

# *Annual Report*

## **2015**



# Preface

We are pleased to present the 2015 Annual Report of the IHC Merwede Foundation.

In 2015, we were able to continue supporting projects such as Samen voor Zambia and the House of Hope in India. These long-term commitments enable the organisations to build a sustainable future and support the local communities. A new collaboration with World Vision was also started to secure a better future for children working in the shipbreaking yards in Bangladesh.

One of the objectives of the IHC Merwede Foundation is to actively involve IHC employees in its activities. Last year, an increasing number of colleagues became involved through an ambassadorship or by contributing their knowledge and skills. In addition, the number of employees contacting the IHC Foundation for sponsorship of personal activities for charitable causes is growing.

With this report, the Executive Committee provides an insight into the financial status over the period from January through to December 2015, as well as an overview of activities during the year.

In conclusion, the Executive Committee would like to express its gratitude to all employees who were involved in any of IHC Merwede Foundation's activities.

**The IHC Merwede Foundation Executive Committee,**

Dave Vander Heyde

Bert Jan de Keijzer

Frans Lunenburg

Hans Smit

## Contents

3	Preface by the Executive Committee
4	About the IHC Merwede Foundation
6	Activities in 2015
9	Outlook for 2016
10	Financial statements 2015



# 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). The Foundation will arrange all charitable transactions to support social and cultural organisations that serve the common good on behalf of all the enterprises in the IHC Merwede group.

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 everyone. 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 all the enterprises in the IHC Merwede group
- 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 both the company's Dredging and Offshore divisions.

By the end of 2015, the members of the Executive Committee included:

- Mr DAAJAG Vander Heyde (Treasurer and Secretary)
- Mr BJ de Keijzer
- Mr FW Lunenburg
- Mr H Smit

The members of the Executive Committee do not receive any remuneration for their IHC Merwede Foundation duties.

The Executive Committee congregated four times in 2015 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.



Mercy Ships



# Activities in 2015

## Financial overview

The annual budget of the IHC Merwede Foundation is € 100,000. This is 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. The only exceptions are Christmas donations made by employees.

In 2015, all IHC employees received a voucher allowing them to select their Christmas present via the IHC Christmas web shop. This allows employees to donate a portion of the value of the voucher to selected beneficiaries, including World Vision and Mercy Ships.

Due to the closing date of the Christmas shop, these donations will appear on the annual financial balance of 2016. However, we are already pleased to declare that in 2015, a total donation of € 8,827 was made by IHC employees, of which World Vision will receive € 4,181 and Mercy Ships € 4,646. The donations made in 2014 are included in this report.

The main focus of the IHC Merwede Foundation – with the involvement of employees – is to support social and cultural initiatives in the regions where IHC is active. In 2015, a total amount of € 82,980 was spent on such projects.

In line with IHC's health strategy, sport initiatives to benefit charitable organisations were also organised and supported with a total budget of € 15,000. Lastly, the IHC Merwede Foundation supports initiatives in which individual employees are actively involved, for example, participation in a charity walk or other fundraising activities. In 2015, € 12,710 was allocated to this category.

## 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 2015, several projects with long-term commitment started in previous years were continued and a new partnership with World Vision was established. 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 2015: € 35,000

Total cumulative donations: € 35,000

There are 143 registered shipbreaking companies in Chittagong, Bangladesh. The shipbreaking industry contributes to over 50% of the country's national steel supply, and employs about 30,000 workers directly, and between 100,000 and 200,000 indirectly through ancillary activities.

According to a study carried out 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 2015, the IHC Merwede Foundation started a collaboration with World Vision to provide a life skills-based education to 80 children working in the shipbreaking yards and vocational training to 60 other children. The parents of these children will be involved to make them aware about the dangerous effects of child labour in the shipbreaking yards and to encourage them to send their children to the vocational training initiative.

*"I have learned how to effectively communicate with others, and make wise and thoughtful decisions. In addition, I gained confidence that there is a life for me outside the yards, so I have decided to stop working at shipbreaking yards and follow World Vision's training. I hope, after the training, to find a safe and decent job, so that I can continue to financially help my family and start building a brighter future."*

**Mohammed Omar Faruk, 15 years old**



Securing a Better Future for Working Children, Bangladesh

By the end of 2015, 60 children participated in the life skills sessions. The main topics covered included decision-making

skills, keeping control of emotions, effective communication, relationship building, creative thinking and personal hygiene. A group of 35 children participated and graduated in the vocational training sessions.

### Samen voor Zambia

Beneficiary: Stichting Hetty Denen Foundation

Donation in 2015: € 15,000

Total cumulative donations: € 36,291

Samen voor Zambia represents a collaboration between the Hetty Denen Foundation and 5xBeter. The latter is a cooperative project between the Dutch employers' organisation and trade unions representing the metal industry to improve working conditions in production facilities.

The aim of Samen voor Zambia is to contribute to a better future for younger people in Zambia by providing them with education opportunities and employment within the metal industry. The fundamental objectives of this project include:

- to supply machinery for the workshop and personal protective equipment for students and employees in order to improve safety during the manufacturing of products for the Zambian market
- to transfer knowledge on the safe and optimal use and maintenance of the machinery.

In 2013, the IHC Merwede Foundation made a contribution towards the first objective by providing a financial donation for the purpose of purchasing basic classroom furniture including benches, welding tables, hand trucks, cupboards and personal protective equipment.

In 2014, an IHC employee travelled to Zambia to provide support for the installation of the machinery and to explain how the machines work and how to maintain them.

In 2015, two Zambian teachers travelled to The Netherlands to learn more about teaching, welding and industrial machinery. They stayed for one week at the TOC, Kinderdijk.



Samen voor Zambia

### House of Hope, India

Beneficiary: Rays of Hope Ministries, India

Donation in 2015: € 5,471

Total cumulative donations: € 25,471

The House of Hope is funded by the Rays of Hope Ministries in India: an indigenous humanitarian NGO supporting (among others) children from the slums, orphans, and children and families affected by HIV. The Rays of Hope Ministries strives to make a difference to one life at a time.

The IHC Merwede Foundation first came into contact with this organisation in 2013 via an IHC employee who was stationed in Mumbai at that time. All IHC employees had the possibility to donate part of their Christmas present to the House of Hope in India in 2014. This has resulted in a total amount of € 5,471 donated to the House of Hope in 2015. This is partly used for child sponsorship (education and health care) and the monthly rent.

After three years of supporting the House of Hope by providing daily meals for children in the slums, purchasing a van for the daily transport of the youngsters, and providing education and healthcare for the children in the orphanage, the IHC Merwede Foundation decided to focus on other projects.

### Maintenance Africa Mercy

Beneficiary: Mercy Ships

Donation in 2015: € 7,445

Total cumulative donations: € 7,445

Mercy Ships is an international medical relief organisation that provides free medical care in developing countries on board the largest non-governmental hospital ship in the world – the Africa Mercy. Volunteering medical professionals help surgeries and healthcare services to treat a wide range of patients with limited access to medical care.

In 2015, the IHC Merwede Foundation enabled three IHC employees to travel to Durban, South Africa to volunteer during the annual maintenance period of the Africa Mercy by taking care of the travel and accommodation expenses.



House of Hope

# Activities in 2015

## The Winddrinker

Beneficiary: Aqua for All

Total cumulative donations: € 40,000

The Winddrinker is a decentralised system that produces high-quality drinking water from brackish water using wind power and a desalination system. This desalination system is well known in the maritime industry and regularly installed on board IHC vessels.

The first prototype of the Winddrinker was built and installed in Berbera, Somaliland – a brackish water region where the population faces a shortage of fresh drinking water. The technology behind the Winddrinker was proven to work and the prototype produced high-quality drinking water from brackish ground water. The prototype faced some structural issues, so it was decided that a second generation Winddrinker would be built.

In 2015, IHC participated in the design and procurement of components for the new Winddrinker. The IHC Merwede Foundation supported this with a financial donation and IHC specialists helped with these processes.

At the beginning of 2016, the components of the Winddrinker were procured. Some IHC suppliers were willing to deliver these parts for a reduced price or even free of charge. Later in the year, the Winddrinker will be assembled and shipped to Somaliland.

## Sports initiatives

In cooperation with IHC's health and safety programme, the IHC Merwede Foundation contributes to several annual sports activities related to charity.

## September 2015

Beneficiary: Bosk

Donation in 2015: € 6,500

In 2015, 26 IHC teams participated in September, aiming to take 10,000 steps per person per day to raise funds for people with Cerebral Palsy, as well as to improve their own physical fitness. In total, the 26 teams counted 29,647,982 steps and raised € 4,924. In addition, the IHC Foundation supported this initiative by donating € 250 to each team – a total of € 6,500.

## Fietsmolentocht Alblasserwaard

Beneficiary: Make a Wish

Donation in 2015: € 5,000

The IHC Merwede Foundation supported a cycling tour through the Alblasserwaard organised by the Rotary Alblasserwaard and Kinderdijk for Make a Wish. IHC employees were invited to participate in this event.

## AAA Run alblaserdam

Beneficiary: Diversity of Charitable organisations

Donation in 2015: € 3,500

In 2015, the IHC Merwede Foundation agreed with the AAA athletics team, based in Alblaserdam, to support an annual run for the benefit of several charities. IHC's Health Manager was involved in the organisation of the event and several IHC employees participated in the run.

## Individual employee initiatives

Annually, a certain proportion of the IHC Merwede Foundation's budget is allocated to individual employee initiatives. All IHC employees are encouraged to participate in charitable activities. In 2015, € 12,710 was donated to these pursuits. A wide range of organisations have been supported in this way. Some examples of the beneficiaries include:

- Unicef
- Hospitaalbroeders
- Diabetes Fonds
- Stichting Ride for the Roses
- Vrienden van de Hoop
- Stichting Wereld Foundation
- Sophia Kinderziekenhuis



Winddrinker



# Outlook for 2016

In 2016, the IHC Merwede Foundation will be responsible for the arrangement of charitable transactions to support social and cultural organisations that serve the common good of all enterprises in the IHC group. A focus point is the involvement of IHC employees in the activities of the IHC Merwede Foundation. In early 2016, an event was organised to inform IHC employees about the activities of and opportunities with the IHC Merwede Foundation, as well as to gather new project ideas and ambassadors.

Some of the 2015 projects are being continued in 2016, but other projects are being curtailed. However, the Executive Committee will continue to have dialogue with potential project partners and external organisations.

The cooperation with Samen voor Zambia will continue in 2016 and three IHC employees will travel to Zambia to support with the installation of machinery. They will also continue to develop the teaching programme with the Zambian teachers and support the management of the school.

The first prototype of the Winddrinker is expected to be built in Friesland in the third quarter of 2016. Depending on the

test results and the local weather conditions, the Winddrinker will be transported to Somaliland by the end of 2016.

The current programme of World Vision will finish in mid-2016. By that time, 60 children will have received vocational and life skills training. The Executive Committee will hold discussions with World Vision about the further cooperation and possible involvement of the maritime industry in The Netherlands with a follow-up project.

Five IHC employees will travel to Durban, South Africa to support the maintenance programme for the Africa Mercy. The IHC Merwede Foundation will contribute to their travel expenses.

Sporting initiatives and individual applications will also be supported by the IHC Merwede Foundation in 2016. Specific attention will be given to IHC employees to inform them about opportunities to participate in activities contributing to any charitable organisation supported by the IHC Merwede Foundation.





# Financial statements 2015

## Balance sheet

(after allocation of the result)

In euro's	Notes	31 December 2015	31 December 2014
<b>Current assets</b>			
Other receivables and accrued assets	1	166	166
Cash and banks	2	46.920	9.288
<b>Total</b>		<b>47.086</b>	<b>9.454</b>
<b>Liabilities</b>			
<b>Capital</b>			
Unappropriated results	3	8.615	9.454
<b>Current liabilities</b>			
Other liabilities and accruals	4	38.471	-
<b>Total</b>		<b>47.086</b>	<b>9.454</b>

## Profit and loss account

In euro's	Budget 2015	Actuals 2015	Actuals 2014
<b>Donations</b>			
Annual Contribution IHC Merwede	100.000	100.000	100.000
Suppliers' donations Christmas 2014	-	-	4.875
Suppliers' donations Christmas 2015	5.000	500	-
Suppliers donations Tour for Life	-	-	5.000
Donations employees' Christmas boxes	5.000	10.535	-
Others	-	100	4.064
<b>Total donations</b>	<b>110.000</b>	<b>111.135</b>	<b>113.939</b>
<b>Allocations</b>			
Not yet allocated gifts	8.750	-	-
Samen voor Zambia	10.000	15.000	10.891
World Vision	47.500	35.000	-
Contribution to employee initiatives	15.000	12.710	7.500
Suppliers donations including doubling	10.000	-	-
House of Hope, India	-	5.471	15.000
Floodings in Serbia	1.250	-	10500
Mercy Ships - Maintenance hospital ship	-	7.445	-
Orphanage Remar Angola	-	5.000	-
ALS en Kika	-	5.000	-
Orphanage Sethabelo, South Africa	-	5.000	-
Hospice Zwijsrechtse Waard	-	5.064	10.040
Regionale Voedselbanken	-	-	7.500
ALS Liga Belgie	-	-	5.000
Youth with a Mission	-	-	2.500
Other	-	-	250
<b>Total social and cultural projects</b>	<b>92.500</b>	<b>95.690</b>	<b>69.181</b>
September	10.000	6.500	12.000
Verkerkloop	-	-	1.000
Fietsmolentocht Alblasserwaard	-	5.000	-
Spinningmarathon (Tour for Life)	-	-	37.000
De ronde van Nedstaal	-	-	500
Other	5.500	3.500	-
<b>Total sport initiatives</b>	<b>15.500</b>	<b>15.000</b>	<b>50.500</b>
<b>Total allocations</b>	<b>108.000</b>	<b>110.690</b>	<b>119.681</b>
Spinningmarathon bike rental	-	-	2.517
Other	2.000	1.284	1.116
<b>Total other costs</b>	<b>2.000</b>	<b>1.284</b>	<b>3.633</b>
<b>Result for the year</b>	<b>-</b>	<b>-839</b>	<b>-9.375</b>

## 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 euro's	Note	31 December 2015	31 December 2014
<b>Current assets</b>			
<b>Other receivables and accrued assets</b>	<b>1</b>		
Other receivables		166	166
		<u>166</u>	<u>166</u>
<b>Cash and bank</b>	<b>2</b>		
The bank balance is freely available.			
<b>Capital</b>			
<b>Unappropriated results</b>	<b>3</b>		
Balance as at 1 January		9.454	18.829
Result		(839)	(9.375)
Balance as at 31 December		<u>8.615</u>	<u>9.454</u>
<b>Current liabilities</b>			
<b>Other liabilities and accruals</b>	<b>4</b>		
Samen voor Zambia		15.000	-
Orphanage Remar Angola		5.000	-
ALS en Kika		5.000	-
Orphanage Sethabelo, South Africa		5.000	-
House of Hope, India		5.471	-
Sporten voor Sophia		500	-
Sponsoring werkvakantie Zuid Afrika		1.500	-
West Coast Challenge		500	-
Deelname Alternatieve Elfstedentocht		500	-
		<u>38.471</u>	<u>-</u>

**Royal IHC**

P.O. Box 3, 2960 AA Kinderdijk  
Smitweg 6, 2961 AW Kinderdijk  
The Netherlands

T +31 78 691 09 11

[info@royalihc.com](mailto:info@royalihc.com)  
[www.royalihc.com](http://www.royalihc.com)