

IHC FOUNDATION

ANNUAL REPORT



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PREFACE

We are pleased to present the annual report of the IHC Merwede Foundation for 2019.

With this report, the Executive Committee provides an insight to the financial status over the period from January through to December 2019, as well as an overview of main activities during this year.

One of the objectives of the IHC Merwede Foundation (hereafter referred to as "IHC Foundation") is to actively involve IHC employees in the activities of the Foundation. In 2019, an increasing number of employees were actively involved in the activities of the IHC Foundation by means of daily support, ambassadorship or actual contribution of knowledge and skills.

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

The IHC Merwede Foundation Executive Committee

Dominique Nieuwpoort - van 't Hof (chairman)
Bert-Jan de Keijzer (treasurer)
Lars Huizinga
Maaïke de Jong
Jan Anne Schelling

ABOUT THE FOUNDATION

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

Since the date of establishment, the Dutch tax authorities have designated the IHC Merwede Foundation as a Public Benefit Organisation (ANBI – Algemeen Nut Beogende Instelling). This can be shaped either by the financial support of existing organisations or 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 Foundation aims to contribute to a better life for those in need. The overall objective of the IHC Foundation is therefore primarily to support charitable projects in countries where the company conducts its business activities and its employees are directly involved in operations. The IHC Foundation has the responsibility of arranging:

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

EXECUTIVE COMMITTEE

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

In 2019 the Executive Committee has made the following changes:

- Vienna Lomonov left the committee
- Arie Vergunst left IHC and left the committee
- Jan Anne Schelling joined the committee

The members of the Executive Committee do not receive any remuneration for their IHC Foundation duties. The Executive Committee congregated eight times in 2019 and all of the IHC Foundation's activities are reported to the IHC Board of Management.

SELECTION CRITERIA

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

Through the Foundation, 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 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 Foundation preferably supports projects of acknowledged organisations, both in The Netherlands and abroad.

PROJECT ORGANISATION

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

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 around 3,400 employees working from sites and offices on a global basis, we are able to ensure a local presence and support on every continent.

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

FINANCIAL OVERVIEW



In general the majority of the annual budget of the IHC Foundation is provided by IHC to support charitable projects on behalf of the entire IHC group. The IHC Foundation is not engaged in active fundraising, with the only exception that employees have the possibilities to donate part of the value of the Christmas present to the IHC Foundation. Contrary to previous years, IHC has contributed €50,000 instead of €100,000.

In the forecast a budget of €30,000 was allowed to support an aid project in Mozambique. This aid project concerns the renovation of a school that was severely damaged by the flooding in 2019. Because the start-up of this project has been delayed, no money has been transferred at the time of writing this report. Therefore the financial figures of this project will be included in the financial report of 2020.

The most important project category of the IHC Foundation is 'social and cultural initiatives'. In 2019, a total amount of €49,212 was spent on projects within this category. The second category the IHC Foundation is the sport initiatives. In 2019, in close cooperation with IHC's health strategy, sport initiatives to benefit charitable organisations were also organised and supported with a total budget of €2,700. The last category includes 'individual employee initiatives'.

With this category, the IHC Foundation supports initiatives in which individual employees are actively involved. For example, this could include participation in a charity walk or other fundraising activities. In 2019, an amount of €4,500 was spent on this category.

In 2019, all employees received a voucher allowing them to select a Christmas present via the online IHC Christmas Shop. This shop offered the possibility to donate (a portion of) the value of the voucher to selected projects of the IHC Foundation. The beneficiaries selected for 2019 include WNF Free the Sea, Sea Ranger Service, Niketan and Flooding Mozambique. We are pleased to declare that in 2019 the total of donations was €5,600. WNF Free the Sea will receive €1,834, Sea Ranger Service €1,072, Niketan €1,437 and Flooding Mozambique €1,256.

Due to the closing date of the Christmas shop, the donations of 2019 will appear on the annual financial balance of 2020. The donations pledged in 2018 are included in the financial statements of this report.

ACTIVITIES 2019

SOCIAL AND CULTURAL INITIATIVES

The focus of the IHC Foundation, with the involvement of its employees, is to support social and cultural initiatives in the regions where IHC is active. In 2019, several projects with long-term commitment started in previous years were continued and some new collaborations started, for example with Elim Foundation and Red Cross Croatia.

Highlighted below are some of the main social and cultural initiatives supported by the IHC Foundation.

ELIM FOUNDATION

Renovation school and installation water silos

Beneficiary: ELIM Foundation

Donation in 2019: €10,000

Elim Foundation is a small-scale initiative from Maassluis in the Netherlands, which supports an important project for children in Anjungan, Indonesia. The two main activities of this project are maintaining a children's home and an agricultural school. The current sleeping places of the school are poor: the wooden house of the boys is rotten and the sleeping places of the girls are moldy. Therefore the school had to be renovated and adapted to be able to properly serve as a children's home. The plan is to finish the new children's home within two years. In addition, the ELIM foundation will also finance the installation of a road and water supply by means of three water silos.

- The IHC Foundation has supported this project with a financial contribution for material and possible help with the installation of the water silos.



- **MERCY SHIPS**
- **Maintenance of the hospital ship AFRICA MERCY**
- *Beneficiary: Mercy Ships*
- *Donation in 2019: €4,148*
- *Total cumulative donations: €38,656*

Mercy Ships, an international medical relief organisation, provides free medical care in developing countries on board the largest non-governmental hospital ship in the world: the AFRICA MERCY. Volunteering medical professionals provide surgeries and healthcare to treat a wide range of problems to patients with little or no access to medical care.

In 2019, the IHC Foundation enabled six IHC employees to travel to Las Palmas, Gran Canaria, to volunteer during the annual maintenance period of the Africa Mercy by taking care of the travel and accommodation expenses. During the 'dock period', Africa Mercy came back from its fieldwork in Conakry (Guinee) to have its annual two-month maintenance. Our colleagues worked for two weeks on the ship to help with the repairs. After the docking period, the ship set sail to Dakar, Senegal's capital city, to provide free medical care.

IHC's ambassador for Mercy Ships Peter-Jan Moerman says: "I was very excited when the IHC Foundation decided to support Mercy Ships again, which has become a tradition since 2015. Personally, I already knew the organisation for a while and I stand behind their vision and mission. Since I also enjoy working with my hands, it was a no-brainer to get involved. Every time I went to the ship with new and known colleagues I had a fantastic time and enjoyed the work and atmosphere on board of the Africa Mercy. It is exciting to see IHC colleagues coming back for a second time or to see new ones signing up."

RED CROSS CROATIA

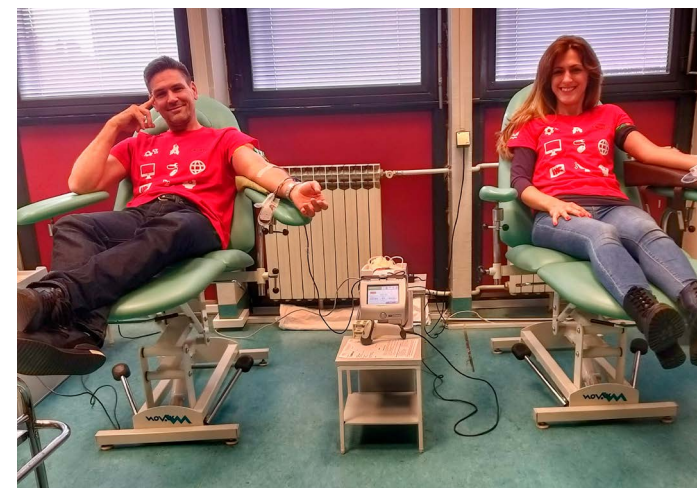
Donation of blood

Beneficiary: Red Cross Croatia

Donation in 2019: €1,000

Red Cross Croatia has accomplished humanitarian goals and tasks in the field of protection and improvement of health, social care, health and humanitarian response, and advocated respect for international humanitarian law and protection of human rights. Areas of activities are first aid, tracking services, voluntary blood donation, health protection, disaster preparedness and response, fundraising, water lifesaving service, asylum and migration, youth, volunteering and community programs.

- Colleagues of IHC Croatia decided to help and organised two blood donations, one in Pula and the other one in Rijeka. A total of thirty colleagues have donated blood within the Croatian Red Cross.
- On top of this, The IHC Foundation donated €1,000 to help regular blood donors who live in poor conditions and need humanitarian help.
- Nikolina Matahlija Mahne from Royal IHC Croatia says: "All companies should carefully listen and feel needs of their communities and do everything in their power to help, whenever needed. We believe that even the small deeds (like our blood donation days) are essential. That why IHC Croatia helped and will continue to help whenever possible. Our aim is, as a part of Royal IHC, to truly act in a corporate social responsible way and to be a good member/partner of the society, locally and globally."



WINDDRINKER

Installation solar system for groundwater desalination plant

Beneficiary: Winddrinker project - Somaliland

Donation in 2019: €0

Total cumulative donations: €40,000

Water is vital. In many places in the world there is no clean drinking water. This is also the case in Somaliland, in the city of Berbera, where a groundwater desalination plant has been installed this year, partly financed by the IHC Foundation. As a result, clean and affordable drinking water is now available.



- The IHC foundation started to support the Winddrinker project since 2013. The Winddrinker aims for a cost-effective, decentralised and wind-driven desalination system that can produce affordable and clean drinking water by using wind energy.

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 windmill of the prototype Winddrinker faced some structural issues. Therefore was decided to build a second generation Winddrinker. The IHC foundation facilitated by integrating the IHC engineering knowledge and relevant suppliers in order to design and build a windmill which could withstand the harsh weather conditions in Somaliland. In the course of 2019 it appeared that this concept was economically not feasible. Therefore it was decided to change the design and to first focus on the purification of the brackish water.

The latest design of the desalination plant is powered by a diesel generator. With a view to sustainability, the installation is prepared to be connected to solar panels in the near future to become a Sun drinker. We are happy that clean drinking water is now being produced with the future help of solar energy.

This year no financial donation was given by the IHC Foundation to the Winddrinker, our ambassador will continue to support the project until the sun drinker is powered by solar energy.

INDIVIDUAL EMPLOYEE INITIATIVES

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

In 2019, a total of €4,500 was donated to individual initiatives. In this way, the IHC Foundation was able to help a variety of organisations. Here are some examples:



IRB LIFESAVING

Rescue Boat competition

IHC employee: Frank van der Wijst

Beneficiary: IRB Lifesaving

Donation in 2019: €500

IRB, or Inflatable Rescue Boat, is a part of the sport Lifesaving. IRB competitions were originally set up to optimise the rescue skills of lifeguards. Teams over the whole world can exchange their skills and techniques, improve their skills and demonstrate that they can carry out rescues under great pressure and in a fast and reliable manner.

The IRB Lifesaving Netherlands is established in 2016 and the Dutch tax authorities have designated them as a Public Benefit Organisation (ANBI – Algemeen Nut Beogende Instelling). IRB consists of members of various rescue brigades who volunteer all year round and are concerned with safety on and around the water.

IHC Foundation supported IRB Lifesaving Netherlands in 2019 with materials, in order for them to train and participate in competitions.

“Being active on the water and being able to help others gives me a lot of energy and satisfaction. This sport ensures me that I get better at rescue work and also to get to know new people internationally”, says Frank van der Wijst.

If you want to read more about IRB Lifesaving Netherland, please go to irblifesaving.nl.



DEME4LIFE

Donation

Beneficiary: Kinderkankerfonds

Donation in 2019: €5,000

DEME is a world leader in the highly specialised fields of dredging, marine engineering and environmental remediation. And a highly valued customer of Royal IHC for years. DEME's drive for sustainable solutions is highlighted by its CSR initiatives, which are overseen by the DEME4Life Foundation.

For many years, the IHC Foundation donates on behalf of the DEME4Life foundation. In 2019, it donated to the Belgian Kinderkankerfonds. The Kinderkankerfonds provides financial and psychological support to children with cancer and their families. The treatment increases the chances of healing, but the treatment takes a long time and is often accompanied by all kinds of side effects. Either way, children are facing with discomfort and pain. Parents are burdened by fear, insecurity and feelings of powerlessness. To motivate these children and their parents to keep this up and to make the treatment bearable, a lot of extra care is needed.

The IHC Foundation and DEME4Life are very grateful to support this organisation.

SPORT INITIATIVE

CYCLE FOR HOPE

Cycling relay

IHC employee: Cornelis van 't Hof

Beneficiary: Foundation 'De Hoop'

Donation in 2019: €500



FLOORTJE FOR FATOU

Maintenance school in Brufut Nema, Gambia

IHC employee: Wijnand Stam

Beneficiary: Floortje for Fatou

Donation in 2019: €500

It started when Francine Simons-Hendriks and Ine Verhaegh-Simons were visiting Gambia. They saw the poverty and wanted to help. Floortje for Fatou was born. The first objective was to build a school for the local kids in Brufut Nema, where children from 7 years can learn and eat.

In November 2015, after three years of hard work, the school was opened.

At the beginning of 2019, work started on the construction of a community space, which is used as an extra schoolroom and a shady place to eat at noon. In addition, they can hold parent evenings and the community is allowed to use the space for meetings.

In 2020, they are aiming to build a wall around the school grounds. These walls surround all buildings in the countryside, to keep uninvited guests out of the gate. Like donkeys and sheep, which often roam freely and like to feast on the school garden.

IHC Foundation supported Floortje for Fatou in 2019, to make it possible to build the wall around the school grounds.

If you want to read more about Floortje for Fatou, please go to floortjevoorfatou.nl.

The Cycle for Hope, or 'Rondje Nederland', is a cycling relay of 1,200 kilometres in 48 hours through the Netherlands. As a team, you motivate each other through the difficult moments and experience together the highlights.

With this initiative, money is collected for Foundation 'De Hoop'. This organisation is a Dutch mental healthcare institution that offers help to children, young people and adults with psychological problems and addiction problems. The institution has locations in Amersfoort, Rotterdam, Dordrecht, Vlissingen, Veenendaal and Houten.

Initially, the foundation was only aimed at drug addicts, but gradually expanded its activities, so that people with other addictions and people with psychosocial problems can turn to it.

Cornelis van 't Hof says: “During this tour we had some difficult moments, but in the end it was all worth it, because we could give more people a better chance to make a successful new start. A nice final amount of money was raised, partly on behalf of the IHC Foundation and many MTI colleagues.”



OUTLOOK FOR 2020



The IHC Foundation will continue its activities in 2020 as well.

Some of the 2019 projects will no longer be supported by the IHC Foundation and other projects will be continued in 2020. For example, the IHC Foundation will further continue to support Mercy Ships in 2020 with various activities. In addition, the Executive Committee will also look for possible new projects to support.

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

FINANCIAL STATEMENTS 2019

BALANCE SHEET (AFTER ALLOCATION OF RESULTS)

IN EUROS	NOTES	31-12-2019	31-12-2018
Current assets			
Other receivables and accrued assets	1	5,000	5,000
Cash and banks	2	52,934	53,899
Total		57,934	58,899
Capital			
Unappropriated results	3	42,934	36,449
Current Liabilities			
Other liabilities and accruals	4	15,000	22,450
Total		57,934	58,899

PROFIT AND LOSS ACCOUNT

IN EUROS	BUDGET 2019	ACTUALS 2019	ACTUALS 2018
Donations			
Annual contribution Merwede Holding BV	50,000	50,000	100,000
Donations suppliers Christmas	-	250	2,150
Donations employees' Christmas boxes	10,213	10,213	11,317
Contribution employees UNICEF 'Give a Day'	-	-	10,635
Other donations	-	2,652	-
Total donations	60,213	63,115	124,102
Allocations			
Social and Cultural Projects	77,212	49,212	70,648
Sports initiatives	2,700	2,700	30,900
IHC employee initiatives	6,500	4,500	9,262
Total allocations	86,412	56,412	110,810
Other costs	750	217	724
Total costs	87,162	56,629	111,535
Net result	(26,949)	6,485	12,567

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

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

NOTES TO THE BALANCE SHEET

IN EUROS	NOTES	31-12-2019	31-12-2018
Current assets			
Other receivables and accrued assets	1		
Other receivables		5,000	5,000
Cash and banks	2		
The bank balance is freely available			
Capital			
Unappropriated results	3		
Balance as 1 January		36,499	23,882
Result		6,485	12,567
Balance as at 31 December		42,934	36,449
Current liabilities			
Other liabilities and accruals	4		
Stichting Jarige Job			750
Herv. Gemeente Maranatha Nieuw Lekkerland (Malawi project)			500
Stichting Umutima foundation (voedingscentrum)			500
KIKA/Deme4life		5,000	2,500
ALS Liga België vzw/Deme4life			2,500
Stichting clubhuis Hillegersberg (nieuwbouw scouting)			500
Stichting Smart Parks (rhino protection)			500
Stichting Hetty Denen voor Zambia			5,200
KWF Kanker bestrijding (Samen loop voor hoop)			500
Stichting Salt Farm Foundation (Saltfarm Interreg)			9,000
Rode Kruis 'Missing Maps'		5,000	
Stichting Zeilschip 'Eendracht' Goede doelen reizen		5,000	
		15,000	22,450

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