

To whom it might concern

## Hydro's approach to CDP

Hydro has reported to CDP since its start in 2004. Initially, we supported the initiative (originally named Carbon Disclosure Project) to increase transparency related to a company's policy and performance on climate change and greenhouse gas emissions.

For many years, participation was for free and each company's disclosures were made publicly available on the CDP website. To further increase the visibility and usefulness to our stakeholders, we chose to publish our response to CDP at <http://www.hydro.com>

With the development of CDP in recent years, that is no longer possible. Our main objections to CDP are:

- Companies' responses are no longer made publicly available by CDP
- The reporting format is such that it has limited benefit to self-publish it (on a voluntary basis)
- The CDP questionnaire has adopted a one-size-fits-all approach and does not account for industry specifics
- The data entry process is antiquated, i.e. CDP lacks an opportunity to easily transfer detailed data.
- The CDP scoring methodology (giving companies a score from A to F) is more based on filling in all boxes in the questionnaire than on the content and quality of the reported information, and the company's actual performance
  - For example, Hydro received close to zero points on an entire section when a box was left unanswered. This box was intentionally unanswered since none of the alternatives were applicable.

Since 2020 we have thus had the following approach to our CDP related reporting:

- We continue to submit the CDP Climate Change, Water and Supply Chain questionnaires, but we only fill in the information we believe is relevant to our activities and that is particularly requested by our main stakeholders – knowing that this will further reduce our CDP scores
- We continue to include information on climate change and water in our annual report based on the following reporting frameworks:
  - TCFD (Task Force on Climate Related Financial Disclosures)
  - GRI Standards (all applicable)
  - ICM (International Council on Mining & Metals) Water reporting guidelines

All relevant quantitative information is also available at [www.hydro.com](http://www.hydro.com) in Excel format.

For any related questions, please do not hesitate to contact the undersigned.

Yours faithfully,  
for Norsk Hydro ASA

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