



Industrial participation

DAMEN



Proud to play a part in the development of a sustainable, local maritime sector

Wherever Damen operates around the world, our aim is the same. We seek to form long-term collaborations with local government, shipyards, industry, and education & research institutes – even when there is no contractual obligation to do so. In this way, we undertake our shipbuilding projects in a manner that advances local economic growth and job creation. At a time when many countries are thinking about matters of national sovereignty, defence & security and sub-regional collaboration, the topic of industrial participation (IP) is growing in value. With this brochure, we are proud to present Damen's approach to IP, and to share a few examples from an extensive track record developed over many years. Our way of working with local partners frequently includes the following:

Local construction

We support the construction of Damen vessels at Damen and non-Damen yards all over the world.

Transfer of technology & knowledge

We are experienced in supporting third-party shipyards and local businesses, including with the provision of access to technology and know-how, facilitating the development of local expertise for the long-term.

Local content

Whenever possible we work with local businesses in the execution of our shipbuilding projects where necessary providing the investments required to facilitate local capabilities. Damen's commitment to fostering local maritime industries is exemplified by the F126 frigate project for the German Navy. In this initiative, Damen collaborates closely with German shipyards, suppliers, and knowledge institutes to ensure that the vessels are constructed and integrated within Germany, thereby engaging the nation's sophisticated shipbuilding capabilities and contributing to economic growth and as such, return on investment.

The German Government had no industrial participation requirements for this project, yet Damen choose to involve the German partners to allow for more than 70 percent locally added value. It is all about cooperation.

This approach aligns with Damen's philosophy of enhancing local industrial participation. Beyond Germany, Damen has a proven track record of contributing to the local industry in other nations without formal obligations.

The scale and complexity of the F126 programme generate opportunities for industrial participation beyond Germany. This project involves a broad international supply chain, creating economic and technological benefits in multiple countries. For example, in South Africa, the expertise and capabilities gained through Damen's past naval projects enable local companies to take part in the F126 programme, strengthening the nation's maritime industry. Similarly, in Canada and Norway, Damen's long-standing relationships with local shipbuilding and technology firms position these countries as key contributors to the project. By engaging suppliers, transferring technology, and fostering local expertise, the F126 programme demonstrates Damen's ability to generate sustainable industrial participation across borders, supporting economic growth and enhancing shipbuilding capabilities worldwide.

Industrial Participation agreements

Damen frequently enters into IP agreements with governments. Aligning ourselves fully with their aims, we commit to the retention – and creation – of strategic domestic defence capabilities and a return on investment for the taxpayer.



SOUTH AFRICA

Project BIRO

Damen Shipyards Cape Town (DSCT) undertook the construction of three Multi Mission Inshore Patrol Vessels, procured by ARMSCOR on behalf of the South African Navy. DSCT's activities in shipbuilding had already played a contributory role in the development of a solid local supply base. Project BIRO allowed the yard to facilitate further growth in this area, in line with government programmes such as Local Content, Enterprise and Supplier Development (ESD), Defence Industrial Participation (DIP), and National Industrial Participation (NIP).

In the process, Damen committed to aligning with the government's socio-economic objectives, such as supporting Exempted Micro and Qualifying Small Companies, which led to the inclusion of 100 SMEs and QSEs in Project BIRO. This strategy reinforces our ambition to create sustainable jobs.

The initiative also emphasized the importance of fostering collaboration between local businesses and international companies, enabling the transfer of skills, knowledge, and technology. Through this collaboration, Damen created a sustainable business environment that not only met the immediate needs of the project but also set a foundation for long-term industrial growth in South Africa's maritime and defence sectors, for instance through providing access to its international projects and opportunities. The project's approach helped local companies to increase their access to global markets, contributing to the strengthening of South Africa's industrial base.

Moreover, Project BIRO promoted innovation by integration of advanced technologies in the shipbuilding process. This forward-thinking approach resulted in improved production efficiency, quality control, and overall project delivery, which in turn facilitated influx of knowhow and advancement of advanced shipbuilding capabilities. Damen's investment in both human capital and technological infrastructure ensured that the project's impact was felt beyond the completion of the vessels, with a lasting effect on the South African economy.

In addition, Damen's commitment to adhering to NIP and DIP requirements has strengthened its ongoing partnerships with local stakeholders and government entities. These partnerships are pivotal in ensuring continued alignment with the government's long-term economic goals, including fostering sustainable job creation, skills development, and industrial growth. By building these enduring relationships, Damen is not only contributing to the success of Project BIRO but also reinforcing its broader role in supporting socio-economic development, both within the project and in the region well beyond its completion.





MEXICO

POLA 101

Based on the proven, modular Damen SIGMA 10514, the Mexican Navy's POLA 101 is the most technologically advanced naval vessel in Latin America. The vessel has a broad scope, being responsible for safeguarding Mexican sovereignty, international security cooperation, law enforcement, and delivery of humanitarian aid amongst other things.

Two of the vessel's modules were constructed at Damen Schelde Naval Shipbuilding in the Netherlands under supervision of the Mexican production team. This facilitated the transfer of technology and knowledge to enable construction of the remaining four modules at Astimar 20 in Salina Cruz, Mexico by the Mexican team, together with Mexican subcontractors and suppliers. Upon completion, Damen assisted with the assembly, integration, commissioning and trials in an intensive transfer of technology and training programme.



UNITED STATES

United States Coast Guard

A prime example of the construction of Damen vessels under licence at a third party yard, is the Protector Class and Sentinel Class vessels for the United States Coast Guard. The vessels, based on the Damen Stan Patrol 2606, and 4709 designs, respectively, were constructed at Bollinger Shipyards, in full compliance with the Jones Act, which requires that domestic vessels be built and registered in the USA.

To support the projects, Damen delivered the design packages to which the vessels were built. The collaboration began in 1999 with an initial order of 50 Protector Class Vessels. Over the following ten years, a total of 74 such vessels were built. Construction of the Sentinel Class began in 2008. To date, some 64 vessels have been constructed.



ROMANIA

Damen's Commitment to Industrial Participation in Romania

While not having an IP obligation in the country, during its long history of operating in Romania, Damen has been a key contributor to the country's industrial and maritime sectors. This is fully aligned with our philosophy of fully embracing governmental policies wherever we operate. We view this as a means to ensure sustainable business operations, preparing our organisation comfortably absorb any IP obligation that may arise in the future.

The company's operations in the country demonstrate its long-term commitment to Romania. They include Damen Shipyards Galati, Marine Engineering Galati, and Damen Workforce Romania. Damen has successfully integrated local industry into its supply chain.

By sourcing materials and services in Romania, Damen strengthens the country's industrial base, supports local businesses, and stimulates economic growth. This approach fosters a vibrant maritime ecosystem, driving innovation and enhancing regional capabilities.

Beyond industry, Damen works together with Romanian universities and technical schools, investing in and supporting the training of a skilled workforce for the future. The Damen Workforce Romania initiative is just one example highlighting the company's commitment to providing career opportunities and developing expertise in the local labour market.

In addition, Damen offers the maritime industry diversification through participation in projects outside its original maritime focus, supporting Romania's broader sustainable industrial growth.





INDONESIA

PKR 1 and 2

When Damen Naval signed a contract with Indonesia for the construction of two Sigma 10514 Perusak Kawal Rudal (PKR) frigates, the country's industrial participation legislation was yet to come into force. Understanding the Indonesian Government's objective to ensure optimal value for tax payers' money, however, Damen entered into the spirit of the new laws and opted to take on an industrial participation obligation of its own accord.

This saw Damen delivering a transfer of technology package including infrastructure, expertise and training, enabling modular construction to take place at the PT PAL shipyard in Surabaya. In total, around 300 local people received training from Damen, covering a wide range of roles from welding to project management support.

With this, the PT PAL yard was able to construct four of the six Sigma modules for the first vessel, KRI Raden Eddy Martadinata, and five of the six for the second, KRI I Gusti Ngurah Rai. The 105.11 x 14.2 metre vessels, perform diverse duties for the Indonesian Navy. They are equipped for anti-air, anti-surface and anti-submarine combat, as well as maritime security, search and rescue and humanitarian support duties.





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