sustainable working environment. To that end, Royal IHC actively promotes a healthy and flexible work-life balance for all employees. This includes:

- Flexible working hours for office employees.
- Working from home arrangements.
- Parental leave options.

Flexible working arrangements were reviewed in 2025, resulting in 50 percent of employees working at least one day per week from home.

Royal IHC believes that a positive work-life balance contributes to a vital, strong and healthy employees. Our efforts can be reflected in a positive decline of annual absenteeism, as highlighted in subchapter ‘Vitality’.

Vitality

Royal IHC places high priority on fostering a healthy and energetic working environment. The vitality strategy is embedded in its broader sustainable employability vision, which includes physical and mental health, lifestyle, job satisfaction, and work-life balance. Within Royal IHC we try to prevent health issues instead of to cure. Throughout the year, colleagues are encouraged to attend multiple initiatives in the field of vitality, as well as quickly taking action with external professionals when personal health issues occur.

- **Sporting events:** We encourage employees to exercise regularly and participate in sporting events such as football tournaments, biking tours, and running competitions. In 2025, we attended the Harbour Run for the third time with more than 25 colleagues. A sports committee oversees these activities to ensure broad engagement.
- **Company fitness centre:** We house our own fitness centre, with almost 350 members.

- **Mental health and stress management:** We continue to organise well-being workshops, each time focusing on relevant themes for our colleagues. Examples include physical heavy work, transitioning healthily into retirement, managing family care responsibilities, and breathing techniques.
- **Healthy nutrition:** We have held multiple information sessions on healthy nutrition.
- **New partnership with occupational physiotherapists:** In 2025, we entered into a new collaboration with occupational physiotherapists. They conduct workplace assessments and deliver workshops aimed at preventing physical complaints and enhancing the vitality of our employees.
- **Employee insurance schemes:** In 2025, we initiated a collaboration with a partner to support various employee insurance (SV) schemes, including the wage cost benefit (LKV), the no-risk policy, Whk assessments, and WIA reassessments. This partnership helps improve our internal processes and better manage financial risks.

In addition to these initiatives, Royal IHC continues to support individual employees in their recovery and reintegration into full-time work following health-related absences. Over the past three years, we have observed

a steady decline in the average absenteeism rate, as illustrated in Figure 8. Following this, our absenteeism figures show consistent improvement relative to the industrial sector average.

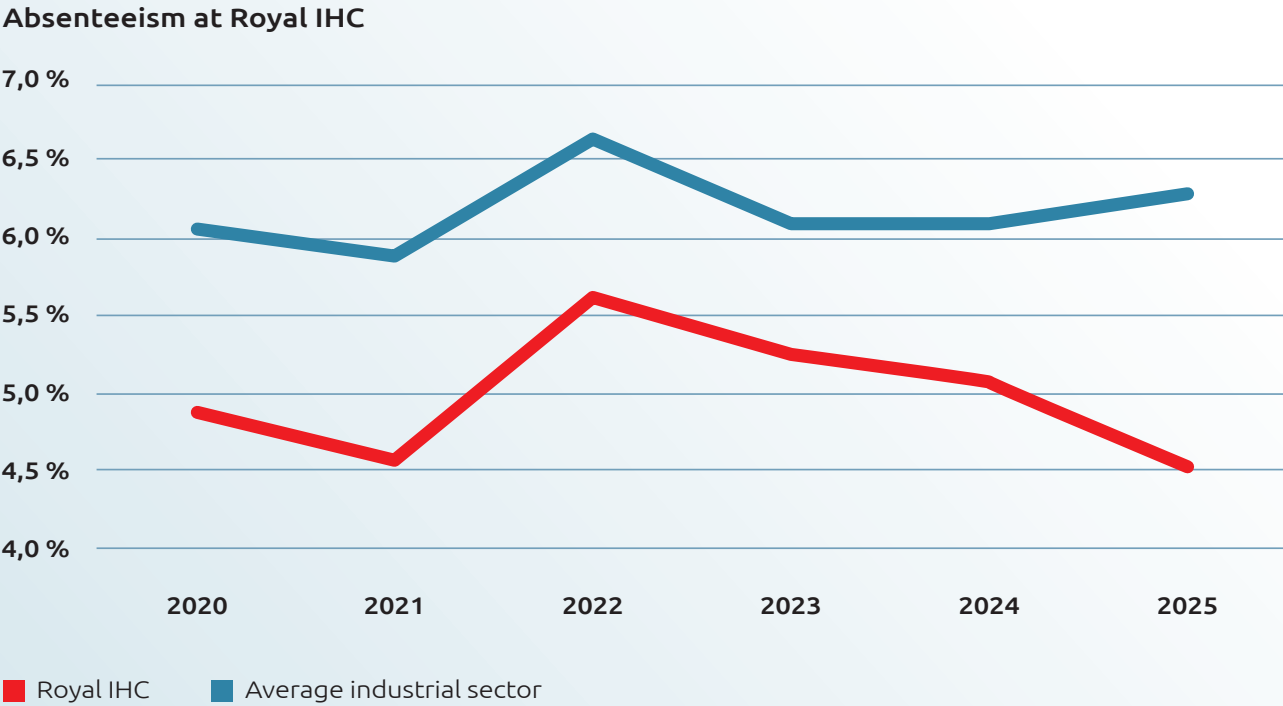


Figure 8: Royal IHC absenteeism trend versus the Dutch industrial sector average.

Unfortunately, we observed an increase in work related mental absenteeism last year, rising from below the market average to a level more in line with the market. In response, we are strengthening our focus on social and psychological safety within the organisation.

We will introduce a guideline centred on respectful interpersonal interaction and professional conduct. In addition, toolbox sessions will be rolled out to raise awareness, support managers and teams in recognising early warning signs, and foster a work environment in which employees feel safe, respected, and supported.

Milestones in 2025

- **The absenteeism rate continued to decline in 2025**, reaching **4.5%** (2024: 5.1%). This decrease is partly the result of strengthened prevention efforts, effective case management and the timely deployment of interventions.
- **In 2025, the Future Fit pilot (occupational physiotherapy) was carried out within Piping**, aimed at preventing physical complaints and serving as a targeted intervention to reduce absenteeism. Occupational physiotherapy is now standard for this location, and continued positive results may lead to a phased rollout of Future Fit to other production departments.
- **In 2025, we organised the workshop “Financially Fit for Your Retirement”**. The session provided employees with practical insights into their personal pension accrual, the state pension (AOW), options for retiring earlier or later, and available schemes such as the Generation Pact and the Early Retirement Scheme (RVU).

- **A positive development is the strong decline in the number of employees making use of preventive medical examinations in recent years**: from 82 in 2023 to 66 in 2024, and only 11 in 2025. This decrease indicates that our focus on prevention, vitality and timely support is becoming increasingly effective, reducing the need for additional medical examinations.
- **Social safety remains an important pillar within Royal IHC**. Through close cooperation with our confidential counsellors, we have been able to further safeguard internal social safety and maintain a secure workplace culture.

Adequate wages (building abroad)

Royal IHC is establishing close collaboration with international shipyards as part of its building abroad strategy. As we strengthen these partnerships, we remain committed to fostering confidence with clients and partners by striving for good working conditions, with focus on fair and adequate remuneration for workers abroad. In the coming years, Royal IHC will conduct a comprehensive risk assessment to identify priorities and define the necessary actions to ensure full alignment with our Code of Conduct.



4.4 Governance disclosures

Our core values of Commitment, Partnership, and Innovation are leading in our approach to corporate responsibility. These principles guide both our strategic decisions and our daily operations as we navigate and play our part in shaping the future of the maritime industry. Commitment extends beyond individual roles and reflects our responsibility toward customers, business partners, colleagues, and the wider community. By fostering strong and long-term partnerships, Royal IHC aims to build a foundation of trust that attracts and retains both customers and talent. Continuous innovation remains essential to strengthening our product portfolio and maintaining our position as a leading system integrator and supplier of maritime technology, creating the maritime future.

At the centre of our governance structure is the Management Board, supported by Group Legal: a dedicated team responsible for governance, risk, legal, and compliance. Together with the senior leadership team, they ensure that Royal IHC operates according to the highest standards of business integrity and with a strong sense of responsibility.

Royal IHC maintains zero tolerance for practices that exploit or harm individuals, including all forms of modern slavery, human trafficking, forced labour, bonded labour, and child labour. We remain committed to taking decisive action to prevent and address such violations wherever they may occur.

Our Code of Conduct, along with our internal policies and procedures, provides clear guidance on how we conduct business. Through these frameworks, we safeguard our operations and reinforce our commitment to acting with honesty and integrity.

Corporate culture

Royal IHC places business integrity at the heart of its global operations, viewing ethical conduct not only as a moral obligation but as a strategic imperative for long-term success. This approach builds trust with customers, partners, and employees, ensuring sustainable growth and continuity.

To uphold these principles, Royal IHC has implemented a robust compliance framework anchored in the Code of Conduct and in our compliance programme, iComply. These frameworks address critical areas such as anti-bribery and corruption, sanctions and export controls, while promoting an open and communicative culture supported by the SpeakUp line for raising questions and concerns. Every employee is expected to act in accordance with these values in all our business dealings.

Risk management is a key component of this framework, particularly when engaging local intermediaries or sales representatives. The company applies a structured due diligence process, supported by an intermediary policy, training programmes, and oversight mechanisms. The Compliance Team, integrated within Group Legal and as such reporting directly to the CEO, ensures that compliance remains a top priority across all operations.





Anti-bribery and corruption

Royal IHC's anti-bribery and corruption efforts align with the UK Bribery Act's six principles: proportionate procedures, top-level commitment, risk assessment, due diligence, communication, and ongoing monitoring. Procedures are tailored to the risks inherent in international trade, with all intermediaries subject to rigorous checks before engagement and at key contract milestones. Senior leadership actively promotes compliance, embedding policies throughout the organisation and encouraging open dialogue on ethical concerns.

Training and awareness initiatives are central to Royal IHC's strategy on business integrity. These include e-learning modules, in-person sessions across multiple jurisdictions, and regular communications through blogs and community meetings. Intermediaries also participate in engagement sessions to reinforce ownership as well as shared responsibility for integrity. Employees are encouraged to speak up about any suspected misconduct through multiple channels, including anonymous reporting options.

Continuous improvement underpins our compliance programme. Recent initiatives include a new e-learning on our Code of Conduct and the launch of a revised intermediary policy. In parallel with the launch of this new policy, we have kicked off a project to perform risk assessments and due diligence on all our active intermediaries. Future plans involve updating and implementing other policies and expanding training and awareness initiatives to new regions, ensuring that compliance remains dynamic and responsive to evolving risks.

Through these measures, Royal IHC demonstrates its unwavering commitment to ethical business practices, reinforcing a culture of integrity that supports sustainable growth and strengthens stakeholder trust worldwide.

To conclude, Royal IHC is subject to a government investigation in the Netherlands relating to agent services; further details on this matter are provided in the 2025 Annual Report.

Management of relationships with suppliers

Effective supplier management is essential to maintaining a resilient and high performing supply chain. At Royal IHC, supplier performance is closely monitored using key indicators such as delivery reliability, quality compliance, and responsiveness to disruptions.

Proactive communication and systematic follow-up with suppliers are standard practice, supported by swift resolution of bottlenecks to minimise delays. Delivery and quality performance metrics are reviewed regularly through the ERP system, while quality is further reinforced through audits, corrective actions, and continuous improvement initiatives.

Sustainability considerations are fully integrated into supplier collaboration, including social and environmental criteria and support for local suppliers. By combining data driven performance reviews, transparent feedback, and a strong commitment to sustainability, Royal IHC aims to build robust supplier relationships that can withstand disruptions and deliver long-term value.

The renewed Supplier Code of Conduct outlines the expectations for suppliers, their sub-tier suppliers, and contractors regarding business integrity and compliance. These requirements include ensuring voluntary employment free from any form of modern slavery or human trafficking, and upholding the minimum commitments set out in the eight fundamental ILO Core Conventions: freedom of association and collective bargaining; elimination of forced, compulsory, and child labour; a safe working environment free from discrimination and harassment; equal remuneration; recognition of the unique legal, social, and cultural circumstances of migrant workers; and ensuring that such workers are treated with dignity, respect, and in accordance with the same standards as all other workers. Suppliers are also expected to take reasonable steps to ensure that their own supply chains are free from modern slavery and human trafficking.

Royal IHC is committed to paying all undisputed and valid invoices within reasonable timeframes and agreed payment schedules.



4.5 Company specific theme: Research & Development

Royal IHC distinguishes itself within the maritime industry through the delivery of complex, high-end equipment and services. Continuous innovation is essential to maintaining this position and forms a core pillar of the company's long-term sustainability and competitiveness. A dedicated Research & Development (R&D) organisation is therefore central to Royal IHC's strategy.

The knowledge developed over decades of engineering and operational experience is actively preserved, further developed and systematically expanded to address the evolving needs of our markets and customers. This knowledge base enables Royal IHC to respond to increasing demands related to efficiency, safety, sustainability and operational reliability in complex maritime environments.

Innovation at Royal IHC is driven by close internal collaboration between the R&D organisation and the Product-Market-Groups (PMGs), ensuring that research activities remain firmly connected to practical application and customer value.

In addition, Royal IHC maintains strategic collaborations with customers, suppliers, universities and knowledge institutes worldwide. These collaborations often take the form of joint research and development projects, some of which are co-funded through national innovation schemes or international programmes such as European Union research and innovation funds. Knowledge development is further strengthened through active participation in national and international research networks and sector-wide platforms.

The knowledge generated through R&D activities is translated into design tools, design methods and engineering software that support the development of new equipment and services. These tools form the foundation of the design process for all Royal IHC products. They are continuously maintained and updated and are regarded as key strategic assets of the company.

R&D organisation and R&D laboratory

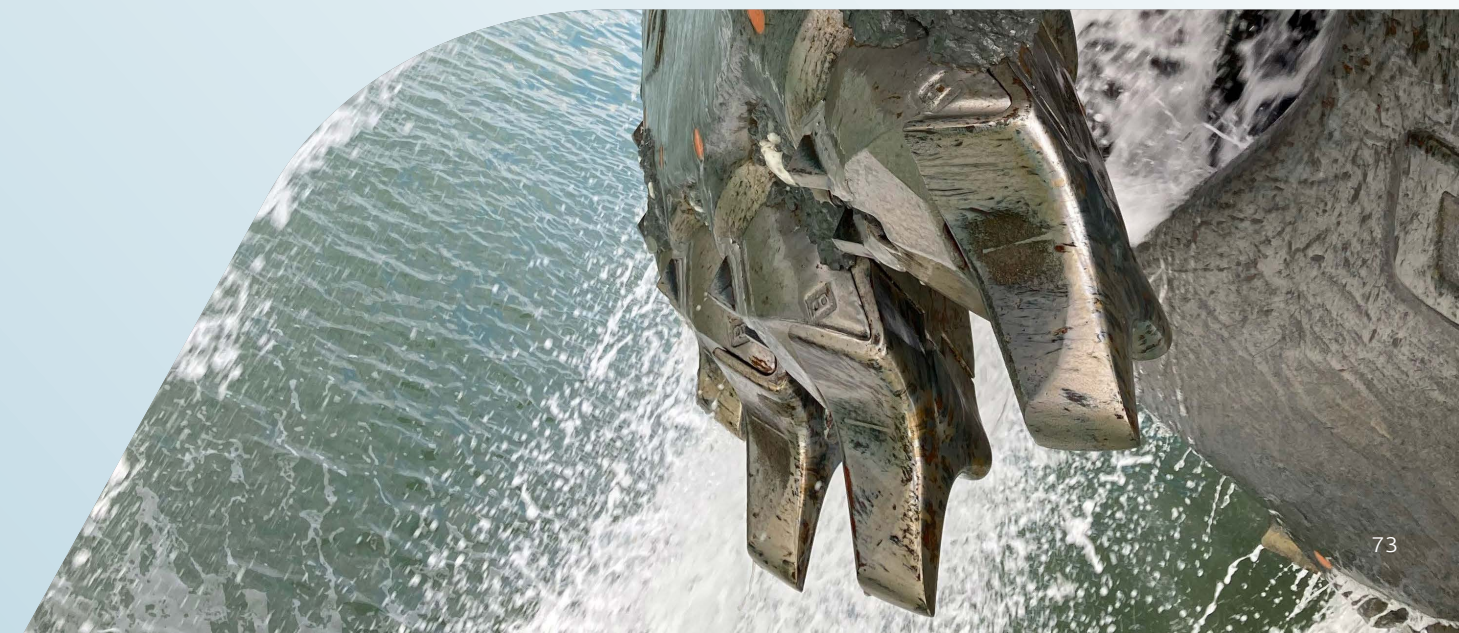
Royal IHC has a dedicated team of R&D engineers responsible for Corporate Research & Development. In addition, product development teams operate within the PMGs, focusing on application-specific

development and customer projects. The corporate R&D team works in close cooperation with these product development teams and supports the business by applying existing knowledge and tools in commercial projects.

Alongside project support, the corporate R&D team is responsible for mid- and long-term knowledge development through a structured corporate R&D programme. Royal IHC reviewed its R&D activities and defined a new four-year Research & Development programme for the period 2025–2028. This programme was developed in close collaboration with stakeholders from all PMGs and is centred on anticipated customer needs in the coming years. The programme is aligned with Product Management to ensure relevance, focus and impact.

Royal IHC operates an in-house R&D laboratory equipped with unique test facilities covering key aspects of its core market activities. These include excavation processes, two-phase hydraulic transport, breaching and cohesion behaviour, soil separation and classification, and wear measurement. The laboratory enables controlled experimentation and validation under representative conditions.

In addition to physical laboratory facilities, Royal IHC maintains a dedicated server cluster to support advanced numerical simulations, including novel two-phase Computational Fluid Dynamics (CFD) applications and pump design studies. Together with expert knowledge and laboratory infrastructure, engineering software and digital models developed in-house represent a critical R&D asset, capturing decades of domain expertise and enabling scalable application across projects.



External R&D Cooperation

Royal IHC participates in a number of external cooperation R&D projects, aimed at accelerating innovation and sharing knowledge across the maritime sector.

In 2025, these included:

- Green Maritime Methanol 3.0
(<https://greenmaritimemethanol.nl/>)
- MENENS
(<https://menens.nl/>)
- Zero JIP
(<https://www.marin.nl/en/jips/zero>)
- Sh2ipdrive
(<https://sh2ipdrive.com/>)
- Ammoniadrive
(<https://www.nwo.nl/en/researchprogrammes/perspectief/perspectief-grants/ammoniadrive>)
- Helenus
(<https://www.helenus.eu/>)
- Primavera
(www.nwo.nl/projecten/nwa116018238)
- Neon
(<https://neonresearch.nl/>)
- MP (Maritime Master Plan)
(<https://maritiemmasterplan.nl/het-maritiem-masterplan/>)
- Maritiem Master Plan 2.0 startup
(<https://maritiemmasterplan.nl/het-maritiem-masterplan/>)

Networks and Platforms

Royal IHC actively participates in professional, sector-wide networks and platforms that support knowledge exchange, standardisation and collaboration across the maritime industry. Participation in these networks strengthens the company's innovation capacity and contributes to responsible and sustainable technological development. Key networks and platforms are:

- CEDA
(<https://www.dredging.org/>)
- Maritime and Offshore NL
(<https://www.maritimeoffshore.nl/nl>)
- Waterborne
(<https://www.waterborne.eu/>)
- CIMAC
(<https://www.cimac.com/>)
- ZED Hub
(<https://zedhub.nl/>)

Intellectual Property

Safeguarding intellectual property (IP) is essential for Royal IHC as an innovation-driven company. Protection of patents, trade secrets, brands and copyrights supports long-term value creation and underpins sustainable innovation by safeguarding technologies that contribute to cleaner, safer and more efficient maritime operations. Since the early 2000s, Royal IHC's IP policy has supported the company's position at the forefront of maritime technology. Strengthening our IP framework also supports sustainable innovation by protecting technologies that contribute to cleaner, safer and more efficient maritime operations.

In 2025, the IP and Legal department continued to work on the core principles of IP such as respecting third-party IP, protecting Royal IHC's own IP, and ensuring fair allocation of IP in collaborative projects. In cases of IP infringement, Royal IHC takes firm action. Standard IP terms in sales and collaboration contracts have been reviewed, with any deviations now requiring Board approval.



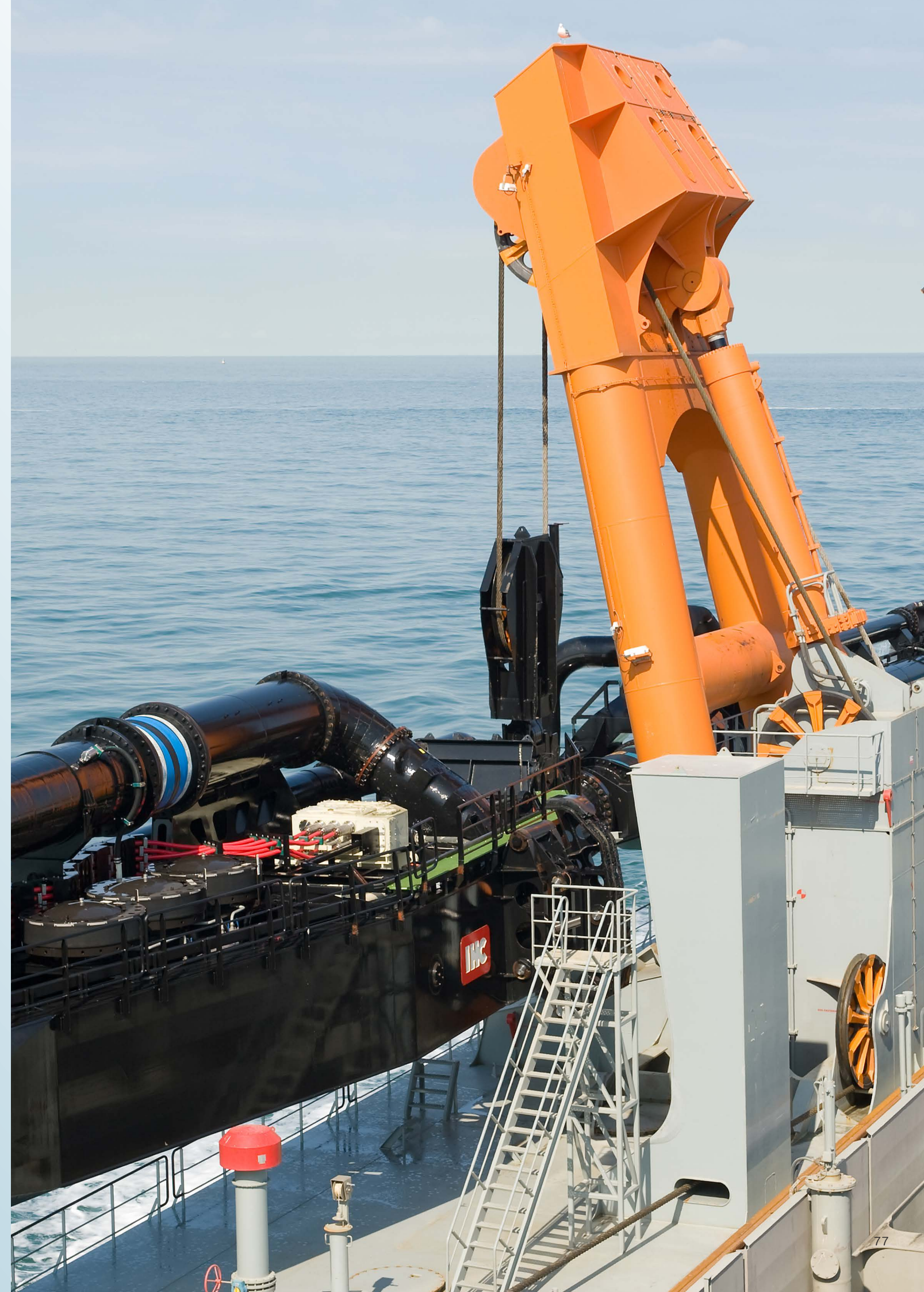
The IP department continuously works to raise IP awareness across the organisation. IP considerations is an integral part of daily activities supported by guidance on the rationale, scope and application of IP protection. Teams are actively supported in identifying and safeguarding new inventions, brands and proprietary know-how. This approach contributes to a culture of responsibility and integrity in the handling of knowledge.

Within our research activities, new intellectual property is often generated in the form of specialised knowledge rather than patentable inventions. Due to its strategic importance, it is generally not published or patented but documented in internal reports and embedded in proprietary in our design tools, design methods and processes.

Driven by product development, Royal IHC's patent portfolio continued to grow in 2025. During the year, four new patent applications were filed, and 14 patents were granted across five patent families. At the end of 2025, the patent portfolio comprised 420 granted patents and 39 active patent applications, spread across 73 patent families.

WBSO

The WBSO scheme is a tax credit scheme provided by the Dutch government to stimulate innovation. It compensates part of the costs and expenses associated with R&D projects through the tax relief. The scheme is available to organisations that meet the applicable criteria, including minimum R&D hours. Royal IHC applies annually for WBSO, based on ongoing R&D projects. In 2025, Royal IHC qualified for a significant amount of R&D hours under this scheme, reflecting the innovative nature of its vessels, equipment and services.



Appendices

I. Workforce characteristics

Country	Headcount	Gender		Contract Type	
		Male	Female	Permanent	Temporary
Australia	25	88%	12%	100%	0%
Bangladesh	4	100%	0%	100%	0%
Belgium	98	90%	10%	99%	1%
Brazil	55	85%	15%	100%	0%
China	10	50%	50%	90%	10%
Croatia	98	81%	19%	93%	7%
India	46	91%	9%	98%	2%
Indonesia	1	100%	0%	100%	0%
Jordan	1	100%	0%	100%	0%
Netherlands	1277	87%	13%	88%	12%
Republic of Singapore	10	80%	20%	100%	0%
Slovakia	7	71%	29%	100%	0%
South Africa	37	78%	22%	97%	3%
United Arab Emirates	20	80%	20%	85%	15%
United Kingdom	125	83%	17%	100%	0%
United States of America	5	80%	20%	100%	0%
Uruguay	2	50%	50%	100%	0%

Table 11: Number of employees (including country of employment, gender and type of contract) (31-12-2025).



royalihc.com

Royal IHC

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