

Modern Slavery Transparency Statement

Extract from Hydro 2022 annual report

Refer to [Hydro.com](https://www.hydro.com) for full 2022 Annual Report

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Human rights

Material topics covered in this chapter:

- Human and workers' rights
- Indigenous peoples and traditional communities
- Just transition
- Living wage



Why it matters

Hydro recognizes that businesses have a responsibility to respect, support and promote human rights. As a global aluminium and energy company with mining interests, ensuring responsible conduct is important throughout Hydro's value chain. We must consider our impact on society and on people's rights, spanning from construction to closure, in our own operations, the local communities we are part of, and in our supply chain.

Our approach

We respect the human rights of all individuals and groups that may be affected by our operations. As an employer, owner and purchaser, an important way to respect human rights is to secure decent working conditions in our organization, in minority-owned companies and with our suppliers.

We do not tolerate any form of harassment or discrimination, including but not limited to gender, race, color, religion, political views, union affiliation, ethnic background, disability, sexual orientation or marital status. Furthermore, we do not tolerate any form of forced or compulsory labor, human trafficking or child labor abuse. We support the principles of freedom of association and collective bargaining.

Hydro supports the principles underlying the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights, the UN Global Compact and ILO's eight core conventions, and we expect our suppliers to do the same. We are a member of the International Council on Mining and Metals (ICMM) and

are committed to following their principles and position statements. Hydro's approach to human rights is based on key frameworks that define human rights principles for businesses, including the UN Guiding Principles on Business and Human Rights. For a full overview, see GRI Standards general disclosure 2-28 at [Hydro.com/gri](https://www.hydro.com/gri).

- Hydro's social ambition is to improve lives and livelihoods wherever we operate. We will do this in at least three ways:
- Invest in education: Equip people with essential skills for the future economy. By 2030, our target is to empower 500,000 people with education and skills development.
 - Support a just transition: Contribute to economic and social development in communities where we operate.
 - [Responsible supply chain](#): Ensure transparency and responsible business practices in our supply chain.

Respecting, supporting and promoting human rights is the fundament of our social ambition.

Modern slavery transparency statement and Norwegian transparency act

The sections [Human rights](#) and [Responsible supply chain](#) have been developed to comply with the legal requirements as stated in the Norwegian Transparency Act 2021, the UK Modern Slavery Act 2015, and the Australia Modern Slavery Bill 2018. In addition, we have our Human Rights management approach available on [Hydro.com](https://www.hydro.com).

The reporting requirements apply to Hydro as an enterprise resident in Norway with total assets of more than NOK 35 million combined with, on average, more than 50 full time employees, a supplier of goods with a total turnover of GBP 36 million or more in the UK, and more than AUD 100 million in Australia.

Ambition



Improve lives and livelihoods wherever we operate



Hydro Human Rights Forum was established

Performance



11 local community stakeholder dialogue meetings and 469 total dialogues in Brazil



19,000 employees trained in Hydro's Code of Conduct

Hydro's prioritized human rights areas

We have identified and prioritized the human rights relevant to our operations and which we are most at risk of potentially impacting. These have been identified based on information from impact assessments, internal and external experts, and other relevant sources. They have been prioritized based on the highest severity and likelihood of a potential adverse impact on people.

Hydro's prioritized areas

-  Modern slavery, forced labor and child labor abuse

-  Principles of freedom of association and collective bargaining

-  Freedom from discrimination and harassment

-  Decent working conditions

-  Right to privacy

-  Right to health

-  Right to safety

-  Rights of vulnerable individuals and groups

-  Provide information, dialogue and participation

-  Rightful, respectful and lawful resettlement, relocation and repossession

* Including contracted and agency workers

The information in the sections [Human rights](#) and [Responsible supply chain](#) is valid for:

- Norsk Hydro ASA and its consolidated subsidiaries. These include, but are not limited to, the fully owned production units
- Hydro Aluminium Deeside Ltd. UK
- Hydro Building Systems UK Ltd.
- Hydro Aluminium UK Ltd.
- The fully owned holding company Hydro Aluminium Australia Pty Limited, the owner of Hydro's 12.4 percent stake in the joint venture Tomago Aluminium Smelter and the Tomago Aluminium Smelter management company Tomago Aluminium Company Pty.

The sections are prepared based on information collected from all consolidated entities in Hydro. In addition, the above-mentioned legal entities have been consulted on the sections themselves.

Representatives from all Business Areas and consolidated entities in Hydro are involved in the annual process, where we assess potential adverse human rights risks and the effectiveness of implemented mitigating actions. If this assessment identifies new adverse risks or the need to adjust implemented actions, the entity updates the corrective action plan to reduce or mitigate the risks. The annual assessment is conducted in Q1 each year as part of the enterprise risk management process in Hydro. We also review the risks in Q3 to identify major changes through the year.

Entities that are not fully owned by, but are controlled by Hydro, can have different policies. We expect that their relevant policies are aligned with the ones of Hydro.

The Modern Slavery Transparency Statement is approved and signed by the Board of Directors of the parent company Norsk Hydro ASA in the responsibility statements.

For a full overview of Hydro's operations, business activities, organization structure and supply chain, see the [Our business](#) chapter.

Supporting a Just Transition

As a global company with more than 30,000 employees, 25,000 suppliers sites in more than 40 countries, Hydro is exposed to a range of Just Transition challenges. In 2022, we defined corporate targets for how to contribute. Through a risk-based approach and internal stakeholder engagement, we identified the most relevant challenges and opportunities Hydro faces. This has led us to our Just Transition priorities around three outcomes that we will contribute towards.

- Our Just Transition framework centers around contributing to three societal outcomes:
- People have their human rights protected and have access to equal opportunities
 - Local communities are resilient in a changing world
 - People have the necessary skills and jobs for the future low carbon economy

Read more about our Just Transition work in Hydro's annual report in the chapters on our people and work environment, local communities and [supply chain](#).

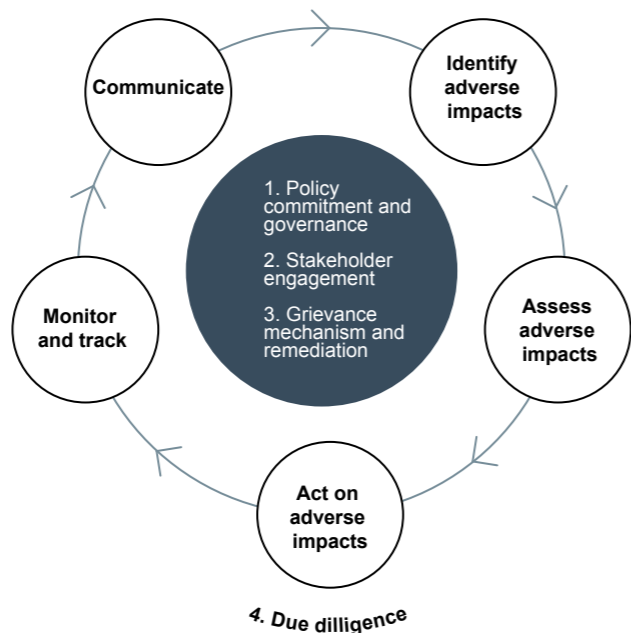
Supporting a Just Transition

The 2015 Paris Agreement established that global decarbonisation efforts should also provide for a Just Transition that ensures the creation of decent work and quality jobs. The definition from the European Union's Foundation for the Improvement of Living and Working Conditions explains that "a Just Transition to a climate-neutral economy provides and guarantees better and decent jobs, social protection, more training opportunities and greater job security for all workers affected by global warming and climate change policies."

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Hydro's human rights management

Hydro's human rights management is based on the OECD Due Diligence Guidance for Responsible Business Conduct. The figure below summarizes how we manage human rights, and Hydro's prioritized human rights areas, through four steps.



1. Policy commitment and governance

Hydro's Human Rights Policy was last updated in 2020 and outlines the company's commitment to respect, support and promote human rights. The commitment is integrated in key procedures, including supply chain management, new projects, portfolio management, and risk management. The policy is approved by the Corporate Management Board and is available at [Hydro.com](https://www.hydro.com). The policy and salient risks were reviewed in 2022 and updates will be published in 2023. Information pertaining to Hydro's human rights policies and compliance is regularly discussed with the Board of Directors, the Corporate Management Board, business area management teams, and relevant parties such as union representatives.

Modern Slavery is an annual agenda item for the Audit and Risk committee of Hydro Aluminium Australia Pty Limited. The joint venture Tomago Aluminium Smelter and the Tomago Aluminum Smelter management company Tomago Aluminium Company Pty, have adopted Rio Tinto's terms and risk assessment protocols relevant to modern slavery, including vendor assessment.

In 2022, the Hydro's Human Rights Forum (HuRF) was established to align and regularly share knowledge on human rights topics across the company. HuRF is comprised of representatives from each business area and representatives from Compliance, Legal, Sustainability, Procurement, HR, and ESG-reporting.

For more information on policy and governance across our business and with our suppliers, see [Hydro's human rights policy](#).

2. Rightsholder and stakeholder engagement

When relevant, we consult parties that might be significantly impacted by our activities.

We engage and collaborate with stakeholders internally and externally to understand and evaluate the effectiveness of our human rights management. This includes NGOs, unions, local associations, authorities, and other relevant stakeholders. For more information, see the section on our [partnerships](#).

We are committed to the principles of non-discrimination and to respecting the rights of vulnerable individuals and groups. In terms of impact and remediation, we aim to engage in dialogue with, and pay particular attention to, vulnerable individuals and groups.

Employee representatives are involved in dialogue at an early stage in all major processes affecting employees. We have a tradition for open and successful collaboration between management and unions. For more information, see Collaborating with unions and employee representatives in the section on [Our people and work environment](#).

Where relevant, and in line with our risk-based approach, we have regular dialogue with communities, and more frequent and structured dialogue in communities with higher risk of facing adverse human rights impacts. We develop and plan community dialogues in collaboration with affected communities, based on their needs and expectations.

Indigenous peoples and traditional communities

Hydro respects the rights of indigenous people and traditional communities and acts in alignment with the UN Declaration on the Rights of Indigenous Peoples as well as the Indigenous and Tribal Peoples Convention (ILO Convention 169) in engagement with indigenous people and traditional communities. We recognize their rights to self-determination, to lands which they traditionally occupy, to their customs, traditions and institutions, and to free, prior and informed consent (FPIC).

Hydro does not own any mining and/or exploration concessions in indigenous lands.

Below is an overview of indigenous peoples and traditional communities in the area of influence of our own operations and joint ventures. Please see our section on [Managing human rights risks](#) for more information about actions and initiatives related to indigenous peoples and traditional communities. Please see [Responsible supply chain](#) for cases related to our supply chain.

Brazil

In Pará state, in Brazil, several traditional Quilombola communities reside in the local communities next to our operations. There is no indigenous peoples' land in proximity of our operations.

Canada

In Canada, Hydro's part-owned primary aluminium producer Alouette is the vicinity of the Innu First Nation community.

Sweden

The wind farm project Stor-Skjälsjön is located near Sundvall in the northern part of Sweden where there is a Sami community

Community members close to our sites in Brazil and at several other major sites are invited to visit plants on a regular basis. See the section on [Managing human rights risks](#) for more information, as well as the chapter on [Ethics and compliance](#) in our annual report for more information about our approach to stakeholder dialogue.

3. Grievance mechanisms and remediation

Grievance, or complaint, mechanisms are important tools to inform us of our impact on individuals and groups. Grievances may be of any kind, including social and environmental issues. In situations where we identify adverse human rights impact that we have caused or contributed to, we work to cooperate in, promote access to and/or provide remediation. See [Managing human rights risks](#) for more information concerning remediation cases.

To help facilitate informed and effective participation with people who are potentially affected by our operations, we establish or facilitate access to grievance mechanisms. We encourage, and will not retaliate against, individuals who in good faith ask a question, raise a concern, report a suspected violation, or participate in an internal company investigation. Hydro is committed to not interfere, retaliate, or hinder access to external or internal, judicial, or non-judicial grievance mechanisms.

We have several grievance mechanisms depending on stakeholder groups. The whistle-blower channel AlertLine can be publicly accessed through [Hydro.com](#) to report concerns involving illegal, unethical, or unwanted behavior. See [Ethics and compliance](#) for more information. Grievance mechanisms for community members have different approaches depending on local needs. At many of our sites, we collect information and complaints through community dialogue. In Brazil, we use several channels, including Canal Direto (toll-free phone number and email) and dedicated, trained field workers. Please see [note S10.1 Reported and confirmed cases of non-compliance](#) for more information.

4. Due diligence: Identifying, assessing, acting, monitoring and communicating risks and impacts

Hydro’s human rights due diligence is integrated in relevant business processes including the enterprise risk management process. Mitigating action plans are developed and included in business plans in the business areas where relevant. Business plans are monitored, followed up and evaluated through the year in regular internal board meetings. Human rights and other sustainability-related issues are discussed when relevant.

In line with our risk-based approach, we aim to conduct more

thorough human rights impact assessments with mitigating action plans where there is a higher risk for adverse impacts.

Before new projects, major developments or large expansions are undertaken, we aim to conduct risk-based environmental and social impact assessments when relevant, which include evaluating risks for adverse human rights impacts. We are guided by The IFC Performance Standards on Environmental and Social Sustainability in doing so.

Training and capacity building

Human rights responsibilities are part of Hydro’s Code of Conduct, which is translated into 19 languages.

Code of Conduct trainings are provided to employees. The Code of Conduct includes our opposition to all forms of modern slavery. In addition, more specific training on relevant human rights topics is provided to relevant functions and locations. E-learning on Hydro’s Social responsibility, including human rights, is available to all employees. In 2022, over 500 employees participated in live trainings in human rights due diligence and more than 8.400 employees completed the e-learning on sustainability. For more information, see [note S10.4 Compliance training](#), and, also, [Local community value creation](#) and [Responsible supply chain](#) regarding capacity building for external stakeholders.

Risk-based approach

In line with UN Guiding Principles on Business and Human Rights and with OECD Due Diligence Guidance for Responsible Business Conduct, we prioritize due diligence according to the following framework:

Factors for prioritization	For own operations and joint ventures this translates to	For suppliers and contractors translates to ¹⁾
Size of business	Number of employees and/or cornerstone employer	Expenditure
Nature of operations	Footprint on environment, including water resources, emissions, etc.	Suppliers industry. See graph on supplier due diligence
Context of operations	Risks of human rights violations in country of operation (see Country human rights risk level)	Risks of human rights violations in country of supplier (see Country human rights risk level)
Severity and probability of impact	Hydro’s prioritized human rights areas	Supplier risk levels

¹⁾ Read more about responsible supply chain and supplier risk levels in [Responsible supply chain](#) chapter.

Country human rights risk levels

We use country human rights risk levels in the countries where Hydro is present to help guide our human rights management. The risk levels are based on a range of independent human rights sources, such as Global Slavery Index, Heidelberg Conflict Barometer and Human Development Index. The following countries where Hydro has operations or joint ventures were in 2022 considered high risk: Brazil, China, Bahrain, India, Mexico, Qatar and Turkey. We use a more extensive list of country human rights risk levels for our suppliers and for other relevant procedures, including investment decisions. See more in our [Human rights country risk score](#) illustration.



Managing human rights risks

We monitor Hydro's prioritized human rights areas and recognize that there are potential risks of adverse impacts concerning our operations. According to our human rights [risk-based approach](#) looking at the size, nature, context, severity and probability of impact, the main risks are:

- Adverse impact on local communities in northern Brazil
- Adverse impact to migrant workers at our joint venture in Qatar
- Adverse impact in parts of our supply chains. See [Responsible supply chain](#) for more information about Hydro's supply chain.

The most significant adverse impacts that we are aware of through our due diligence processes, including grievance mechanisms, are described below. We have also described how we are working to mitigate or remediate these potential or actual adverse impacts. Hydro did not detect severe human rights impacts in our own operations in 2022.

Brazil

In 2022, Hydro continued the human rights due diligence process in our operations in the state of Pará, Brazil. The process covers the sites Alunorte, Albras and Paragominas, including the bauxite slurry pipeline from Paragominas to Alunorte.

After a first analysis, a Human Rights Action Plan was set in motion with initiatives that included:

- Conducting human rights training for management, other employees and suppliers, including our grievance mechanism partner
- Developing policies on anti-discrimination and harassment, and on traditional communities
- Detailed mapping of traditional communities along the 244-km-long bauxite pipeline as well as advancements on the Quilombola study
- Implementation of social initiatives and strengthening social dialogue with traditional communities
- Better incorporate the Voluntary Principles for Security and Human Rights in security providers' contracts
- Strengthening effectiveness criteria for grievance mechanisms

In the beginning of 2022 Hydro engaged KPMG to conduct an independent assessment of the Human Rights Action Plan across its operation in Brazil. KPMG assessed the implementation of the priority targets, considering the level of

completion and appropriateness, to ensure the targets were properly achieved. 92 percent of the initiatives in the Human Rights Action Plan have been executed as planned.

Hydro conducted a structured dialogue process engaging 178 community leaders in Barcarena to understand their perspective on key issues associated with our operations and to provide information about our actions.

In an area surrounding Hydro's operations in Barcarena and which is regulated for industrial purposes, illegal logging and irregular settlements have accelerated since 2016. Hydro is constantly engaged with competent authorities to find a solution that respects the Human Rights guidelines.

Hydro is conducting a thorough consultation with Quilombolas communities, following ILO 169 guidelines, which will increase our understanding of local cultures, provide means to identify potential impacts and ensure their right to participate in the process. Hydro is engaged with competent authorities, i.e. Fundação Cultural Palmares, State of Pará and INCRA¹. We especially follow closely the communities impacted by the construction and operation of the 244km-long pipeline that crosses areas inhabited by traditional Quilombola groups, including the Jambuaçu Territory, in Para. As part of an integrated plan to remediate past impacts along the pipeline, in 2022 an agreement was signed with families directly impacted by the work, but not contemplated by the legal agreement with the former owner.

Hydro is also seeking to establish and contribute to a fund for social investments for the Jambuaçu Territory. The program supports local associations along the pipeline to strengthen their legal, administrative and governance structure. We also have social programs and other income generation initiatives, including traditional farming.

Regarding the lawsuit made in the Netherlands by Cainquiama and nine individuals linked to Alunorte and Albras, please see [note S10.2 Legal claims](#) in our annual report.

In the municipality of Oriximiná in Pará, where the MRN² bauxite mine is located, there are Traditional Quilombola

¹ INCRA is the Brazilian agency in charge of land certifications, including Quilombola matters, as part of the environmental licenses
² Hydro has a 5 percent ownership interest and off-take agreements with Vale for a further 40 percent of the volume produced by MRN



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communities that are requesting formal title to their land. Hydro is constantly engaged with MRN through the board of directors and committees to ensure the project complies with national and international standards. MRN is currently engaged with the Quilombolas communities in a formal consultation process for the implementation of new projects, following national and international standards, including ILO 169. In 2022, MRN was certified by the Aluminium Stewardship Initiative Performance Standard.

Hydro Rein made three important project investments in Brazil in 2022, Ventos dos Zacarias (formerly referred to as Feijao), a wind and solar project in the northeast of Brazil, Mendubim, a solar project in the northeast of Brazil, and Boa Sorte, a solar project in the southeast of Brazil.

In Ventos dos Zacarias, Rein has Green Investment Group as partner. A joint environmental and social team is responsible for following up identified environmental and social impacts throughout the project development and construction, including the impact on and potential resettlement of members of the two self-identified Quilombola communities in the vicinity of Ventos dos Zacarias.

In Mendubim, Rein has Scatec and Equinor as partners. Out of two households resettlements in the project, one family was moved in September and the other family was resettled in November. Scatec is responsible for executing the action plan that is in place for the second resettlement.

In Boa Sorte, Rein has Atlas Renewables as partner. They are responsible for the execution of environmental and social programs. Boa Sorte does not involve resettlements neither traditional communities.

We work with our business partners to ensure the implementation of IFC Performance Standards on relocation of people as well as other relevant standards that Hydro follows. These are described in [our approach](#) earlier in this chapter.

Qatar

At the primary aluminium producer Qatalum, a joint venture where Hydro holds 50 percent, close to 75 percent of the roughly 1250 workers are employed directly by Qatalum. The remaining 25 percent are temporary workers that, for the most part, have a Qatalum employed manager. Qatalum strives to secure good working conditions for all employees,

and work continuously to assess, safeguard and improve the conditions of contracted workers. Qatalum became a member of the Aluminium Stewardship Initiative (ASI) in 2021 and was audited by DNV against both the Performance and Chain of Custody standards. In April 2022, Qatalum received its certificate for both standards, a recognition that it is aligned with globally accepted standards on ESG. We aim to continue to work with Qatalum in addressing relevant findings and observations in the audit. In 2022 we continued our discussions with local stakeholders and companies present in Qatar to address and discuss common challenges related to the recruitment of migrant workers, as well as sharing knowledge and good practice related to working conditions in Qatar.

Sweden

The wind farm project Stor-Skjälsjön is located near Sundsvall in the north of Sweden, of which Hydro Rein has 25 percent ownership of the project. A review of environmental and social risks has been conducted. No known non-compliances with regulatory requirements or Hydro’s policies have been identified. An adjacent Sami community will be impacted by the wind farm, as the areas are in some periods used for reindeer herding. Legal agreements on cooperation between the Sami community and the wind farm during construction and operation have been signed and regular consultations held. Eolus, Rein’s experienced Swedish partner, is responsible for the development and stakeholder management. The impacts of the wind farm will be minimized through mitigative actions proposed by the community.

Other countries

We also have more limited operations in other countries where there is an increased human rights risk, including China, Hungary, and Mexico. We track the human rights developments in these countries and seek ways to mitigate our impact when and where relevant.




Responsibility statement from the Board and the CEO


We confirm to the best of our knowledge that the consolidated financial statements for 2022 have been prepared in accordance with IFRS as adopted by the European Union, as well as additional information requirements in accordance with the Norwegian Accounting Act, that the financial statements for the parent company for 2022 have been prepared in accordance with the Norwegian Accounting Act the regulation on simplified application of international accounting standards (FOR-2008-01-21-57), and that the information presented in the financial statements gives a true and fair view of the assets, liabilities, financial position and result of Norsk Hydro ASA and the Hydro Group for the period. We also confirm to the best of our knowledge that the Annual Report includes a true and fair review of the development, performance and financial position of Norsk Hydro ASA and the Hydro Group, together with a description of the principal risks and uncertainties that they face, and that the country by country report for 2022 has been prepared in accordance with the Norwegian Accounting Act §3-3d and the Norwegian Security Trading Act §5-5a.

Oslo, February 13, 2023


Dag Mejdell
Chair

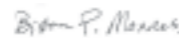

Rune Bjerke
Deputy chair


Arve Baade
Board member


Petra Einarsson
Board member


Kristin F. Kragseth
Board member


Peter Kukielski
Board member



Bjørn Petter Moxnes
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Torleif Sand
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Margunn Sundve
Board member


Marianne Wiinholt
Board member


Hilde Merete Aasheim
President and CEO

The 2022 Norsk Hydro Modern Slavery Transparency Statement was endorsed and approved by the Board of Directors of Hydro Aluminium Australia Pty Limited on the 29th of August 2023.



Richard Brown
Company Secretary

8 December 2023

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Hydro is a leading industrial company committed to a sustainable future. Our purpose is to create more viable societies by developing natural resources into products and solutions in innovative and efficient ways.

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