



Hydro's Social Responsibility Principles

1 Purpose

Norsk Hydro is committed to sustainable value-creation for our shareholders, other stakeholders, and the communities where we operate. As an international industrial and natural resources company, our operations impact the lives of a large number of people around the world. We pursue opportunities while managing risks taking the social impact of our business operations into consideration. This is what is commonly called Corporate Social Responsibility (CSR).

This document contains the basic principles that we will follow in order to live up to our corporate social responsibilities. It provides a framework to help put these principles into practice, and allocates responsibility for their implementation.

2 Our Basic CSR Principles

2.1 Respect for Human Rights

Hydro supports the principles set forth in the Universal Declaration of Human Rights. We shall make sure that our operations are conducted in accordance with basic human rights standards.

2.2 Contributing to Sustainability

Through developing profitable business and active engagement with local communities, we aim to ensure that our business practices contribute to long-term economic and social development. We will work with government and civil society to define roles and responsibilities for social development.

2.3 Diversity

Hydro will not discriminate on the basis of gender, religion, race, national or ethnic origin, cultural background, social group, disability, sexual orientation, marital status, age or political opinion. We recognise the intrinsic value of the different cultures in which we operate, and will show respect for these cultures in all our business practices.

Hydro will pay special attention to the rights, requirements and cultural integrity of indigenous people affected by our operations.

2.4 Dialogue

To ensure that our activities are properly adapted to meet local conditions and generate positive benefits both for the Company and the community, we are prepared to enter into an open dialogue with relevant stakeholders.

We shall give attention to initiatives and input which serve to improve our social responsibility standards and practices.

2.5 Integrity

Hydro shall maintain high standards of integrity. This means that we shall be honest and fair in all our dealings.

We shall not permit or tolerate engagement in bribery or other forms of corruption.

3 From Principles to Practice

3.1 Reporting

Each unit shall report on important aspects of the social impact of their business in accordance with guidelines established by the Corporate CSR staff.

3.2 Insight and Knowledge

Good CSR management requires knowledge and understanding of societies and communities where we operate. Knowledge and understanding may be acquired from within the organisation or from external sources such as consultants, authorities or non-governmental organisations.

Social knowledge shall be made available to relevant staff. Training in cross-cultural understanding shall be provided when appropriate.

3.3 Anticipating Issues

To ensure that we act in accordance with our CSR principles and manage opportunities and risks, our businesses shall seek to anticipate critical social issues. Key stakeholders shall be identified and, when appropriate, be consulted before any major commitments are made or significant resources are allocated.

3.4 Social Impact Assessment

To ensure the best possible management of long-term social consequences related to significant changes in an ongoing operation or when new projects are launched, the unit in charge should evaluate whether and to which extent social impact assessments should be conducted as a basis for making business decisions.

3.5 Community Investments

Based on systematic impact assessments and corporate strategies, Hydro's businesses may engage selectively in social investments that contribute to healthy community development. Opportunities for implementation through partnerships with government and civil society organisations should be actively explored.

3.6 Partly owned companies and other business relationships

Hydro's CSR principles shall be promoted vis á vis partly owned companies and other business relationships.

To contribute to improving supplier standards, adequate procedures for monitoring, evaluation and/or selection of suppliers reflecting Hydro's social responsibility principles shall be developed.

4 Roles and responsibilities

While each Hydro employee has a responsibility to abide by the fundamental principles outlined in this document, specific responsibility for implementation is assigned as follows:

4.1 Line Management

Line managers are responsible for CSR implementation and for communicating the basic principles of this Corporate Directive to all employees in their organisation.

4.2 Business Units

To ensure that our business practices are in accordance with these basic principles, each Business Unit shall integrate relevant CSR issues into its strategy development. Challenges related to CSR shall be evaluated in connection with the yearly business planning process. If relevant, goals and targets should be established.

Operational guidelines for CSR shall be developed when appropriate and according to the specific challenges and characteristics of each Business Unit. Each Business Unit is responsible for developing and maintaining adequate organisational capabilities to ensure compliance with this Corporate Directive.

4.3 Corporate CSR Staff

Corporate CSR is responsible for developing CSR policy and reporting guidelines, monitoring internal performance, and for providing general support to the Business Units. Corporate CSR is also responsible for coordinating

external reporting at a corporate level and for developing and maintaining relationships with other companies, institutions and organisations in order to share knowledge and competence.

5 No rights created

This Corporate Directive is a statement of certain fundamental principles, policies and procedures that govern the Company. It does not create any rights in any customer, supplier, competitor, shareholder or any other person or entity.

* Hydro's 12 Corporate Directives should be seen as a whole and several issues covered in this document and should be seen in context with the other corporate directives. Requirements in NHC-CD03, Hydro's People Policy, NHC-CD04, Health, Security, Safety and Environment Policy and NHC-CD05, Hydro Code of Conduct, are also of relevance to people interested in CSR.