

Global Reporting Initiative (GRI) index

We use the Global Reporting Initiative's (GRI) G4 guidelines for voluntary reporting of sustainable development. The guidelines include financial, environmental and social dimensions relating to the company's activities, products and services. GRI collaborates with the United Nations Environment Programme (UNEP), and the United Nations Global Compact – which is under the auspices of the UN's Secretary-General.

The cross referencing from this index to Global Compact's 10 principles and 21 advanced criteria are based on [Making the connection](#) (external link). This document, which is co-produced by GRI and the Compact, outlines a recommendation for using the GRI G4 guidelines to communicate on progress within the UN Global Compact. Some other references have also been found in [GC Advanced COP Self-Assessment](#) (external link). The references to the ICMM's 10 principles and the Aluminium Stewardship Initiative's (ASI) 11 principles and underlying criteria are based on Hydro's own evaluations.

We believe that our reporting practice is consistent with GRI's reporting principles in all material respects. We report in accordance with the GRI G4 guidelines, including the Mining & Metals Sector Supplement and certain Electric Utility Sector Supplement indicators that are relevant to us. Our report is in accordance with the "Core" option.

Hydro's external auditor KPMG has provided limited assurance on the full Viability performance section in [Hydro's Annual Report 2014](#). Please refer to page 117 of the report for the independent auditor's report. Where there has been made a cross-reference to the Viability performance section in the GRI index, the information is included in the scope of this assurance engagement. For other references, assurance is not applicable.

The GRI Index, including the full definition of each indicator and references to specific sections in this report as well as additional information, can be found on www.hydro.com/gri

The process of identifying material aspects has been performed by internal expert groups, executive management and in dialogue with external stakeholder. The result is displayed on page 65 in Hydro's annual report 2014. Certain aspects have been merged or renamed to improve the visual presentation and comprehensibility for the internal and external stakeholders involved in the materiality analysis. Please see [this overview](#) for more information.

Any page references in the index refer to Hydro' Annual Report 2014:

- **Note Exx** refers to Notes to the environmental statements on page 88
- **Note Sxx** refers to Notes to the social statements on page 100
- **Note xx** refers to Notes to the consolidated financial statements on page F1

Standard disclosures

Strategy and Analysis

| | Standard disclosure | Hydro response | UN Global Compact ref. | ICMM reference | ASI reference |
|-------|--|---|------------------------|----------------|---------------|
| G4.1a | <p>Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.</p> <p>The statement should present the overall vision and strategy for the short term, medium term, and long term, particularly with regard to managing the significant economic, environmental and social impacts that the organization causes and contributes to, or the impacts that can be linked to its activities as a result of its relationships with others (such as suppliers, people or organizations in local communities). The statement should include:</p> <ul style="list-style-type: none"> • Strategic priorities and key topics for the short and medium term with regard to sustainability, including respect for internationally recognized standards and how such standards relate to long term organizational strategy and success • Broader trends (such as macroeconomic or political) affecting the organization and influencing sustainability priorities • Key events, achievements, and failures during the reporting period • Views on performance with respect to targets • Outlook on the organization's main challenges and targets for the next year and goals for the coming 3-5 years • Other items pertaining to the organization's strategic approach | <p>Page no: 6-7, 10-11, 18-24 Web: Letter to shareholders</p> <p>Page no: 11-12, 71-72, 75, 78</p> | Criterion 19 | Principle 2 | |
| G4.2a | <p>Provide a description of key impacts, risks and opportunities.</p> <p>The organization should provide two concise narrative sections on key impacts on sustainability and effects on stakeholders, including rights as defined by national laws and relevant internationally recognised standards. This should take into account the range of reasonable expectations and interests of the organization's stakeholders. This section should include:</p> <ul style="list-style-type: none"> • A description of the significant economic, environmental and social impacts of the organization, and associated challenges and opportunities. This includes the effect on stakeholder's rights as defined by national laws and the expectation in internationally recognized standards and norms • An explanation of the approach to prioritizing these challenges and opportunities • Key conclusions about progress in addressing these topics and related performance in the reporting period. This includes an assessment of reasons for underperformance or over-performance • A description of the main processes in place to address performance and relevant changes <p>Section two should focus on the impact of sustainability trends, risks and opportunities on the long-term prospects and financial performance of the organization. This should</p> | <p>Page no: 6-7, 10-12, 16-24, 33, 39, 44, 48, 58, 56-61, 64-116, 140-146 Web: Letter to shareholders</p> | Criterion 19 | Principle 4 | |

| Standard disclosure | Hydro response | UN Global Compact ref. | ICMM reference | ASI reference |
|--|----------------|------------------------|----------------|---------------|
| <p>concentrate specifically on information relevant to financial stakeholders or that could become so in the future. Section Two should include the following:</p> <ul style="list-style-type: none"> • A description of the most important risks and opportunities for the organization arising from sustainability trends • Prioritization of key sustainability topics as risks and opportunities according to their relevance for long-term organizational strategy, competitive position, qualitative, and (if possible) quantitative financial value drivers • Table(s) summarizing: <ul style="list-style-type: none"> • Targets, performance against targets, and lessons learned for the current reporting period • Targets for the next reporting period and medium term objectives and goals (that is, 3-5 years) related to key risks and opportunities • Concise description of governance mechanisms in place specifically to manage these risks and opportunities, and identification of other related risks and opportunities | | | | |

Organizational Profile

| Standard disclosure | Hydro response | UN Global Compact ref. | ICMM reference | ASI reference |
|---|---|------------------------|----------------|---------------------------------|
| G4-3a Report the name of the organization | Norsk Hydro ASA | | | Operational context and profile |
| G4-4a Report the primary brands, products, and services | Page no: 28-56 Web: Products | | | Operational context and profile |
| G4-5a Report the location of the organization's headquarters | Drammensveien 266, 0283 Oslo, Norway | | | Operational context and profile |
| G4-6a Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report. | Page no: Backside Web: Hydro worldwide | | | Operational context and profile |
| G4-7a Report the nature of ownership and legal form. | Page no: 154 Web: The Hydro share | | | Operational context and profile |
| G4-8a Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries). | Page no: 28-56 Web: Products | | | Operational context and profile |
| G4-9a Report the scale of the organization, including: <ul style="list-style-type: none"> • Total number of employees • Total number of operations | Page no: 2, 28-56, 122, F4, Note S1.1 Web: Key figures , Hydro worldwide | | | Operational context and profile |

| | Standard disclosure | Hydro response | UN Global Compact ref. | ICMM reference | ASI reference |
|--------|--|--|---|----------------|---------------|
| | <ul style="list-style-type: none"> • Net Sales (for private organizations) or net revenues (for public organizations) • Total capitalization broken down in terms of debt and equity (for private sector organizations) • Quantity of products or services provided | | | | |
| G4-10 | a) Report the total number of employees by employment contract and gender | Page no: Note S1.1-1.2 | Operational context and profile. Principle 6 | | |
| | b) Report the total number of permanent employees by employment type and gender | Page no: Note S1.2 | Principle 6 | | |
| | c) Report the total workforce by employees and supervised workers by gender | We currently do not register the gender of supervised employees, but the large majority is men. Page no: 78, Note S1.1, Note S3 | Principle 6 | | |
| | d) Report the total workforce by region and gender | Page no: Note S1.1 | Principle 6 | | |
| | e) Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors | Only a very small proportion of the work is performed by people who are self-employed, typically consultants. | Principle 6 | | |
| | f) Report and significant variations in employment numbers (such as seasonal variation in employment in tourism or agricultural industries) | Hydro does not employ seasonal workers except summer interns etc. In addition there can be significant variations in the number of contractor employees related to changes in the project portfolio. | Principle 6 | | |
| G4-11a | Report the percentage of total employees covered by collective bargaining agreements | Page no: 73 | Criteria 8 | | |
| G4-12a | Describe the organization's supply chain | Page no: 74 | Criteria 2 | | |
| G4-13a | Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain, including: | Page no: 10-24, 75-76 , Note 7 | Operational context and profile. | | |
| | <ul style="list-style-type: none"> • Changes in the location of, or changes in, operations, including facility openings, closings, and expansions | Page no: 75-76, Note 7 | | | |
| | <ul style="list-style-type: none"> • Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations) | Page no: 148 | | | |
| | <ul style="list-style-type: none"> • Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination | There were no material changes in the supply chain during 2014. | | | |
| G4-14a | Report whether and how the precautionary approach or principle is addressed by the organization | Page no: 64-84 Web: Environment | | | |
| G4-15a | List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses | Page no: 7, 64, 66, 68, 71, 76, 116, 162 Web: Partnerships , Norwegian code of conduct for corporate governance | | Principle 1 | |
| G4-16a | List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: | Page no: 7,64, 66, 76-77 Web: Partnerships | Criterion 17-18 | Principle 1 | Criterion 4.2 |
| | <ul style="list-style-type: none"> • Holds a position on the governance body • Participates in projects or committees | | | | |

| Standard disclosure | Hydro response | UN Global Compact ref. | ICMM reference | ASI reference |
|--|---|------------------------|----------------|---------------|
| <ul style="list-style-type: none"> Provides substantive funding beyond routine membership dues Views membership as strategic <p>This refers to primarily to memberships maintained at the organizational level</p> | | | | |
| G4-EU1 | Installed electricity generation capacity, broken down by primary energy source and by regulatory regime | | | |
| | All Hydro's consolidated electricity generation takes place in Norway. The 50/50 JV Qatalum in Qatar produces its own electricity from an integrated natural gas-fired power plant. Page no: 40, 54 | | | |
| G4-EU2 | Net energy output broken down by primary energy source and by regulatory regime | | | |
| | All Hydro's consolidated electricity generation takes place in Norway. The 50/50 JV Qatalum in Qatar produces its own electricity from an integrated natural gas-fired power plant. Page no: 40 and 130 | | | |
| G5-EU5 | Allocation of CO ₂ e. emissions allowances or equivalent, broken down by carbon trading framework | | | |
| | Web: CDP climate change data 2014 | | | |

Identified material aspects and boundaries

| Standard disclosure | Hydro response | UN Global Compact ref. | ICMM reference | ASI reference |
|---------------------|--|------------------------|----------------|---------------|
| G4-17 | a) List all entities included in the organization's consolidated financial statements or equivalent documents b) Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report | | | |
| | Page no: 113-114, Note 7 | | | |
| | The organization can report on this standard disclosure by referencing the information in publicly available consolidated financial statements or equivalent documents. | | | |
| G4-18 | a) Explain the process for defining the report content and the Aspect Boundaries b) Explain how the organization has implemented the Reporting Principles for Defining Report Content | | | |
| | Page no: 64-65, 86 Page no: 64-65 This index | | | |
| G4-19a | List all the material Aspects identified in the process for defining report content | | | Criterion 3.1 |
| G4-20a | For each material Aspect, report the Aspect Boundary within the organization, as follows: <ul style="list-style-type: none"> Report whether the Aspect is material within the organization If the Aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either: <ul style="list-style-type: none"> The list of entities or groups of entities included in G4-17 for which the Aspect is not material or The list of entities or groups of entities included in G4-17 for which the Aspects is material Report any specific limitation regarding the Aspect Boundary within the organization | | | Criterion 3.1 |
| G4-21a | For each material Aspect, report the Aspect Boundary outside the organization, as follows: | | | |
| | This index Web: Hydro.com/gri | | | |

| | Standard disclosure | Hydro response | UN Global Compact ref. | ICMM reference | ASI reference |
|--------|--|--|------------------------|----------------|---------------|
| | <ul style="list-style-type: none"> Report whether the Aspect is material outside of the organization If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified Report any specific limitation regarding the Aspect Boundary outside of the organization | | | | |
| G4-22a | Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements | Page no: 64-65, 86-87, Note 3, Note 7 | | | |
| G4-23a | Report significant changes from previous reporting periods in the Scope and Aspect Boundaries | Page no: 86-87, Note 7 | | | |

Stakeholder Engagement

| | Standard disclosure | Hydro response | UN Global Compact ref. | ICMM reference | ASI reference |
|--------|---|--|------------------------------|-------------------|---------------|
| G4-24a | Provide a list of stakeholder groups engaged by the organization | Page no: 76, 86, 150, 156, 160, 163-164 | Criterion 21 | | |
| G4-25a | Report the basis for identification and selection of stakeholders with whom to engage. | Page no: 76, 86, 150, 156, 160, 163-164 | Criterion 21 | | |
| G4-26a | Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process | Stakeholder groups and frequency varies substantially throughout the organization, depending on phase, location etc. We believe that our reporting gives a good insight to how we work with stakeholder engagement. Page no: 76, 86, 150, 156, 160, 163-164 | Criterion 21 | Principle 4, 9-10 | |
| G4-27a | Report any key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns. | Topics and concerns raised through stakeholder engagement vary substantially throughout the organization, depending on phase, location etc. We believe that our reporting gives a good insight to how we work with stakeholder engagement. Page no: 76, 86, 150, 156, 160, 163-164 | Criterion 21. Report profile | Principle 4, 10 | |

Reporting profile

| | Standard disclosure | Hydro response | UN Global Compact ref. | ICMM reference | ASI reference |
|--------|--|---|------------------------|----------------|---------------|
| G4-28a | Reporting period (such as fiscal or calendar year) for information provided. | 1 Jan - 31 Dec 2014 Page no: 86 | | | |
| G4-29a | Date of most recent previous report (if any) | Hydro's Annual Report - 2013 was published on 14 March 2014. | | | |
| G4-30a | Reporting cycle (such as annual, biannual) | Annual | | | |
| G4-31a | Provide the contact point for questions regarding the report or its contents | Head of Extra-Financial Reporting Kirsten Margrethe Hovi | | | |
| G4-32 | a) Report the 'in accordance' option the organization has chosen | Core Page no: 116 Web: hydro.com/gri | | Principle 10 | Principle 3 |

| Standard disclosure | Hydro response | UN Global Compact ref. | ICMM reference | ASI reference |
|---|--|---------------------------|----------------|---------------|
| b) Report the GRI Content Index for the chosen option | This index Web: hydro.com/gri | | Principle 10 | |
| c) Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines | All parts of the Viability performance section in Hydro's Annual Report 2014 and this index (including adherence with GRI, UN Global Compact, ICMM and ASI) are included in the scope of external auditor's review. Page no: 117-118 | | Principle 10 | Principle 3 |
| G4-33 a) Report the organization's policy and current practice with regard to seeking external assurance for the report | Page no: 87, 116-118, Note 43 | External assurance of COP | Principle 10 | |
| b) If not included in the assurance report accompanying the sustainability report, report the scope and basis of external assurance provided | The scope of the assurance is the complete Viability Performance Report and this index (including adherence with GRI, UN Global Compact, ICMM and ASI) Page no: 116-118 | | | |
| c) Report the relationship between the organization and the assurance providers | Page no: 167, Note 46 | | | |
| d) Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report | Page no: 117, 167 Web: Pre-approval policy of audit and non-audit services | | | |

Governance

| Standard disclosure | Hydro response | UN Global Compact ref. | ICMM reference | ASI reference |
|--|---|------------------------|----------------|---------------|
| G4-34a Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts. | Economic, environmental and social impacts are an integrated part of Hydro's strategy work. The board has the overarching responsibility for Hydro's strategy, and has also specific sessions on enterprise risk management. Related to new projects, acquisitions, closure and follow-up of normal operations, economic, environmental and social issues are included on a regular basis. Page no: 153-167 Web: Governance Bodies, Principles and tools | Criterion 1, 20 | | |
| G4-35a Report the process for delegating authority for economic, environmental and social topics from the highest governance body to the senior executives and other employees | Hydro's governance system is based on the delegation of responsibility from the board of directors to the President and CEO and from the President and CEO to the executive vice presidents (EVPs) of the business areas and to EVPs of corporate functions. Hydro's governance system is the system by which Hydro is directed and controlled. At the core of the governance system are Hydro's steering documents, including Hydro's Code of Conduct. The steering documents include governance of economic, environmental and social topics and describe how legal entities and employees are expected to carry out activities and operations. Page no: 9, 153-167 Web: Governance Bodies, Principles and tools | Criterion 1, 20 | | |
| G4-36a Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether the post holders report directly to the highest governance body | This is a line responsibility in Hydro. In addition, the supervisory responsibilities are divided within Hydro's Corporate Management Board: <ul style="list-style-type: none"> Eivind Kallevik is Executive Vice President (EVP) and CFO, and is overseeing economic issues. Anne-Lene Midseim is EVP of CSR, Legal and Compliance Hanne Simensen is EVP of People & HSE Arvid Moss is EVP and head of Energy and Corporate Business Development and is responsible for overseeing climate change | Criterion 1, 20 | | |

| | Standard disclosure | Hydro response | UN Global Compact ref. | ICMM reference | ASI reference |
|--------|---|---|------------------------|----------------|---------------|
| | | All four EVPs are members of Hydro's Corporate Management Board and report to the President and CEO. Page no: 8-9, 158-161 Web: Corporate management | | | |
| G4-37a | Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body. | The stakeholder engagement process in Hydro is generally ruled at an administrative level in the organization and is a line responsibility at all levels. Under special circumstances the board, represented by the chairperson, may conduct dialog with investors. The board of directors communicates indirectly - and in certain cases directly - with the shareholders through the corporate assembly and directly through the general meeting of shareholders. Through the employee representatives, the board also communicates directly with the employee organizations. Page no: 163-164 Web: General meeting | Criterion 1, 20 | | Criterion 2.5 |
| G4-38a | Report the composition of the highest governance body and its committees by: <ul style="list-style-type: none"> Executive or non-executive Independence Tenure on the governance body Number of each individual's other significant positions and commitments, and the nature of the commitments Gender Membership of under-represented social groups <ul style="list-style-type: none"> Competencies relating to economic, environmental and social impacts Stakeholder representation | Page no: 8-9 Web: Governance bodies, Management and board Hydro has a two-tier board structure. All members of the board of directors are non-executive. Page no: 161 Page no: 157 Page no: 156-157 Page no: Note S3.1 Page no: 156-157 Three of the directors are employee representatives, and two are non-Norwegians (Brazilian and Swedish). Page no: 156-157 Employee (30 percent) and shareholder (70 percent) representatives | Criterion 1, 20 | | |
| G4-39a | Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement) | The chairperson of Hydro's board of directors is not an executive officer. Page no: 8-9 Web: Board of directors | Criterion 1, 20 | | |
| G4-40a | Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including: <ul style="list-style-type: none"> Whether and how diversity is considered Whether and how independence is considered Whether and how expertise and experience related to economic, environmental and social topics are considered Whether and how stakeholders (including shareholders) are involved | Page no: 8, 160, 164 Web: Nomination committee Diversity regarding experience, gender, geography and nationality, age and cultural background are all considered. Independence is considered and consistently reported on. Such competencies are included in the evaluation when new board members are nominated, to consider all these competencies in the combined board of directors. All shareholders may nominate candidates. Page no: 164 Web: Governance bodies, Nomination committee | Criterion 1, 20 | | |
| G4-41a | Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum: | This is a requirement in Hydro's Code of Conduct which is valid even to the board of directors. In 2014, the board conducted a dilemma training regarding gifts and hospitality, whereas the board in 2013 the board received training in conflict of interest. | Criterion 1, 20. | | |

| Standard disclosure | Hydro response | UN Global Compact ref. | ICMM reference | ASI reference |
|---|--|--|-----------------|------------------------------|
| <ul style="list-style-type: none"> • Cross-board membership • Cross-shareholding with suppliers and other stakeholders • Existence of controlling shareholder • Related party disclosures | <p>Since January 2014, all board meetings are started by evaluating any possible conflict of interest related to the agenda items.</p> <p>The Norwegian state represented by the Ministry of Industry and Fisheries own 34.3 percent of the Hydro shares (as of 31.12.2014)</p> <p>This is covered by Hydro's code of conduct and additional procedures for insiders and primary insiders. Page no: 163, Note 12 Web:Hydro's code of conduct</p> | | | |
| G4-42a | Report the highest governance body's and senior executives roles in the development, approval and updating of the organisations purpose, value or mission statements, strategies, policies and goals related to economic, environmental and social impacts. | Page no: 18-25, 154 Web: Principles and tools | Criterion 1, 20 | Criterion 2.3 |
| G4-43a | Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics | Page no: 24.25 | Criterion 1, 20 | |
| G4-44 | <p>a. Report the process for evaluation of the highest governance body's performance with respect to economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment.</p> <p>b. Report actions taken in response to the highest governance body's performance with respect to economic, environmental and social topics, including as a minimum, changes in membership and organisational practices.</p> | <p>The board of directors conducts a private session following each board meeting that includes evaluation of the efficiency of the meeting. In addition, a self-assessment facilitated by the corporate advisory firm Lintstock is conducted annually. The reviews include all parts of the board's responsibility. Page no: 24-25</p> <p>In 2014, the board conducted a dilemma training regarding gifts and hospitality. Since January 2014, all board meetings are started by evaluating any possible conflict of interest related to the agenda items. Page no: 24-25</p> | Criterion 1, 20 | Principle 4 |
| G4-45 | <p>a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks and opportunities. Include the highest governance body's role in the implementation of due diligence processes.</p> <p>b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks and opportunities.</p> | <p>According to Norwegian corporate law, this is the responsibility of the Corporate Management Board (Hydro's executive board) and is being overseen by the board of directors. Page no: 10-12, 18-25, 64, 160-161 Web: Board of directors, Norwegian code of practice for corporate governance</p> <p>The stakeholder engagement process in Hydro is generally ruled at an administrative level in the organization and is a line responsibility at all levels. Under special circumstances the board, represented by the chairperson, may conduct dialog with investors. The board of directors communicates indirectly - and in certain cases directly - with the shareholders through the corporate assembly and directly through the general meeting of shareholders. Through the employee representatives, the board also communicates directly with the employee organizations. Hydro's capital expenditure process sets clear requirements of stakeholder dialog at an early stage. Page no: 76-77, 162-163</p> | Criterion 1, 20 | Criterion 2.5 |
| G4-46a | Report the highest governance body's role in reviewing the effectiveness of the organisation's risk management processes for economic, environmental and social topics. | Risk management is a dedicated topic on the board agenda annually. Page no: 16-17, 24 | Criterion 1, 20 | |
| G4-47a | Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities. | This is an integrated part of Hydro's strategy process, all new projects and investments, the annual business planning process and the financial and extra-financial reporting process. Sustainability performance is addressed in every board meeting. | Criterion 1, 20 | Principle 4 Criterion 2.5 |

| | Standard disclosure | Hydro response | UN Global Compact ref. | ICMM reference | ASI reference |
|--------|---|---|------------------------|----------------|---------------|
| | | <p>Page no: 24-25 Web: Board of directors, Norwegian code of practice for corporate governance</p> | | | |
| G4-48a | Report the highest committee or position that formally reviews and approves the organisation's sustainability report and ensures that all material aspects are covered. | The board of directors' report and the country by country report are approved by the board itself. The additional information in the Viability performance report is approved by the Corporate Management Board. Page no: 26, 64, 115 | Criterion 1, 20 | | |
| G4-49a | Report the process for communicating critical concerns to the highest governance body. | Status about Hydro's AlertLine is reported annually to the board of directors and every quarter to the board audit committee. The President and CEO reports about critical concerns to the board of directors at a running basis when relevant. Page no: 8, 72, 154, 163-164 Web: General meeting | Criterion 1, 20 | | |
| G4-50a | Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them. | All concerns reported through the AlertLine are also reported to the board of directors at an aggregated level and when relevant also on a case by case level. Page no: 72 | Criterion 1, 20 | | |
| G4-51 | <p>a. Report on the remuneration policies for the highest governance body and senior executives for the following types of remuneration:</p> <ul style="list-style-type: none"> • Fixed pay and variable pay <ul style="list-style-type: none"> • Performance-based pay • Equity-based pay • Bonuses • Deferred or vested shares • Sign-on bonuses or recruitment incentive payments • Termination payments • Claw backs • Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees <p>b. Report how performance criteria in the remuneration policy relates to the highest governance body's and senior executives' economic, environmental and social objectives.</p> | <p>Page no: 24, Note 9, 10 and 11</p> <p>Page no: Note 9, 10 and 11</p> <p>Not applicable</p> <p>Page no: Note 9, 10 and 11</p> <p>Page no: Note 9</p> <p>In Brazil, Hydro matches employee pension contributions up to 9 percent of base salary. In addition comes social security, which is very low in the country. There are no special provisions for executives. In Norway and Germany pension schemes follow legal requirements and good business practice. Page no: Note 9, 10, 11 and 36</p> <p>The members of the Board of Directors are given a fixed annual remuneration. Economic, environmental and social objectives are included in senior executives' balanced scorecards. Page no: 24, 166, Note 9, 10 and 11</p> | Criterion 1, 20 | | |
| G4-52a | Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have within the organisation. | Hydro uses data from certain independent service providers, but no consultants are used in the process. Page no: 161, 166, Note 9 | Criterion 1, 20 | | |
| G4-53a | Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable. | Page no: 160, 166 Web: General meeting | Criterion 1, 20 | | |
| G4-54a | Report the ratio of the total annual compensation for the organisation's highest-paid individual in each country of significant operations to the median and annual total compensation for all employees (excluding the highest paid individual) in the same country. | We report on highest-paid individual in each country of significant operations, but do currently not have reliable data for all employees. Page no: Note S2.2 | Criterion 1, 20 | | |

| | Standard disclosure | Hydro response | UN Global Compact ref. | ICMM reference | ASI reference |
|--------|---|---|------------------------|----------------|---------------|
| G4-55a | Report the ratio of the percentage increase in total annual compensation for the organisation's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest paid individual) in the same country. | We report on highest-paid individual in each country of significant operations, but do currently not have reliable data for all employees. Page no: Note S2.2 | Criterion 1, 20 | | |

Ethics and integrity

| | Standard disclosure | Hydro response | UN Global Compact ref. | ICMM reference | ASI reference |
|--------|---|---|---------------------------------|----------------|---------------|
| G4-56a | Describe the organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics. | Page no: 64, 72, 154 Web: Policies and tools | Principle 10 Criterion 12-14 | Principle 1 | |
| G4-57a | Report the internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organisational integrity, such as helplines or advice lines. | Page no: 72 | Principle 10 Criterion 12-14 | Principle 1 | |
| G4-58a | Report the internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organisational integrity, such as escalation through line management, whistleblowing mechanisms of hotlines. | Page no: 72 | | | |

Aspects and indicators

We have chosen to define the reporting boundaries per indicator (and not per aspect as recommended by GRI) as we experience that the boundaries can vary significantly between the indicators of one aspect. Below is an overview of how we define the various boundaries we have set.

- **Consolidated activities** – refers to entities where Hydro's ownership exceeds 50 percent. See note 1 to Hydro's consolidated financial statements for full definition.
- **Ownership equity** – refers to entities where Hydro holds any ownership share, and the reporting is relative to Hydro's ownership share. A pragmatic approach is chosen in cases where a relative reporting is not suitable.
- **Ownership equity (specific country)** – refers to the same as above, but only in specific countries.
- **Hydro's value chain** – refers to all Hydro's activities – from we receive supplies to the final product is distributed.
- **Value chain** – refers to the total value chain including the whole life cycle from cradle to grave.
- **Supply chain** – refers mainly to our tier one suppliers.
- **Local communities** – refers in general to local communities as commonly known, but entire nations such as Norway, Germany and Brazil are regarded as a local communities in some cases.

Economic

| | Standard disclosure | Hydro response | Reporting boundary | UN Global Compact ref. | ICMM reference | ASI reference |
|----------------------------------|--|---|-------------------------|------------------------|--|-------------------------------|
| Economic Performance | | | | | | |
| | Disclosure on management approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | | | | |
| | | Page no: 6-7, 10-12, 20, 83, 119-128 Web: Policies and tools | | | Criterion 15-18. Especially criterion 16 | |
| G4-EC1 | Direct value generated and distributed. Report countries of operation that are either candidate to or compliant with the Extractive Industries Transparency Initiative (EITI) | Hydro has only extractive activities in Brazil, which is currently neither compliant with nor candidate to EITI. Still, Hydro has reported according to EITI for its mining and alumina refining activities in Brazil since 2005. Page no: 2, 20, 112, F2-F6, Note 8 Web: Key figures | Consolidated activities | | | Criterion 3.4 |
| G4-EC2 | Financial implications and other risks and opportunities for the organisation's activities due to climate change | Page no: 6, 20, 56-61, 133 Web: CDP climate change data 2014 | Ownership equity | Principle 7 | | |
| G4-EC3 | Coverage of the organisations defined benefit plan obligations | Page no: 80, Note 9 and 36 | Consolidated activities | | | |
| G4-EC4 | Financial assistance received from government | Page no: Note 13, Note S7 and S8 | Ownership equity | | | |
| Market Presence | | | | | | |
| | Disclosure on management approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | | | | |
| | | Page no: 23-24, 65, 78-80 Web: The-workplace | | | Criterion 15-18. Especially criterion 16 | Principle 9 Criterion 10.7 |
| G4-EC5 | Ratios of standard entry level wage by gender compared to the local minimum wage at significant locations of operation | Page no: 80, Note S2.3 | Consolidated activities | Principle 6 | | Criterion 10.7 |
| G4-EC6 | Proportion of senior management hired from the local community at significant areas of operation. In significant locations of operation, report proportion of the facility's total workforce from the local community. ('Workforce' is employees and supervised workers; as defined in G4-10). | Page no: Note S3.2 | Consolidated activities | Principle 6 | Principle 9 | |
| Indirect Economic Impacts | | | | | | |
| | Disclosure on management approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | | | | |
| | | A result of the industrial development in Paragominas and Barcarena, Brazil, is migration of job seekers. As the industry in the area is not able to provide everyone with work, Hydro works along two axes: Social programs for income generation and improved education as well as strengthening of local suppliers. The Barcarena Intersectorial Forum, with participation from civil society, government and industry, supports this approach. Page no: 65, 77, 112 Web: Community engagement | | | Criterion 15-18. Especially criterion 16 | Principle 9 |
| G4-EC7 | Development and impact of infrastructure investments and services supported | Page no: 19, 76-77, 100, Note S9, 112 | Local communities | | | Principle 9 |

| | Standard disclosure | Hydro response | Reporting boundary | UN Global Compact ref. | ICMM reference | ASI reference |
|-------------------------------------|---|--|---|--|----------------|---------------|
| G4-EC8 | Significant indirect economic impacts, including the extent of impacts | This is challenging to measure. The International Council on Mining and Metals, in which Hydro is a member, published in 2012 a report on the mining industry's role in national economies. Hydro is a cornerstone company in several municipalities. This includes Paragominas and Barcarena in Brazil and the smelters in Norway. In Barcarena, more companies are getting established and dependency on Hydro is therefore reducing, yet still significant. Other examples are use of local suppliers, building of schools and other capacity building projects and restructuring. <i>Hydro does currently not report fully on this indicator.</i> Page no: 75-77, 112 Web: The role of mining in national economies | Local communities | | Principle 9 | |
| Procurement practices | | | | | | |
| | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | Page no: 19, 36,43, 46, 51, 55, 65, 74-75, Note S11, 112 Web: Hydro's Social Responsibility , Hydro's Human Rights Policy | | Criterion 15-18. Especially criterion 16 | Principle 9 | |
| G4-EC9 | Proportion of spending on local suppliers at significant locations of operation. | Page no: 74-75, Note S11, 112 | Supply chain of Hydro's consolidated activities | Criterion 2 | | |
| Availability and Reliability | | | | | | |
| | Electric Utilities Sector specific aspect: Management approach to ensure short and long-term electricity availability and reliability. | The technical availability of the power stations is measured as a separate key performance indicator (KPI) on a monthly basis. Reliability of the operations is ensured through comprehensive, preventive maintenance programs supported by relevant maintenance KPIs. Page no: 52 | Hydro's energy operations | | | |
| EU10 | Planned capacity against projected electricity demand over the long term, broken down by energy source and regulatory regime. | Our production of hydro power has a normal capacity of 10TWh, and the actual production and the forecasted production is followed-up on a weekly basis. Page no: 52-54 | Hydro's energy operations | | | |

Environment

| | Standard disclosure | Hydro response | Reporting boundary | UN Global Compact ref. | ICMM reference | ASI reference |
|------------------|---|--|-------------------------|----------------------------|----------------|-------------------|
| Materials | | | | | | |
| | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | Page no: 10-11, 20-22, 65, 68-69, 71 Web: Recycling | | Criterion 9-11, 15-18 | Principle 6 | Criterion 4.3-4.6 |
| G4-EN1 | Materials used by weight and volume | Page no: Note E4.1 | Consolidated activities | Principle 7-8, criteria 11 | | |

| | Standard disclosure | Hydro response | Reporting boundary | UN Global Compact ref. | ICMM reference | ASI reference |
|---------------|------------------------------|---|--|-------------------------|----------------------------|--------------------|
| | G4-EN2 | Percentage of materials used that are recycled input materials. Includes both post-consumer recycled material and waste from industrial sources (e.g. new scrap from fabricators and old scrap from end-of-life equipment), but excludes internal recycling within the facility (home scrap). | Page no: 88, Note E4.3 | Consolidated activities | Criteria 11 | Criterion 4.3-4.6 |
| Energy | | | | | | |
| | Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | Page no: 6-7, 10-11, 20-21, 42-43, 46, 51, 54, 65-68, 82-84 Web: Letter to shareholders , Recycling , Energy | | Criterion 9-11, 15-18 | Principle 6 |
| | G4-EN3 | Energy consumption within the organisation | Page no: 65-68, 88, Note E3.1 Web: | Consolidated activities | Principle 7-8, criteria 11 | Criterion 5.1 |
| | G4-EN4 | Energy consumption outside of the organisation | As an integrated aluminium company Hydro has control over the large majority of its total energy consumption, both inside and outside the company. In addition, we recycle an increasing volume of used aluminium scrap. In the use phase, aluminium can reduce the customer's energy consumption. Hydro's ambition is to become climate neutral by 2020. Page no: 88, Note E3.1 | Hydro's value chain | Principle 8, criteria 2. | Criterion 5.1 |
| | G4-EN5 | Energy Intensity | Page no: 42, 65-67, 88, Note E3.2 | Consolidated activities | Principle 8 | Criterion 5.1 |
| | G4-EN6 | Reduction of energy consumption | Page no: 66-67, 82-83, 88, Note E3.1 | Consolidated activities | Principle 8-9, criteria 11 | Criterion 5.2, 5.4 |
| | G4-EN7 | Reductions in energy requirements of products and services | Page no: 67, 82-83, 88 Web: Environment | Hydro's value chain | Principle 8-9, criteria 11 | Criterion 5.2, 5.4 |
| Water | | | | | | |
| | Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. <i>Electric Utilities sector supplement: At the watershed or hydrological basin level, include collaborative approaches to managing watersheds and reservoirs for multiple uses (e.g., irrigation, drinking water, ecosystem conservation, etc.). Also report long-term planning for securing water resources, for meeting the needs of both the utility and other stakeholders (e.g. local communities). This includes describing the criteria for managing maximum/minimum flow of surface water and volume of ground water and how these are determined and maintained.</i> | Water is a key resource utilized across the entire value chain at Hydro and monitored at all Hydro operations. The hydro power production in Norway is operating within a strict concession regime controlled by the Norwegian authorities. The concessions are regulating water regulation levels (LRV, HRV), requirements for flow-rates and requirements regarding biodiversity and environment. Page no: 10, 21, 51, 54, 56-57, 59, 65, 68, 69-70 | | Criterion 9-11, 15-18 | Principle 6 |
| | G4-EN8 | Total water withdrawal by source | Page no: 88, Note E4.2 | Consolidated activities | Principle 7-8, criteria 11 | Criterion 7.1 |
| | G4-EN9 | Water sources significantly affected by withdrawal of water | Water sources significantly affected are lakes and rivers connected to our hydropower plants. The impacts are related to change in water levels in the reservoirs during the year. In addition, some riverbeds are dry a short distance downstream of the dams. Downstream of the power turbines, the hydrological flow is different from the historical natural flow. Page no: 51, 54, 56-57, 88, Note E4.2 | Consolidated activities | Principle 8 | Criterion 7.1 |

| | Standard disclosure | Hydro response | Reporting boundary | UN Global Compact ref. | ICMM reference | ASI reference |
|------------------------------|--|--|---------------------------------------|--------------------------|----------------|------------------------------|
| G4-EN10 | Percentage and total volume of water recycled and reused | Page no: Note E4.2 | Consolidated activities | Principle 8, criteria 11 | | Criterion 7.1 |
| Biodiversity | | | | | | |
| Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. Mining and metal specific disclosure: Disclosures on the approach to biodiversity management should include consideration of ecosystems services and associated values. | Hydro's operations are impacting the environment through area use and emissions. We are actively minimizing our footprint by applying Best Available Technology and including biodiversity considerations in our project development stages, including the mitigation hierarchy as well as the timeline tool developed by CSBI. These are embedded in the Hydro investment process (Capital Value Process). Hydro has a biodiversity policy in place and identified the key areas where specific plans are needed. The ecosystem services considerations are addressed as part of the biodiversity and livelihood aspects when in project development. Hydro has initiated an assessment of ecosystem services linked to Hydro on a company level. Page no: 10, 21, 35, 65, 68-69, 71 Web: Guidance note on biodiversity | | Criterion 9-11, 15-18 | Principle 6-7 | Criterion 2.5, 6.3, 8.1, 8.2 |
| G4-EN11 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | In addition to Hydro's hydropower production in Norway, the minority-owned bauxite mine MRN is situated within the borders of the national forest of Saracá-Taquera in Brazil. The Paragominas mine in Brazil also operates in an area of high biodiversity value. Page no: 68-69 | Ownership equity in Norway and Brazil | Principle 8 | Principle 2 | |
| G4-EN12 | Description of significant impacts of activities, products, and services on biodiversity protected areas and areas of high biodiversity value outside protected areas. <i>Mining and Metals Sector Supplement: Include impacts identified as a consequence of any resettlement and closure activities reported under indicators MM9 and MM10.</i> | Hydro decided in 2014 to close the Kurri Kurri smelter in NSW in Australia. Part of the land owned is conservation areas which will be maintained going forward. Page no: 68-69, E6.3 Web: Guidance note on biodiversity No relocations took place from Hydro's operations in 2014. Page no: 73, S10.3 | Ownership equity in Norway and Brazil | Principle 8 | | Criterion 2.5 |
| G4-EN13 | Habitats protected or restored. <i>Mining and Metals Sector Supplement: Report whether and how biodiversity offsets have been used as part of the overall policy and approach to habitat protection and restoration.</i> | Hydro is adhering to international standards such as IFC and is a member of ICMM. Offsets are part of the mitigation hierarchy if projects or activities are taking place in sensitive/critical areas. Hydro does currently not use biodiversity offsets. Page no: 68-69 Web: Guidance note on biodiversity | Consolidated activities | Principle 8, criteria 11 | Principle 7 | |
| G4-EN14 | Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk | Page no: 88 Note E6.3 | Consolidated activities | Principle 8 | | |
| G4-MM1 | Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated | Page no: 21, 35, 68-69, 88, Note E6.2 | Consolidated activities | Principle 8 | Principle 2,6 | |
| G4-MM2 | The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place | In a biodiversity risk assessment, performed in 2013, we identified that Paragominas in Brazil and the hydropower operations inside national parks in Norway needed biodiversity action plans. Energy's biodiversity plan is an integral part of its environmental management program and permits required by the relevant authority. Paragominas has developed its own biodiversity program including the partnership with the University of Oslo and three academic institutions in Pará on biodiversity. | Consolidated activities | Principle 7-8 | Principle 2 | Criterion 8.1, 8.2 |
| Emissions | | | | | | |
| Disclosure on | Report a.) why the aspect is material, b.) how the organization manages the | In addition to monitoring of stack emissions and fugitive emissions the plants are | | Criterion | Principle 6 | Criterion |

| | Standard disclosure | Hydro response | Reporting boundary | UN Global Compact ref. | ICMM reference | ASI reference |
|----------------------------|--|--|-------------------------|----------------------------|----------------|---|
| mgmt. approach | aspect or its impacts and c.) how the management approach is evaluated. <i>Mining and Metals Sector Supplement: DMA should include discussion of the management of fugitive emissions such as dust from mining and processing activities or noise and seismic impacts from explosives use through, for example, monitoring activities and compliance with regulatory limits.</i> | either doing ambient air quality campaigns or operating specific ambient air quality stations. Fugitive emissions from mining operations are managed by applying appropriate techniques on roads or tailings (such as wetting). Offsets are not used as a mean to compensate for impacts since we are normally operating within the permit limits. Page no: 6, 20-21, 35, 39, 42-43,46, 50-51, 56-57, 60, 65-67, 84, 133 | | 9-11, 15-18 | | 5.2-5.4, 6.1 |
| G4-EN15 | Direct Greenhouse Gas (GHG) emissions (scope 1) | Page no: 88, Note E1 | Ownership equity | Principle 7-8, criteria 11 | | Criterion 5.1 |
| G4-EN16 | Energy indirect Greenhouse Gas (GHG) emissions (scope 2) | Page no: 88, Note E1 | Ownership equity | Principle 7-8, criteria 11 | | Criterion 5.1 |
| G4-EN17 | Other indirect Greenhouse Gas (GHG) emissions (scope 3) | As an integrated aluminium company Hydro has control over the large majority of its total energy consumption, both inside and outside the company. In addition, we recycle an increasing volume of used aluminium scrap. In the use phase, aluminium can reduce the customer's energy consumption. Hydro's ambition is to become climate neutral by 2020. <i>Hydro does currently not report fully on this indicator.</i> Page no: 65-67, 88, Note E2 | Value chain | Principle 7-8, criterion 2 | | Criterion 5.1 |
| G4-EN18 | Greenhouse Gas (GHG) emissions intensity | Page no: 65-67, 88, Note E1.6-7 Web: | Consolidated activities | Principle 8 | | Criterion 5.1, 5.3 |
| G4-EN19 | Reduction of Greenhouse Gas (GHG) emissions | Page no: 18, 65-67, 82, 88, Note E1 | Consolidated activities | Principle 8-9, criteria 11 | | Criterion 5.2, 5.3 |
| G4-EN20 | Emissions of Ozone Depleting Substances (ODS) | Page no: Note E2.1 | Consolidated activities | Principle 7-8, criteria 11 | | Criterion 6.1 |
| G4-EN21 | NOx, SOx and other significant air emissions. Include emissions from both major mobile sources and on-site stationary sources. | Page no: Note E2.1 | Consolidated activities | Principle 7-8, criteria 11 | | Criterion 6.1 |
| Effluents and waste | | | | | | |
| mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. Mining and metal specific disclosure: DMA should include discussion of: * Processes to assess and manage risks associated with overburden, waste rock, tailings, sludges and other residues (for example, structural stability of storage facilities, metal leaching potential, and hazardous properties). * Types of tailings facilities that it owns or operates including riverine, lake and submarine tailings disposal, and the use of lined vs. unlined pits. * Approaches taken to minimize waste and its potential environmental impacts. | Page no: 21-22, 38, 43, 65, 69-71 | | Criterion 9-11, 15-18 | Principle 6 | Principle 6, Criterion 6.2-6.3, 6.6-6.7 |
| G4-EN22 | Total water discharge by quality and destination | Page no: 88, Note E4.2 | Consolidated activities | Principle 8 | | |
| G4-EN23 | Total weight of waste by type and disposal method. Large-volume mining and mineral processing waste should be reported under MM3. | Page no: 88, Note E5 | Consolidated activities | Principle 8 | | Criterion 6.5, 6.8 |
| G4-EN24 | Total number and volume of significant spills. Include spillage of tailings, | Page no: 88, Note E2.2 | Consolidated | Principle 8 | | Criterion |

| | Standard disclosure | Hydro response | Reporting boundary | UN Global Compact ref. | ICMM reference | ASI reference |
|------------------------------|--|---|---|-----------------------------------|----------------|--------------------|
| | slimes, or other significant process materials. | | activities | | | 6.2- 6.4 |
| G4-EN25 | Weight of transported, imported, exported or treated wastes deemed hazardous under the terms of the Basel Convention | All hazardous waste. Page no: 88, Note E5.2 | Consolidated activities | Principle 8 | | Criterion 6.5 |
| G4-EN26 | Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organisations discharges of water and runoff | Our hydropower plants in Norway have a biodiversity/ecosystem impact on their relevant water bodies. Strategies are in place to address this. An environmental site impact assessment (ESIA) has been performed at our mine in Paragominas by a third party. The assessment mapped the ecological status of the river downstream of the mine. As a result, a minimum ecological flow was set. <i>Hydro does currently not report fully on this indicator.</i> Page no: 68-69 | Hydro's hydropower operations in Norway | Principle 8 | | |
| MM3 | Total amounts of overburden, rock, tailings, and sludges and their associated risks | Page no: 70, Note E6.1 and E5.1 | For Hydro's consolidated activities, this indicator is applicable only for Paragominas and Alunorte, both in Brazil | Principle 8 | | |
| Products and services | | | | | | |
| G4-EN27 | Extent of impact mitigation of environmental impact of products and services | <i>Not material.</i> | | | | |
| G4-EN28 | Percentage of products sold and their packaging materials that are reclaimed by category | <i>Not material.</i> | | | | |
| Compliance | | | | | | |
| Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | Page no: 11, 17, 56-61, 65, 143-145 | | Criterion 9-11 | Principle 6 | Criterion 1.1, 3.3 |
| G4-EN29 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations | Page no: Note S10.1 | Consolidated activities | Principle 8 | | Criterion 3.3 |
| Transport | | | | | | |
| G4-EN30 | Significant environmental impacts of transporting products and other goods and materials for the organisations operations, and transporting members of the workforce | <i>Not material.</i> Transportation represents a marginal contribution to the environmental impacts posed by Hydro's business activities. Our internal calculations show that transportation stand for less than 5 percent of Hydro's total environmental impact. | | | | |
| Overall | | | | | | |
| Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | Page no: 20-22, 57, 65, Note E2.4 | | Criterion 9-11, 15-18. Especially | Principle 6 | |

| Standard disclosure | Hydro response | Reporting boundary | UN Global Compact ref. | ICMM reference | ASI reference | |
|--|---|---|--|--------------------------|---------------|---------------|
| G4-EN31 | Total environmental protection expenditures and investments by type | Consolidated activities | 16 | Principle 7-9 | | |
| Supplier Environmental Assessment | | | | | | |
| Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | | | Criterion 2, 9-11, 15-18 | Principle 6 | Criterion 2.4 |
| G4-EN32 | Percentage of new suppliers that were screened using environmental criteria | All new critical suppliers were screened in 2014. Page no: 74, Note S10.5 | Supply chain | Principle 8, criterion 2 | | |
| G4-EN33 | Significant actual and potential negative environmental impacts in the supply chain and actions taken | The most significant actual negative impacts in our supply chain are associated with the extraction of the raw materials, especially coal. Furthermore, we consider the most significant <i>potential</i> negative environmental impacts to be related to the transportation of raw materials such as coal and fuel oil to our mining sites as well as the transportation of coke, pitch anodes, alumina and fluorides to our primary metal production sites. The business areas have different systems in place - based on different needs - to comply with corporate requirement, i.e. number of suppliers identified as having significant actual and potential negative environmental impacts is not consolidated and followed-up on corporate level. <i>Hydro does currently not report fully on this indicator.</i> | Supply chain | Principle 8, criterion 2 | | |
| Grievance Mechanisms | | | | | | |
| Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | | | Criterion 9-11 | Principle 6,9 | Criterion 3.2 |
| G4-EN34 | Number of grievances about environmental impacts filed, addressed and resolved through formal grievance mechanisms | One formal complaint related to dust from Alunorte was filed through the grievance mechanism in Hydro in Brazil. The complaint was solved. | Consolidated activities and supply chain | Principle 8 | | Criterion 3.2 |

Society

Labour Practices and Decent Work (LPDW)

| Standard disclosure | Hydro response | Reporting boundary | UN Global Compact ref. | ICMM reference | ASI reference |
|------------------------------------|---|--------------------|------------------------|-------------------------|----------------|
| Employment | | | | | |
| Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. <i>Mining and Metals Sector Supplement: Report how all policies, standards and practices are applied to contractors.</i> | | | | |
| | Hydro's HSE requirements are mandatory for all wholly-owned activities including contractors under Hydro management. For entities where Hydro holds less than 100 percent of the voting rights Hydro representatives in the boards of directors shall endeavor to implement the ambitions and principles in Hydro's Global Steering Documents in such entities. For contractors, suppliers and commercial contracts, we shall exert our influence to create consistency with Hydro's policies. Labour rights of contractor employees are being secured through Hydro's code of conduct and requirements towards our suppliers. Page no: 11, 22-24, 35, 43, 51, 54, 79, 131-132 Web: Hydro's Social Responsibility , Hydro's Human Rights Policy , People policy , Code of conduct , The-workplace | | Criterion 6-8, 15-18 | | Criterion 10.8 |
| G4-LA1 | Total number and rates of new employees hires and employee turnover by age group, gender and region | | | Consolidated activities | Principle 6 |
| G4-LA2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operations | | | Consolidated activities | |
| | In Norway and Germany, part time employees are provided the same benefits as full-time employees, but the size of the benefit varies depending on employment fraction. Examples of benefits are bonuses, shares, employee loans and use of company cabins. In Norway, such benefits are provided to permanent employees only. There are very few part-time employees in Brazil, but several interns that are temporary. The interns do not participate in Hydro's benefit plans. Page no: Note S1.2 | | | | |
| G4-LA3 | Return to work and retention rates after parental leave, by gender | | | Consolidated activities | Principle 6 |
| | In Norway, Germany and Brazil almost 100 percent return to work after parental leave. | | | | |
| G4-EU15 | Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and region. | | | Consolidated activities | |
| | Page no: Note S1.1 | | | | |
| G4-EU17 | Days worked by contractor and subcontractor employees involved in construction, operation & maintenance | | | Consolidated activities | |
| | Contractor employees represented in total about 6,600 full-time equivalents during 2014. Of these, 75 percent related to Hydro's Bauxite & Alumina activities while less than 3 percent related to the power production operations. | | | | |
| G4-EU18 | Percentage of contractors and subcontractors employees that have undergone relevant health and safety training | | | Consolidated activities | |
| | All contractors and sub-contractor employees receive HSE training before they start their work at any of Hydro's plants. | | | | |
| Labour/Management relations | | | | | |
| Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. Mining and metal specific disclosure: DMA should include reporting on the representation and engagement with employees, other workers and their trade unions in stakeholder consultation processes is of high importance given their direct involvement and significance in mining operations. | | | | |
| | Page no: 24, 28, 65, 75-76, 78-79 Web: The-workplace , Society , Employee-relations , Stakeholder interviews | | | | |
| G4-LA4 | Minimum notice periods regarding operational changes, including whether | | | Consolidated | Principle 3 |
| | Our practice is to give notice as early as possible and cooperate with the | | | | |

| | Standard disclosure | Hydro response | Reporting boundary | UN Global Compact ref. | ICMM reference | ASI reference |
|---------------------------------------|---|--|-------------------------|------------------------|----------------|----------------------------|
| | specified in collective agreements | employee representatives in the organization(s) affected. In cases where employees are made temporary redundant the notice period in Norway is 14 calendar days and the duty to pay period is 20 working days. In Germany we have a similar system. There are no requirements under the national law or the collective bargaining agreements on this issue in Brazil. | activities | | | |
| G4-MM4 | Number of strikes and lock-outs exceeding one week's duration, by country | We had no strikes or lock-outs in 2014. | Consolidated activities | | | |
| Occupational Health and Safety | | | | | | |
| Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. <i>Mining and Metals Sector Supplement: Organizations should report in particular on the application of ILO Convention 176 on health and safety in mines.</i> | Hydro complies with the requirements in the ILO Convention 176 on health and safety in mines. Page no: 5, 7, 11, 22-23, 65, 78, 80-81, 84 Web: Policies and tools | | Criterion 6-8, 15-18 | Principle 5 | Criterion 11.1, 11.2, 11.4 |
| G4-LA5 | Percentage of total workforce represented in formal joint management-worker H&S committees that help monitor and advise on occupational health and safety programs | Most sites have formal management-worker health and safety committees or other joint forums where occupational health and safety is discussed. With exception of a few remelters with 30-50 employees, the workforce in Germany, Norway, Spain, Slovakia and the US is represented in formal joint management-worker H&S committees. Alunorte in Brazil fully attends the Brazilian legislation (no. 5) with 24 employees elected by the company and 24 employees elected by the employees in an Internal Committee to Prevent Accidents (CIPA) with the aim of preventing accidents and occupational diseases, promoting training and suggesting changes in facilities. | Consolidated activities | | | Criterion 11.3 |
| G4-LA6 | Type of injury and rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities, by region and by gender. Provide a description of each accident resulting in a fatality, and actions taken following the accident. These may be aggregated where the causes of accidents or the actions taken are similar. <i>Electric Utilities sector addition:</i> Report on health and safety performance of contractors and subcontractors working onsite or on behalf of the reporting organization off site. | The most dominant types of injuries in 2014 were damages to fingers and hands, representing almost half of all recorded injuries. Injured legs, ankles, hips, knees and feet represented about 20 percent, while damages to face, eyes and ears accounted for 10 percent of the recorded injuries. Hydro is not reporting these figures per gender as this is currently not regarded as material. In smaller units, a too detailed specification could even be in conflict with privacy protection considerations. For details on TRI rate, LTI rate and more see: Page no: 100, Note S5.1 | Consolidated activities | Principle 6 | | Criterion 11.4 |
| G4-LA7 | Workers with incidence or high risk of diseases related to their occupation | Page no: 80-81, Note S5.3 | Consolidated activities | Principle 3 | | |
| G4-LA8 | Health and safety topics covered in formal agreements with trade unions | In Europe it is covered through legal requirements. In Brazil, certain health issues (including health insurance) are covered through the labor contracts. In Norway health insurance is imposed by law ("Yrkesskadeloven"), not by labor contracts. Page no: 73 | Consolidated activities | | | |
| Training and Education | | | | | | |
| Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | Page no: 23, 65, 79, 83-84 Web: Policies and tools | | Criterion 6-8, 15-18 | | Criterion 2.1 |
| G4-LA9 | Average hours of training per year per employee by gender, and by employee category | This indicator is relevant at a local level with regard to organizational and individual development, but not on an aggregated level. Hydro's corporate indicator is the share of employees that participate in My Way or another performance appraisal tool. In 2014, 78 percent of all employees confirmed through the employee survey Hydro Monitor that they had participated in such dialog during the last year. Page no: 35, 43, 51, 54, 78, 79 | Consolidated activities | Principle 6 | | |

| | Standard disclosure | Hydro response | Reporting boundary | UN Global Compact ref. | ICMM reference | ASI reference |
|--|---|---|-------------------------|-------------------------|----------------|---------------------|
| G4-LA10 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings | Page no: 79 | Consolidated activities | | | |
| G4-LA11 | Percentage of employees receiving regular performance and career development reviews, by gender and by employee category | 78 percent. Page no: 35, 43, 51, 54, 79 | Consolidated activities | Principle 6 | | |
| Diversity and equal opportunity | | | | | | |
| Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | Page no: 11, 23-24, 43, 55, 65, 78, 79-80 Web: People Policy | | Criterion 6-8, 15-18 | | Criterion 9.2, 10.4 |
| G4-LA12 | Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity | Page no: Note S1, Note S3.1 | Consolidated activities | Principle 6 | | |
| Equal remuneration for men and women | | | | | | |
| Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | Page no: 24, 65 Web: People Policy | | Criterion 6-8, 15-18 | Principle 3 | Criterion 9.2, 10.4 |
| G4-LA13 | Ratio of basis salary and remuneration of women to men by employee category, by significant locations of operation | Page no: Note S2.1 | Consolidated activities | Principle 6 | | |
| Supplier assessment for labour practices | | | | | | |
| Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | Page no: 19, 43, 65, 71, 74-75 Web: Hydro's Social Responsibility , Hydro's Human Rights Policy CSR principles in the supply chain | | Criterion 2, 6-8, 15-18 | | Criterion 2.4 |
| G4-LA14 | Percentage of new suppliers that were screened using labour practices criteria | Page no: 74-75, 100, Note S10.5 | Supply chain | Criterion 2 | | |
| G4-LA15 | Significant actual and potential negative impacts for labour practices in the supply chain and actions taken | The most significant <i>potential</i> negative impacts for labor practices in our supply chain are related to long working hours without paid overtime, being fired without notice and reason and limited influence of unions in some industries. We are, on a corporate level, not aware of any significant negative impacts being identified as part of our procedures (within group or supply chain) during 2014. <i>Hydro does currently not report fully on this indicator</i> Page no: 74-75 | Supply chain | Criterion 2 | | |
| Labour practices and grievance mechanisms | | | | | | |
| Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | Page no: 10, 19, 32-33, 65, 73-74 | | Criterion 6-8 | Principle 9 | Criterion 3.2 |
| G4-LA16 | Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms | In 2014 there were a few grievances related to termination of employee contracts in Norway and Germany that were brought to court. Most such cases in Hydro's European organization will reach mutual agreement before going to court. In Brazil the tradition is different and the number of cases ending up in court is much higher. <i>Hydro does currently not report fully on this indicator</i> Page no: 73-74 | Consolidated activities | | | Criterion 3.2 |

Human Rights

| | Standard disclosure | Hydro response | Reporting boundary | UN Global Compact ref. | ICMM reference | ASI reference |
|---|------------------------------|---|--------------------|------------------------|----------------|---------------|
| Investment | | | | | | |
| | Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | | | | |
| | G4-HR1 | Total number of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening | | | | |
| | G4-HR2 | Total number of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained | | | | |
| Non-discrimination | | | | | | |
| | Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | | | | |
| | G4-HR3 | Total number of incidents of discrimination and corrective action taken | | | | |
| Freedom of Association & collective bargaining | | | | | | |
| | Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | | | | |
| | G4-HR4 | Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights. Report how the organization's freedom of association policy is implemented in practice. | | | | |
| Child labour | | | | | | |
| | Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | | | | |
| | G4-HR5 | Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour | | | | |

Page no: 65, 76, 112

Web: [Hydro's Social Responsibility](#), [Hydro's Human Rights Policy](#), [Hydro Integrity Handbook](#), [CSR principles in the supply chain](#)

According to Hydro's steering documents, all significant investment agreements and contracts are required to contain human rights clauses. Human rights screening is a part of our environmental and social impact assessments, which are conducted in the early phase of all major projects.

Page no: 76

Page no: 100, Note S10.4

Page no: 65, 71, 73, 75

Web: [Hydro's Social Responsibility](#), [Hydro's Human Rights Policy](#), [Code of conduct You- and Hydro](#),

Page no: Note S10.1

Page no: 19, 23, 24, 65, 73

Web: [Hydro's Social Responsibility](#), [Hydro's Human Rights Policy](#), [Hydro Integrity Handbook](#), [Labor-rights](#)

Hydro operations: see page references below.

Suppliers: We estimate that about 60 percent of our suppliers (by number) are based in Europe, and are regulated by the individual country's law and EU regulations. We currently lack exact information regarding remaining suppliers, but have suppliers in certain countries where the right to form trade unions is restricted. Labor rights constitute an important part of Hydro's supplier requirements which is included either directly in the contract or in the supplier declaration that all new critical suppliers must sign.

We do currently not report fully on this indicator

Page no: 74-75, Note S2.3

Page no: 20, 65, 74

Web: [Hydro's Social Responsibility](#), [Hydro's Human Rights Policy](#), [Hydro Integrity Handbook](#), [Labor-rights](#), [Code of conduct](#), [People Policy](#)

It is well known that child labour occasionally takes place in Brazil. Through our supply chain management system we monitor that our suppliers do not breach human rights, including use of forced or compulsory labour. This is a standard

| Standard disclosure | Hydro response | Reporting boundary | UN Global Compact ref. | ICMM reference | ASI reference |
|------------------------------------|--|---|---|-----------------------------|--|
| | issue in our supplier assessment program also outside Brazil. Page no: 71, 74-75 | chain | | | |
| Forced or compulsory labour | | | | | |
| Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | | Criterion 3-5, 15-18 | Principle 3 | |
| G4-HR6 | Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour | Forced of compulsory labour is known to take place in certain regions in Brazil. Through our supply chain management system we monitor that our suppliers do not breach human rights, including use of forced or compulsory labour. This is a standard issue in our supplier assessment program also outside Brazil. Page no: 71, 74-75 | Consolidated activities and supply chain | Principle 4, criterion 2, 8 | |
| Security practices | | | | | |
| Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | Page no: 11, 65, 82 Web: Policies and tools , Hydro's Social Responsibility , Hydro's Human Rights Policy , Hydro Integrity Handbook , Code of conduct | Consolidated activities | Criterion 15-18 | Principle 3 Criterion 9.9, 9.10 |
| G4-HR7 | Percentage of security personnel trained in the organisation's human rights policies or procedures that are relevant to operations | Hydro does not have a system to measure this number today. This is however a global requirement through Hydro's steering documents. A planned system for registering and quality assurance of training of security personnel on human rights issues has been postponed till 2015. | Consolidated activities | Principle 1 | Principle 3 Criterion 9.9, 9.10 |
| Indigenous Rights | | | | | |
| Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. Mining and metal specific disclosure: Report on any policies relating to community consultation and support (including free, prior and informed consent), and settings where such dialogues are required by company policy and where they are not. | Page no: 65, 73, 76 Web: Hydro's Social Responsibility , Hydro's Human Rights Policy | | Criterion 3-5, 15-18 | Principle 3 Criterion 2.5, 9.3, 9.4, 9.6, 9.7, 9.11 |
| G4-HR8 | Total number of incidents of violations involving the rights of Indigenous Peoples and actions taken | No significant incidents of violation of the rights of indigenous people were identified related to Hydro's activities in 2014 Page no: 100 | Consolidated activities | Principle 1 | Criterion 9.5, 9.7, 9.11 |
| MM5 | Total number of operations taking place in or adjacent to Indigenous Peoples' territories, and number and percentage of operations or sites where there are formal agreements with Indigenous Peoples' communities | Page no: 73, 76 | Only applicable for Hydro's operations in Brazil and in minority-owned Alouette in Canada | | Criterion 9.6, 9.7, 9.11 |
| Assessment | | | | | |
| Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | We run human rights assessments as a part of our Human Rights due diligence system when appropriate. Such assessment was performed for our Brazilian assets in 2014. | | Criterion 3-5, 15-18 | Principle 3 Criterion 2.5, 9.1-9.8 |

| | Standard disclosure | Hydro response | Reporting boundary | UN Global Compact ref. | ICMM reference | ASI reference | |
|---|---|--|--|-----------------------------|-------------------------|---------------|---------------|
| G4-HR9 | Total number and percentage of operations that have been subject to human rights reviews or impact assessments | All relevant operations have been subject to human rights reviews or impact assessments. Page no: 73, 76 | Ownership equity | Principle 1, criteria 5 | | Criterion 2.5 | |
| Supplier human rights assessment | | | | | | | |
| | Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | | | Criterion 2, 3-5, 15-18 | Principle 3 | Criterion 2.4 |
| G4-HR10 | Percentage of new suppliers that were screened using human rights criteria | Page no: 20, 71, 73-75, 100, Note S10.5 | Supply chain | Principle 2, criterion 2, 5 | | | |
| G4-HR11 | Significant actual and potential negative human rights impacts in the supply chain and actions taken | We are, on a corporate level, not aware of any significant negative impacts being identified as part of our procedures (within group or supply chain) during 2014. <i>Hydro does currently not report fully on this indicator.</i> Page no: 71-75, 100 | Supply chain | Principle 2 | | | |
| Human rights grievance mechanism | | | | | | | |
| | Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | | | Criterion 3-5 | Principle 3,9 | Criterion 3.2 |
| G4-HR12 | Number of grievances about human rights impacts filed, addressed and resolved through formal grievance mechanisms | None Page no: 71-74 | Consolidated activities and local communities and supply chain | Principle 1, criteria 5 | | Criterion 3.2 | |

Society

| | Standard disclosure | Hydro response | Reporting boundary | UN Global Compact ref. | ICMM reference | ASI reference |
|--|------------------------------|--|-------------------------|------------------------|----------------|------------------------------------|
| | Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. <i>Electric Utilities sector supplement: Stakeholder participation in decision making processes related to energy planning and infrastructure development. Approach to managing the impacts of displacement. Report whether the organization's programs for managing community impacts have been effective in mitigating negative impacts and maximizing positive impacts, including the scale of persons affected. Include discussions of programs related to: Ways in which information is exchanged and local population is involved, prior, during and after the event and the provision for intervenor funding for the local population; Influx of workers and impacts on</i> | Consolidated activities | Criterion 15-18 | Principle 3, 9 | Criterion 2.5, 9.2, 9.7, 9.8, 9.11 |
| | | Stakeholder management is important in all of our hydropower regulation areas, and good dialogue with communities, counties and authorities is a prerequisite for our operations. The dialogue is maintained through meetings, information and discussions. Both men and women are represented in Hydro's dialogue with local communities. Page no: 18, 35-36, 43, 55, 75-77 Web: Community engagement, Hydro Integrity Handbook | | | | |

| | Standard disclosure | Hydro response | Reporting boundary | UN Global Compact ref. | ICMM reference | ASI reference |
|------------------------------|--|---|-------------------------|---------------------------|----------------|------------------------------|
| | <i>neighboring communities (including changes to local social structures and culture); Changes to land-use including loss of global commons (e.g. access to land, natural resources, and heritage); Impacts on infrastructure (e.g. roads, housing), and access to services (e.g. education, utilities, healthcare); and Changes to the aesthetics and quality of the landscape.</i> | | | | | |
| G4-SO1 | Percentage of operations with implemented local community engagement, impact assessments, and development programs. Sector specific addition: Issues for particular consideration include: <ul style="list-style-type: none"> Community economic development planning processes, including sources of community income, community access to services and social infrastructure, access to capital and natural resources, and access to further education and skills training. Co-ordination with other agencies, for example on poverty alleviation and natural resource management. Procedures for identifying and protecting subsistence-related resources of local communities, including water, plants, and wildlife. Measures of community health and well-being, including prevalence of cultural practices and associations. Report on measures in place for social inclusion. Such measures may be disclosed (for example) in corporate policies, approaches to stakeholder selection, participatory approaches in community consultation, and in assessment procedures. | All major operations perform impact assessments, engage with the local communities and have development programs if relevant. Social programs in Brazil include income generation, education, agriculture and environmental education. Hydro participates in an intersectorial dialogue forum with civil society and the municipality in Barcarena. Page no: 75-77, Note S6, Note S10.3 | Consolidated activities | Principle 1 | | Criterion 2.5, 9.3-9.7, 9.11 |
| G4-SO2 | Operations with significant actual and potential negative impacts on local communities | Page no: 73 | Local communities | Principle 1 | | Criterion 2.5, 9.11 |
| MM6 | Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples | Page no: 73, S10.2-3 | Local communities | | | Criterion 9.7, 9.8, 9.11 |
| MM7 | The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and Indigenous Peoples, and the outcomes | Hydro's grievance mechanisms are currently not used for such purposes. Page no: 73 | Local communities | | Principle 9 | Criterion 3.2 |
| Anti-corruption | | | | | | |
| Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | Page no: 17, 18-19, 65, 154, 155 Web: Code of conduct , Hydro Integrity Handbook , Hydro's Social Responsibility, You- and Hydro | | Criterion 9-18 | Principle 1 | Criterion 1.2 |
| G4-SO3 | Total number and percentage of operations assessed for risks related to corruption and the significant risks identified | All Hydro's activities are assessed at business area level in connection with the annual business planning process. In e.g. B&A, all plants have also been individually assessed. Risk is evaluated after mandatory control mechanisms. | Consolidated activities | Principle 10, criteria 14 | | |
| G4-SO4 | Communication and training on anti-corruption policies and procedures | Page no: 18-19, 72, Note S10.4 | Consolidated activities | Principle 10, criteria 14 | Principle 2 | Criterion 1.2, 2.1 |
| G4-SO5 | Confirmed incidents of corruption and actions taken | No confirmed incidents of corruption identified in 2014. Page no: 71-72 | Consolidated activities | Principle 10, criteria 14 | | |
| Public policy | | | | | | |
| Disclosure on | Report a.) why the aspect is material, b.) how the organization manages the | Page no: 65, 76-77 | | Criterion | Principle 9 | |

| | Standard disclosure | Hydro response | Reporting boundary | UN Global Compact ref. | ICMM reference | ASI reference |
|---|--|--|-------------------------|-----------------------------|----------------|--------------------|
| mgmt. approach | aspect or its impacts and c.) how the management approach is evaluated. | | | 12-14, 15-18, Especially 17 | | |
| G4-SO6 | Total value of political contributions by country and recipient beneficiary | According to Hydro's Code of Conduct, Hydro is not permitted to make financial contributions to political parties. Web: Code of conduct | Consolidated activities | Principle 10 | Principle 1 | |
| Anti-competitive behaviour | | | | | | |
| Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | Page no: 65, 72, 143-145 Web: Code of conduct , Policies and tools | | | Principle 2 | Criterion 1.1 |
| G4-SO7 | Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes | No significant incidents registered in 2014. Page no: 100, 135, Note S10 | Consolidated activities | | | |
| Compliance | | | | | | |
| Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | Page no: 10-11, 16-17, 18-19, 43, 47, 51 56-61, 65, 71-75, 80, 142-145 | | | | Criterion 1.1, 3.3 |
| G4-SO8 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations. Report a summary of judgments made against the organization in the areas related to health and safety and labor laws. | Page no: 135, Note S10.1 | Consolidated activities | | | Criterion 3.3 |
| Supplier assessment for impacts on society | | | | | | |
| Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | Page no: 18-20, 65, 74 Web: CSR principles in the supply chain | | Criterion 2, 15-18 | | Criterion 2.4 |
| G4-SO9 | Percentage of new suppliers that were screened using criteria for impacts on society | In Hydro's upstream activities (Bauxite & Alumina and Primary Metal), all new suppliers are covered through systematic screening. In other areas we use methods like e.g. Hydro's supplier declaration to evaluate new suppliers. Almost all new suppliers (contracts) in high risk countries went through screening from a society view, and all suppliers are checked regularly against the UN sanction list. Page no: 74-75, 100, Note S10.5 | Supply chain | Criterion 2 | | |
| G4-SO10 | Significant actual and potential negative impacts on society in the supply chain and actions taken | Corruption is the main potential negative impact on society. Any malpractice in the supplier's relationship to Hydro leads to exclusion as a supplier to the company. We have also experienced incidents of fraud or intended fraud involving Hydro and/or supplier employees. Suppliers are given the opportunity to tender again only if they can demonstrate that their practices have changed. Code of conduct training for our employees are undertaken in order to enable them to identify and say no to bribery. We did not identify any cases of corruption in the relationship between Hydro and the suppliers in 2014. <i>Hydro does currently not report fully on this indicator.</i> Page no: 72, 73-75 | Supply chain | Criterion 2 | | Criterion 2.1 |

Grievance mechanisms for impacts on society

| | Standard disclosure | Hydro response | Reporting boundary | UN Global Compact ref. | ICMM reference | ASI reference |
|--|---|---|---|------------------------|----------------|---------------|
| Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | Page no: 10, 19, 32-33, 36, 65, 71-72, 73-74 | | | Principle 9 | Criterion 3.2 |
| G4-SO11 | Number of grievances about impacts on society filed, addressed and resolved through formal grievance mechanisms | None Page no: 71-72, 73-74 | Consolidated activities, local communities and supply chain | | | Criterion 3.2 |
| MM: Society: Artisanal and small-scale mining | | | | | | |
| MM8 | Number (and percentage) of company operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, the site; the associated risks and the actions taken to manage and mitigate these risks | Not applicable for bauxite mining | | | | |
| MM: Society: Resettlement | | | | | | |
| Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | Page no: 65, 73 | | | Principle 3 | Criterion 9.6 |
| MM9 | Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process | Page no: 73, Note S10.2-3 | Local communities | | | |
| MM: Society: Closure planning | | | | | | |
| Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. 1. Mining and metal specific disclosure: Report the scope of closure planning; its associated financial provision, and its coverage of health, safety, social, environmental, legal, governance and human resource aspects. | Closure of operations will always leave a legacy, either positive or negative from an environmental and/or social point of view. Hydro has a legacy program where closure has been addressed. However, Hydro will over the next few years do a more comprehensive review of closure risks and opportunities both social and environmental. Hydro's development of financial provisions is strictly following the requirements according to relevant legislation. Page no: 65, 75-76, E2.4 Web: Shutting down with respect | | | Principle 6,9 | Criterion 2.8 |
| MM10 | Number and percentage of operations with closure plans. | There are specific closure plan requirements for the Paragominas mine (rehabilitation of mine and tailing ponds). In addition there is a similar requirement for the bauxite residue disposal at Alunorte. Hydro has a dedicated corporate function which oversees legacy issues and addresses closure issues. For the time being such plans are developed on an ad hoc basis when relevant. Hydro's only consolidated mining operation is in Paragominas in Brazil. The mine was opened in 2006, and Hydro acquired 60 percent of it in 2011. Hydro has a long tradition in closing down operations with respect for employees and local society. The most recent example was in Kurri Kurri, Australia in 2012. Page no: 75-76 Web: Shutting down with respect | Local communities | | | |

Disaster/Emergency Planning and Response

| | Standard disclosure | Hydro response | Reporting boundary | UN Global Compact ref. | ICMM reference | ASI reference |
|------------------------------|---|---|-------------------------|------------------------|----------------|---------------|
| Disclosure on mgmt. approach | Electric Utilities sector specific aspect: Contingency planning measures, disaster/emergency management plan and training programs, and recovery/restoration plans. | Hydro Energy has a comprehensive emergency preparedness plan covering different kinds of incidents (flooding, fire, injuries etc.). It describes in detail our plans and responses, and are subject to training and exercises several times a year. Each power plant has a yearly set-up of mandatory training and exercises related to emergency and HES. Similar plans are established and exercised at all relevant sites in Hydro and at business area and corporate level. Page no: 82 | Consolidated activities | | | |

Product responsibility

| | Standard disclosure | Hydro response | Reporting boundary | UN Global Compact ref. | ICMM reference | ASI reference |
|--------------------------------------|--|--|---|------------------------|----------------|---------------|
| Customer Health and Safety | | | | | | |
| Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | <i>Not material</i> | | Criterion 15-18 | Principle 8 | |
| G4-PR1 | Percentage of significant product and service categories for which health and safety impacts are assessed for improvement | <i>Not material</i> | Consolidated activities | | Principle 8 | |
| G4-PR2 | Total number of instances of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes | <i>Not material</i> | Consolidated activities and its customers | | | |
| Product and service labelling | | | | | | |
| Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | Strong relationships with customers lead to increased customer loyalty. Retaining customers is often more cost effective than acquiring new ones. All business areas have routines for customer satisfaction surveys, but the diversity of Hydro's businesses makes it not relevant to aggregate this. | | Criterion 15-18 | | |
| G4-PR3 | Type of product and service information required by the organisation's procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements | <i>Not material</i> | | | | |
| G4-PR4 | Total number of instances of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes | <i>Not material</i> | | | | |
| G4-PR5 | Results of surveys measuring customer satisfaction | Customer surveys are consistently and systematically used throughout Hydro's organisation. Surveys will differ to reflect Hydro's different types of business They are also adapted to local needs, language and culture, still aiming at highlighting some common targets: customer satisfaction, Hydro's service level and room for improvement. The business area Primary Metal / Metal Markets have KPIs included in their balanced scorecard related to customer satisfaction (claims & complaints rate). These are followed up in the quarterly performance meetings with the CEO. In other units the results are systematically followed up locally through action plans. Web: Customer surveys in Primary Metal, see page 12 | Consolidated activities | | | |

| Standard disclosure | Hydro response | Reporting boundary | UN Global Compact ref. | ICMM reference | ASI reference |
|-----------------------------------|---|-------------------------|------------------------|----------------|------------------------|
| Marketing communications | | | | | |
| Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | | | | |
| G4-PR6 | Sale of banned or disputed products | Consolidated activities | | | |
| G4-PR7 | Total number of instances of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type or outcome | | | | |
| Customer privacy | | | | | |
| G4-PR8 | Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data. | | | | |
| Compliance | | | | | |
| Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | | | | Criterion 1.1, 3.3 |
| G4-PR9 | Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services. | | | | Criterion 3.3 |
| MM: Materials stewardship | | | | | |
| Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. | | Criterion 15-18 | Principle 8 | Criterion 4.1-4.3, 4.6 |
| MM11 | Programs and progress relating to materials stewardship | Ownership equity | | Principle 2 | Criterion 4.1-4.3, 4.6 |
| MM: Emergency preparedness | | | | | |
| Disclosure on mgmt. approach | Report a.) why the aspect is material, b.) how the organization manages the aspect or its impacts and c.) how the management approach is evaluated. Mining and metal specific disclosure: Communities adjacent to mining operations will be concerned about the hazards and risks the operations generate. Information is sought on the existence of emergency plans, how they are prepared (consultation, rehearsal, regular review and modification), and their content (arrangements for the management of crises should they arise); this will assist community understanding of risks. A fast and effective local response to an incident, based on an adequately informed and prepared community, can be the most important factor in limiting injury to people as well as damage to property and the environment. | | Ownership equity | Principle 2-4 | Criterion 2.6 |