Counting Manual: Education and skills development

Hydro' strategic social responsibility goal for 2030 is to contribute to quality education and skills development for 500,000 people in our communities and for business partners from 2018 until end of 2030

This document ensures a common counting methodology across Hydro's operations towards the goal. It is developed by Group Sustainability and meant for Hydro's business areas.

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Introduction to revised version, 2021

The feedback after we tested version 2.2 in the 2020 data gathering process was positive; we seem to have a manual that is fit for purpose. At the same time, if we see that improvements can be made, we will continue to develop the content.

In addition to a few minor language changes, we will also start to monitor the numbers reached on a selection of major geographical areas; Europe, North America, South America and Asia. In practical terms, the reporting entities will not need to change much as the national level is already in place, but there will be a collating process at group after all the data is gathered.

As we continue working towards our goal of contributing to quality education and capacity building for 500 000 persons in our communities and for business partners towards year-end 2030, the core methodology of our counting remains intact and is centered around two main counting pillars:

1. "Education", which covers initiatives within the traditional educational system, and
2. "Capacity building" which is the category for training outside the educational system.

Social sustainability in Hydro has special focus on promoting the UNs Sustainable Development Goals (SDG) 4, 8 and 16. It is therefore important that any initiative under capacity building has a link to one or more of these SDGs to ensure that we measure relevant capacity building.

These two are split into sub-categories which are all described in detail in this manual. Note that we only count external impact, and not the development of our own employees.

Our process principles remain the same. They are important because we want to have a common and robust approach across the company. But most importantly it is simply the Hydro way of doing things to assure quality and consistency in our reporting.

The key principles for the process will be

- Transparency in the calculation process
- Clear audit trail to allow a 3rd party assurance of our conclusions (done by our auditors)
- Use conservative estimates where we are left to stipulate numbers and explain the premises
- Be aware of and seek to avoid double-counting
- As a rule, we do not count one-off initiatives (if duration is less than four hours) such as guest lectures and/or donations to charitable organizations/similar unless it is linked to (measurable) impact on the goal of education or capacity building.

If you have projects in our local communities or supply chain that you think should qualify as part of the total number but are not part of this manual, we are always happy to discuss this on a case-by-case basis. While we need a standardized counting approach to establish governance and a common method, it will sometimes be the case that it is difficult to find a one-size-fits all. As always, Group Sustainability will keep a close supporting line with the BAs in the process and welcome questions at any time.

EDUCATION – Who can we count and how?

- covers initiatives within the educational system, from elementary school all the way through to University.

#ID	Category	Description	Calculation	Impact Assessment	Audit Comments
1	**Hydro funded educational program, including education partnerships**	• Defined broadly, based on identified needs in Hydro or local communities. • Educated either through Hydro direct programs or through our partnerships. • Children/adults directly affected by education programs. • May include minorities, people with disabilities, indigenous peoples, etc. • Category also include where Hydro employees contribute to educational programs (i.e. homework assistance).	Simple headcount as basis – number of people reached is added together. If not 100% Hydro-run, provide explanation of number and share of total output - parts of funding = parts of people reached.	For impact purposes, the goal of the education program should be described (i.e. increase literacy, eliminate gender disparity, build IT competence, etc.).	Data sets and lists of receivers should be stored. Only funds traced to education program, not general support to partner (unless receiver is a 100% education-oriented). Partners should have a verified calculation of people reached.
2	**Training of teachers**	• In many regions we help teacher improve their skills, which again influence the quality of the teaching and leading to improved education for children. Typically, this will be targeted training and shorter seminars, etc.	Count numbers teachers receiving training, as well as the number of pupils they teach in relevant topics. Briefly describe how estimation is done, use number of children the teacher teaches in the given topic. If you do not know, the standard multiplier is 25 per teacher.	Research shows that teaching is arguably the strongest school-level determinant of student achievement. Increasing the competence level of teachers will have a major spill-over effect. Document the quality and topic of the teacher program (i.e. is it conducted by a third party, is this party qualified, etc.).	Registration lists, confirmation lists, receipt from training institution, etc. In addition to the numerical value, we must provide a short description of the content and scope of the training.
3	**Training of school management**	• Training of administrative personnel responsible for school management to secure improvement in how a school is run.	The multiplier is set to a modest 10; one person trained will then be 1 + 9 for a total of 10.	Leadership is second only to classroom instruction among school-related factors that contribute to what students learn at school (publicly available research confirms this).	List of trained personnel and course details must be provided.
4	**Scholarships**	• Usually at University level but could also be relevant for other levels of schooling.	If Hydro contribution part of a broader program, count %.	Not needed for this category. But make note if funding is directed towards mining/metal related courses. Suggests win-win for Hydro, net positive impact.	Confirmation of funding and position with educational institution must be provided.
5	**Sponsored Professor(ships)**	• Students that participate in courses led by professors; we do NOT count guest lectures.	Correct for % of full-time position sponsored. Count students taught and/or supervised by professors (or Hydro staff). If data not available, use 50 as multiplier per professor.	Not needed for this category.	
6	**Other education**	Other projects or initiatives that should be counted. Relevant examples here may be • Programs that enable children to take part in activities (sport, culture), build self-discipline, social skills etc. or topics such as puberty and health, gender equality, etc. • Could also be children which get psychological/emotional support – especially orphans/vulnerable children. • Programs where we provide the infrastructure for education	Simple headcount. Remember to provide a short description of what the project is, why it should be included and how you count.	Relevance to Hydro or community must be shown/discussed. If run by partners, it is important that we target the funding to programs that are tied to Hydro activity and based on local needs – primarily investing in educational infra-structure near our sites.	

CAPACITY BUILDING – Who can we count and how?

- covers initiatives within the educational system, from elementary school all the way through to University.

#ID	Category	Description	Calculation	Impact Assessment	Audit Comments
7	**Apprentices**	• Definition of apprentices in Hydro needs to be developed, but common-sense approach for now – please provide short explanation to make it possible to re-define.	Simple headcount.	Not needed for this category.	Make reference to relevant HR-systems in data sheet.
8	**Interns and trainees**	• Technical training for inexperienced professionals • This category also includes people participating in summer projects.	Simple headcount. Do not count those who are guaranteed a position at Hydro after internship.	Not needed for this category.	Make reference to relevant HR-systems in data sheet.
9	**Hydro courses open for externals**	• If an internal Hydro course has external participants, these should be counted when the following applies: o Minimum 4 hours in total o Sustainability topics linked to either SDG 4, 8 or 16 • Includes local workers trained to be skilled to fill Hydro position.	Simple headcount.	Not needed for this category; we assume the Hydro-course is useful.	Registration lists and confirmation of participation.
10	**Suppliers and potential suppliers trained by Hydro staff/partners**	• For example, FIEPA programs or other relevant supply chain management processes where Hydro reaches out to our value chain and increase technical/subject matter/other expertise.	Simple headcount but ensure that suppliers trained by partners are duly accounted for. Unless we can show that it should be different, multiplier is conservatively set to 4 for each supplier trained.	A description of the course topics and targets should be made – but usually they will focus on needed competence.	Registration lists, names of companies, explanation and reason for multiplier if different from corporate default.
11	**People in local communities trained by us**	• Based on needs in local communities and our Hydro footprint, we can initiate different capacity building programs - e.g. mentor in entrepreneurship in Para office, Brazil, or in things like health, safety, technical capacity building entrepreneurship, business, migrant/ other disadvantaged receiving training/skills development.	Simple headcount.	Evaluation from the project planning will likely include impact elements. Preferably, it should be areas where Hydro has a knowledge that we can share (but do not count marketing/branding activities).	Registration lists, names of participants, etc.
12	**Programs in local communities given by external partner with Hydro assistance/funding**	Projects based on and decided at local/regional site, but execution is outsourced. Current examples will be to: • Increase agricultural knowledge • Help disabled, Indigenous and Traditional Peoples, long-term unemployed, etc. back into the workforce • Migrant/other disadvantaged receiving training • Competence building on project management	Simple headcount.	Preferably, the local partner has established metrics that assists in impact/quality assessment since these projects will stem from a need in local setting.	Ensure that local partner keeps registration records and can provide us with the data we need to support our claims.
13	**Other capacity building**	Any project that falls outside of the scope of the above given examples.	Case-by-case basis.	Case-by-case basis.	General data documentation which verifies/supports our claim.

Impact

While we continue to gather numeric data towards our goal, we also need to establish metrics for quality or impact. If we do not know the effect of our initiatives, it is hard to assess whether we are using our energy and resources in the right way. Establishing a list of common impact criteria is both difficult as well as impractical given the span of initiatives we have. This means that the BAs to a degree will have to develop separate project-metrics to track progress, which is also reflected requirements to measure effect and impact found in Hydro's Community Investment policy (GP09-04) – depending on project size, metrics and impact goals are part of the project planning, execution and validation. This especially important for the larger projects where the opportunity cost increases and the need to see that we are using resources efficiently is critical.

Since the above policy covers impact on a project-to-project basis, the impact we want to tag for this process is limited to the three levels Low, Medium and High. Each of these levels are defined as follows on an either/or basis (one criterion is sufficient to establish appropriate level);

IMPACT LEVEL	CRITERIA
Low Impact	• Number of people reached is below 5, or • It is not part of higher education and/or research project, or • No **measured** positive effect on participant competence/local community, or • Project cost is below 50.000 NOK
Medium Impact	• Number of people reached is between 5 and 50, or • **Measured**, but limited positive effect on participant, competence/local community, or • Project cost is between 50.000 and 150.000 NOK
High Impact	• Number of people reached is above 50, or • **Measured** high positive effect on participant competence/local community, or • Project cost is above 150.000 NOK

If more than one criterion can be used from different levels, the **highest** impact level applies. For example, if number of people reached is below 5 (low impact) but the cost is above 150.000 (high impact), then the impact is set to "High" in the reporting tool.

Keep in mind that the principles of **transparency, audit trail** and **conservative estimation** also applies for impact assessments.

Multipliers

It is difficult to establish a "one size fits all" for the purpose of calculating ripple effects of initiatives that targets professors, teachers, key personnel with suppliers etc. – all of whom may bring new knowledge and competence further. Partly based on how others do it and partly based on our own experience – balanced with conservative estimations – the following general rules shall apply when we calculate total numbers reached:

#ID	Name of Category	Default multiplier to be used
2	Training of teachers	25
3	Training of school management	10
5	Sponsored Professorship	50*
10	Suppliers and potential suppliers trained	4**
12	Program in local communities given by external partner with Hydro assistance/funding • Family of farmers (Brazil only) • Technical social assistance team (Brazil only)	 4 80

Multipliers for Live Streaming Sessions; divide total number by 4. As a result of the Covid-19 situation, several of our programs have moved onto digital surfaces making it useful to establish a common method of calculating participation in such arenas. It is difficult to verify the precise completion rate for these events without spending an excessive amount of resources, so to simplify (while remaining conservative in our estimation) we will divide the *number of viewers for live streaming sessions by four* – i.e. if you have 40 viewers registered, you report 10 of these.

* Must be confirmed by the professor (please archive documented confirmation of number). Ask Group Sustainability for suggestions or average in other BAs if this is not possible.

** As the size of the supplier will vary and it also is difficult to estimate the real effect of the additional, and to make sure we do not overestimate we set default average multiplier to 4. If you find that this will bias towards either too much or too little, a separate calculation may be used but will have to be documented in more detail. An example of when this can be in the case that training related to distinct functions is given, for example Diversity & Inclusion and Contract management. The chances the learning will be channeled to different parts of the organization is higher and we can therefore assume that more people will receive the learning.

Audit trail

The transparent process and approach that we are using must be traceable; if someone wants to verify our numbers, we should be able to provide them with evidence and an audit trail that do this. To gain trust in our numbers and process externally, we will need a 3rd party verification.

This is important for us as well, simply to make sure we can measure and manage progress. Tracking and verifying the data flow is necessary to manage of any type of system, but large projects (above 50.000 NOKs) and/or strong claims will require stronger positive evidence.

This means that we need to think of how we can provide objective evidence and positive confirmation to the future auditors, and tag these to the claims we make. Audits are usually a combination of reviewing documentation, site visits and interviews with the responsible personnel – and we should seek to add that information into our data reporting from the get-go to avoid cumbersome searching for old documents in the past. Many of you are familiar with what kind of evidence we need to provide, but a non-exhaustive list of useful documentation can be:

- A dedicated SharePoint/folder where all relevant documents are stored (in a structured way) since it may be targeted for spot-checks and/or interview.
- This manual and the knowledge of how it is used/the annual counting process, understanding of responsibility and how to implement and count according to the categories and multipliers we use
- Meeting agendas and minutes (internal or with partners), copies of email communication & letters
- Monitoring reports & logs, data sources, internal reporting and tracking systems (HR-systems, etc.)
- Some type of evidence should be shown for any claims, spanning from registration forms, e-mail correspondence, agendas, budgets, etc. Simply put, if we claim a number, we should be able to report WHY we claim it (how we count). If done by circulated list during meeting, make sure to store that.