

Global Tax Policy Norsk Hydro ASA

1. Introduction

This document sets out the global framework for tax management and governance in the Hydro Group.

The Global Tax Policy shall be in line with the corporate governance of the Hydro Group, including the Hydro's Code of Conduct and The Hydro Way.

Hydro intends this statement to satisfy statutory responsibilities it may have to disclose its approach to the management and payment of taxes. The Global Tax Policy is applicable for the accounting year ended 31 December 2021.

2. Tax Governance, Risk Management and Organization

Hydro's Board of Directors is responsible for approving this policy and further develop it in collaboration with the Corporate Management Board, Hydro's Group Tax Function and other relevant stakeholders.

The Group Tax Function is responsible for tax governance and tax management in Hydro and works closely with other Group Functions and Business Areas to identify, monitor and mitigate tax risks.

All Hydro employees are obliged to adopt and follow the Global Tax Policy in all business activity and in all decision-making.

3. Group Tax Policy

3.1. Legal and Regulatory Requirement

The management of taxes in Hydro shall be performed in accordance with:

- All local laws and regulations relevant to taxes applicable for Hydro.
- All local laws and regulations relevant to accounting and bookkeeping.
- OECD's Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations including, but not limited to the arm's length principle.
- Ensure compliance with the EU Mandatory Disclosure Rules (MDR)

3.2. Tax Compliance and Reporting

Hydro is committed to transparency and accuracy in its tax compliance and reporting, while respecting confidentiality and other applicable obligations. Hydro shall:

- Ensure full, fair, accurate and understandable tax calculations, reporting, filings and payment of taxes.

- Ensure that financial reporting is in accordance with IFRS and Hydro's accounting principles.

3.3. Tax Planning and Advisory

Hydro is committed to sustainable value- creation for its shareholders, other stakeholders, and the communities where it operates. Hydro shall seek to adopt tax efficiency and cost optimization within the following parameters:

- All Tax Planning and Advisory shall be based on the principle that equitable taxes shall be paid where the economic value is generated.
- All tax planning and advisory will be undertaken based on Hydro's commercial needs and all transactions must have a business purpose or commercial rationale.
- Tax planning may be undertaken to utilize statutory tax incentives or reliefs to ensure tax efficiency in the business and commercial environment of the group.
- Tax planning shall not be used for purposes which are contradictory to the intent of the legislation.
- Attention shall be given to the application of professional diligence in
 - the management of risks associated with tax matters.
 - Legal entities in jurisdictions commonly known as "tax havens" shall only be established when justified by business reasons and never for the sole purpose of tax avoidance.
 - Consideration shall be given to Hydro's social responsibility, reputation, brand as well as the expectations from its key stakeholders.

3.4. Relationship with Tax Authorities

Hydro is committed to a constructive, professional, and transparent relationship with tax authorities, based on the concept of integrity, collaboration, and mutual trust.

Hydro shall:

- Respond to tax enquiries and audits in an open, honest, and responsive manner.
- Handle correspondence with the authorities and tax disputes in a
 - professional and proactive solution- oriented manner.
 - Ensure that errors are appropriately disclosed to the tax authorities.

3.5. Tax Transparency

Hydro shall maintain a principle of openness and be honest and responsive when dealing with interested parties outside Hydro and society at large. Hydro shall:

- Fully comply with the relevant tax transparency legislation in all jurisdictions.
- Seek to meet the tax transparency expectations of relevant stakeholders, such as voluntary disclosure of Hydro's approach for managing taxes.
- Disclose tax information in line with requirements in the Tax standard of the Global Reporting Initiative (GRI 207 (2019)) as well as the Norwegian Country by Country reporting requirements.