



# Changing the aluminium game, the Hydro way

## Modern Slavery Transparency Statement

Extract from Integrated annual report 2023  
February 13, 2024  
Refer to [Hydro.com](https://www.hydro.com) from full 2023 Annual report



# Human rights

## Why it matters

Respecting and promoting human rights is at the heart of Hydro's just transition framework, which sets out how Hydro as a company shall contribute to a future that is not only greener, but also socially just. While Hydro's ambition of improving lives and livelihoods wherever it operates goes beyond respecting human rights, the positive impact Hydro seeks to achieve can only be created when the rights of people affected by the company's operations and value chain are respected. As a global aluminium and energy company with mining interests, Hydro must consider its impact on society and on people's rights, spanning from construction to closure, in the company's own operations, the local communities it is part of, and in its value chain.

## Our approach

Hydro's operations have a positive impact on many people. Hydro's own employees and workers in its value chain get access to decent jobs, income and develop their skills and competence. Hydro contributes with taxes in the communities where it operates that the countries and people in the communities where it operates benefit from.

As part of Hydro's human rights due diligence process, the company identifies salient human rights risks, which it is the most at risk of impacting through its business activities. The salient human rights risks have been identified through Hydro's annual human rights risk assessment process and additional processes for new projects and

investments, drawing on internal and third-party human rights assessments, internal and external expertise, and other relevant sources. They have been prioritized based on the highest severity and likelihood of a potential adverse impact on people.

Hydro maps salient human rights risks across the countries where it operates or that are part of its value chain. Based on a review of the type of operations or sourcing Hydro conducts in the country, the company has prioritized the mapping and follow-up of human rights risks in the following countries in 2023: Brazil, China, the Nordics, Qatar.

Hydro's human rights commitment and management is embedded at the heart of its Just Transition framework. Please see the chapter [Affected Communities](#) for a more detailed description of the framework.

Hydro's approach to human rights is based on key frameworks that define human rights principles for businesses:

- UN Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises on Responsible Business Conduct
- OECD Due Diligence Guidance for Responsible Business Conduct
- The UN Global Compact's Ten Principles

## Human rights commitment

Hydro's commitment to respecting human rights is set out in the company's [Human Rights Policy](#). Hydro respects the human rights of all individuals and groups that may be affected by its operations. This includes, but is not limited to, employees, contractors, suppliers, employees working for its suppliers (including contracted and agency workers and sub-suppliers), agencies, partners, communities, children and future generations, and those affected by the use and disposal of its products. As an employer, owner and purchaser, an important way to respect human rights is to secure decent working conditions in the company's organization, in minority-owned companies and with suppliers. Hydro's commitment to respect human rights is guided by internationally recognized human rights and labor standards, including those contained in the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work (Core Labor Standards). Hydro is a member of the International Council on Mining and Metals (ICMM) and are committed to following their principles and position statements.

## Risk based approach

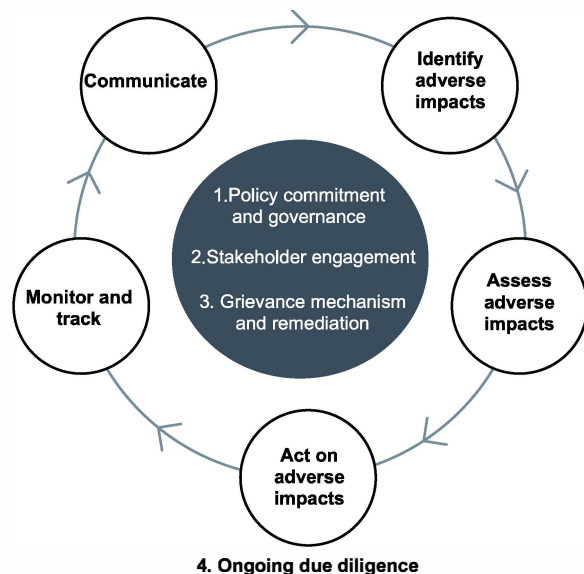
In line with the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and the OECD Due Diligence Guidance for Responsible Business Conduct, we prioritize due diligence according to the following framework:

Factors for prioritization	For own operations and joint ventures this translates to	For suppliers and contractors this 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. See <a href="#">graph on supplier due diligence</a>
Context of operation	Risks of human rights violations in country of operation (see <a href="#">Human rights country risk map</a> )	Risks of human rights violations in country of supplier (see <a href="#">Human rights country risk map</a> )
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 [Workers in the value chain chapter](#).

## Hydro's human rights management

Hydro's human rights management is a four-step approach based on the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.



### 1. Policy commitment and governance

[Hydro's Human Rights Policy](#) outlines the company's commitment to respect 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](#). The Human Rights Policy is reviewed biannually, in consultation with internal and external stakeholders, including expert human rights organizations. The Human Rights Policy was revised in 2023. The revision did not include major changes, but slight adjustments to Hydro's salient risks, including merging risks to health and safety and integrating privacy risks with other salient risks. Hydro has also emphasized its responsibility to conduct human rights due diligence in the value chain. The review process also included discussions with external human rights organizations.

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 Board of Hydro Aluminium Australia Pty Limited. The joint venture Tomago Aluminium Smelter and the Tomago Aluminium Smelter management company Tomago Aluminium Company Pty, have adopted Rio Tinto's terms and risk assessment protocols relevant to modern slavery, including vendor assessment.

For companies where Hydro holds less than 100 percent of the voting rights, Hydro's Code of Governance sets out that Hydro representatives in the boards of directors shall endeavor to implement the ambitions and principles in Hydro's global governance documents, including our governance documents on human rights.

Hydro's Human Rights Forum (HuRF) has been 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

Hydro engages and collaborates with stakeholders internally and externally to understand and evaluate the effectiveness of the company's human rights management. This includes NGOs, unions, local associations, authorities, and other relevant stakeholders. Hydro has had a partnership with Amnesty International Norway since 2002. The partnership is based on human rights education and dialogue meetings on relevant human rights topics. Hydro is also an active member of the Nordic Business Network for Human Rights coordinated by the Danish Institute for Human Rights. Hydro also engages actively in working groups on human rights coordinated by ASI, ICMM and IAI. For more information, see the section on Hydro's partnerships in the [Business conduct chapter](#).

Engagement with stakeholders who may be affected by Hydro's activities are a particularly important part of Hydro's human rights work. The type of dialogue conducted with affected stakeholders depends on the human rights risks identified and the needs and expectations of those potentially affected. Hydro is committed to the principles of non-discrimination and to respecting the rights of vulnerable individuals and groups.

Employee representatives are involved in dialogue at an early stage in all major processes affecting employees. Hydro has a tradition for open and successful collaboration between management and unions. For more information, see the section on collaborating with unions and employee representatives in the [Own workforce chapter](#).

Where relevant, and in line with Hydro's risk-based approach, Hydro has regular dialogue with communities, and more frequent and structured dialogue in communities with higher risk of facing adverse human rights impacts. Hydro develops and plans community

dialogues in collaboration with affected communities, based on their needs and expectations. Community members close to Hydro's sites in Brazil and at several other major sites are invited to visit plants on a regular basis. Please see the [General information chapter](#) for more information about Hydro's stakeholder dialogues.

### 3. Grievance mechanisms and remediation

Grievance, or complaint, mechanisms are important tools to inform Hydro of its impact on individuals and groups. Grievances may be of any kind, including social and environmental issues.

To support affected stakeholders or others in raising concerns related to Hydro's operations, the company establish or facilitate access to grievance mechanisms. Hydro has 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 the [Business conduct chapter](#) for more information. Grievance mechanisms for community members have different approaches depending on local needs. At many of Hydro's sites, the company collects information and complaints through community dialogue. In Brazil, Hydro uses several channels, including Canal Direto (toll-free phone number and email) and dedicated, trained field workers. Please see [Note G1.1](#) on Reported and confirmed cases of non-compliance for more information.

In situations where Hydro identifies adverse human rights impact that the company has caused or contributed to, Hydro works to cooperate in, promote access to and/or provide remediation.

### 4. Ongoing human rights due diligence: Identifying, assessing, acting on, monitoring, and communicating risks and impacts

Hydro's human rights due diligence is integrated in relevant business processes, including the enterprise risk management (ERM) process. Representatives from all Business Areas and consolidated entities in Hydro are involved in an annual human rights risk assessment process where we assess potential adverse human rights risks.

If the annual human rights risk assessment identifies new risks, mitigating action plans are developed and included in the business plans in the business areas where relevant. If there is an identified need to adjust an existing corrective action plan, the business area updates this accordingly. Business plans are monitored, followed up and evaluated throughout the year in regular board meetings.

The annual human rights risk assessment is conducted in Q1 each year as part of the ERM process. Hydro also has a review of the risks and processes in Q3 to identify any major changes. Further, if significant changes occur throughout the year, for instance Hydro



commencing operations in a new high-risk country or region, the company will identify and assess any new risks that may result.

In line with Hydro's risk-based approach, the company conducts more thorough human rights impact assessments or reviews with mitigating action plans where there is a higher risk of adverse impacts.

Before new projects, major developments or large expansions are undertaken, Hydro conducts risk-based environmental and social impact assessments (ESIAs) when relevant, which include evaluating the risk of adverse human rights impacts. Hydro is guided by The IFC Performance Standards on Environmental and Social Sustainability in doing so.

## Modern Slavery Statement and statement under the Norwegian Transparency Act

The chapters on Human rights, [Own workforce](#), [Workers in the value chain](#) and [Affected communities](#) 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 Act 2018. In addition, Hydro's Human Rights Policy and further information about the company's human rights management approach is available on [hydro.com/principles](https://hydro.com/principles). The Code of Conduct sets out Hydro's position on human rights in all operations, including the company's opposition to all forms of modern slavery.

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.

The sections are prepared based on information collected from all consolidated entities in Hydro. 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](#).

## Human rights training and capacity building

Internal capacity building on human rights, such as through training and tools, is important to ensure the effectiveness of our human rights management system. Human rights responsibilities are part of Hydro's Code of Conduct, which is translated into 19 languages. Code of Conduct trainings are provided to all employees. 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 2023, the Business Areas organized trainings on human rights relevant topics for their respective areas. See [Note G1.3](#) on Compliance Training and the [Affected communities chapter](#) for more information.





Salient human rights risks

As part of Hydro’s human rights due diligence process, the company identifies salient human rights risks, which it is the most at risk of impacting through its business activities. The salient human rights risks have been identified through Hydro’s annual human rights risk assessment process and additional processes for new projects and investments, drawing on internal and third-party human rights assessments, internal and external expertise, and other relevant sources. They have been prioritized based on the highest severity and likelihood of a potential adverse impact on people.

Hydro uses human rights risk levels per country in the countries where Hydro is present to help guide its 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 2023 considered to have a high inherent human rights risk: Bahrain, Brazil, China, India, Mexico, Qatar, Turkey and Saudi Arabia. Hydro uses a more extensive list of country human rights risk levels for its suppliers and for other relevant processes, including investment decisions.

The nature of Hydro’s operations in each high-risk country determines whether it is included in the list of prioritized countries for 2023. In addition, some countries that are not classified as high-risk are included among Hydro’s prioritized countries in 2023 due to the companies assessment of human rights risks relevant to Hydro’s operations. In 2023, Hydro has prioritized the mapping and follow-up of human rights risks in the following countries: Brazil, China, the Nordics, Qatar.

Please see more information about salient human rights risks and impact related to Hydro’s own employees in the [Own Workforce](#) chapter. For more information about salient human rights risks and impact to workers in Hydro’s value chain, please see the [Workers in the value chain](#) chapter. Please see the [Affected Communities](#) chapter for more information about salient human rights risks and impact in the communities in which we operate.

Salient human rights risk	Hydro employees	Employees working for our suppliers	People in our local communities
 Forced labor, modern slavery and child labor abuse		<div></div>	
 Discrimination and harassment	<div></div>	<div></div>	<div></div>
 Freedom of association and collective bargaining		<div></div>	
 Decent working conditions		<div></div>	
 Health and safety	<div></div>	<div></div>	<div></div>
 Access to information and participation in dialogue		<div></div>	<div></div>
 Land rights and resettlement			<div></div>
 Vulnerable individuals and groups	<div></div>	<div></div>	<div></div>

# Own workforce – our people and work environment

## Why it matters

Hydro has a responsibility to provide a safe and inclusive work environment for all workers, including own employees, temporary employees, agency workers and contractors. Hydro values human life above all other considerations and will not compromise the health and safety of those working for the company or affected by its activities. Hydro has a responsibility to provide a safe work environment and believes that this also promotes efficiency and lower operating costs.

Hydro depends on a safe, healthy, competent and motivated workforce to deliver quality and efficiency in all operations. Safeguarding the rights, health and safety of Hydro's workforce and building a culture for learning and equal treatment and opportunities will help attract and develop a talented workforce and help the company deliver better results. Hydro's organizational culture and strategy for talent acquisition, learning and competence development, leadership and succession, and diversity and inclusion help the company deliver on its strategic priorities.

In parallel, an adverse psychosocial work environment or accidents that affect the health and safety of Hydro's workforce can result in disruption of business operations, legal proceedings, fines or other financial consequences, negative reputation and loss of trust in the short, medium and long-term. Failure to comply with applicable regulations for working conditions, equal treatment and/or reporting on workforce related issues could also result in fines and negative reputation.

Hydro has a positive impact on employees through the provision of secure employment, training and career development, adequate wages and social protection in an inclusive work environment. Potential negative impacts are primarily linked to unintended incidents of discrimination or harassment or accidents resulting in injury, illness or fatal consequences of an employee or contractor.

As a global aluminium and renewable energy company with operations in more than 40 countries, Hydro's workers are exposed to a variety of safety risks that, if not controlled, could result in injuries or fatalities. The inherent risks of negative impacts on health and safety are higher when performing non-routine work such as building and construction projects, and in work related to energy, work at height, mobile equipment, overhead cranes, confined space, molten metal and projects. Mining and engineering-related disciplines are typically associated with lower rates of women

participation in the workforce, which can make it challenging to meet Hydro's diversity targets.

## Our approach

Hydro identifies and monitors its impact on own employees and contractors according to the same standards and Code of Conduct. Health and safety standards are aligned with ISO standards, and incidents and high-risk events are subject to root cause reviews to ensure learning across all operations. Employees are engaged on health and safety issues through frequent health and safety network meetings in business areas, and engagement on diversity and inclusion issues is primarily done through employee reviews and the range of initiatives sponsored by members of the corporate management board. Incidents involving discrimination or harassment are identified through different reporting channels and Hydro's Alert Line. Impacts on diversity, inclusion and belonging are identified and monitored through our employee engagement survey.

## Occupational health and safety

Hydro shall be a leading company in its industry in the area of occupational health and safety. This will be achieved through consistent implementation of the management system with

committed and visible leadership, and full engagement of all employees and others who work with the company. The CEO HSE Committee is the strategic decision making committee for all main HSE related matters for the Hydro group. The committee is led by the President & CEO and consists of the members of the Corporate Management Board and the head of global HSE.

Hydro's health and safety activities are governed by the company's [HSE policy](#) and the [Global HSE Directive](#). Hydro's ambition is to provide safe and healthy workplaces, promote health and wellbeing, and prevent work-related injuries and ill-health. Hydro drives safety improvements by systematically reducing risks, training personnel, and regularly following up by line management and safety delegates. All injuries and high-risk incidents are investigated to find root causes and to share lessons learned between our sites.

Hydro works continuously to avoid damage to property and loss of production. Hydro has developed a comprehensive health and safety management system and the company's manufacturing sites are certified to internationally recognized health and safety standards. Hydro embraces digital tools where possible and has developed an advanced incident management system, self-assessment tools, risk management processes, e-learning training modules, etc., all easily accessible to employees. In addition, Hydro has strengthened its

Targets and ambitions		
0	25%	78%
fatalities or life-changing injuries	women overall and in leadership positions	score on the Inclusion Index by 2025
Performance		
1 / 1	23% / 20%	74%
fatality <sup>1)</sup> / life-changing injury in consolidated operations	women overall / in leadership positions	score on the Inclusion Index

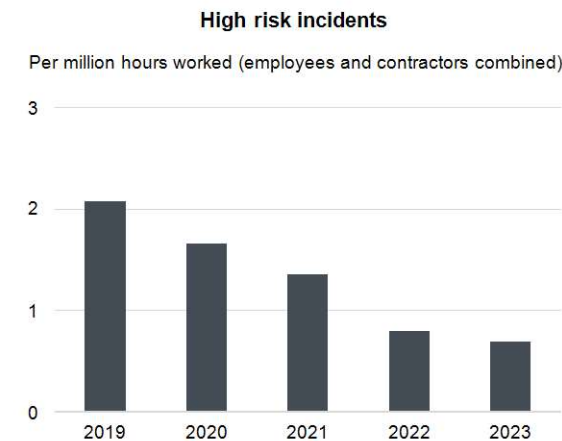
1) One contractor fatality in consolidated operations. The incident is still under investigation for work relatedness and root causes. In addition, there was one fatal accident involving a contractor at our 50/50 joint venture, Qatalum in Qatar, which is not included in statistics for consolidated operations.



behavioral tools using human performance techniques and the consistent use of peer-to-peer job observations.

The number of total recordable injuries rate in 2023 was 2.4 per million hours worked, the same as in 2022. An improvement is seen in the amount of injuries occurred to own employees, but an increase is seen in accidents to contractors. The majority of injuries were relatively minor. However, there was one fatality involving a contractor at Hydro's Alumina refinery Alunorte. The incident is still under investigation to determine root causes and work relatedness. In addition, there was one fatal accident involving a contractor at Hydro's joint venture, Qatalum in Qatar. There was also one life-changing injury in 2023, when an employee had all toes amputated after a load on a mobile trolley fell over, crushing the foot.

The deployment of fatality prevention procedures and associated life-saving rules and behaviors continued in 2023, which contributed to a continued reduction in the number and rates of high-risk incidents with the potential to be fatal or life changing. Key initiatives include a self-assessment process for critical programs, monthly deep-dive incident data analyses to support continuous improvement through root cause and use identification, and defining actions to prevent incidents from recurring. Quarterly health, safety, security and environment network meetings are used to connect specialists from all business areas to discuss findings and actions taken from high-risk incidents, and to share best practice and innovative solutions. Hydro also increased its emphasis on installing engineering controls to prevent High Risk Incidents from occurring.

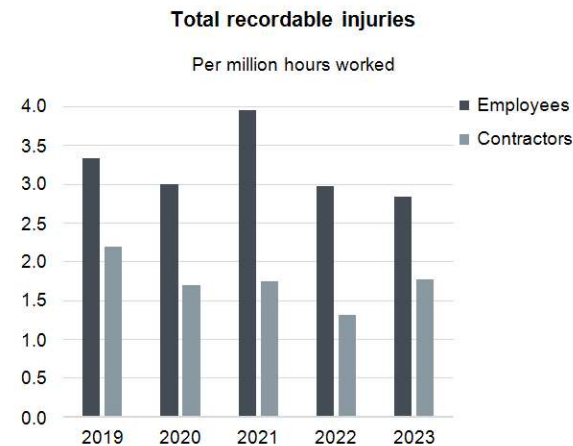


Hydro's approach to continual improvement of physical and chemical occupational health is based on work environment risk assessments (WERA) and implementation of risk-reduction measures followed up through an associated key performance indicator. WERA provides a systematic approach for evaluating the exposure of similar exposure groups, identifying the most exposed work operations and measures can be implemented before ill-health occurs. The Group online HSE tool, IMS provides a WERA module to facilitate the work process and ensure transparency.

The focus on mental health and wellbeing has continued with numerous initiatives during the year to raise awareness, including mental health webinars, quarterly wellbeing topics addressing stress management, sleep hygiene, healthy eating and physical activity. In addition, two pilot projects were run in two regions together with Human Resources and HSE managers to increase the competence related to stress and wellbeing. To ensure a systematic approach to the psychosocial work environment, Hydro has established a new psychosocial risk indicator (PRI) as part of its employee engagement survey, Hydro Monitor. A process for follow-up of the PRI has been developed, including guidelines and tools.

## Our people strategy

Hydro needs competence, capabilities and organizational culture to deliver on its strategy. Hydro's people strategy sets the global strategic priorities for learning, competence development and talent acquisition, leadership and succession, and diversity, inclusion and

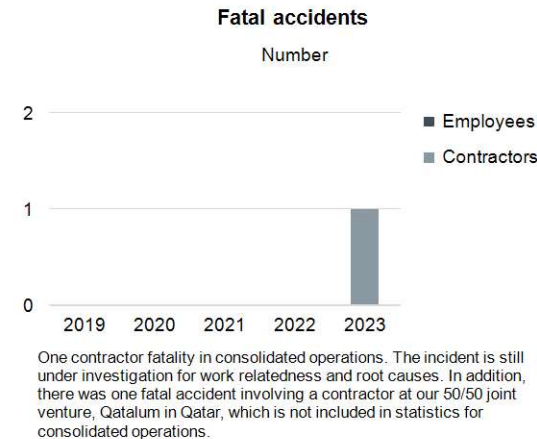


belonging (DIB). The priorities are supported by targets and activities based on the specific needs and challenges of our business areas.

Hydro believes its value proposition, purpose, and growth opportunities are important to attract and retain talent in a challenging labor market. In 2023, Hydro deployed new assessment tools for personality and ability to ensure the right candidates are employed. Hydro invests in skills and development in line with both business and individual needs to deliver on its business strategy and to be an attractive employer. Hydro's goal is to have a culture of continuous learning to ensure that the current and future workforce is prepared to deliver on its growth agenda and improve its business.

Learning and competence development is offered through a combination of on-the-job training, social initiatives like networking, mentoring and peer-to-peer learning, and formal learning initiatives. Hydro's learning platform supports learning and competence development by providing content from learning providers and well-known universities. All employees have a yearly dialogue with their leader where goals, development needs and activities are discussed and documented. See [Note S1.5](#) for metrics related to completed training activities in 2023.

Leadership is a prioritized organizational lever for Hydro. Hydro's ambition has been to develop a leadership framework of competencies based on valid research, but also reflecting what is unique to Hydro and therefore what the company needs from its leaders to deliver its business strategy and live its values. The framework serves as a fundament for Hydro's leadership processes, development programs and tools. In 2023, Hydro has continued to



deploy the leadership framework through its people processes. Selection, development and succession of leaders is supported by Hydro's leadership criteria. Leader development and succession planning for critical positions are among the strategic people priorities towards 2025. To have a solid pipeline of leaders with the required breadth of experience, Hydro aims to rotate leaders so that they gain knowledge from different parts of the organization and provide programs that support the development needs of leaders and specialists. Through the succession and talent processes, Hydro works with the leadership and specialist pipeline to identify and develop its future leaders.

Hydro believes Diversity, Inclusion and Belonging (DIB) are key enablers for the people strategy. Hydro's DIB processes are centered around three pillars:

- Diversity: Seeking multiple perspectives and competencies when solving tasks and meeting customer needs. This includes increasing relevant diversity across seniority levels, including improved gender balance.
- Equity: Promoting equitable opportunities for everyone to thrive, contribute and succeed, adjusting for the fact that different individuals have different starting points.
- Inclusion: Fostering inclusive leadership and an inclusive culture for all employees to contribute with their full potential.

Hydro aims to increase value creation and foster a culture of belonging in a high-performing and sustainable work environment based on inclusion of the company's differences. Hydro's DIB strategy promotes an inclusive culture, inclusive leadership, equity for underrepresented groups, improvements in team diversity, increased gender balance, and ensures a diverse talent pool.

Business areas and corporate staff functions have developed roadmaps to ensure targeted actions are implemented across all areas. To be more data driven, Hydro has developed reports, dashboards and analytics for the business areas to track progress and improvements in the business areas' employee engagement, turnover, gender balance, and diversity and inclusion training metrics.

Hydro Monitor is the company's global employee engagement survey, sent to all permanent employees every other year. It is complimented with shorter pulse surveys on different levels in the organization on a more frequent basis. The purpose of the survey is to measure key drivers of engagement within Hydro by giving employees a method to have their voices heard and provide valuable feedback. This feedback is developed into focused action plans and roadmaps for improvement.

Diversity, inclusion, and belonging metrics

Diversity	2023	2022	2021
Gender balance – women overall	23%	22%	20%
Gender balance – women leaders	20%	19%	18%
Inclusion			
Inclusion Index overall score	75%	76%	76%
Equity			
Inclusion Index – minorities	68%	72%	68%
Psychosocial risk indicator	N/A	76%	76%

The inclusion and equity results in 2021 and 2023 are based on a shorter pulse survey and not directly comparable to the results in 2022, which are based on the full, biennial Hydro Monitor survey.

Living wage

Hydro has a commitment to improve the lives and livelihoods wherever it operates and to ensure that the company has a transparent compensation with due regard to the basic needs of the worker. At the beginning of 2023, Hydro partnered with FairWage Network to assess compensation in the company, targeting to ensure sustainable compensation for its employees. With the external provider Hydro has identified a methodology for defining living wage and has gotten access to a trustworthy dataset that serves as benchmark for living wage in the markets where Hydro operates.

The first phase of the project was initiated together with the operations in nine of Hydro's largest countries by headcount, representing 80 percent of all its permanent employees. The project assumed an average family size (based on national average fertility rate) and adjusted for the average number of income earners per family in the country. The cost of living was considered by choosing the city nearest to where Hydro operates. In Hydro's first round of assessment 198 individuals out of 24,158 (0,8 percent) were identified to have an earning below what is considered a "decent living" covering the basic needs of the worker. Hydro is working to close this gap.

Collaborating with unions and employee representatives

Through the Global Framework Agreement, Hydro is committed to providing equality of opportunity and treatment as required by ILO Conventions 100 and 111, respectively. This includes equal remuneration for men and women for work of equal value. The diversity and inclusion strategy was approved in 2021 and communicated through the business area communication bodies for dialogue between management and union representatives.

2023 saw the last production of primary aluminium at Slovalco in Slovakia, after the primary production closed in January. In total, 300 employees were affected. Different means were offered in collaboration with the unions to assist the redundant employees, including offering above-standard severance pay, up to 17 months' salary for the longest-serving employees. Slovalco will continue to operate the remelting center for processing of process aluminium scrap, which Slovalco commissioned in June 2022, as well as an anode plant serving other Hydro customers.

Labor rights

Hydro engages with its workers on labor rights through a variety of channels, including meetings with labor unions, works councils, and joint management-worker committees. Hydro has a Global Framework Agreement in place since 2011, and its European Workscouncil agreement was revised in 2022. Topics discussed with employee representatives include Hydro's people strategy, policies and procedures, health and safety, standards for decent work, human rights and labor rights, and applicable regulations in the country of operations.

Hydro's major sites in Europe and Brazil are unionized. Extrusions has a major presence in North America, and about 60 percent of its U.S. and Canadian employees are working at a unionized site. In total, Hydro estimates that around 70 percent of all employees are unionized. Non-organized workers in Norway in general will receive the same results negotiated on industry level when adjusting compensation. In addition, workers on individual agreement can be adjusted based on company and individual results, external benchmark analysis, and individual performance. In regions where unions are not allowed, Hydro is striving to establish alternative worker-management relations.

No strikes exceeding one week and no lock-outs took place in 2023. Production of certain aluminum products and around 20 employees were affected by a sympathy strike in Hydro Extrusions, Sweden, starting in December 2023. The sympathy strike was identified by the



Swedish union IF Metal, affecting members working in Hydro's extrusion plant in Vetlanda, Sweden.

### Security and emergency preparedness

Hydro is committed to the protection of people, environment, physical assets, data and information. Hydro anticipates and prepares for potentially adverse incidents with crisis potential to maintain business and operational continuity.

To prepare for and respond to intentional, unintentional and/or naturally occurring disasters, and to protect people and critical assets, Hydro adapts and initiates security measures depending on the evolving risk picture. Hydro's emergency preparedness plans enable effective response to high-risk incidents and crises, ensuring an effective, cohesive, integrated and timely response to any business disruption, regardless of origin, scale or complexity. Hydro has emergency preparedness plans in place that are regularly exercised against known and identified hazards.

Security in Hydro includes a proactive security risk management process, based on analysis, to enable appropriate mitigating actions and accurate and timely decision-making. Security guards are employed on a regular basis to protect Hydro's personnel and assets. No armed personnel are used in Hydro's operations.

Firearm related incidents and robberies continued to occur in 2023 in relation to Hydro's operations in Paragominas, Alunorte, Mexico and Extrusion North America. No Hydro personnel were injured in these events and resulting security mitigation measures were employed to further protect personnel and prevent against other incidents.

The war in Ukraine and associated increase in international political tensions elevates the potential risk of sabotage. And because of the Israeli/Hamas conflict, added tension in the Middle East will exacerbate possible terror incidents.

Group Security closely monitors the security risks in Brazil and maintains close contact with both plants in Mexico with a monthly security call implemented to ensure security mitigation measures are aligned with the developments and threat. Regular security updates are disseminated to all Hydro business areas with information and advice provided on any associated travel, security or emergency mitigation measures which may be required due to the war in Ukraine and the conflict in the Middle East.

During 2023, Hydro continued the progression to achieve certification for ISO 18788, a management system for private security operations, requirements and guidance. It is founded upon the Voluntary Principles on Security and Human Rights, helping to demonstrate an ethical approach to the delivery of security services, and it will

benchmark Hydro's security management system against the international standards. Hydro's security teams have achieved conformity to the requirements in the U.S. and are now preparing for full accreditation and certification.

Hydro is responsible for infrastructure and functions on local and regional levels that might be critical to society's operability, and the company operates large-scale production sites where a crisis could influence community interests and safety in general. Hence, Hydro is subject to control and follow-up by relevant national authorities. Hydro has emergency plans in place by site, business area and at group level, and the company exercises and validates these plans regularly.

Seventeen emergency and crisis management workshops, with risk mapping at their core, were held in 2023, planned and exercised by Group HSE. Based on evolving complex scenarios these workshops were conducted at department, plant, business unit, business area and Corporate Emergency Team (CET) levels. They help to link the process of security and emergency response, crisis management and recovery from the plant through to business area level and above. In addition, all sites are required to exercise emergency preparedness and response training as a minimum on an annual basis or more frequently based on identified hazards and risks or as stipulated by local laws and regulations.

Hydro's strategy to prepare for future pandemics is based on cooperation with local authorities and compliance with rules complemented by a flexible range of Hydro-specific responses, robust emergency preparedness and business continuity plans. Where applicable, guidelines and regulations from national authorities such as those pertaining to travel restrictions, social distancing, home office or complete societal lockdowns, have been reflected in Hydro's internal policies and procedures. Hydro evaluates its key pandemic-related risks and vulnerabilities through security and business-resilience assessments, which support the preparation and review of business-continuity plans.

Measures that have been used and could be reinstated include stock level increases for raw materials to reduce Hydro's exposure to supply chain disruptions and cash-preservation measures to reduce cost, capital expenditures and ensure adequate liquidity to face the financial impact of potential shutdowns.

### Just Transition

The green transition will create new employment opportunities as well as changes to existing ones. Innovations in Hydro's production methods and advancement of technologies risks the automation of jobs. Additionally, Hydro's focus on decarbonization must not

exacerbate social inequalities or discrimination. Hydro has developed a framework for supporting a just transition, through which the company seeks to contribute to positive development in the societies where we operate, including for our own workforce. The framework is focused around three key outcomes: People have 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.

Hydro contributes towards these outcomes in its own workforce by respecting and promoting human rights, supporting positive local development in the local communities where its employees live and work, and through developing skills and jobs relevant to the future low-carbon economy. In 2023, Hydro continued to develop and deliver learning and competence development for all our employees.




Hydro also works to increase inclusiveness among Hydro employees and track the perception of inclusiveness in the Hydro Inclusion Index, which is part of the biannual Hydro Monitor survey. In the most recent survey, from 2022, 76 percent of employees have a positive perception of inclusion in Hydro. See [Note S1.10](#) for Hydro employee engagement metrics.

### Salient human rights risks in own workforce

As part of Hydro's human rights due diligence, the company maps salient human rights risks across the countries where it operates.

Below Hydro provides further descriptions of salient risks and mitigation. The company also provides information on countries that it identifies as having a high inherent risk for human rights, and where it has operations, but where it has not identified salient human rights risks for Hydro due to the nature of its operations. Please see the chapter [Human Rights](#) for a more detailed description of Hydro's human rights due diligence process.

#### Salient human rights risk in own workforce

	Discrimination and harassment
	Health and safety
	Vulnerable individuals and groups

Bahrain

In Bahrain, the Building Systems business unit of Hydro, has their head office for the Middle East. Hydro employs close to 80 people in Bahrain. While Hydro assesses the inherent human rights risk in Bahrain to be high, the company considers the human rights risks to Hydro’s employees as low as this is a sales office.

Brazil

While Hydro has assessed the human rights risks to its own workforce to be low, topics related to discrimination and harassment in the workplace have been evaluated as relevant risks at Hydro’s operations in B&A and Albras. Hydro invests significantly in initiatives and strategies to develop and embrace diversity, inclusion and belonging (DIB), especially in recruitment processes. There have been implemented several mitigation actions to manage this risk, including anti-discrimination and anti-harassment policies and campaigns, trainings related to DIB topics, unconscious bias, LGBTQIA+ and people with disabilities. Hydro measures the effect of the actions by tracking statistics and progress related to diversity metrics, including diversity in gender and ethnicity, in addition to reporting incidents, resolution for harassment cases, workplace safety, participation in training and compliance with legal requirements related to harassment prevention. See [Note S1.5](#) for training metrics and [Note G1.1](#) for metrics related to non-compliances.

China

Hydro has offices and manufacturing plants in China, employing about 800 persons in total.

Due to the limited state protection of human rights as well as restrictions on access to information, Hydro assesses the inherent risk of human rights impacts in China to be high. In Hydro’s own workforce it considers these risks to be well mitigated through its HR processes, which include e.g. frequent site contact and visits.

In 2023, Hydro conducted a human rights assessment of its operations and value chain in China. The project was led by an external human rights expert company, with the goal of identifying risks, and reviewing the effect of Hydro’s current due diligence processes.

The process was executed through a combination of document reviews, on-site visits and interviews with managers and workers. Findings were triangulated with detailed desktop research.

The assessment did not identify any negative findings related to Hydro’s own workforce. However, a potential risk of late salary payments for a few contracted workers was identified. This will be followed closely.

India

Hydro has sales and service offices in India, employing about 235 people. While Hydro identifies India as a high-risk country regarding human rights, it considers the risks associated with its own workforce to be low.

Mexico

Hydro is present in Mexico with two manufacturing plants. Hydro employs about 500 people in these two locations, with a majority being permanent employees. More than half of Hydro’s workforce in Mexico has an operator position. Hydro identifies Mexico as high-risk

country regarding human rights. However, Hydro has no indications of salient risks for the workforce at its own sites.

Saudi Arabia

In 2023, Building Systems opened a regional office in Saudi Arabia. This commercial office has the intention to hire employees in the future and will offer aluminium windows, doors and facades to the Saudi market under the brand Technal.

While Hydro assesses the inherent human rights risk in Saudi Arabia to be high due to the nature of Hydro’s operations in the country, the company assesses the human rights risks to its own workforce as low.

Turkey

Hydro has two sales offices in Turkey with a total of 26 employees, supporting its building systems market in the region. Hydro has identified Turkey as a high-risk country regarding human rights, however, due to the nature of Hydro’s operations in the country, it assesses the human rights risks to its own workforce as low.





## Disclosures pursuant to the Norwegian Equality and Anti-Discrimination Act

The following sections provide information on the status of diversity and inclusion in Hydro, and the activities being undertaken to identify and analyze risk of discrimination and to take action to improve our DIB performance, in accordance with the requirements in the Norwegian Equality and Anti-Discrimination Act. This diversity and inclusion report and its references, are approved by the Board of Directors.

### Our diversity, inclusion and belonging (DIB) program

Hydro values diverse perspectives as essential to delivering on its long-term strategic agenda. Diversity allows Hydro to think, approach challenges and solve problems differently.

Hydro is committed to providing equitable employment opportunities and treating all employees fairly and with respect regardless of primary or secondary diversity characteristics. Hydro's employees and business areas shall only use merit, qualifications and other professional criteria as a basis for employee-related decisions, such as recruitment, training, performance, compensation and promotion. Hydro strives to develop programs and actions to encourage a diverse organization based on the principle of equitable opportunities. Hydro is committed to the principles of non-discrimination and does not tolerate any form of harassment or bullying in the workplace.

### Identifying and mitigating DIB risks

Hydro uses its employee engagement surveys, Hydro Monitor and pulse surveys, to identify and monitor risks relating to diversity, inclusion and belonging in Hydro. Hydro also uses the internal grievance mechanism AlertLine to assess the risk of discrimination and harassment in the organization and track relevant employee data from its core employee system. Hydro Monitor also allows the company to assess employee engagement and psychosocial risk indicators across different demographics, including gender, age, role, minority status, and caretaking needs.

Since 2021, Hydro has measured inclusion through its inclusion index. The index consists of eight questions related to diversity, inclusion and belonging, obtained through the Hydro monitor and pulse survey. The inclusion index score forms one of the CEO KPIs from 2023 measured on an annual basis as an improvement score and is also a KPI in Hydro's long-term Just Transition Sustainability roadmap.

Hydro has developed tools and guidelines to assess risk of discrimination towards underrepresented groups. The business areas are expected to develop targets, act on the findings from the risk

assessments, develop roadmaps, ensure responsibility is taken, and report progress to eliminate discrimination. The tools include digital and anonymous focus groups trying to understand root causes and actions, unconscious bias testing and training, and group guidelines for employee resource groups.

As a mitigating action, Hydro's DIB Policy has been further implemented in 2023. The policy explains Hydro's commitment to diversity, inclusion and belonging and outlines the principles of DIB. Hydro's Corporate Management Board owns the DIB agenda and is accountable for DIB across Hydro. A global DIB core team drives execution of the DIB agenda on behalf of the Corporate Management Board, comprising Hydro's DIB Lead and a DIB responsible for each business area.

The Corporate Management Board, HR leaders and DIB core team members receive DIB safeguarding dashboards each quarter for Hydro overall and for the respective business areas. The dashboards use HR reporting data and employee surveys for quarterly tracking of metrics on gender balance, diversity in the succession pool, inclusive culture, wellbeing, psychological safety and diversity leadership. The quarterly measurements are used to develop action plans and make continuous improvements and reported on in internal board meetings for each business area.

To mature Hydro's work on diversity, inclusion and belonging, the company is continuously implementing actions at all levels in the organization across its strategic pillars. DIB is embedded in all people processes, including recruitment, onboarding, and succession planning, and is included in all Hydro's global employee and leadership development programs.

Five diversity days are celebrated in Hydro to raise awareness and improve inclusion of underrepresented groups: International Women's Day, International Day for the Elimination of Racial Discrimination, Pride, World Mental Health Day, and International Day of People with Disabilities. These days each have a sponsor from the top management. Employee resource groups have been set up in several areas, including the Hydro Rainbow LGBTQI+ network, and Women's networks in Operations, Finance, and in many of the business areas and headquarters.

### DIB achievements 2023

- Diversity, inclusion and belonging training completed and letter of commitment signed by finance teams, and several of the business area management teams.
- Inclusion Index as KPI on CEO and baseline for improvement is 75 percent (employees' perception of inclusion in Pulse Survey 2023).
- Continuation of the DIB core team collaborating across Hydro with sponsors from the Corporate Management Board.
- Safeguarding process for DIB ongoing with quarterly dashboards to measure improvements.
- Mandatory online DIB training provided to all new employees. DIB as part of the Hydro Fundamentals course and including deep dive learning pathways and workshop material provided to all.
- Several employee-resource groups initiated and developed (e.g. womens networks in many business areas, as well as globally for women in operations, women in finance, LGBTQI+ Rainbow Network).
- Integration of compensation data in our people master data system.
- Global engagement for the five diversity days.

### Targets and performance

Hydro has worked systematically to increase gender balance in Hydro's operations since its first action plan to promote women employees and leaders was adopted in 1997. While Hydro has seen successes in improving gender balance at staff positions, challenges remain for operator and leadership positions.

Hydro's goal for the share of women in Hydro is 25 percent by 2025, including permanent and temporary employees. In 2023, Hydro achieved 23 percent. For more information about temporary employees see the [Note S1.2](#) on Employees by employment type.

The share of women in Hydro's Board of Directors was 36 percent in 2023. With three women among the seven shareholder-elected members and one woman among the three employee representatives on the Board of Directors, Hydro complies with the Norwegian legal requirements on women representation. The proportion of women on Hydro's Corporate Management Board was

40 percent in 2023. For further information about gender balance, see the [Notes S1.1](#) and [S1.8](#).

While gender balance is a challenge among operators at most of Hydro's operational sites, women constitute 51 percent of the workforce in Hydro's corporate staffs and 43 percent in Global Business Services. Globally, about one-third of employees among non-operators are women.

Hydro recognizes the importance of a good balance between work and other aspects of life. For example, Aluminium Metal, which is Hydro's largest business area in Norway, has implemented procedures to ensure a predictable work schedule for operators, and opportunities for flexible working hours for non-operator employees.

### Opportunities for people with disabilities

Hydro seeks to generate opportunities and become an attractive employer for employees with disabilities, across our global operations. To foster an environment and culture where people of different physical, cognitive and mental health abilities can feel supported and be successful, Hydro has developed a global guide for inclusion of people with disabilities. Hydro is continuously adjusting working conditions so that all employees have the same opportunities in their workplace.

Hydro is required to employ at least 5 percent employees with disabilities in Brazil. At the end of 2023, 5 percent of employees in Paragominas were people with disabilities, 5.1 percent at Alunorte, and 5.1 percent at Albras. The number of employees with disabilities increased in 2023 compared to 2022, and Hydro is working to increase the share of disabled employees further. The Hydro Extrusions sites in southern Brazil also fulfilled their legal requirements.

### Pay equality and compensation

Hydro is committed to provide equal employment opportunities for all its employees. Hydro will continuously work to ensure pay equality for the same or similar jobs, regardless of gender. Hydro's global compensation principles state that all employees shall receive total compensation that is competitive and aligned with the local industry standard. The compensation should be holistic, performance-oriented, transparent, fair and objective. Relevant qualifications, such as performance, education, experience and professional criteria, shall be considered when providing training, settling compensation and awarding promotions.

A global job architecture framework enables us to map all employees in Hydro in a consistent way. Hydro's global job architecture framework is built on Mercer's International position evaluation system (IPE). Hence, Hydro's architecture consists of two main elements: a job family structure and a job level structure.

The activities and competency requirements determine which family a job belongs to, and it is the job that an individual holds that is mapped, not the individual person. The jobs are mapped in the family structure. Hydro maps employee positions in a level structure based on the complexity of each job. The job level structure consists of nine levels from operators, specialists to managers. Levels 1 to 3 typically cover operators in our plants, levels 5 and 6 jobs require higher education, e.g. bachelor or master with typically 1-5 years of experience. Levels 6 and 7 are jobs that require extensive experience in their area of expertise and levels 8 and 9 cover our most senior specialist and management positions.

The ratio of highest base salary and the median base salary for all employees in Norway was 11.2 in 2023. See the remuneration report for more information on highest paid salary.

See [Note S1.7](#) for the pay gap analysis for Norwegian employees according to the Norwegian Equality and Anti Discrimination Act and the gender gap analysis for a selection of our other countries.

### Wellness

Hydro cares about the health and wellbeing of its employees and offers initiatives to promote physical and mental health.

The majority of Hydro's sites offer wellness initiatives, ranging from healthy eating, exercise opportunities, weight management, stop smoking campaigns and work-life balance management. Several sites have access to a social worker or counsellor to address psychological health and safety, and health and wellness is also addressed at site Health and safety-day events.

Following a stress management pilot in 2022, Hydro has continued in-depth stress risk assessments, and a number of tools have been developed to support future stress risk assessments such as E-learning training aimed at general awareness and for leaders, management competency tool and guidelines. Hydro also celebrated the World Mental Health Day with a campaign focused on well-being.





# S1 Notes on Own workforce

## S1.1 Permanent employees by region, gender and payroll

### Reporting principles

Employees by gender are classified based on the employees' self-reported gender as registered in our SAP system. For a very limited number of employees, we do not have gender information; the total number of employees without registered gender information is insufficient to affect the reported gender balance statistics.

Permanent and temporary employees are based on data from Hydro's human resources SAP system. Data presented represent status at year end, December 31.

Payroll is based on Hydro's consolidated financial statements. Reported payroll does not include pension benefits.

Temporary employees include apprentices, but exclude contractor employees. Legal requirements and customs may vary from country to country, making direct comparison difficult.

Part-time employees include all persons being employed in positions that are not full-time (less than 100 percent).

GRI Reference: GRI 2-7 (2021).

### Age distribution permanent employees

	2023	2022	2021	2020	2019
Under 30	14%	14%	12%	14%	15%
30-49	53%	53%	53%	52%	52%
50 +	33%	33%	35%	34%	33%

\* Age distribution data does not cover employees in recycling plants acquired from Alumetal in 2023.

### Permanent employees by region, gender and payroll

	Number of employees <sup>1)</sup>					Payroll (NOK million) <sup>2)</sup>				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
<b>Norway</b>	<b>3,828</b>	<b>3,672</b>	<b>3,493</b>	<b>4,048</b>	<b>4,103</b>	<b>4,178</b>	<b>3,799</b>	<b>3,654</b>	<b>3,632</b>	<b>3,684</b>
Women	24%	23%	22%	21%	21%					
Men	76%	77%	78%	79%	79%					
<b>Germany</b>	<b>2,000</b>	<b>1,543</b>	<b>1,460</b>	<b>4,615</b>	<b>4,967</b>	<b>1,454</b>	<b>1,074</b>	<b>805</b>	<b>3,577</b>	<b>4,307</b>
Women	21%	21%	21%	13%	13%					
Men	79%	79%	79%	87%	87%					
<b>France</b>	<b>1,761</b>	<b>1,823</b>	<b>1,790</b>	<b>1,818</b>	<b>1,894</b>	<b>1,088</b>	<b>916</b>	<b>951</b>	<b>917</b>	<b>939</b>
Women	18%	18%	16%	16%	16%					
Men	82%	82%	84%	84%	84%					
<b>Hungary</b>	<b>1,854</b>	<b>1,726</b>	<b>1,650</b>	<b>1,554</b>	<b>1,612</b>	<b>682</b>	<b>493</b>	<b>436</b>	<b>384</b>	<b>408</b>
Women	30%	32%	31%	30%	29%					
Men	70%	68%	69%	70%	71%					
<b>Other Europe</b>	<b>8,552</b>	<b>8,620</b>	<b>8,570</b>	<b>8,407</b>	<b>9,071</b>	<b>4,496</b>	<b>4,150</b>	<b>3,813</b>	<b>3,746</b>	<b>3,850</b>
Women	24%	24%	23%	22%	22%					
Men	76%	76%	77%	78%	78%					
<b>Total Europe</b>	<b>17,995</b>	<b>17,384</b>	<b>16,963</b>	<b>20,442</b>	<b>21,647</b>	<b>11,898</b>	<b>10,432</b>	<b>9,658</b>	<b>12,256</b>	<b>13,188</b>
<b>Brazil</b>	<b>6,407</b>	<b>6,241</b>	<b>6,182</b>	<b>6,070</b>	<b>6,108</b>	<b>1,742</b>	<b>1,541</b>	<b>1,140</b>	<b>1,059</b>	<b>1,273</b>
Women	20%	17%	14%	13%	13%					
Men	80%	83%	86%	87%	87%					
<b>USA</b>	<b>5,964</b>	<b>6,120</b>	<b>5,856</b>	<b>5,510</b>	<b>6,013</b>	<b>5,250</b>	<b>4,745</b>	<b>3,803</b>	<b>3,517</b>	<b>3,656</b>
Women	19%	19%	18%	17%	16%					
Men	81%	81%	82%	83%	84%					
<b>Rest of the world</b>	<b>2,358</b>	<b>2,269</b>	<b>2,263</b>	<b>2,218</b>	<b>2,542</b>	<b>974</b>	<b>886</b>	<b>711</b>	<b>677</b>	<b>889</b>
Women	22%	21%	18%	19%	18%					
Men	78%	79%	82%	81%	82%					
<b>Total</b>	<b>32,724</b>	<b>32,014</b>	<b>31,264</b>	<b>34,240</b>	<b>36,310</b>	<b>19,864</b>	<b>17,605</b>	<b>15,312</b>	<b>17,509</b>	<b>19,005</b>
<b>Women</b>	<b>22%</b>	<b>21%</b>	<b>20%</b>	<b>18%</b>	<b>18%</b>					
<b>Men</b>	<b>78%</b>	<b>79%</b>	<b>82%</b>	<b>82%</b>	<b>82%</b>					

1) Number of employees is based on where the employee actually is stationed, and will in some cases differ from the Country-by-country report, which shows in which legal company she or he is employed.

2) Joint operations are excluded from the payroll figures in the table above. Those entities are included in Hydro's financial statements on a line-by-line basis. Please see Note 3.1 to the consolidated financial statements for more information about joint operations.

## S1.2 Full time and part time employees by region and gender

### Reporting principles

Total reported full time and part time employees in Hydro consolidated activities, by gender in significant locations of operation.

GRI Reference: GRI 2-7 (2021), 405-1 (2016).

### Full-time and part-time employees by region and gender<sup>1)</sup>

	Full-time employees		Part-time employees	
	2023	2022	2023	2022
<b>Norway</b>	<b>3,796</b>	<b>3,939</b>	<b>32</b>	<b>545</b>
Women	24%	23%	41%	42%
Men	76%	77%	59%	58%
<b>Germany</b>	<b>1,793</b>	<b>1,504</b>	<b>207</b>	<b>187</b>
Women	17%	19%	58%	47%
Men	83%	81%	42%	53%
<b>France</b>	<b>1,729</b>	<b>1,845</b>	<b>32</b>	<b>34</b>
Women	18%	18%	53%	53%
Men	82%	82%	47%	47%
<b>Hungary</b>	<b>1,817</b>	<b>1,693</b>	<b>37</b>	<b>33</b>
Women	29%	31%	95%	91%
Men	71%	69%	5%	9%
<b>Other Europe</b>	<b>8,308</b>	<b>8,606</b>	<b>244</b>	<b>265</b>
Women	23%	23%	51%	49%
Men	77%	77%	49%	51%
<b>Total Europe</b>	<b>17,443</b>	<b>17,587</b>	<b>552</b>	<b>1,064</b>
<b>Brazil</b>	<b>6,397</b>	<b>6,806</b>	<b>10</b>	<b>19</b>
Women	20%	20%	20%	16%
Men	80%	80%	80%	84%
<b>USA</b>	<b>5,951</b>	<b>6,133</b>	<b>13</b>	<b>32</b>
Women	19%	19%	38%	38%
Men	81%	81%	62%	63%
<b>Rest of the world</b>	<b>2,357</b>	<b>2,291</b>	<b>1</b>	<b>2</b>
Women	22%	21%	0%	0%
Men	78%	79%	100%	100%
<b>Total</b>	<b>32,148</b>	<b>32,817</b>	<b>576</b>	<b>1,117</b>
<b>Women</b>	<b>21%</b>	<b>21%</b>	<b>55%</b>	<b>46%</b>
<b>Men</b>	<b>79%</b>	<b>79%</b>	<b>45%</b>	<b>54%</b>

1) Number of employees is based on where the employee actually is stationed, and will in some cases differ from the Country-by-country report, which is based on which legal entity the employee is formally employed by.

### Temporary employees by region and gender<sup>1)</sup>

Number of temporary employees	2023	2022	2021	2020 <sup>2)</sup>	2019
<b>Norway</b>	<b>855</b>	<b>813</b>	<b>752</b>		
Women	39%	35%	34%	30%	
Men	61%	65%	66%	70%	
<b>Germany</b>	<b>95</b>	<b>148</b>			
Women	22%	26%			
Men	78%	74%			
<b>France</b>	<b>78</b>	<b>56</b>			
Women	45%	32%			
Men	55%	68%			
<b>Hungary</b>	<b>23</b>	<b>-</b>			
Women	35%				
Men	65%				
<b>Other Europe</b>	<b>158</b>	<b>247</b>			
Women	33%	24%			
Men	67%	76%			
<b>Total Europe</b>	<b>1,209</b>	<b>1,264</b>			
<b>Brazil</b>	<b>508</b>	<b>586</b>	<b>461</b>		
Women	69%	49%	44%	35%	
Men	31%	51%	56%	65%	
<b>USA</b>	<b>29</b>	<b>44</b>	<b>76</b>		
Women	28%	34%	14%	26%	
Men	72%	66%	86%	74%	
<b>Rest of the world</b>	<b>24</b>	<b>23</b>			
Women	29%	30%			
Men	71%	70%			
<b>Total</b>	<b>1,770</b>	<b>1,917</b>	<b>1,799</b>	<b>1,929</b>	<b>1,647</b>
<b>Women</b>	<b>46%</b>	<b>37%</b>	<b>34%</b>	<b>32%</b>	<b>27%</b>
<b>Men</b>	<b>54%</b>	<b>63%</b>	<b>66%</b>	<b>68%</b>	<b>73%</b>

1) Number of employees is based on where the employee actually is stationed, and will in some cases differ from the Country-by-country report, which is based on which legal entity the employee is formally employed by.

2) In 2020, Hydro did not report total temporary employees disaggregated by country. Only gender distribution was reported this year.

S1.3 New employees and turnover

**Reporting principles**  
New employees and turnover by employment type in Hydro consolidated activities and significant location of operation.

Employee turnover rate includes resignations, retirements and manning reductions of all permanent employees, but excludes closures and divestments.

Voluntary employee turnover rate includes permanent employees who voluntarily resigned in the reporting period.

GRI references: GRI Standards 401-1 (2016)

New permanent employee hires by age group, gender and country

	2023				2022				2021
	Total	Under 30	30-49	50+	Total	Under 30	30-49	50+	Total
<b>Norway</b>	<b>284</b>	<b>69</b>	<b>184</b>	<b>31</b>	<b>279</b>	<b>76</b>	<b>177</b>	<b>26</b>	<b>131</b>
Women	33%	38%	33%	29%	32%	30%	32%	35%	23%
Men	67%	62%	67%	71%	68%	70%	68%	65%	77%
<b>Germany</b>	<b>123</b>	<b>23</b>	<b>70</b>	<b>30</b>	<b>123</b>	<b>31</b>	<b>69</b>	<b>23</b>	<b>115</b>
Women	29%	26%	29%	33%	28%	29%	25%	35%	25%
Men	71%	74%	71%	67%	72%	71%	75%	65%	75%
<b>France</b>	<b>114</b>	<b>30</b>	<b>69</b>	<b>15</b>	<b>115</b>	<b>27</b>	<b>74</b>	<b>14</b>	<b>-</b>
Women	35%	13%	38%	67%	38%	11%	43%	64%	-
Men	65%	87%	62%	33%	62%	89%	57%	36%	-
<b>Hungary*</b>	<b>239</b>	<b>42</b>	<b>118</b>	<b>32</b>	<b>248</b>	<b>68</b>	<b>145</b>	<b>35</b>	<b>-</b>
Women	33%	31%	47%	38%	40%	31%	48%	29%	-
Men	67%	69%	53%	63%	60%	69%	52%	71%	-
<b>Other Europe*</b>	<b>838</b>	<b>245</b>	<b>384</b>	<b>150</b>	<b>976</b>	<b>339</b>	<b>472</b>	<b>165</b>	<b>-</b>
Women	27%	26%	33%	23%	27%	24%	32%	21%	-
Men	73%	74%	67%	77%	73%	76%	68%	79%	-
<b>Total Europe</b>	<b>1,598</b>	<b>409</b>	<b>825</b>	<b>258</b>	<b>1,741</b>	<b>541</b>	<b>937</b>	<b>263</b>	<b>-</b>
									-
<b>Brazil</b>	<b>582</b>	<b>221</b>	<b>334</b>	<b>27</b>	<b>508</b>	<b>204</b>	<b>274</b>	<b>30</b>	<b>539</b>
Women	44%	56%	38%	11%	49%	60%	45%	17%	22%
Men	56%	44%	62%	89%	51%	40%	55%	83%	78%
<b>USA</b>	<b>824</b>	<b>233</b>	<b>420</b>	<b>171</b>	<b>1,496</b>	<b>518</b>	<b>732</b>	<b>246</b>	<b>1,393</b>
Women	23%	14%	25%	30%	22%	16%	25%	27%	20%
Men	77%	86%	75%	70%	78%	84%	75%	73%	80%
<b>Rest of the world</b>	<b>372</b>	<b>108</b>	<b>248</b>	<b>16</b>	<b>468</b>	<b>166</b>	<b>280</b>	<b>22</b>	<b>1,560</b>
Women	26%	24%	27%	19%	25%	20%	29%	18%	29%
Men	74%	76%	73%	81%	75%	80%	71%	82%	71%
<b>Total</b>	<b>3,376</b>	<b>971</b>	<b>1,827</b>	<b>472</b>	<b>4,213</b>	<b>1,429</b>	<b>2,223</b>	<b>561</b>	<b>3,738</b>
<b>Women</b>	30%	30%	32%	28%	29%	26%	32%	26%	24%
<b>Men</b>	70%	70%	68%	72%	71%	74%	68%	74%	76%

\* 106 new hires in the recyclers that Hydro acquired from Alumental in 2023 lack age data, causing a discrepancy in the total number of new hires vs sum of hires per age group in Hungary and "other Europe".



Total employee turnover by age group, gender and country

	2023				2022			
	Total	Under 30	30-49	50+	Total	Under 30	30-49	50+
<b>Norway</b>	<b>5%</b>	5%	4%	7%	<b>6%</b>	6%	5%	6%
Women	4%	5%	4%	5%	5%	6%	7%	4%
Men	5%	5%	4%	7%	6%	6%	5%	6%
<b>Germany</b>	<b>7%</b>	13%	8%	5%	<b>7%</b>	16%	7%	6%
Women	7%	6%	9%	7%	9%	17%	8%	6%
Men	7%	16%	8%	5%	7%	15%	6%	5%
<b>France</b>	<b>8%</b>	14%	7%	9%	<b>6%</b>	12%	6%	6%
Women	8%	21%	6%	7%	9%	28%	8%	7%
Men	9%	13%	7%	9%	6%	9%	5%	6%
<b>Hungary*</b>	<b>13%</b>	25%	10%	11%	<b>16%</b>	36%	13%	14%
Women	13%	18%	9%	16%	17%	35%	15%	13%
Men	13%	28%	10%	9%	15%	36%	12%	15%
<b>Other Europe*</b>	<b>14%</b>	24%	13%	13%	<b>14%</b>	28%	13%	12%
Women	14%	23%	12%	13%	11%	23%	10%	9%
Men	15%	25%	14%	13%	15%	30%	14%	12%
<b>Brazil</b>	<b>8%</b>	9%	7%	12%	<b>9%</b>	9%	8%	10%
Women	8%	10%	8%	12%	<b>9%</b>	6%	10%	5%
Men	8%	8%	7%	12%	<b>8%</b>	10%	8%	11%
<b>United States**</b>	<b>33%</b>	65%	37%	16%	<b>41%</b>	83%	42%	22%
Women	37%	69%	44%	18%	<b>47%</b>	103%	48%	27%
Men	32%	64%	35%	16%	<b>39%</b>	80%	41%	21%
<b>Rest of the world</b>	<b>15%</b>	35%	12%	11%	<b>29%</b>	63%	26%	14%
Women	15%	22%	12%	17%	<b>19%</b>	48%	13%	11%
Men	15%	40%	12%	10%	<b>31%</b>	67%	30%	14%
<b>Total</b>	<b>15%</b>	27%	14%	12%	<b>17%</b>	36%	16%	12%
Women	15%	22%	14%	12%	<b>17%</b>	32%	15%	12%
Men	15%	29%	14%	12%	<b>18%</b>	37%	16%	12%

\* Turnover at the recyclers that Hydro acquired from Alumetal in 2023 lack age data, causing a discrepancy between the total turnover and turnover by age group in Hungary and "other Europe".

\*\* The US turnover follows the local market trend and our numbers are lower than industry benchmark. Most of the US turnover are in entry-level positions (low-skilled manual work). For skilled workers and white-collars the numbers are closer to Hydro global average.

Voluntary employee turnover by age group, gender and country

	2023				2022			
	Total	Under 30	30-49	50+	Total	Under 30	30-49	50+
<b>Norway</b>	<b>3%</b>	5%	3%	1%	3%	5%	5%	1%
Women	2%	5%	2%	0%	4%	5%	6%	0%
Men	3%	5%	4%	1%	3%	5%	5%	1%
<b>Germany</b>	<b>4%</b>	7%	5%	2%	4%	11%	4%	1%
Women	5%	2%	7%	3%	5%	13%	5%	2%
Men	4%	9%	5%	2%	3%	10%	4%	1%
<b>France</b>	<b>4%</b>	12%	4%	2%	3%	8%	3%	1%
Women	4%	13%	3%	3%	4%	17%	5%	1%
Men	4%	12%	5%	1%	3%	7%	3%	1%
<b>Hungary</b>	<b>8%</b>	17%	6%	5%	10%	22%	9%	7%
Women	7%	11%	6%	8%	12%	23%	10%	6%
Men	8%	21%	6%	4%	9%	21%	8%	7%
<b>Other Europe</b>	<b>5%</b>	13%	6%	3%	7%	16%	8%	3%
Women	4%	10%	5%	2%	7%	14%	7%	3%
Men	5%	14%	6%	3%	7%	17%	8%	3%
<b>Brazil</b>	<b>3%</b>	5%	3%	1%	5%	5%	5%	5%
Women	5%	7%	5%	0%	5%	3%	6%	2%
Men	2%	4%	2%	1%	4%	6%	4%	5%
<b>United States</b>	<b>18%</b>	39%	20%	7%	25%	53%	27%	12%
Women	20%	41%	25%	8%	30%	65%	33%	14%
Men	17%	38%	19%	7%	24%	51%	26%	12%
<b>Rest of the world</b>	<b>12%</b>	30%	10%	4%	13%	34%	11%	5%
Women	10%	17%	10%	5%	14%	32%	10%	8%
Men	12%	34%	10%	4%	13%	34%	12%	5%
<b>Total</b>	<b>7%</b>	17%	7%	3%	10%	22%	10%	5%
Women	7%	13%	8%	4%	11%	21%	11%	5%
Men	7%	18%	7%	3%	9%	23%	9%	5%

\* Turnover at the recyclers that Hydro acquired from Alumetal in 2023 lack age data, causing a discrepancy between the total turnover and turnover by age group in Hungary and "other Europe".

\*\* The US turnover follows the local market trend and our numbers are lower than industry benchmark. Most of the US turnover are in entry-level positions (low-skilled manual work). For skilled workers and white-collars the numbers are closer to Hydro global average.

## S1.4 Total employees by Business Area

### Reporting principles

The below table provides information on the number and distribution of permanent and temporary employees across Hydro's business areas.

#### Total employees by Business Area

	2023	Percentage share 2023	2022	Percentage share 2022
Total permanent and temporary employees				
Corporate Management	307	0.9 %	297	0.9 %
Global Business Services	1,518	4.5 %	1,406	4.1 %
Hydro Aluminium Metal	6,037	17.8 %	5,995	17.7 %
Hydro Bauxite and Alumina	4,480	13.2 %	4,415	13.0 %
Hydro Energy	466	1.4 %	399	1.2 %
Hydro Extrusions	21,080	62.2 %	21,419	63.1 %
<b>Total</b>	<b>33,888</b>	<b>100.0 %</b>	<b>33,931</b>	<b>100.0 %</b>

## S1.5 Training and development

### Reporting principles

Training and development statistics is based on training that is completed and registered by Hydro employees in our human resources systems. Training, education and career development activities that are not registered by the individual employee, as well as on-the-job training activities, are not captured by the reported metrics. Instructor-led courses that are conducted locally are not always registered and thus not included in the reported metrics.

The metrics include both mandatory and voluntary training. See also [Note G1.3](#) on compliance-related training, specifically.

#### Training and development

	2023	2022
Training hours completed by Hydro employees	262,647	217,958
Courses completed	15,323	16,680
of which, male	11,211	
of which, female	4,112	
Avg. training hours per participant	17.1	13.1
Avg. training hours per employee	8.2	6.8
Avg. training hours, male employees	8.0	7.1
Avg. training hours, female employees	8.7	5.7

\* Training statistics do not cover employees at the four recyclers acquired from Alumental in 2023

#### Top five training types by number of participants

#	2023	2022	2021
1	HSSE	Compliance	Cyber security
2	Administrative systems	HSEE	All lifecycle
3	Compliance	Sustainability	IT systems training
4	Human resources	Human resources	IT
5	Sustainability	Employee lifecycle	Human resources

In 2023, 52 percent of the conducted training that are registered as completed were conducted online, while 25 percent was instructor-led. The most common categories of mandatory training were HSSE, compliance, human resources and sustainability. HSSE and compliance are also among the top categories for completed courses of voluntary training. Other common categories of voluntary training are administrative systems, team leadership and self leadership.

Training initiatives can vary from year to year based on business needs and initiatives.

# S1 Notes on remuneration

## S1.6 Gender related salary differences

Reporting principles

Data on gender related salary differences is based on local payroll systems, and calculated based on median salary for employees at different job levels. Salary per employee is based on nominal salary for each employee at the end of the reporting year.

The job level structure consists of nine levels from operators, specialists to managers. Levels 1 to 3 typically cover operators in our plants, levels 4 and 5 jobs require higher education, e.g. bachelor or master with typically 1-5 years of experience. Levels 6 and 7 are jobs that require extensive experience in their area of expertise and levels 8 and 9 cover our most senior specialist and management positions.

Gender related salary differences for employees is reported in certain locations of operation and countries where we have large presence. In our ongoing commitment to transparency, Hydro presents its third annual report on gender-related salary differences in key operational locations, including Brazil for the first time. Hydro works to ensure that every employee should receive competitive compensation aligned with local industry standards (but not market leading), embracing a holistic, performance-oriented, transparent, fair, and objective approach. Salaries in the organization are reviewed on a regular basis.

GRI-reference: GRI Standards 405-2 (2016)

Median ratio of women's ase salary compared to men's ase salary for 2023 )									
Job level	Belgium	Brazil	Denmark	France	Italy	Norway	Spain	Sweden	United Kingdom
Level 1		85%	97%	117%		100%			81%
Level 2	97%	91%	100%	95%		100%	89%	97%	90%
Level 3	88%	101%	95%	103%		108%	88%	99%	92%
Level 4-5	89%	91%	81%	92%	107%	108%	86%	100%	109%
Level 6-7	112%	94%	80%	90%	81%	98%	88%	95%	83%
Level 8-9		87%				99%			

1) The data is based on annual base salary for permanent employees. Levels with less than five employees are not reported.

We have investigated the salary conditions for all Hydro employees in the US, including the remelters, extrusion plants and precision tubing facilities. Based on the analysis, on average there are no significant gender related differences in North America.

## S1.7 Gender and compensation in Norway

Reporting principles

Number of employees per gender per job level is based on number of employees that received a salary in 2023. Total employees in this note will therefore differ from number of employees in other notes, which are based on number of employees at year end.

Data on gender pay gaps are based on local payroll systems, and the average salary per gender per job level is calculated based on real paid out amount through 2023. The gender pay gaps reported in this note are based on requirements in the Norwegian equality and anti-discrimination act, and will differ from the gaps reported for Norway in Note S1.6, which is based on median salary per gender on each job level, and calculated based on the nominal salary of each employee at year end.

GRI-reference: GRI Standards 405-2 (2016).

Gender proportion 2023				Women's ase salary compared to men's base salary for 2023	
Job level	Women	Men	Total	Annual salary	Total compensation
Level 1	31%	69%	298	99%	96%
Level 2	19%	81%	1,739	97%	93%
Level 3	27%	73%	151	102%	92%
Level 4-5	27%	73%	1,069	104%	98%
Level 6-7	29%	71%	628	98%	95%
Level 8-9	37%	64%	144	97%	93%
Total	24%	76%	4,029	106%	101%



# S1 Notes on diversity, inclusion, belonging

## S1.8 Diversity in management

**Reporting principles**

Diversity data for the Board of Directors and Corporate Management Board (CMB) for Norsk Hydro ASA are counted per year end.

Diversity in management is reported for levels 0, 1, 2 and 3. Level 0 refers to the CEO, level 1 refers to Corporate Management Board (CMB), level 2 refers to persons reporting to CMB, and level 3 refers to persons that report to level 2.

GRI-reference: GRI Standards 405-1 (2016)

	Women					Non-Norwegians				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Board of directors (11 members) <sup>1)</sup>	36%	36%	40%	40%	27%	27%	27%	30%	30%	27%
Corporate Management Board	40%	40%	44%	44%	40%	10%	10%	20%	10%	-
Management, levels 0-2	37%	37%	35%	31%	32%	29%	29%	34%	43%	37%
Management, levels 0-3	36%	35%	36%	32%	27%	44%	44%	41%	53%	60%

1) With four women among the seven shareholder-elected members and one woman among the three employee representatives on the Board of Directors, Hydro complies with the Norwegian legal requirements on female representation.

In addition to the groups above, Hydro also monitors gender distribution across additional staffing categories. In women leadership positions, with at least one person is reporting directly to them, we have a target of 25 percent by 2025. We also monitor women in white-collar staff positions. For this group the data include level 0, 1, 2, 3, 4 and 5 managers. We have set a target of 35% by 2025 in this category.

## S1.9 Local representation

**Reporting principles**

Local representation in senior management for significant sites of operation.

Senior management is defined as the management group at each site (site managers and those reporting to them) in addition to business area management teams.

Local is defined at country level for Norway and at state level for Brazil.

GRI-reference: GRI standards 202-2 (2016)

Local representation in senior management					
Share of senior management hired from local community	2023	2022	2021	2020	2019
<b>Norway</b>					
Production sites in Norway	100%	94%	88%	98%	97%
Aluminium Metal management team	91%	80%	80%	80%	77%
Extrusions management team	50%	43%	14%	29%	38%
<b>Brazil</b>					
Paragominas, Pará	14%	0%	15%	9%	9%
Barcarena, Pará	25%	9%	17%	22%	17%
Bauxite & Alumina management team	0%	9%	0%	0%	0%

S1.10 Employee engagement

**Reporting principles**

Data on inclusion and belonging is primarily based on Hydro's employee engagement survey, which comprises four dimensions of inclusion and belonging. The dimensions are described below. The survey is normally carried out for all employees every second year and was conducted in 2022.

The Employee engagement Index (EEI) measures the extent to which employees are engaged and motivated to contribute to organizational success and are willing to apply discretionary effort to accomplishing tasks important to the achievement of organizational goals.

The Psychosocial Risk Indicator (PRI) measures drivers of work-related stress which affects employee mental health and wellbeing.

The Integrity Culture Index (ICI) measures the employee perception of Hydro's integrity culture.

The inclusion Index (II) measures perception of inclusion among Hydro employees. The index consists of eight questions related to diversity, equity, inclusion and belonging.

Hydro Monitor	2022	2020	2018
<b>Employee Engagement Index (EEI)</b>	<b>76%</b>	<b>72%</b>	<b>84%</b>
Women	76%	70%	86%
Men	76%	72%	83%
<b>Psycosocial Risk Index (PRI)</b>	<b>76%</b>	<b>75%</b>	
Women	75%	73%	
Men	76%	75%	
<b>Integrity Culture Index (ICI)</b>	<b>78%</b>	<b>76%</b>	
Women	78%	75%	
Men	78%	76%	
<b>Inclusion Index (II)</b>	<b>76%</b>		
Women	75%		
Men	76%		
<b>Response rate</b>	<b>87%</b>	<b>89%</b>	<b>88%</b>

The long-term ambition is to be among the top 25 percent companies worldwide on EEI. Engagement has improved from 2020. In 2018, Extruded Solutions was not part of the survey, and the results are thus not directly comparable. Engagement has improved and is now on par with the industry benchmark.

The engagement survey is a tool to work with organizational development, therefore the most important part is that teams discuss the results, implement actions and follow-up results.

S1.11 Diversity and inclusion for Norwegian subsidiaries

**Reporting principles**

This note provides quantitative information required by the Norwegian Equality and Anti-Discrimination Act (Likestillings og diskrimineringsloven) for the following subsidiaries: Hydro Aluminium AS, Hycast AS, Sør-Norge Aluminium, Hydro Energi AS, Hydro Extruded Solutions AS, Hydro Extrusion Norway AS.

For a description of our approach and work related to diversity and inclusion in Hydro, the activities being undertaken to identify and analyze risk of discrimination, see Our people strategy and the section on Disclosures pursuant to the Norwegian Equality and Anti-Discrimination Act.

We report on pay equality and involuntary part-time every two years, in accordance have the Norwegian Equality and Anti-Discrimination Act.

Part-time employees normally work full time. The opportunity to work part time is considered a benefit for which a special application must be made. In 2023, we reviewed if there were any cases of involuntary part-time work in our Norwegian activities. The review confirmed that all employees working part time had applied for reduced working hours.

In December 2023 Hydro agreed on a global parental leave policy for all employees. The global parental leave policy set a minimum standard, which gives 4 months fully paid leave for primary caregiver and one month fully paid leave for secondary caregiver. The global parental leave policy will be rolled out in 2024, however where local standard already has a more beneficial scheme, this will supersede the global plan. Local deviation to the global plan can also be maid if this is required by local law and/or regulations applicable in the jurisdiction.

In our employee engagement survey, we track perceptions of healthy balance between work and spare time and found stress level as important indicators for a sustainable work environment.

Hydro Monitor results for Norwegian subsidiaries 2022

	Employee Engagement In dex (EEI)	Psychosocial Risk Index (PRI)	Integrity Culture Index (ICI)	Inclusion Index
<b>All Hydro employees in Norway</b>	<b>74%</b>	<b>75%</b>	<b>75%</b>	<b>76%</b>
Women	75%	74%	77%	79%
Men	73%	74%	75%	75%
<b>Hydro Aluminium AS</b>	<b>71%</b>	<b>72%</b>	<b>72%</b>	<b>72%</b>
Women	76%	76%	77%	74%
Men	71%	73%	72%	71%
<b>Hycast AS</b>	<b>48%</b>	<b>58%</b>	<b>55%</b>	<b>81%</b>
Women	40%	48%	47%	81%
Men	49%	61%	57%	81%
<b>Sør-Norge Aluminium</b>	<b>73%</b>	<b>74%</b>	<b>74%</b>	<b>81%</b>
Women	72%	73%	71%	81%
Men	73%	74%	74%	81%
<b>Hydro Energy AS</b>	<b>80%</b>	<b>81%</b>	<b>86%</b>	<b>76%</b>
Women	83%	76%	83%	76%
Men	79%	82%	86%	76%
<b>Hydro Extruded Solutions AS</b>	<b>92%</b>	<b>92%</b>	<b>92%</b>	<b>76%</b>
Women	97%	96%	96%	75%
Men	90%	85%	85%	76%
<b>Hydro Extrusion Norway AS</b>	<b>63%</b>	<b>78%</b>	<b>71%</b>	<b>76%</b>
Women	62%	70%	63%	75%
Men	62%	81%	73%	76%

Summary statistics 2023 - Norwegian entities

	Number of employees		Parental leave in weeks	Permanent employees in part time	Temporary employees on part time
	Permanent	Temporary			
<b>All Hydro employees in Norway</b>	<b>3828</b>	<b>855</b>	<b>2823</b>	<b>32</b>	<b>558</b>
Women	24%	39%	1432	41%	43%
Men	76%	61%	1391	59%	57%
<b>Hydro Aluminium AS</b>	<b>2439</b>	<b>662</b>	<b>1717</b>	<b>14</b>	<b>396</b>
Women	18%	37%	860	50%	42%
Men	82%	63%	857	50%	58%
<b>Hycast AS</b>	<b>65</b>	<b>5</b>	<b>21</b>	<b>2</b>	<b>2</b>
Women	17%	60%	-	50%	50%
Men	83%	40%	21	50%	50%
<b>Sør-Norge Aluminium</b>	<b>284</b>	<b>147</b>	<b>381</b>	<b>2</b>	<b>136</b>
Women	20%	48%	182	0%	49%
Men	80%	52%	199	100%	51%
<b>Hydro Energy AS</b>	<b>357</b>	<b>10</b>	<b>164</b>	<b>4</b>	<b>7</b>
Women	31%	10%	49	0%	0%
Men	69%	90%	115	100%	100%
<b>Hydro REIN AS</b>	<b>52</b>		<b>81</b>	<b>1</b>	<b>1</b>
Women	48%	0%	20	0%	0%
Men	52%	100%	61	100%	100%
<b>Hydro Extruded Solutions AS</b>	<b>45</b>	<b>2</b>	<b>86</b>	<b>2</b>	<b>2</b>
Women	31%	0%	67	0%	0%
Men	69%	100%	20	100%	100%
<b>Hydro Extrusion Norway AS</b>	<b>104</b>	<b>4</b>	NA*	<b>1</b>	<b>1</b>
Women	23%	25%		0%	0%
Men	77%	75%		100%	100%

\* Data omitted due to limited sample size



S1 Notes on health and safety

S1.12 Injuries and lost time

**Reporting principles**

Health and safety data are prepared and reported to management on a monthly basis, based on data registered in Synergi and IMS, the reporting tools for health, safety, security and environmental incidents. The data covers employees and contractors at all consolidated units within Hydro, including sales offices and administrative functions.

Employees are workers under direct supervision of Hydro. For the purpose of recording health and safety statistics, employees include agency workers. Health and safety statistics for employees are included for the period they are employed by or otherwise in service for Hydro.

Contractors are workers who are under contract to execute work for Hydro, who are under the direct supervision of the contractor and operate at Hydro premises under Hydro’s indirect supervision. Contractors are included during the period they are employed by or otherwise in service for Hydro.

Total recordable injuries (TRI) is calculated as the sum of lost time injuries (LTI) + restricted work cases (RWC) + medical treatment cases (MTC). LTI is a personal injury at work leading to unfitness for work and absence beyond the day of the accident. RWC is a personal injury at work that does not lead to absence beyond the day of the accident, because of alternative job assignment. MTC is treatment, other than first aid, administered by a physician or registered professional personnel under the standing orders of a physician.

TRI rate is calculated based on TRI per one million hours worked.

Fatal accidents comprise all fatalities resulting from a work-related incident.

GRI reference: GRI Standards 403-9 (2018).

Total recordable injuries, lost-time injuries, and fatal accidents <sup>1)</sup>					
	2023	2022	2021	2020	2019
<b>Total recordable injuries (TRI)</b>	<b>237</b>	<b>227</b>	<b>299</b>	<b>224</b>	<b>278</b>
Employees	174	186	254	188	229
Contractors	63	41	45	36	49
<b>Total recordable injuries (TRI) rate<sup>2)</sup></b>	<b>2.4</b>	<b>2.4</b>	<b>3.3</b>	<b>2.7</b>	<b>3.0</b>
Employees	2.8	3.0	3.9	3.0	3.3
Contractors	1.8	1.3	1.8	1.7	2.2
<b>Lost-time injuries (LTI)</b>	<b>128</b>	<b>115</b>	<b>156</b>	<b>119</b>	<b>119</b>
Employees	95	90	126	102	101
Contractors	33	25	30	17	18
<b>Lost-time injuries (LTI) rate <sup>3)</sup></b>	<b>1.3</b>	<b>1.2</b>	<b>1.7</b>	<b>1.4</b>	<b>1.3</b>
Employees	1.5	1.4	2.0	1.6	1.5
Contractors	0.9	0.8	1.2	0.8	0.8
<b>Total number of fatal accidents</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Employees	0	0	0	0	0
Contractors	1	0	0	0	0

1) The numbers include discontinued operations
2) Number of recordable injuries per million working hours
3) Number of lost-time injuries per million working hours

The reported fatal accident in 2023 involved a contractor at our Alumina refinery, Alunorte, in Brazil. At the time of preparing the annual report, the incident is still under investigation to determine work relatedness and root cause. In addition to the statistics for our consolidated units, there was one fatality involving a contractor at our 50/50 joint venture Qatalum, in Qatar. In 2023, there was also one fatality involving a contractor at our previously part-owned MRN bauxite mine, and one fatality involving a contractor at the Vista Alegre solar power project in Brazil, which Hydro has exercised a call option to be an off taker from.

Total recordable injuries (TRI) per region<sup>1)</sup>

	2023	2022	2021	2020	2019
<b>Total recordable injuries (TRI) employees</b>	<b>2.4</b>	<b>2.4</b>	<b>3.3</b>	<b>2.7</b>	<b>3.0</b>
Employees	2.8	3.0	3.9	3.0	3.3
Contractors	1.8	1.3	1.8	1.6	2.2
<b>TRI Norway</b>	<b>3.0</b>	<b>3.2</b>	<b>4.7</b>	<b>3.0</b>	<b>3.8</b>
Employees	1.9	2.1	3.6	2.7	3.1
Contractors	9.5	12.9	15.0	7.5	10.2
<b>TRI Germany</b>	<b>3.3</b>	<b>2.6</b>	<b>6.0</b>	<b>5.4</b>	<b>4.5</b>
Employees	3.6	2.8	5.8	5.5	4.3
Contractors	0.0	0.0	8.5	4.3	5.5
<b>TRI Brazil</b>	<b>1.3</b>	<b>1.0</b>	<b>1.7</b>	<b>1.5</b>	<b>1.3</b>
Employees	1.5	1.6	2.6	2.0	1.5
Contractors	1.2	0.7	1.2	1.2	1.2
<b>TRI US</b>	<b>4.3</b>	<b>4.5</b>	<b>5.8</b>	<b>4.0</b>	<b>5.8</b>
Employees	4.0	4.6	5.9	4.0	5.9
Contractors	7.2	2.0	1.9	2.6	7.2

1) Number of recordable injuries per million working hours. The numbers include discontinued operations.

S1.13 High risk incidents

Reporting principles

High risk incidents (HRI) in Hydro’s consolidated activities. HRI include major accidents and incidents with major potential. HRI rate is calculated as the number of high risk incidents per million hours worked.

GRI Reference: 403-9 (2018).

High risk incidents (HRI)

	2023	2022	2021	2020	2019
High risk incidents	67	75	122	140	190
HRI rate	0.69	0.80	1.36	1.66	2.08

S1.14 Occupational illness rate and sick leave

Reporting principles

Occupational illness rate in Hydro’s consolidated activities.

Occupational illness rate is calculated as incidents of occupational ill health per million working hours. All potential cases shall be reported. Actual occupational illnesses are defined by Hydro as either illnesses that have been confirmed by relevant authorities/insurance companies or doctors (depending on the national system); or that have led to any kind of permanent disability, disablement pension, loss of function and/or are a listed occupational disease. The figure includes instances associated with discontinued operations.

Sick leave includes all absence due to illness, measured as number of days lost due to sick leave as a percentage of possible working days excluding holidays. Sick leave is recorded based on local definitions which may differ between countries.

GRI reference: GRI Standard 403-10 (2018)

Occupational illness rate<sup>1)</sup> and sick leave

	2023	2022 *	2021	2020	2019
Occupational illness rate <sup>2)</sup>	0.2	0.3	0.3	0.3	0.2
Sick leave, percent	3.5 %	4.1 %	3.8 %	4.2 %	3.7 %
Sick leave, Norway	4.5 %	4.7 %	4.9 %	4.5 %	4.5 %
Women	5.2 %	5.5 %	6.5 %	5.3 %	5.7 %
Men	4.3 %	4.4 %	4.5 %	4.5 %	4.2 %

\* 2022 sick leave reported for Norway in the 2022 annual report was incorrect and based on the December 2022 data, not the annual total sick leave in 2022. This has been corrected in the 2023 annual report.

1) 2021 includes all Hydro sites, earlier years did not include Extrusions

2) Cases per million working hours. The numbers include discontinued operations.

S1.15 Social data for 50/50 joint venture Qatalum

Reporting principles

Number of employees and share of women is based on total manning at Qatalum per 31. December 2023.

TRI rate and fatal accidents are reported for the calendar year in full.

Social data for 50/50-owned Joint Venture Qatalum					
	2023	2022	2021	2020	2019
Number of employees	999	1,064	1,060	1,059	1,137
Share of women	0	3.2%	3.3%	3.3%	3.6%
TRI rate, incidents per million hours worked	0.6 <sup>1)</sup>	0.6	0.3	1.7	0.7
TRI rate, (contractors)	-	3.0	1.4	0.7	0.7
Fatal accidents	1	-	-	-	1

1) 2023 TRI rate for employees and contrators under Qatalum supervision, combined. Previous years include employees only.  
The reported fatal accident in 2023 involved a contractor. There was also one fatal accident involving a contractor, in 2019.



# Workers in the value chain

## Why it matters

With more than 30,000 suppliers in over 40 countries and 30,000 customers worldwide, Hydro has a significant indirect impact on society and the environment through its value chain. Ensuring a responsible value chain is an essential element of Hydro's Just Transition framework, which sets out how Hydro as a company shall contribute to a future that is not only greener, but also socially just.

Hydro may indirectly impact workers positively through the creation of jobs. By setting high standards for suppliers on human and workers' rights, and engaging, influencing, and collaborating with Hydro's suppliers to improve their human rights commitments and management, the business may indirectly contribute to a high number of people having access to decent work, where their rights are respected.

However, Hydro's procurement includes raw materials, products and services from industries and geographies with an inherent risk to workers' rights. Potentially negative impacts in Hydro's value chain could relate to workers not having their rights respected, accidents or unintended incidents that result in injuries, ill health, or death.

Through Hydro's human rights due diligence process, the company has identified salient human rights risks for its business that have the potential to impact workers in its value chain (see list to the right).

## Our approach

Hydro's work to ensure a responsible supply chain is an integrated part of its Just Transition framework. Please see the chapter [Affected Communities](#) for further details about the framework.








Transparency and traceability of key sustainability data for Hydro's products is an important foundation for Hydro's work to ensure a responsible supply chain, and Hydro's goal is to have the blueprint for a digital product passport on sustainability data in place by year-end 2025. In 2023, Hydro started a group wide project to build a common approach and model that supports the transfer of data along the value chain after a proof of concept in 2022. Hydro has established a roadmap which puts the company in a position to deliver this to customers and users by the end of 2025. The risk of negative impact to workers in the value chain is managed through Hydro's human rights due diligence. Please see the [Human Rights chapter](#) for further details about Hydro's human rights commitment and management. Hydro's approach to responsible sourcing is

based on the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and can be summarized in three steps:

### 1. Mapping of risks

All suppliers are subject to a qualification process, including a screening for risks related to human rights and workers' rights. As part of creating a common and consistent approach to supply chain management, Hydro has entered into agreement with the sustainability rating company EcoVadis. All suppliers that have a medium or high inherent risk, based on Hydro's risk categorization, are subject to further screening, using either EcoVadis or an alternative self-assessment form combined with desktop research. If Hydro identifies any concerns, the company conducts a more comprehensive review or audit of the potential supplier to clarify if the supplier meets Hydro's requirements before any agreements are signed. Following the initial supplier risk assessment, comprehensive assessments, including visits and audits or reviews, of suppliers with a high inherent sustainability risk shall be conducted regularly. The mandatory process for due diligence of 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.

### Salient human rights risk for workers in the value chain

	Forced labor, modern slavery and child labor abuse
	Discrimination and harassment
	Vulnerable individuals and groups
	Freedom of association and collective bargaining
	Access to information and participation in dialogue
	Decent working conditions
	Health and safety

## Targets and ambitions

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

### Performance

10,446  
Suppliers screened in 2023

1,095  
High sustainability-risk suppliers

2. Clear expectations

Hydro's Supplier Code of Conduct sets out the minimum sustainability requirements for all its suppliers. The code is based on internationally recognized standards such as the Universal Declaration of Human Rights and the ILO Core Conventions.

The principles set out in Hydro's Supplier Code of Conduct are made binding through contractual clauses. Hydro's Supplier Code of Conduct requires suppliers to conduct due diligence in their own supply chain, and sustainable procurement expectations are reflected in Hydro's supplier self-assessments, which is specified in its contracts and assessed in visits and audits.

3. Support and development

Hydro builds its relationship with its suppliers on mutual trust and development. Hydro works to strengthen and improve its suppliers' sustainability performance through efforts such as dialogue, knowledge-sharing, innovation processes, incentives, and supplier development programs. Hydro actively discusses and promotes human and workers' rights.

While failure to comply with Hydro's Supplier Code of Conduct may as a last resort result in a termination of the contract, Hydro always seeks to work with its suppliers with intention of continuous improvement as long as it considers this to be in the best interest of the people in its supply chain.

As a part of Hydro's work to strengthen its procurement processes, the company has also incorporated living wage requirements. According to the supplier Code of Conduct, wages and benefits paid for a standard working week shall as a minimum meet national legal or industry standards, whichever is higher. Wages should be sufficient to cover basic needs and provide some discretionary income.

Hydro engages and collaborates with stakeholders internally and externally when relevant, to help inform and evaluate the effectiveness of its approach to responsible sourcing. See the section on Partnerships for more information.

Due diligence of customers

Hydro follows closely regulations for sanctions or restrictions on countries and specific companies. Hydro regularly screens its list of customers and business partners for any potential sanctions.

In addition to this, Hydro conducts a sustainability due diligence process before it enters new sales contracts with partners in countries with identified high human rights risks.

In 2023, new business opportunities were stopped due to the limited opportunity to influence and mitigate potential adverse human rights impacts related to the project and country of operation.

Through 2023, Hydro has been engaged in several external network meetings to better understand how to implement human rights due diligence downstream in its value chain. Hydro plans to do a more comprehensive mapping of impacts in its downstream value chain in 2024.

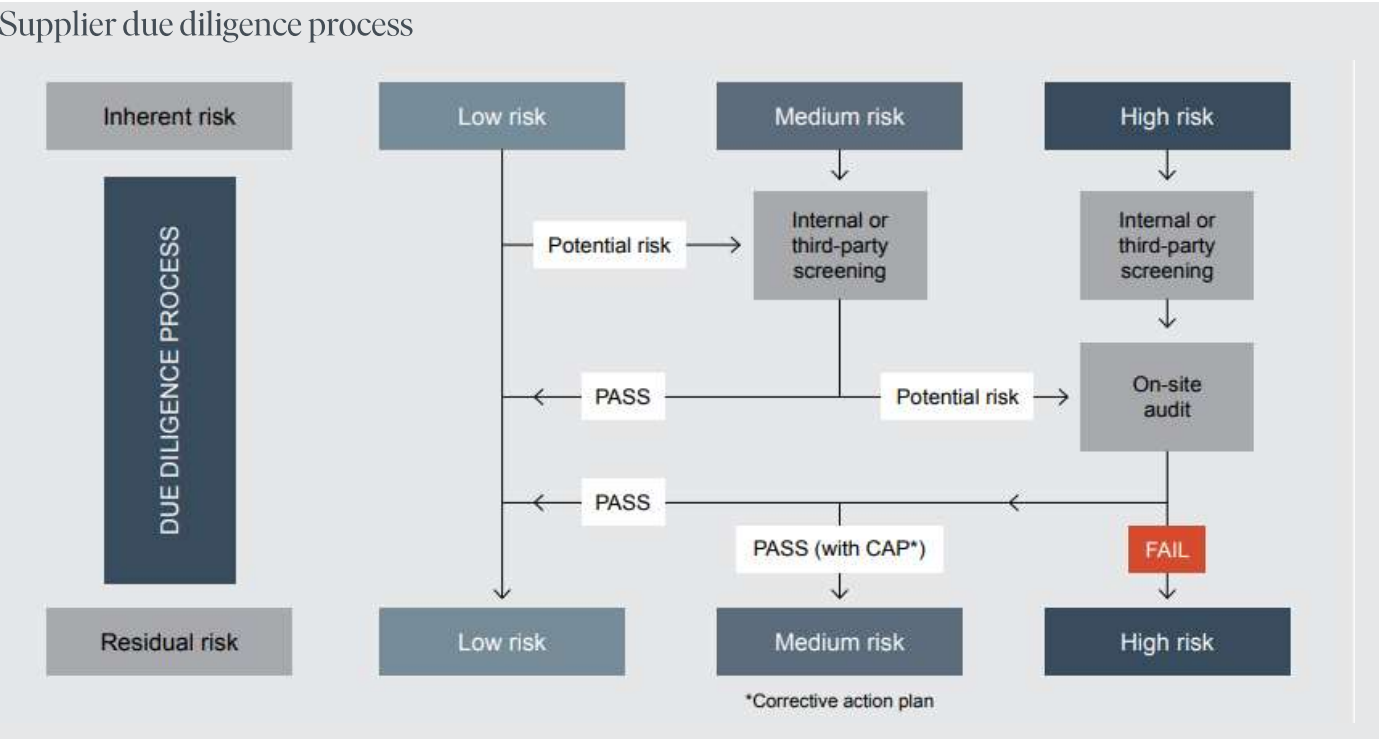
Supplier and business partner screening

As part of the integrity risk management process, more than 10,000 potential or existing counterparties were screened for human rights violations, corruption, money-laundering, politically exposed persons, and violations relating to sanctions using the RDC integrity risk tool during 2023. New business partners related to most operations are screened before registered in our ERP system. Hydro's operations in

North America also use the denied-parties risk tool MK Denial to screen suppliers against 16 official sanction lists multiple times a year. In 2023, approximately 5,300 customers and suppliers were screened in MK Denial.

All suppliers, customers and other business partners registered in Hydro's main accounting systems are screened on a weekly basis against recognized international sanction lists. Hydro has developed a spend cube to visualize external spend, measure procurement initiatives, and manage supply chain risk.

Please see Note S2.1 for metrics related to supplier screening and due diligence activities.



Hydro's supply chain inputs



Hydro's [Supplier Code of Conduct](#) was revised in 2023, incorporating an explicit requirement for suppliers to conduct human rights due diligence in their own operations and value chain, in accordance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

Throughout the year, Hydro continued the process to implement the procedure on sustainability in the supply chain to ensure a common approach across Hydro. Hydro established a cross-departmental taskforce, working to identify areas in its supply chain management where further measures may be needed to quality assure that our practice and guidelines is fully aligned with the OECD Guidelines. The taskforce will develop an improvement plan based on a currently ongoing mapping exercise. This plan will also be of aid when it comes to prioritizing Hydro's internal resources within this area.

Through regular assessment, follow-up and collaboration with selected high-risk suppliers Hydro contributes to continuous development. Hydro conducted 141 supplier audits in 2023 including topics related to human rights, working conditions and HSE.

Key findings from the audits relate to lack of management systems, environmental awareness, compliance controls and emergency preparedness. Around 30 percent of the audits led to action plans, and by the end of 2023, almost 100 percent of the corrective actions proposed by Hydro resulted in improved performance.

Hydro is an active member of the Aluminium Stewardship Initiative (ASI) and promote ASI's certification program to its aluminium suppliers for the sustainable development of their operations. Hydro also cooperates with other external stakeholders, such as unions and industry associations, to develop and implement supplier development programs.

Salient human rights risks affecting workers in the value chain

The following section will provide further descriptions of the salient human rights risks and impact related to workers in Hydro's value chain, including how the company works to mitigate these. Value chain risks and impacts related to land rights and resettlement are covered in the chapter [Affected communities](#). Please see the chapter [Human Rights](#) for a more detailed description of our human rights due diligence process.

**Brazil**

In Brazil, potential risks within the supply chain include business integrity and human rights, particularly related to working conditions. To identify and address these risks, both existing and potential suppliers undergo a thorough "Supplier Diagnosis" process.

The human rights risks are assessed for category and country. The category assessment considers 54 categories, covering 95 percent



material spend and 100 percent of services. The country risk assessment considers the following topics: forced labor, freedom of association, child labor, rule of law, living standards, civil and political rights.

In addition to human rights risk assessments, suppliers undergo scrutiny against the national "Labor Compliance List," maintained by the Federal Labor Ministry. This list identifies companies in Brazil accused of subjecting workers to conditions analogous to slavery.

To maintain a high standard, existing suppliers undergo continuous monitoring and may be subject to human rights audits when deemed necessary. Suppliers may also apply to participate in a comprehensive supplier development program. In 2023, 30 supplier companies were invited to participate in the 4th edition of the program, which this year had a deep-dive on human rights and ethics in business.

China

Due to the limited state protection of human rights as well as restrictions on access to information, Hydro assesses the inherent risk of human rights impacts in China to be high.

The serious government sanctioned human rights violations in and outside Xinjiang against Uyghurs and other Muslim minorities is a particularly severe risk that Hydro monitors closely. While Hydro does not source material and alloys from the Xinjiang region, the company still has a number of alloy and raw material suppliers elsewhere in the country.

In 2023, Hydro conducted a human rights assessment of its operations and value chain in China, as an addition to its existing human rights supplier assessments programs. The project was led by an external human rights expert company, with the goal of identifying risks and reviewing Hydro's current due diligence processes.

Based on Hydro's salient risk review, suppliers were evaluated for forced labor risk (also beyond tier 2), health and safety risks; poor conditions of worker facilities and dormitories; risk of delayed wage payments or workers not receiving required overtime pay; differences between conditions for employees and subcontracted workers; and lack of access to grievance mechanisms and freedom to report issues.

The process was executed through a combination of document reviews, on-site visits and interviews with managers and workers at different supplier sites. Findings were triangulated with detailed desktop research.

The review did not identify any indications of forced labor at supplier sites. However, certain risk factors were identified and will be followed closely.

The issue of forced labor in the solar sector, particularly related to polysilicon production in the Xinjiang region, has been the subject of numerous reports and articles. Hydro Rein is currently participating in two large-scale solar projects through Joint Ventures (Mendubim and Boa Sorte). In both projects, the Joint Venture partner has led the procurement process and Hydro Rein has requested relevant information and measures before approving a contract, including mitigation plans to tackle forced labor risks.

To address the risks identified, Hydro Rein established a taskforce in 2023, which has worked on mapping and implementing good practice. This has e.g. included extensive supply chain mapping and collaboration with industry associations, including through the Solar Stewardship Initiative (SSI).

Qatar

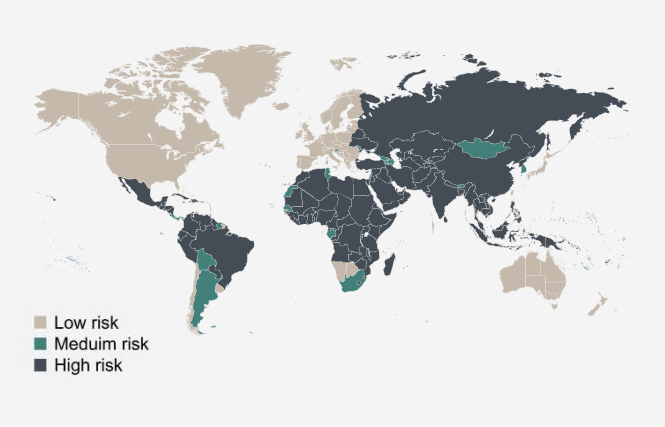
At the primary aluminium producer Qatalum, a joint venture where Hydro holds 50 percent, close to 75 percent of the roughly 1,350 workers are employed directly by Qatalum. The remaining 25 percent are temporary workers that are supervised by a Qatalum employed manager. Qatalum strives to secure good 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 in 2022, Qatalum received its Performance and Chain of Custody standard certificates, a recognition that it is aligned with globally accepted standards on ESG. In 2023 Qatalum was audited by DNV against the new version of the Performance standard, and we aim to continue to work with Qatalum in addressing relevant findings and observations in the audit.

In 2023, Hydro continued its discussions with local stakeholders and organizations 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.

Human rights country risk map

The map illustrates country-specific human rights risk scores, which are used by Hydro to assess the inherent sustainability risk of suppliers. The input data for this map was provided by the independent research organization [Nomogaia](#) and adjusted for Hydro specific factors.



Battery production

Hydro Batteries aims to develop leading sustainable battery materials businesses in Europe, by active investments in the battery value chain. This is part of Hydro's strategic direction towards 2025 to diversify and explore new opportunities in renewable energy. The potential human rights impact of battery production has been documented by a number of sources (see e.g. Amnesty International's ["Powering Change or Business as Usual"](#) detailing the impact of cobalt and copper mining on local communities in the DRC).

Hydro Batteries owns 24,1 percent of the company Corvus, which makes battery systems and has around 110 suppliers globally, including battery manufacturers. The batteries value chain is exposed to human rights risks in relation to the extraction and processing of minerals.

Corvus has identified the risk of child labor and modern slavery to be particularly high in the cobalt, tin and gold supply chains. We work closely with Corvus to support their human rights in the supply chain work, and have conducted trainings, workshops and seminars. We sit on their Sustainability Advisory Board and have included Corvus' supply chain in China in an ongoing human rights assessment. Hydro Batteries also owns 0,6 percent of Swedish cell manufacturer Northvolt, which has similar risks in their supply chains.

## S2 Notes on Workers in the value chain

### S2.1 Supplier metrics

#### Reporting principles

The data for the supplier metrics are retrieved from Hydro Spend Cube, which covers most of Hydro’s spend on suppliers.

Total number of suppliers is based on vendor identity. A single supplier to Hydro may constitute multiple vendors if Hydro has purchased from multiple locations by the same supplier. Hydro estimates that the number total unique suppliers is approximately 30,000.

Local suppliers are defined as suppliers situated in the same country as the site making the purchase. Selection of local partners and suppliers/contractors shall be based on competitive bidding to the extent feasible, and in compliance with competition laws and regulations as well as Hydro’s requirements.

Supplier metrics	2023
Total number of suppliers	41,589
Total spend on suppliers (NOK million)	142,833
% spent on local suppliers	65%

### S2.2 Supplier due diligence

#### Reporting principles

Data on supplier screenings is collected from each procurement team.

Suppliers screened is based on the number of screenings done using different screening tools, including RDC integrity risk tool, the MK Denial sanctions screening tool, screenings using supplier self-assessment questionnaires, EcoVadis ESG screenings, and desktop assessments. The reported number is based on the total screenings performed using RDC, which is the most frequently used screening tool. The total number of screenings conducted is higher, as a single supplier is often screened multiple times using different screening tools.

Supplier audits is based on on-site audits conducted by either Hydro, or onsite audits conducted by a third party on behalf of Hydro.

GRI reference: GRI Standards 308-2 (2016) and 414-2 (2016).

Supplier due diligence	2023
Total suppliers screened	10,446
Total number of high sustainability risk suppliers	1,095
Supplier audits conducted	141
Supplier audits that lead to a corrective action plan for the supplier	50
Supplier contracts terminated due to sustainability risks	3

# Affected communities

## Why it matters

The large-scale and fast-paced changes that need to take place as part of the green transition will impact the communities in which Hydro operates. It is widely recognized that vulnerable communities will be the most affected unless these impacts are managed as part of the process. The 2015 Paris Agreement includes a clear recognition that the green transition must also be just, a recognition which has been further established and operationalized by the UN's 2030 Agenda "Leave No One Behind."

Hydro can only succeed as a company if the communities around also succeed. As a global aluminium and energy company extracting natural resources, operating in more than 40 countries, Hydro depends on local institutions and infrastructure. Trust and good relationships with local communities and the people living there are of key importance to Hydro operations.

Hydro's Just Transition framework has been established to ensure that Hydro's business contributes to a transition that is both green and just. By acting on this framework, Hydro's aim is to contribute to positive development in the societies where it operates.

## Our approach

Hydro has developed a framework for supporting a just transition, through which the company seeks to contribute to positive development in the societies where it operates. The framework is focused around three key outcomes: People have 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. Hydro contributes towards these outcomes by respecting and promoting human rights, supporting positive local development, and investing in education.






Hydro's business activities impact a large number of people in local communities positively through job creation and local value creation. Hydro contributes to the societies to which it belongs by offering decent jobs, buying local goods and services, paying taxes and fees, establishing and maintaining infrastructure and supporting social programs and investments. The scale of Hydro's positive impact is linked to the scale of its operations in the local communities. Hydro contributes to greater local value creation in the communities near its larger plants.

Hydro's business also has the potential to adversely impact local communities. Hydro recognizes that the impact of its operations on land and water resources can affect local communities in which it operates. The management of such impacts is a key element of Hydro's sustainability agenda and of central importance in the company's stakeholder engagement in local communities.

Through Hydro's human rights due diligence process, the company has identified salient human rights risks for its business that have the potential to impact affected communities. These are listed in the table to the right.

Hydro recognizes the importance of its relationship with local and affected communities. Hydro is a global company, but its presence is ultimately local, and its approach towards society is reflected by this. Hydro's Just Transition framework is an example of how the company adjusts its role in affected communities as a result of Hydro's deeper understanding of what the journey towards a net-zero world means. The need for rapid development of renewable energy coupled with digitization has a profound impact on a wide range of the communities Hydro is located in, and the Just Transition framework has been developed in response to these impacts.

### Salient human rights risk in affected communities

	Health and safety
	Discrimination and harassment
	Access to information and participation in dialogue
	Land rights and resettlement
	Vulnerable individuals and groups

#### Just Transition definition:

"An economy-wide process that produces the plans, policies and investments that lead to a future where all jobs are green and decent, greenhouse gas emissions are at net-zero, poverty is eradicated, and communities are thriving and resilient."

Source: Just Transition Centre (part of the International Trade Union Confederation)

## Targets and ambitions

Improve lives and livelihoods wherever we operate by contributing to

Protection of human rights and access to equal opportunities	Resilient local communities in a changing world	Skills and jobs for the future low carbon economy
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### Performance

411	NOK 123 million	40,000
Stakeholder dialogues conducted	Community investments, charitable donations and sponsorships, including TerPaz (local community centres)	People reached

## Protection of human rights and access to equal opportunities

Respecting and promoting human rights is at the heart of Hydro's Just Transition work. While Hydro's ambition of improving lives and livelihoods wherever it operates goes beyond respecting human rights, the positive impact Hydro seeks to achieve can only be created when the rights of people affected by the company's operations and in its value chain are respected. Hydro's commitment to respecting the human rights in affected communities is set out in the company's [Human Rights Policy](#).

Hydro identifies impact on local communities by mapping the local sustainability context and transition challenges where it operates, with reference to the Human Development Index, TI Corruption Perception Index, and salient human rights risks in the local communities. Hydro also engages in stakeholder dialogue to understand what is expected of the company, what is important to local communities, how Hydro impacts them and how the company can solve common challenges.

Potential human rights impacts on local communities are managed through the human rights due diligence process, as described in the [Human Rights chapter](#). In the section on salient human rights risks in affected communities, Hydro describes the salient human rights risks identified in relation to the local communities where it operates or that is part of its value chain, as well as social programs implemented to mitigate these risks.

## Resilient local communities in a changing world

A key element in Hydro's Just Transition framework is to strengthen the societies and communities where it operates. The way Hydro does this differs from country to country and between communities. The main contribution is generated from the company's operations through production and purchase of goods and services, direct and indirect job creation, and tax payments. Hydro also engages in capacity building through targeted programs, to develop the competence of groups as well as individuals.

In developing Hydro's Just Transition framework, the company has looked at the communities where it has the largest presence, as well as communities which are uniquely exposed to Just Transition challenges to prioritize Hydro's work. Some of these communities' face challenges related to poverty and inequality, physical climate change and challenges related to decarbonization efforts changing the nature of jobs and required skills. While Hydro's approach to supporting resilience varies depending on the local context, a common factor is the partnership approach, working with local

partners with strong knowledge of the local context, as well as strong engagement with local community representatives.

Hydro has a number of social programs aimed at building local community resilience. Some of its community investments and programs are linked to for example mining license requirements in Brazil and regulated watersheds in Norway, while others are voluntary commitments. The programs target education, economic growth, decent work, entrepreneurship, capacity building and the strengthening of institutions.

In 2023, Hydro spent around NOK 123 million in total on community investments, charitable donations, sponsorships and TerPaz (local community centres). Excluding TerPaz, there is a 26 percent increase compared to the prior year, mainly due to our increased community efforts in Pará. Please see the [Note S3.1](#) for more information.

In 2023, Hydro also developed a program to increase funding to projects aligned with the Just Transition priorities in the communities where it operates. The program will be launched in 2024.

Hydro also supports local communities through the transfer of competence that takes place through the company's cooperation with universities and research institutions. This includes the cooperation with three academic institutions in Pará, Brazil, and the University of Oslo through the Biodiversity Research Consortium Brazil-Norway. In addition, Hydro provides scholarships to selected PhD candidates doing research relevant for its business areas. Hydro is also the sponsor of a professorship in Norway and has several adjunct professors among its own employees. See the section on partnerships in the [Business Conduct chapter](#) for more information.

## Skills and jobs for the future low carbon economy

A risk associated with decarbonization efforts is that social inequalities increase as new technologies introduce the need for a different type of skillset or bring other changes to the labor market. To address this, Hydro's Just Transition framework includes a focus on ensuring that people have the necessary skills and jobs for the future low-carbon economy.

Hydro's ambition is to equip 500,000 people with essential skills for the future economy by 2030. The insight from measuring the people reached and the impact of its initiatives make Hydro better equipped to select and execute future initiatives with a positive impact. In 2023, Hydro reached more than 40,000 people, which sets the total number reached to 197,000 people since 2018. Hydro is still on track to reach 500,000 by year-end 2030. Continuous improvement of current

initiatives and the development of new high impact initiatives are important areas.

## Salient human rights risks in affected communities

The following section provides further descriptions of the salient human rights risks and impacts in affected communities, including how Hydro works to mitigate these.

Hydro systematically monitors the impact of its mitigating actions. This involves regular data collection, performance evaluations, and stakeholder feedback. By using key performance indicators and collaborating with external partners, Hydro ensures its initiatives align with its mission and contribute positively to the communities where it operates.

### Brazil

Hydro's Bauxite & Alumina activities are located in the Amazon, in the state of Pará where Hydro is operating a mine, a pipeline, and a alumina refinery, and has an ownership share of 51 percent in the aluminium smelter Albras. This region presents socio-economic challenges similar to other areas in the Amazon, affecting the well-being of its residents. Specifically, Paragominas, the location of the mine, and Barcarena, where the refinery and a smelter are situated, experience relatively low to middle income rates. Additionally, the cities along the bauxite pipeline, namely Tome-Açu, Moju, Abaetetuba, Acará, and Ipixuna do Pará, experience lower income generation. On average, these seven municipalities have a poverty rate of 39 percent, with approximately 40 percent of residents lacking access to sanitation.

Hydro's operations are neighbor to 28 Quilombola communities. Hydro does not operate in any legally demarcated indigenous land or territory.

Respect for human rights is at the core of Hydro's social license to operate and the context of its operations in Pará makes it important that Hydro takes a community approach to its human rights work. Hdryo's human rights due diligence process is informed by its social risk management and itsr social projects in the community emphasize active stakeholder involvement in addressing social challenges.

### Human Rights Action Plan

In 2020, Norsk Hydro Brasil began the implementation of a Human Rights Action Plan to mitigate risks in the operations (Alunorte, Albras and Mineração Paragominas, including the pipeline) for the period 2020 to 2023. The implementation progress is currently at 94



percent of the initiatives for Bauxite and Alumina completed, including the following activities:

- 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<sup>1)</sup>.
- Implementation of social initiatives and strengthening social dialogue with traditional communities.
- Enhance the incorporation of the Voluntary Principles for Security and Human Rights in security providers' contracts.
- Strengthening effectiveness criteria for grievance mechanisms.

A human rights consultancy will be hired to conduct a new thorough cycle of human rights due diligence of our operations in the state of Pará.

*Social risk*

Social risk management is handled by a dedicated team operating across various support areas. This specialized team is committed to managing and anticipating risks, ensuring a proactive approach to prevent potential challenges.

*Social projects*

Hydro has implemented a structured approach for effective and inclusive engagement with diverse communities in the region.

Since 2018, Hydro has supported the Sustainable Barcarena Initiative (SBI) to enhance community participation. This is an independent forum to support sustainable development in Barcarena. The overall aim is to bring local stakeholders together to discuss challenges and opportunities, strengthen capabilities and decide about the main social investments supported by the Hydro Sustainability Fund (HSF). In 2023, about 137 community leaders participated in meetings, dialogues or programs organized by the initiative.

SBI also plays an important role coordinating the financing rounds of Hydro Sustainability Fund (HSF) to ensure Hydro's social

1) Quilombola study is a formal procedure for engagement with traditional communities in the environmental licensing process in Brazil, developed according to the ILO 169 guidelines.

investments meet the local community's needs. In 2023, HSF supported 22 community based projects, including initiatives such as the installation of solar panels and the development of a beekeeping project in Quilombola traditional communities.

Aligned with Hydro's Just Transition framework, Hydro ran several social programs across the seven municipalities where it operates. These initiatives aim to contribute to the sustainable development of the territory, promoting a Just Transition through a particular focus education and skills, job and income generation, biodiversity and quality of life.

In addition, Hydro has a volunteering program for employees to increase internal engagement and address community needs. In 2023, over 1,500 employees participated in the volunteer programs in Brazil. The volunteers organized over 70 different activities, including food baskets donations, fundraising, seed planting and training for community leaders. The activities reached approximately 18,000 people.

*Education and skills*

In 2023, Hydro continued its efforts to provide educational activities and capacity building projects throughout the potentially affected communities where it operates. These initiatives aim to empower individuals and communities with the knowledge and skills necessary to enhance their economic well-being, fostering sustainable development and resilience against socio-economic challenges.

In 2023, Hydro's initiatives in Brazil promoted education and skills to 22,244 people, building up capacity in communities, including traditional Quilombolas along the bauxite pipeline to strengthen their job opportunities.

Among the initiatives, Hydro initiated in 2023, the "Synapse Network Program" in collaboration with the Brazilian National Development Bank (BNDES), focusing on training teachers to improve the teaching and learning of Portuguese and Mathematics in children's literacy cycle. The project is aligned with the Brazilian National Common Curricular Base (BNCC) and built to be effective in vulnerable and extreme-poverty regions. The project covers 38 Brazilian municipalities, and the Hydro partnership began operating in the city of Acará, one out of the 7 municipalities crossed by the pipeline. Our ambition is to expand the project to two additional municipalities along the pipeline in 2024.

In 2023, Hydro started supporting "Itinerários Amazônicos," an educational program focusing on training public teachers. The program discusses sustainable development, climate change, and traditional knowledge, using the Amazon as an example. The aim is to create teaching materials, drawing references from the forest. Public high school networks from eight states in the Legal Amazon

region took part: Acre, Amapá, Amazonas, Maranhão, Mato Grosso, Pará, Roraima and Tocantins. The program has been carried out by the Lungo and Reúna Institutes and by the Amazon Concertation Network, in partnership with the Brazilian National Development Bank (BNDES), Arapyaú Institute and Movimento Bem Maior.

Among Hydro's educational projects, the company maintained the "Território do Saber" Project. It provides educational activities to illiterate adults and training for public teachers in Paragominas. This project has reached more than 18,000 people since 2018.

To support professional qualification, Hydro completed the construction of a technical school in Barcarena in 2022, where the Alunorte refinery and the Albras aluminum factory are located. In 2023, Hydro has continued to support the local government in the planning to start the operations of the facility, scheduled to begin in February 2024.

Hydro promoted professional qualification courses for residents of six communities, three of which are Quilombolas, in partnership with SENAI (National Service of Industrial Apprenticeship), offering professional courses. Additionally, Hydro continued its partnership with the Casa Familiar Rural, the main educational institution in the Quilombola do Jambuaçu Territory.

In addition to this, Hydro also continued its training program for women in partnership with SENAI to increase the number of women working in its operations.

*Job and income generation*

Hydro continues programs to support livelihoods, particularly to promote income generation, such as traditional family farming. In Barcarena and Tomé-Açu, Hydro has provided training in agroecology practices for family farmers. In addition, Hydro sustained efforts to promote the marketing of products from local family producers, focusing on community agri-food entrepreneurship by the "Tiptix" project run by Hydro Sustainability Fund.

*Biodiversity*

Preserving biodiversity is an important element of Hydro's human rights approach. Hydro recognizes the vital link between healthy ecosystems and community well-being.

To support the preservation of the biodiversity in the Amazon region, Hydro runs several programs. This includes environmental efforts and collaborations such as the Biodiversity Research Consortium Brazil-Norway. In 2023, Hydro renewed the partnership for five more years. Since 2013, Hydro has invested approximately BRL 15 million through the partnership, supporting 26 research projects and 60 published scientific articles. For more information on this, please see our [Biodiversity and ecosystems chapter](#).

Quality of life

To contribute to local development and Quality of Life, Hydro also strengthened its community investments through partnerships with public authorities. In 2023, Hydro completed the delivery of three TerPaz local community centers, which are local community centers capable of accommodating about 1,500 people per day for cultural, educational, and medical assistance. To continue this effort, in 2023, Hydro signed a partnership for the construction of an additional six TerPaz local community centers in the municipalities where it operates along the pipeline.

In an area adjacent to Alunorte's and Albra's operations in Barcarena which is regulated for industrial purposes, illegal logging and irregular settlements have accelerated since 2016. Hydro is constantly engaging with competent authorities to find a social assistance plan for vulnerable families. In 2023, an Alunorte owned plot in the urban area of Barcarena, with no operational activities, was illegally occupied. Hydro engaged public authorities, who conducted the eviction process, ensuring respect for human rights. The case is under discussion in the Brazilian court.

Wind and solar projects in Brazil

Hydro Rein is currently engaged in three major projects in Brazil, Ventos de São Zacarias (VSZ), a wind 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 de São Zacarias, Rein has Green Investment Group as partner. There are two Quilombola communities in the vicinity of the project. A joint venture team, including environmental and social professionals from both investors, are responsible for following up identified environmental and social impacts throughout the project construction, including the potential impact on members of the two Quilombola communities. In 2023, two families were resettled, in line with a Resettlement Action Plan. A Livelihood Restoration Plan is being executed and the impact on the families is being monitored by VSZ's team for at least three years.

In Mendubim, Rein has Equinor and Scatec as partners, Scatec being responsible for building and operating the project.

In Boa Sorte, Rein has Atlas Renewables as partner. They are responsible for the building and operation of the project, including the execution of all environmental and social programs. Boa Sorte did not involve resettlements nor traditional communities.

Rein works with its business partners to ensure the implementation of IFC Performance Standards and the Equator Principles.

Canada

In Canada, Hydro's part-owned primary aluminium producer Alouette is in the vicinity of the Innu First Nation community. Alouette assesses, mitigates, and reports to Alouette Board of Directors on human rights risks as part of its risk management procedure, including risks impacting the local communities where it operates. There have been implemented relevant mitigating actions and engagement with Innu First Nation and provincial organizations and stakeholders on its commitments. As a result of this, Alouette has improved diversity in its organization by increasing the Innu First Nation workforce share, and increased community engagement on social issues. This is being measured through defined targets and reported to the Alouette Board of Directors.

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 could have their bauxite origin in Guinea. The country's bauxite industry is associated with a high risk of human rights impact on communities, in particular related to land rights.

There are also concerns related to the health and safety of communities in the vicinity of mining operations. Due to small volumes and the indirect nature of Hydro's sourcing activities, Guinea has not been a country prioritized in the company's human rights due diligence in 2023. However, Hydro continued following 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).

Norway

In Norway, Hydro has an offtake agreement with Nordic Wind Power DA for delivery of power from the new Fosen wind power installation. Nordic Wind Power is a minority owner of Fosen Vind DA. 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 October 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 ministry responsible. Hydro is monitoring the situation closely and is following up with the shareholders of Fosen Vind DA. In December 2023, the Sør-Fosen Sijte reindeer herding district and Fosen Vind entered into an agreement. Sør-

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.

Please see the chapter about [Human Rights](#) for further information about Hydro's human rights due diligence process.

Fosen Sijte will be granted access to additional land for winter grazing and will receive financial support for reindeer herding. Fosen Vind is allowed to continue using the area at Storheia for wind power production throughout the concession period. There has not yet been reached any agreement between the Nord-Fosen Siida and the wind company Roan Vind.

Sweden

The wind farm project Stor-Skjälsjön is located near Sundvall in the northern part of Sweden where there is a Sami community. Hydro Rein has 25 percent ownership of the project. An adjacent Sami community will be impacted by the wind farm, as the areas are in some periods used for reindeer herding.

A review of environmental and social risks has been conducted. No known non-compliances with regulatory requirements or Hydro's policies have been identified. 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 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.

## S3 Notes on Affected communities

### S3.1 Community investments, donations, and sponsorships

#### Reporting principles

Community investments include monetary amounts and time spent to benefit the company as well as the communities. Community investments relate to long-term strategic involvement in, and partnership with, community organizations to address a limited range of social issues chosen by Hydro to protect its long-term shareholder and stakeholder interests.

Charitable donations include one-off or occasional support to good causes in response to the needs and appeals of charitable and community organizations, requests from employees or in reaction to external events such as emergency relief situations.

Sponsorships include business-related activities in the community to directly support the success of the company, promoting its corporate and brand identities and other policies, in partnership with charities and community-based organizations.

TerPaz (local community centres) include Hydro's contributions to public initiatives in the state of Pará, Brazil, focusing on the social development of the local communities. The initiatives includes construction of social centers or peace houses that provide residents with access to services such as medical and legal services, training and professional courses.

All Hydro sites report annually on all community investments, charitable donations, sponsorships, and other related initiatives.

#### Community investments, charitable donations and sponsorships

NOK million	2023	2022	2021	2020	2019
Community investments <sup>1)</sup>	48	51	30	42	50
Charitable donations and Sponsorships <sup>1)</sup>	48	25	25	14	9
TerPaz (local community centres)	27	179			
<b>Total</b>	<b>123</b>	<b>255</b>	<b>55</b>	<b>56</b>	<b>59</b>

1) In 2021 we included Hydro Extrusions in the reported numbers for the first time.

In addition to the above, Hydro spent 521,000 NOK on the technical school in Barcarena, which was completed in 2022.

The increase in charitable donations and sponsorships is mainly due to an increase in charitable donations in B&A. The numbers are not directly comparable to historical figures due to different practices in collecting the information. In addition to this, the 2022 numbers for Hydro Extrusions have been updated.

### S3.2 Social responsibility target

#### Reporting principles

Education refers to initiatives within the formal educational system, from elementary school to university. Examples of initiatives include training of teachers and external scholarships.

Capacity, or competence building refer to all training and competence building outside formal educational systems. Examples include trainees and Hydro's supplier development program established in Brazil.

We have developed a framework and methodology for counting people impacted by our programs and initiatives to ensure consistency in how we measure progress across the company. The methodology covers initiatives related to education and capacity building and can be accessed on [our webpage](#).

#### Social responsibility target

	Accumulated since 2018	2023	2022	2021	2020	2019
1,000 people reached						
<b>Education and capacity building</b>	<b>197</b>	<b>40</b>	<b>25</b>	<b>21</b>	<b>60</b>	<b>28</b>

All business areas are contributing in line with the original ambition setting of reaching 500,000 people with our education and capacity building programs.

Based on the total number in 2023, 80% are related to education and 20% are related to capacity building.










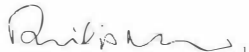


The increase in the 2023 number compared to 2022 is primarily driven by one major program in B&A in Brazil. This is a partnership with other organizations, but due to Hydro's pivotal role we count the complete number of people reached instead of just the equity share. Hydro B&A had a role both in the initial planning and structuring phase of the program as well as being the first fund provider which was a critical role in garnering interest from other investors to the program, fostering a collaborative and diverse financial support system.

Note that the 2020 results were significantly higher due to one particular initiative in India, reaching close to 30,000 people.

# Statement from the Board and the CEO of Norsk Hydro ASA

Norsk Hydro ASA (the parent company) had a net income of NOK 15,064 million in 2023 compared to NOK 4,896 million in 2022. The result reflects increased dividends from subsidiaries in 2023 compared to 2022. Hydro's Board of Directors proposes to pay a dividend of NOK 2.5 per share and an additional NOK 2.0 billion in share buyback for 2023, for approval by the Annual General Meeting on May 7, 2024. The proposed payment demonstrates the company's commitment to provide a predictable dividend to shareholders. Hydro's dividend policy reflects our ambitions to lift performance and cash returns to shareholders over the cycle. The dividend policy is to pay out a minimum of 50 percent of adjusted net income over the cycle with a NOK 1.25 per share dividend floor. According to section 3-3a of the Norwegian Accounting Act, the Board of Directors confirms that the financial statements have been prepared on the assumption of a going concern.

Oslo, February 13, 2024

			
Dag Mejdell Chair	Rune Bjerke Deputy chair	Margunn Sundve Board member	Arve Baade Board member
			
Marianne Wiinholt Board member	Torleif Sand Board member	Kristin F. Kragseth Board member	Peter Kukielski Board member
			
Bjørn Petter Moxnes Board member	Phillip Graham New Board member	Petra Einarsson Board member	Hilde Merete Aasheim President and CEO

The 2023 Norsk Hydro Modern Slavery Transparency Statement was endorsed and approved by the Board of Directors of Hydro Aluminium Australia Pty Limited on the 25th November 2024.



Leanne Pringle  
Director  
4th December 2024