



## Hydro's CSR strategy



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Making a positive difference by strengthening local communities and our business partners

Acting responsibly is part of Hydro's DNA, and integrated into our overall purpose, values, business strategy and processes. Internationally recognized standards provide the platform for our approach and initiatives. We are committed to respecting and supporting the human rights of all individuals potentially affected by our operations. Engaging with our stakeholders through dialogue helps us understand what is expected of us, what is important to our stakeholders and how we can solve common challenges.

The United Nations (UN) encourages businesses to align their corporate strategies with the UN's Sustainable Development Goals to better achieve results on social, environmental and economic issues facing the world. We have therefore aligned our strategic drivers with three of the UN's 17 sustainable development goals.



# Our strategic drivers

Targeting the fundamental drivers of long-term development

**In line with our stakeholders' expectations and needs, and through strong partnerships, we aim to:**

**4** QUALITY  
EDUCATION



**GOAL 4**  
QUALITY EDUCATION

Contribute to quality education in our communities

**8** DECENT WORK AND  
ECONOMIC GROWTH



**GOAL 8**  
DECENT WORK AND ECONOMIC GROWTH

Promote decent work throughout the value and supply chain and foster economic growth in our communities

**16** PEACE, JUSTICE  
AND STRONG  
INSTITUTIONS



**GOAL 16**  
PEACE, JUSTICE AND STRONG INSTITUTIONS

Strengthen local communities and institutions through increased capacity building



With these priorities, our goal is to support long-term development by strengthening both local communities and business partners such as suppliers. As opposed to sponsorships and donations, social investments are expected to have a documented positive impact. Partnerships with relevant organizations is crucial to succeed with this.

Education is an important part of our CSR efforts across business areas and countries. Examples include tablet learning projects, refugee integration programs, and science programs for young children. One of the main stakeholder expectations in our local communities is employment and to support the development of skills to be employable. Hydro also benefits from more skilled workers both on short and long term. Contributing to quality education in our local communities is therefore an important part of our efforts.

Respecting and promoting internationally recognized human rights of all individuals and groups affected by our operations – including our suppliers and workers in joint ventures – is fundamental to how we do business. We therefore work continuously on promoting decent work through good processes and systems, audits and corrective actions, and developing our suppliers. Not only does this help us promote decent work and improved conditions for workers, it also reduces risk and increases productivity and quality. An example is Bauxite & Aluminas's collaboration with local partners in training suppliers in several topics including human and worker's rights.

Economic growth is important for progress and social development. We contribute to economic growth by paying taxes, creating jobs, buying products and services and providing infrastructure. In addition, in areas with high development needs, we will also promote income generation projects and employment opportunities outside Hydro.

Hydro depends on strong partners – both governmental and private – to reduce risk and thrive as a business. To support social change, we work to strengthen and enable other actors and institutions – both social and political – to fulfill their roles. We can only succeed through collaboration, dialogue and partnerships. Currently, our largest initiative to strengthen and empower communities is the Sustainable Barcarena Initiative. The initiative is an independent platform for sustainable development in Barcarena in northern Brazil. Two of our largest plants in Brazil, Alunorte and Albras, are both located in Barcarena. The initiative will be set up as a separate legal entity, with its own organization, sponsored by but independent of Hydro. The overall aim is to bring local forces together, strengthen their capabilities and ultimately invest in the social initiatives they plan and develop collaboratively.

# Our long-term strategic goal

We know that clear and transparent priorities and targets are necessary to drive performance. All our strategic drivers have one common denominator: education and capacity building to strengthen local communities and business partners. The strategic goal for 2030 encompasses this and commits Hydro to contribute to quality education and capacity building for 500,000 people in our communities and for business partners from 2018 until end of 2030. While this is a quantitative goal, underlying goals reflecting quality will be developed, and the impact of each initiative closely monitored. Quality and impact matter most.

We have and continue to develop global initiatives to reach 500,000 people. These initiatives can be found locally in the communities surrounding our plants, in our supply chain, and globally through for example partnerships. While our methodology for measuring the goal is in pilot phase, we currently count initiatives within the educational system, from elementary school all the way through to university, such as teacher training, and Hydro funded educational programs and scholarships. We also count initiatives related to competence building, that is, training and education that is not part of the educational system. Examples include apprentices, suppliers trained by Hydro, and other people trained by Hydro or our partners. Employees of Hydro are not counted.

## Strategic goal 2030

**Hydro will contribute to quality education and capacity building for 500,000 persons in our communities and for business partners from 2018 until end of 2030**





*We are aluminium*

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Hydro is a fully integrated aluminium company with 35,000 employees in 40 countries. Rooted in more than a century of experience in renewable energy, technology and innovation, Hydro is engaged in the entire aluminium value chain, from bauxite, alumina and energy to primary aluminium, rolled and extruded products and recycling.