

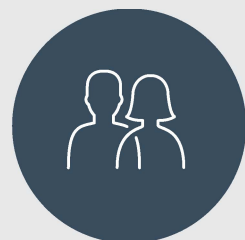


Modern Slavery  
Transparency Statement.

Extract from

Annual report 2021

Refer to: [www.hydro.com/en/investors/reports-and-presentations/annual-reports/annual-report-2021/](http://www.hydro.com/en/investors/reports-and-presentations/annual-reports/annual-report-2021/)  
For full 2021 Annual Report.

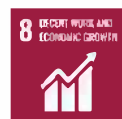


## Human rights

Material topics covered in this chapter:

Human and workers' rights

Impact on local communities



### Why it matters

As a global energy and aluminium company with mining interests, ensuring responsible conduct in relation to society at large is important throughout Hydro's value chain. We have to 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 the supply chain. Hydro recognizes that businesses have a responsibility to respect, support and promote human rights.

### 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. And 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 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 102-12 and 102-13 at [hydro.com/gri](https://hydro.com/gri).

Hydro's social ambition for 2050 is to improve lives and livelihoods wherever we operate. We will do this in at least three ways:

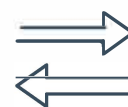
- Invest in education: Equip people with essential skills for future economy. By 2030, our target is to empower 500,000 people with education and skills development. Read more about this in [Local community value creation](#).
- Support a just transition: Contribute to economic and social development in communities where we operate. Read more about [Local community value creation](#).
- Responsible supply chain: Ensure transparency and responsible business practices in our supply chain. Read more about this on in [Responsible 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 (valid from 2022), the UK Modern Slavery Act 2015, and the Australia Modern Slavery Bill 2018. The reporting requirements apply to Hydro as a supplier of goods with a total turnover of £36 million or more in the UK, more than AUD 100 million in Australia, and total assets of more than NOK 35 million combined with, on average, more than 50 full-time employees employees, in Norway.

### Ambition



Support a just transition by contributing to social and economic development



Implemented global grievance mechanisms

### Performance



750 local community stakeholder dialogue meetings in Brazil



7,990 employees trained in Hydro's Code of Conduct

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.

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

The Modern Slavery transparency statement is approved by the Board of Directors of the parent company Norsk Hydro ASA and is included in their signatures to the responsibility statements.

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

## 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. References to the information pertaining to each of these issues in relation to the stakeholder groups can be found in the table.

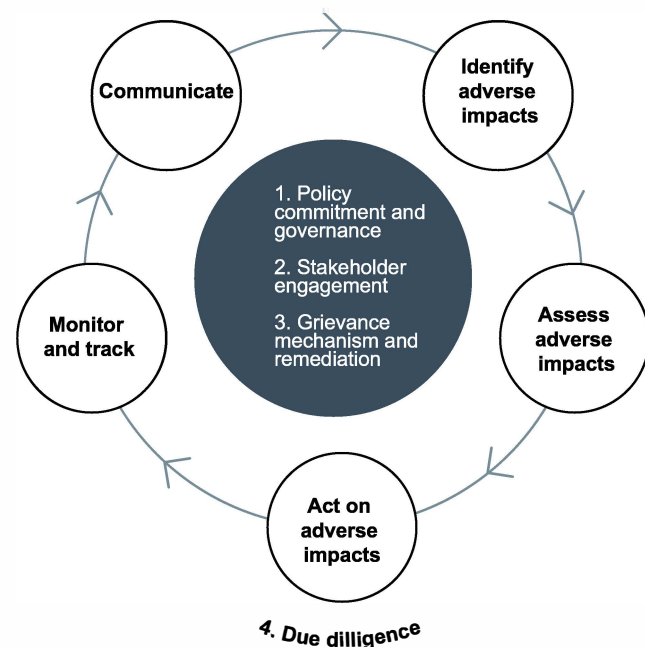
Hydro's prioritized areas	Employees working for our suppliers*	Hydro employees	People in our local communities
Modern slavery, forced labor and child labor abuse			
Principles of freedom of association and collective bargaining			
Freedom from discrimination and harassment			
Decent working conditions			
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

Climate change	Environmental impact management	Human rights	Local community value creation
Responsible supply chain	Organization and work environment	Integrity and compliance	

## 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 in particular the prioritized human rights areas, through four steps. An explanation for each of the steps is provided. Read more about our [risk-based approach](#).



### 1. Policy commitment and governance

Hydro's Human Rights Policy was last updated in 2020 and outlines the company's commitment to respecting, supporting and promoting 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 [www.hydro.com/principles](http://www.hydro.com/principles). 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.

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 help inform us about and evaluate the effectiveness of our human rights management. This includes NGOs, unions, local associations, authorities, etc. as applicable. 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. We aim to include vulnerable individuals and groups in our dialogues and to pay particular attention to these groups in terms of impact and remediation.

Hydro does not own any mining and/or exploration concessions in indigenous lands. Hydro respects the rights of indigenous people and traditional communities and acts in alignment with ILO 169 in engagement with indigenous people and traditional communities.

Dialogue with employee representatives includes involvement at an early stage in all major processes affecting employees, and we have a tradition for open and successful collaboration between management and unions.

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. Community members close to our sites in Brazil and at several other major sites are invited to plant visits on a regular basis. See our section on [Managing human rights risks](#) for more information

For more information about our broad approach to stakeholder dialogue please see [Integrity and compliance](#) chapter.

## Indigenous peoples and traditional communities

We support the principles underlying the UN Declaration on the Rights of Indigenous Peoples as well as the Indigenous and Tribal Peoples Convention (ILO Convention 169). 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). 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](#) in Human Rights chapter] 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 in 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.

### 3. Grievance mechanisms and remediation

Grievance, or complaint, mechanisms are important to better understand the impact of Hydro's operations on the rights of individuals and groups affected by our operations. 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 fair 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 where relevant. 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 [www.hydro.com](http://www.hydro.com) to report concerns involving illegal, unethical or unwanted behavior. See Integrity and compliance for more information. Grievance

mechanisms for community members can 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, specially 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

Human rights due diligence is integrated in relevant business processes including the enterprise risk management process. Mitigating actions or activity 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 stand-alone 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.

Training on the Code of Conduct is 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. For more information, see [Note S10.4 Compliance training](#). For more information about capacity building for external stakeholders, please see our chapters on [local community value creation](#) and [responsible supply chain](#).

### Improving human rights management

We seek to continuously learn and improve the management of human rights. The corporate coordination group,

### 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 <sup>1)</sup>
Size of business	Number of employees and/or cornerstone employer	Expenditure
Nature of operations	Footprint on environment, including water resources, emissions, etc.	Suppliers industry. <a href="#">See graph on supplier due diligence</a>
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

<sup>1)</sup> 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 2021 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](#).

established in 2020, continued to collaborate on human rights topics across the organization. In 2021, over 896 employees received training in human rights due diligence. AlertLine, a global grievance mechanism and whistleblower channel was made available publicly on the Hydro website. See [Integrity and compliance](#) for more information about AlertLine.

We are in the process of establishing living wage gap analyses and aim to finalize this for our operations in 2022. We will also seek to develop targets on living wage in 2022. Improvements in 2021 to responsible supply chain and our procurement processes can be found in the section on Hydro's [supply chain](#).

In 2021, we continued to build capacity on human rights due diligence and engage on business and human rights with external stakeholders. For instance, we participated and shared our learnings in a large number of seminars and webinars in 2021, such as the Global Child Forum and the Global Business Initiative on Human Rights. We also supported Amnesty International Norway in the development of a new e-learning course for businesses on human rights.

### 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 our supply chains for raw materials, hazardous waste services and agents and intermediaries for intervention with public officials. See [Responsible supply chain](#) for more information about Hydro's supply chain.

We have included below the most significant risks and actual adverse impacts that we are aware of through our due diligence processes, including grievance mechanisms. 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 2021.

### Brazil

The Brazilian human rights consultancy Proactiva conducted a thorough human rights due diligence of our operations in the state of Pará, Brazil in 2019/2020. This covered the alumina refinery Alunorte, primary aluminium plant Albras and the Paragominas bauxite mine, including the bauxite slurry pipeline from Paragominas to Alunorte.

An action plan is under implementation, prioritized by severity, for implementation by 2023. During 2021, we made significant progress in several important areas. Examples include:

- 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

## Hydro's program for children's rights

In 2021, we conducted an internal mapping of our exposure to child rights risks. The work culminated in a child rights program with actions to mitigate risks and promote positive social development for children and young people over the next years.



- Human Rights in security providers' contracts
- Strengthening effectiveness criteria for grievance mechanisms

In January 2022, our external auditor KPMG was engaged to make an assessment of the maturity and implementation level of the action plan. The assessment is expected to be completed within the first half of 2022.

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

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. We realize that we need to better understand the situation in collaboration with the relevant stakeholders, the municipality and civil organizations. In addition, allegations have been made by local groups about potential environmental impacts. see [Note S10.2 Legal claims](#) for more information.

We recognize the importance of respecting community health rights and promoting community health initiatives. In Barcarena, we are engaged with governmental organizations and civil society, in a comprehensive environmental and social assessment to better understand any links between potential historical emissions to air, water and soil, accumulated over time, and community health. Alunorte will also perform an updated socioeconomic study to assess if there were any significant impacts of the installation of the new



bauxite residue storage area (DRS2). The scope of this study is being finalized and agreed with the relevant authorities in Brazil.

At the same time, we're working with local authorities to understand how best to influence and support improvements to basic public services such as education, waste management and sanitation that will benefit the local communities.

More than 750 dialogue meetings were conducted in 2021 with communities next to our operations in Pará state, in person or digitally. Plant visits for community members are organized regularly with the goal of better understanding the operations and environmental management.

We conduct regular perception surveys with the communities. The baseline was conducted in early 2020 and in the last survey from the end of 2021, we see a positive trend in the perception of Hydro's social actions across all communities surveyed. Two communities reported a decline in perception between end of 2020 and end of 2021, highlighting the growing expectation for more strategic, long-term social actions to help mitigate economic impacts from Covid-19.

We have made progress in legacy issues related to identifying individuals directly impacted by the construction of a 244-km-long bauxite pipeline that crosses areas inhabited by traditional Quilombola groups in the Jambuaçu Territory in Pará. The former owner of the pipeline is still the legal party.

As part of an integrated plan to remedy impacts along the pipeline, several agreements with families directly impacted by the construction, but not covered under the legal agreement with the former owner, have been reached. In order to reach further agreements with additional community associations, Hydro is conducting a mapping and consultation process with Quilombola communities to better understand the local cultures, traditions and heritages. This is being carried out in close alignment with the relevant communities and related stakeholders, including Fundação Cultural Palmares, State of Pará and INCRA. INCRA is the Brazilian agency in charge of land certifications, including Quilombola matters, as part of the environmental licenses.

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.

Since 2020, a major project to replace the pipeline has been underway, taking place in stages along the pipeline. Efforts have been made to ensure good dialogue, information and participation, respecting local customs and norms, with those living close to the pipeline, including with Quilombolas communities. In 2021, impacts from the project related mainly to dust, increased traffic and clouded water. Continuous measurements of the water and air in collaboration with the local communities showed no material environmental impact.

In the municipality of Oriximiná in Pará, where the MRN<sup>1)</sup> bauxite mine is located, there is an ongoing dispute between Quilombola communities and Brazilian authorities regarding title to land owned by the federal government. The territory claimed by these communities encompasses certain areas that are planned to be mined by MRN in the future, but MRN is not a legal party in this conflict. Hydro has requested through MRN's board of directors and committees that the scope of the planned environmental and social impact assessment (ESIA) complies with local, national and international standards.

MRN is part of the Sustainable Territories Program, a social program to promote long-term development of traditional communities in Oriximiná.

In Itu, in São Paulo, where one of our Extrusions plants is located, there are irregular settlements next to the plant's perimeter. A safety assessment has been conducted, and no further necessary mitigating actions were identified. Nevertheless, we have been engaging with local authorities to find resettlement solutions for families that live in houses closest to the plant wall. The process has been delayed due to Covid-19.

Hydro Rein is considering minority investments in a number of wind and solar projects in Brazil, some of which would require relocation of a few households impacted by the projects. Investment decisions have not been made at this time. Studies to identify and assess potentially impacted households continue. We work with our business partners to ensure the implementation of IFC Performance Standards on

<sup>1)</sup> Hydro has a 5 percent ownership interest and off-take agreements with Vale for a further 40 percent of the volume produced by MRN.

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 workers are employed directly by Qatalum. The remaining 25 percent are contracted workers that, for the most part, have a Qatalum-employed manager. Qatalum strives to secure good working conditions for all employees, and especially the conditions of the contracted workers. GIEK (Norwegian Export Credit Guarantee Agency) has conducted reviews of the social responsibility performance, most recently in 2019. Qatalum has followed up on the recommendations identified. While some recommendations were delayed due to travel and movement restrictions during Covid-19, several of the processes resumed in 2021.

Qatalum became a member of the Aluminium Stewardship Initiative (ASI) in 2021. In December, DNV audited Qatalum against both the Performance and Chain of Custody standards with the conclusion to recommend the metal plant for certification. In 2022, we aim to work with Qatalum in addressing findings and recommendations made by DNV.

#### Workers' rights in Qatar

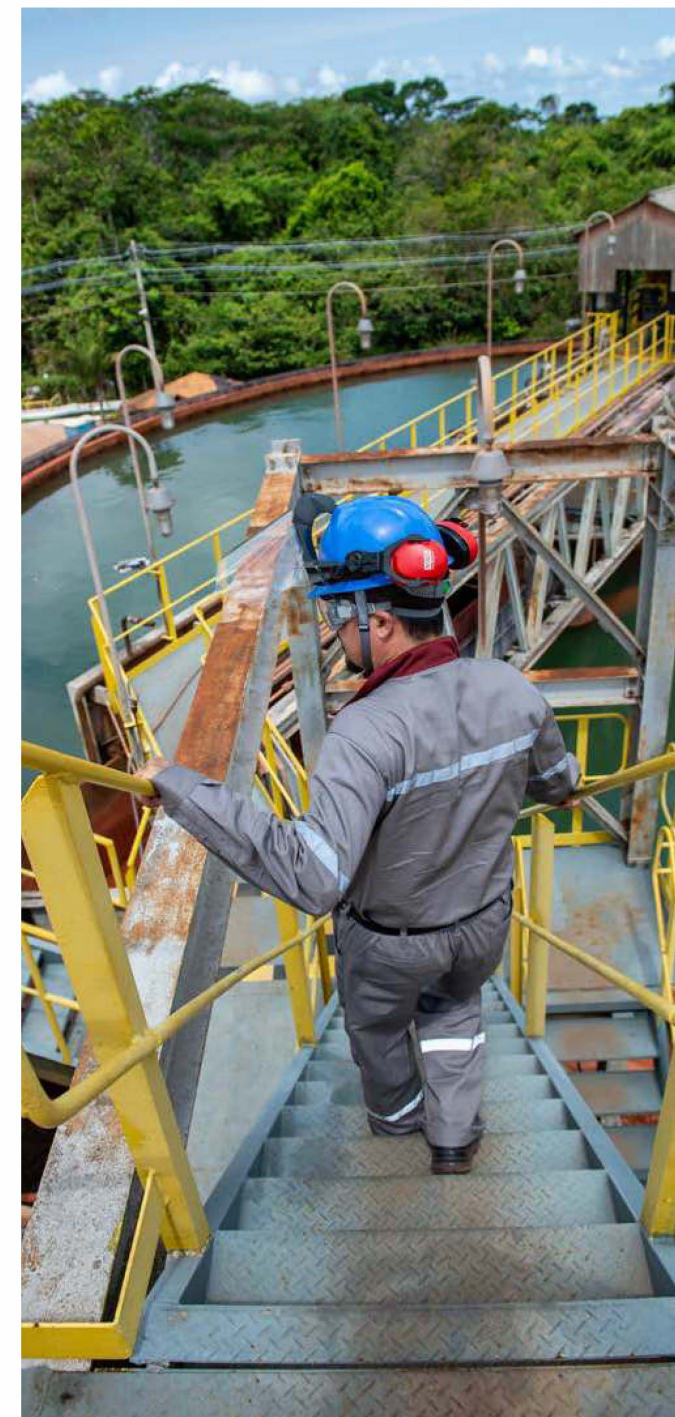
The FIFA 2022 World Cup has led to increased international scrutiny of the migrant worker situation in Qatar. The increased attention has led to a range of new government initiatives aimed at improving worker rights for migrant workers in Qatar. For example, the introduction of a legal minimum wage for all employees across all sectors in Qatar in early 2021 continues to help improve the worker conditions in the country. Improvements are still needed, and Hydro will continue to work to strengthen frameworks for working conditions in Qatar.

#### Other countries

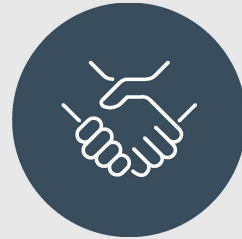
The wind farm project Stor-Skjälsjön is located near Sundsvall in Sweden. Hydro Rein owns 49 percent of the project. A review of environmental and social risks has been conducted. No known non-compliances with regulatory requirements

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. The impacts of the wind farm will be minimized through mitigative actions proposed by the community.

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.



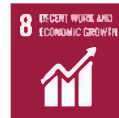




## Responsible supply chain

Material topics covered in this chapter:

- Supply chain
- Human and workers' rights
- Local workforce and wage



### Why it matters

Our more than 25,000 suppliers are important contributors to the success of our business, and transparent dialogue with customers is vital to succeed. We also believe businesses have an important role in supporting and promoting responsible social and environmental behavior. We engage, influence and work with our suppliers for continuous improvement and to mitigate potential negative impacts to people and the environment in our supply chain.

### Our approach

A responsible supply chain is part of our sustainability ambitions. We will ensure transparency and traceability of key sustainability data for our products by 2025 or earlier. In 2022, we will establish a methodology, plan and time frame for implementation of this. Read about Hydro's social ambitions for 2050 in our chapter on [Human rights](#). Our approach to responsible sourcing is based on the OECD Due Diligence Guidance for Responsible Business Conduct, and can be summarized in three steps:

#### 1. Mapping of risks

All suppliers are subject to a qualification process, including mapping of risks related to business practice, human rights, working conditions and environment. If we identify any concerns related to such issues, we conduct a more comprehensive review or audit of the potential suppliers to clarify if the supplier meets our requirements before any agreements are signed. The mandatory due diligence process for all suppliers is described in the company-wide procedure, Sustainability in the supply chain, and is based on three levels of inherent sustainability risk levels. See illustration on our [supplier due diligence process](#).

#### 2. Clear expectations

Hydro's Supplier Code of Conduct sets out the minimum sustainability requirements for all our suppliers. The code is based on international recognized standards such as the Universal Declaration of Human Rights, UN Global Compact and the ILO Core Conventions, among others, to our suppliers.

#### 3. Support and development

We build our relationship with our suppliers on mutual trust and development. We actively discuss and promote ethical business practice, safe working conditions, human rights and environment issues.

Hydro's social ambition for 2050 is to improve lives and livelihoods in the communities where we operate. For more information, see [Human rights](#) chapter.

### Hydro's supply chain

Hydro has more than 25,000 active suppliers globally. Most are located in the same countries as our production facilities.

The Hydro Supplier Code of Conduct was last updated in 2020 to be more specific on several requirements, especially on human rights, conflict minerals, working conditions, environmental and climate impact. The changes are based on international standards to which Hydro is committed, including the International Council on Mining and Metals (ICMM) and Aluminium Stewardship Initiative (ASI).

The principles set out in Hydro's Supplier Code of Conduct are made binding through contractual clauses to ensure suppliers and business partners reflect the values and

### Ambitions



Transparency and traceability of key sustainability data for our products by 2025 or earlier



Establish methodology for key sustainability data in 2022

### Performance



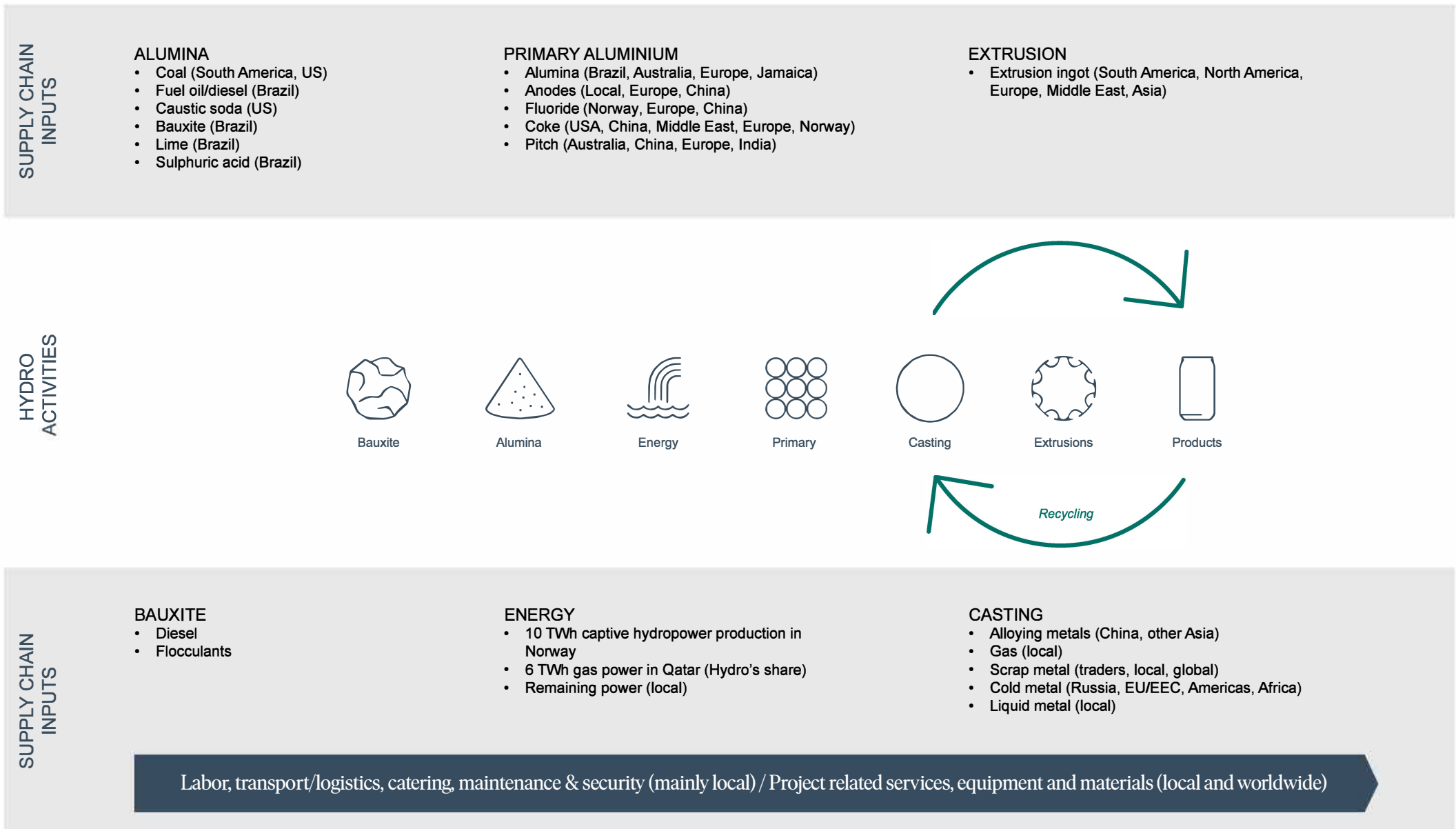
851 due diligence processes carried out



40% of existing counterparties screened

# Hydro's supply chain

Environment and social responsibility



The figure shows Hydro's supply chain related to its value chain, and does not reflect the current organizational structure.

principles that Hydro promotes. Standard contracts also include clauses on auditing rights and the supplier's responsibility to actively promote the principles with its own suppliers/contractors and sub-suppliers/sub-contractors of any tier that have a material contribution to the supply of goods and services to Hydro under the contract. Failure to comply with the principles may result in a termination of the contract.

In 2021, we finalized a new procedure on sustainability in the supply chain to ensure a company-wide implementation and follow-up on the sustainability principles set out in the new Supplier Code of Conduct. The documents are available on [www.hydro.com/principles](http://www.hydro.com/principles).

Suppliers, customers and other business partners registered in our main accounting systems are screened weekly against recognized international sanction lists. We have also developed a spend cube to measure the impact of procurement initiatives and manage supply chain risk.

Furthermore, supplier audits and site visits are performed by Hydro personnel and external auditors based on risk analyses. See [Note S10.5 Screening of business partners and supplier audits](#) for more information.

Through regular reviews, audits and other tools, we contribute to continuous development among our suppliers. Due to Covid-19 restrictions, we were not able to visit our suppliers as frequently as planned. We conducted 49 supplier audits in 2021, all including topics related to HSE, human rights and working conditions. We are an active member of the ASI and promote ASI's certification program to our aluminium suppliers for the sustainable development of their operations. We also cooperate with other external stakeholders, such as unions and industry associations, to develop and implement supplier development programs.

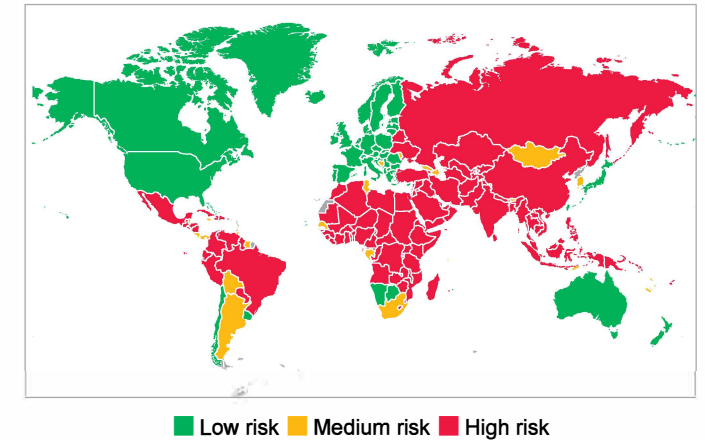
We engage and collaborate with stakeholders internally and externally when relevant, to help inform and evaluate the effectiveness of our approach to responsible sourcing. See our section on [Partnerships](#) for more information.

### Hydro's key sourcing countries\*

Country	Percent
USA	29%
Brazil	16%
Norway	8%
China	7%
Germany	7%
Great Britain	5%
Austria	3%
Canada	3%
Singapore	3%
Others	20%

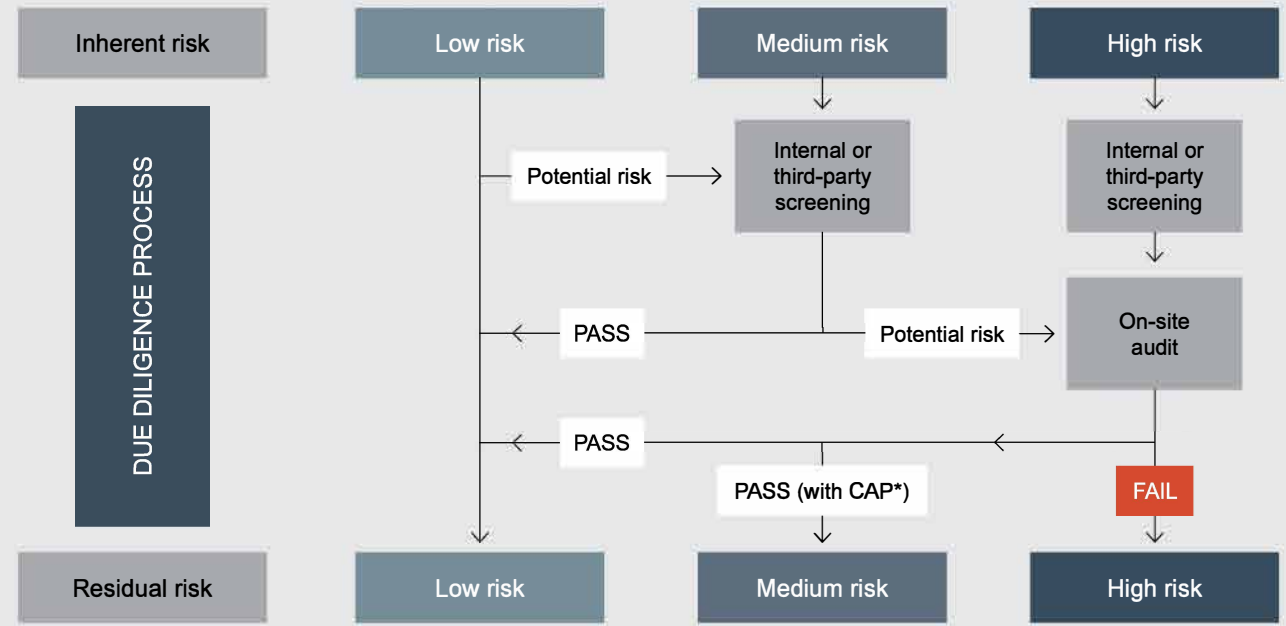
\* Materials sourced from other Hydro entities are not included.

### Human Rights Country Risk Score



### Supplier due diligence process

The due diligence process for the supply chain is updated and based on new inherent sustainability risk criteria, as shown in the flowchart below. The inherent sustainability risk criteria is based on the supplier's industry, country of origin and expenditure. More details on these criteria can be found in the Hydro global procedure Sustainability in the supply chain.



\*Corrective action plan

## Managing risks

The prioritized human rights areas monitored in the supply chain are related to safe and decent working conditions, health, discrimination, freedom of association and collective bargaining. The risk of incidents of child labor abuse, compulsory or forced labor is also monitored. There have been very few findings of these severe risks in our supply chain in recent years. We do, however, recognize a risk of forced or compulsory labor among suppliers in the Middle East, South America and Asia. This is addressed in our supplier screenings, supplier audits and regular dialogue with the suppliers.

### China

In early 2021, several countries introduced sanctions on officials in China over alleged human right violations against the mostly Muslim Uighur minority group, mainly in the Xinjiang region. Hydro has confirmed that we do not source material and alloys from the Xinjiang region. We continue to monitor the situation.

### Guinea

In 2021, we closely monitored potential human rights and environmental violations related to bauxite mining in Guinea. Hydro does not source bauxite directly from Guinea, but some of the alumina Hydro sources in Europe and a part of the primary metal sourced externally have their bauxite origin in Guinea. We followed closely the complaints process related to the expansion of the CBG mine raised to the Compliance Officer in CAO (the Compliance Advisor Ombudsman for the International Finance Corporation). We have requested more information from both parties in the complaints case, the mine operator and the NGOs representing the impacted villagers.

### Norway

In Norway, Hydro has an offtake agreement with Statkraft on power from the new Fosen wind power installation. The projects on the Fosen peninsula are located within Sami reindeer grazing land. Agreements on mitigating measures and compensation for extra costs during the construction phase were previously entered into with the two affected reindeer herding groups. In August 2021, the Norwegian supreme court determined that the construction of the wind park had not sufficiently taken into account the rights of the Sami population. The consequences of the verdict are being assessed by the responsible ministry. Hydro is monitoring the situation and following up with Statkraft.

## Streamlining supplier risk management

As part of creating a common and consistent approach to supply chain management, we have entered into agreement with the sustainability ratings company EcoVadis ([www.ecovadis.com](http://www.ecovadis.com)). Hydro has a complex and diverse supply chain. By utilizing the intelligence and performance improvement tools provided by EcoVadis, we believe we will be in a good position to streamline sustainability risk management, and to help us promote and monitor positive development of our supply chain.

## Supplier development

Hydro works to strengthen and improve our suppliers' sustainability performance through dialogue, sharing of knowledge, innovation processes, incentives or supplier development programs.

In Brazil, suppliers can apply to participate in a comprehensive, year-long supplier development program. In 2021, 21 supplier companies participated in the third edition of the program totaling 127 participants. Since the program started in 2018, 69 local companies have participated in the program.





## Responsibility statement from the Board and the CEO

We confirm to the best of our knowledge that the consolidated financial statements for 2021 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 2021 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 2021 has been prepared in accordance with the Norwegian Accounting Act §3-3d and the Norwegian Security Trading Act §5-5a.

Oslo, February 21, 2022

  
Dag Mjeldell  
Chair

  
Irene Rummelhoff  
Deputy chair

  
Arve Baade  
Board member

  
Rune Bjerke  
Board member

  
Liselott Kilaas  
Board member

  
Peter Kukielski  
Board member

  
Sten Roar Martinsen  
Board member

  
Ellen Merete Oistad  
Board member

  
Thomas Schulz  
Board member

  
Marianne Wiinholt  
Board member

  
Hilde Merete Aasheim  
President and CEO

The 2021 Norsk Hydro Modern Slavery Transparency Statement was endorsed and approved by the Board of Directors of Hydro Aluminium Australia Pty Limited on the 12th of December 2022.



Stephen Roberts  
Company Secretary  
13 December 2022



Hydro