

# ANNUAL REPORT 2016



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## PREFACE

We are pleased to present the annual report of the IHC Merwede Foundation for 2016. With this report, the Executive Committee provides an insight to the financial status over the period from January through to December 2016, as well as an overview of main activities during the year.

In 2016 we were able to continue projects like “World Vision” in Bangladesh and “Mercy Ships” in Africa. These long term commitments enable the organisations to build a sustainable future and support the local communities. Besides, a new collaboration with the Simanyene Highschool was started to secure a better future for children living in South Africa.

One of the objectives of the IHC Merwede Foundation is to actively involve IHC employees in the activities of the Foundation. In 2016, an increasing number of employees were actively involved with the activities of the IHC Foundation by means of daily support, an ambassadorship or actual contribution of knowledge and skills.

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

### **The IHC Merwede Foundation Executive Committee**

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



FOTOGRAFIE: MERCY SHIPS

# 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 all the company clusters of Royal IHC.

In 2016 there were some changes in the members of the Executive Committee, by the end of 2016 the members included:

- Mr H Smit (Chairman)
- Mr A Vergunst
- Mr BJ de Keijzer (Treasurer)
- Mr L Huizinga
- Mrs M Koutsopoulou
- Mrs D van 't Hof

The members of the Executive Committee do not receive any remuneration for their IHC Merwede Foundation duties. The Executive Committee congregated four times in 2016 and all of the IHC Merwede Foundation's activities are reported to the IHC Board of Management.

## SELECTION CRITERIA

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

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

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

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

## PROJECT ORGANISATION

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

## COMPANY PROFILE ROYAL IHC

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

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

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

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

**FINANCIAL OVERVIEW**

The annual budget of the IHC Merwede Foundation is € 100,000, provided by Royal IHC to support charitable projects on behalf of the entire IHC group. The IHC Merwede Foundation is not engaged in active fundraising, with the only exception that employees have the possibilities to donate part of the value of the Christmas present to the IHC Merwede Foundation.

The most important project category of the IHC Merwede Foundation is “social and cultural initiatives”. In 2016, a total amount of € 95,792 was spent on projects within this category. The second category the IHC Merwede Foundation is the sport initiatives. In 2016, in close cooperation with IHC’s health strategy, sport initiatives to benefit charitable organisations were also organised and supported by with a total budget of € 1,000. The last category include “individual employee initiatives”. With this category, the IHC Merwede Foundation supports initiatives in which individual employees are actively involved. For example, this could include participation in a charity walk or other fundraising activities. In 2016, an amount of € 14,999 was spent on this category.

In 2016, all employees received a voucher allowing them to select a Christmas present via the online IHC Christmas Shop. This shop offered the possibility to donate (a portion of) the value of the voucher to selected projects of the IHC Merwede Foundation. The beneficiaries selected for 2016 include Simanyene Highschool and Mercy Ships. We are pleased to already declare that in 2016 a total donation of € 7,948 was made by IHC employees. Simanyene Highschool will receive € 3,774 and Mercy Ships € 4,174.

Due to the closing date of the Christmas shop, the donations of 2016 will appear on the annual financial balance of 2017. The donations made in 2015 are included in the financial statements of this report.



FOTOGRAFIE: MERCY SHIPS

**SOCIAL AND CULTURAL INITIATIVES**

The main focus of the IHC Merwede Foundation, with the involvement of its employees, is to support social and cultural initiatives in the regions where IHC is active. In 2016, several projects with long-term commitment started in previous years were continued and a new partnership with Simanyene Highschool 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 2016: € 35,000*  
*Total cumulative donations: € 70,000*

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

In 2016, the IHC Merwede Foundation continued the collaboration with World Vision. World Vision provides a life skill based education to 80 children working in the ship breaking yards and a vocational training to 60 children. The parents of these children will be involved in this training to make them aware about the dangerous effects of child labour in the ship breaking yards and to encourage them to send their children to the vocational training.

*“Earlier I used to work as cutter helper in ship breaking yard, there was life risk, one day I heard the news from one of my friends that WVB & YPSA enrolling children for vocational training, those are engaged in Ship Breaking Yards hazardous job, I showed my interest for this training and now receiving vocational training and hope after completion this, I will join in a decent job and build a better life.”*  
 Mohammed Sakib Hossain - trainee of Industrial Garments Machine Operation & Maintenance

**ACTIVITIES 2016**

By the end of march 2016, 60 children participated in the life skills sessions. Main topics that were treated in the training include decision making skills, emotion control, effective communication, relationship building, creative thinking and personal hygiene. A group of 60 children participated and graduated in the vocational training sessions and 40 of them are placed in an internship. Furthermore 100 parents and/or caregivers received information about the dangerous effects of child labor.

**Maintenance Africa Mercy**  
*Beneficiary: Mercy Ships*  
*Donation in 2016: € 9,692*  
*Total cumulative donations: € 17,137*

Mercy Ships, an international medical relief organisation, provides free medical care in developing countries on board the largest non-governmental hospital ship in the world: the Africa Mercy. Volunteering medical professionals provide surgeries and healthcare to treat a wide range of problems to patients with little to poor access to medical care.

In 2016, the IHC Merwede Foundation enabled five IHC employees (Aad Schell, Henry Dossett, Arjan Dekker, Stefan Alanovic and Bart Lunenburg) 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.

During the “dock period”, Africa Mercy came back from its field work in Madagascar to have its annual two-month maintenance. Our colleagues worked for two weeks on the ship to help with the repairs of the watertight doors, the “catwalk” around the pilot cabin and the air shafts. The main task was the repair of the air shafts, because the quality of the air wasn’t optimal. The air shafts were completely repaired and a new filter system was built to improve the quality of the air. After the air shafts were finished, the gratings of the “catwalk” were replaced with new ones and a couple of watertight doors were restored and repaired.

**Winddrinker**  
*Beneficiary: Aqua for All*  
*Donation in 2016: € 0*  
*Total cumulative donations: € 40,000*

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 Winddrinker faced some structural issues. Therefore was decided to build a second generation Winddrinker.

During the year 2016, some components of the Winddrinker were procured and delivered. IHC participated in the design, further development and project management. This year no financial donation was given by the IHC Merwede Foundation to the Winddrinker, our ambassador will continue to support the project till the 2nd generation of the Winddrinker is completed.

**The self-sufficient Simanyene Highschool**  
*Beneficiary: Pro-Simanyene npc*  
*Donation in 2016: € 20,000*  
*Total cumulative donations: € 20,000*

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

The IHC Merwede Foundation donated money in order to fund a self-sufficient soccer field. The project is in current operation. It includes solar panels on the roof of the school to gain electricity and be self-sustaining. This electricity is used to operate the water pump which is installed and used to irrigate the grass for the soccer field with groundwater. Next steps for next year will involve planting the grass and buying sportswear for the students.



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- 01 Boskalis Beach Cleanup Tour
- 02 Simanyene Highschool - drilling for water
- 03 Simanyene Highschool - visit from the Netherlands
- 04 Simanyene Highschool



FOTOGRAFIE: STICHTING DE NOORDZEE

**Samen voor Zambia**  
*Beneficiary: Stichting Hetty Denen Foundation*  
*Donation in 2016: € 0*  
*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 2016, phase three of the project started. In phase three IHC employees will again travel to Zambia firstly to support with the technical maintenance of installations and machines, including the training of local people. Secondly, to support in teaching programs and further education. The goal of the schools is to become totally self-sufficient among others by the incomes of the order intake of the schools.

**Beach Cleanup Tour 2016**  
*Beneficiary: Stichting Noordzee*  
*Donation in 2016: € 12,100*

Since 2013, Stichting de Noordzee organizes the Boskalis Beach Cleanup Tour in close collaboration with Boskalis. In two weeks' time the beach of the complete North Sea costs is cleaned in stages from north to south and from south north, meeting in the middle. Every stage an average of 10 kilometers of beach is cleaned and as many garbage as possible is collected. The main goal of the Cleanup tour is to show the public the amount of garbage left on the beach, which if not cleaned properly will drift ashore.

In 2016, a total of 2,320 participations cleaned the beach and together they collected a 19,203kg of garbage. This year IHC Merwede Foundation, in cooperation with IHC Services, made the stage of the sealine of Ouddorp possible. During this stage 80 people participated, whereof 40 IHC employees and/or family members and friends. Together they collected 2,000kg of garbage.

**Voedselbanken**  
*Beneficiary: Voedselbanken*  
*Donation in 2016: € 14,000*

This year the Foundation supported the Voedselbanken in the surroundings of the IHC locations. At an event organized in Kinderdijk seven Voedselbanken pitched their ideas about what to do with the donations. Some ideas were; a new van, replacement of a freezer and a dishwasher for crates. During the event tips and tricks were mutually exchanged between the voedselbanken. The IHC Foundation was happy to see and hear about the destinations of the donations.

**SPORT INITIATIVES**  
 This year most of the sport initiatives were canceled or IHC was not involved. This year the IHC Merwede Foundation only supported the Tour for Life where money was raised for the Daniel de Hoed foundation.

**INDIVIDUAL EMPLOYEE INITIATIVES**  
 Individual employee initiatives  
 Annually, a certain amount of the budget of the IHC Merwede Foundation is allocated for individual employee initiatives. All IHC employees are encouraged to participate in charitable activities. In 2016, €14,999 was donated to individual initiatives. A wide variety of organisations have been supported in this way by the IHC Merwede Foundation. Some examples of beneficiaries include:

- Unicef
- Skate4Air
- Stichting Jarige Job
- Sporten voor Sophia
- Foundation 4 Cross Cultural Education
- Roparun
- Edwin van der Sar foundation
- Vreewijk 100 jaar
- Ride4kids Pyreneen challenge.



FOTOGRAFIE: MERCY SHIPS

# OUTLOOK FOR 2017

The IHC Merwede Foundation is also in 2017 responsible for the arrangement of charitable transactions to support social and cultural organisations that serve the common good on behalf of all the enterprises in the IHC group. A focus point is the involvement of IHC employees in the activities of the IHC Merwede Foundation. We have the aim, just like this year, to organize an event to inform IHC employees about the activities and possibilities of the IHC Merwede Foundation and to gather new project ideas and ambassadors.

Some of the 2016 projects will be continued in 2017, other projects will no longer be supported by the IHC Merwede Foundation. They have a full and diverse portfolio of projects, the Executive Committee will continue the dialogue with potential project partners and external organisations.

The main projects that will be continued are:

### Mercy Ships

In June 2017 again five IHC employees will travel to the Africa Mercy. This time the support during the maintenance period of the Africa Mercy; the world's largest hospital vessel operated by Mercy Ships will take place in Gran Canaria. The IHC Merwede Foundation contributes in the travel expenses.

### Simanyene Highschool

In 2016 the focus was to build the irrigation system. In the beginning of 2017 the commissioning and testing will take place and when these are ready the grass can be planted for the soccer field. In the summer of 2017 the field should be ready and the students can start playing.

### Samen voor Zambia

The cooperation with Samen voor Zambia will continue in 2017. In 2016 three IHC employees were supposed to travel to Zambia to support 1) with the installation of machinery in order to get these (safely) working, 2) to continue developing the teaching program with the Zambian teachers regarding welding and metal work and 3) to support the management of the school relating the teaching processes. This did not take place and is therefore scheduled in 2017.

### Boskalis Beach Cleanup tour

In August the 6th edition of the Boskalis Beach Cleanup tour will take place and the IHC Merwede Foundation, in close cooperation with IHC Services, will participate again.



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- 01 World vision
- 02 Voedselbanken

# FINANCIAL STATEMENTS 2016

## BALANCE SHEET

(after allocation of the result)

IN EUROS	NOTES	31-12-2016	31-12-2015
<b>Current assets</b>			
Other receivables and accrued assets	1	166	166
Cash and banks	2	33,623	46,920
<b>Total</b>		<b>33,789</b>	<b>47,086</b>
<b>Capital</b>			
Unappropriated results	3	12,839	8,615
<b>Current liabilities</b>			
Other liabilities and accruals	4	20,950	38,471
<b>Total</b>		<b>33,789</b>	<b>47,086</b>

## PROFIT AND LOSS ACCOUNT

IN EUROS	BUDGET 2016	ACTUALS 2016	ACTUALS 2015
<b>Donations</b>			
Annual contribution IHC Merwede	100,000	100,000	100,000
Suppliers' donations Christmas	-	2,475	500
Donations employees' Christmas boxes	8,000	8,827	10,535
Donation IHC Services Beach Cleanup	-	5,000	-
Other donations	-	120	100
<b>Total donations</b>	<b>108,000</b>	<b>116,422</b>	<b>111,135</b>
<b>Allocations</b>			
World Vision	30,000	35,000	35,000
Beach Cleanup Tour	-	12,100	-
Samen voor Zambia	2,500	-	15,000
House of Hope	-	-	5,471
Mercy Ships	15,000	9,692	7,445
Simanyene Highschool	-	20,000	-
ALS en Kika	-	-	5,000
Orphanage Sethabelo	-	-	5,000
Orphanage Remar Angola	-	-	5,000
Hospice Zwijndrechtse Waard	-	-	5,064
DEME (ALS en Kika)	-	5,000	-
Voedselbanken	17,000	14,000	-
Other projects	15,000	-	-
<b>Total social and cultural projects</b>	<b>79,500</b>	<b>95,792</b>	<b>82,980</b>
Contribution to employee initiatives	20,000	14,999	12,710
<b>Total employee initiatives</b>	<b>20,000</b>	<b>14,999</b>	<b>12,710</b>
Fietsmolentocht Alblasserwaard	5,000	-	5,000
Various sponsor courses	1,500	-	-
September	-	-	6,500
Tour for Life t.b.v. Daniel den Hoed St.	-	1,000	-
Other	-	-	3,500
<b>Total sport initiatives</b>	<b>6,500</b>	<b>1,000</b>	<b>15,000</b>
<b>Total allocations</b>	<b>106,000</b>	<b>111,791</b>	<b>110,690</b>
Other	2,000	407	1,284
<b>Total other costs</b>	<b>2,000</b>	<b>407</b>	<b>1,284</b>
<b>Results of the year</b>	<b>-</b>	<b>4,224</b>	<b>-839</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 EUROS	NOTES	31-12-2016	31-12-2015
<b>Current assets</b>			
<b>Other receivables and accrued assets</b>	<b>1</b>		
Other receivables		166	166
		<b>166</b>	<b>166</b>
<b>Cash and banks</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		8,615	9,454
Result		4,224	(839)
Balance as at 31 December		<b>12,839</b>	<b>8,615</b>
<b>Current liabilities</b>			
<b>Other liabilities and accruals</b>	<b>4</b>		
Samen voor Zambia		-	15,000
Regionale voedselbanken		14,000	-
Orphanage Remar Angola		-	5,000
ALS en Kika		5,000	5,000
Orphanage Sethabelo, South Africa		-	5,000
House of Hope, India		-	5,471
Sporten voor Sophia		1,950	500
Sponsoring werkvakantie weeshuis Zuid Afrika		-	1,500
West Coast Challenge		-	500
Deelname alternatieve Elfstedentocht		-	500
		<b>20,950</b>	<b>38,471</b>