

Country by country report

Hydro's country by country report has been developed to comply with legal requirements as stated in the Norwegian Accounting Act §3-3d and the Norwegian Security Trading Act §5-5a, valid from 2014, and replaces our former reporting on payments to host governments according to the Extractive Industries Transparency Initiative (EITI). Our reporting includes, and goes beyond, the EITI requirements. According to the Norwegian Accounting Act, the country by country reporting should be on a project level, and payments should be reported per public authority. Following a thorough evaluation, we have defined "project" as legal entity in the report, and "public authority" as the three levels federal; state(s); and municipality(-ies).

The reporting requirement applies to Hydro as a Norwegian listed company with exploration and extractive activities. Currently, this includes Hydro's consolidated operations in Brazil, through exploration and extractive activities in Mineracao Paragominas SA, in the state of Pará, and exploration activities of Norsk Hydro Brasil Ltda. in the state of Minas Gerais. On a voluntary basis, and in line with our EITI reporting since 2005, we also include the alumina refinery Alunorte. Alumina is refined from bauxite and is the commercial product from Hydro's Bauxite & Alumina business area.

In addition to comply with the Norwegian country by country regulation Hydro is required to report on certain information at corporate level related to legal entities; where they are registered; their number of employees; and interest paid to other legal entities in Hydro, within another jurisdiction.

The Country by country report is approved by the board of directors and included in their responsibility statement on page F77.

Payments to authorities per project and authority (exploration and extractive activities, and alumina refining) in 2016

Extractive related activities (all in Brazil) ¹⁾	Taxes and fees ²⁾	Royalties	License fees ³⁾	Infrastructure, contractual ⁴⁾	Infrastructure, voluntary ⁴⁾	Investments	Revenues ⁵⁾	Production volume	Procurement in Brazil ⁶⁾
	kNOK	kNOK	kNOK	kNOK	kNOK	kNOK	kNOK	1 000 mt	kNOK
Mineracao Paragominas SA, total	232 477	82 188	3 070	2 590	3	1 018 380	2 906 669	11 132	2 787 149
Federal	165 441	9 863	3 070						
Pará State	67 036	18 903	-						
Paragominas municipality	-	53 422	-						
Norsk Hydro Brasil Ltda, total	8 215	-	2 741	-	2 050	34 701	12 725	-	99 171
Federal	8 215	-	2 741						
Rio de Janeiro State	-	-	-						
São Paulo Municipality	-	-	-						
Alunorte - Alumina do Norte do Brasil SA, total	717 547	-	-	-	429	2 432 604	13 812 318	6 341	10 974 395
Federal	710 192	-	-						
Pará State	7 355	-	-						
Barcarena Municipality	-	-	-						
Total	958 239	82 188	5 811						

1) In 2016, Hydro's extractive activities did not have the following types of payments to host authorities:

- production entitlements
- dividends
- signature, findings and production bonuses
- stocks, shares or other ownership rights

2) Taxes and fees (income, profit and production) except taxes and fees on consumption such as VAT, income tax for people or sales tax.

3) License, lease or access fees or other payments for licenses or commissions

4) Payments on improved infrastructure, either contractual based on exploration or operational licenses, or voluntary is based on Hydro's reporting on social investments, please see note S9 to the social statements in Hydro's Annual Report 2016.

5) Including power procurement and sales

6) Procurement of goods and services from countries where Hydro has extractive operations, currently Brazil only. Procurement at Alunorte includes purchase of bauxite from Paragominas.

The Norwegian country by country reporting requirement as stated in the Norwegian Accounting Act and the Country by Country Regulation also requires reporting on certain information at corporate level related to legal entities, where they are registered, their number of employees and interest paid to other legal entities in Hydro, within another jurisdiction.

Further country by country information for all consolidated legal entities

Jurisdiction	Legal entity	Ownership 31.12	Number of permanent employees ³⁾	Number of temporary employees ³⁾	Interest paid to Hydro legal entities in another jurisdiction, in kNOK
Australia	Hydro Aluminium Australia Pty. Limited	100 %	-	-	-
	Hydro Aluminium Kurri Kurri Pty. Limited	100 %	11	-	-
Total Australia			11	-	-
Belgium	Norsk Hydro EU Sprl	100 %	2	-	-
	Hydro Aluminium Belgium BVBA	100 %	-	-	-
Total Belgium			2	-	-
Brazil	Norsk Hydro Brasil Ltda.	100 %	292	35	-
	Mineração Paragominas SA	100 %	1 397	73	-
	Ananke Alumina SA	100 %	-	-	-
	ALUNORTE - Alumina do Norte do Brasil S. A. ¹⁾	92.1 %	1 912	90	29 325
	Atlas Alumínio SA	100 %	-	-	-
	ALBRAS - Alumínio Brasileiro SA	51 %	1 131	108	-
	Calypso Alumina SA	100 %	-	-	-
	CAP - Companhia de Alumina do Pará SA	81 %	-	-	-
	Norsk Hydro Energia Ltda.	100 %	-	-	-
Total Brazil			4 732	306	29 325
Canada	Hydro Aluminium Canada Inc.	100 %	-	-	-
	Hydro Aluminium Canada & Co. Ltd.	100 %	3	-	81
Total Canada			3	-	81
China	Hydro Aluminium Beijing Ltd.	100 %	9	-	-
Total China			9	-	-
Denmark	Hydro Aluminium Rolled Products Denmark A/S	100 %	2	-	-
Total Denmark			2	-	-
France	Extrusion Services S.a.r.l	100 %	44	-	3
	Hydro Aluminium Sales and Trading s.n.c.	100 %	3	-	-
	Hydro Aluminium France S.A.S.	100 %	8	-	-
Total France			55	-	3
Germany	Norsk Hydro Deutschland GmbH & Co. KG	Liquidated	-	-	-
	Norsk Hydro Deutschland Verwaltungs GmbH	100 %	-	-	-
	Hydro Aluminium Deutschland GmbH	100 %	66	3	-
	Hydro Aluminium Rolled Products GmbH	100 %	3 315	266	-
	Hydro Aluminium Dormagen GmbH	100 %	25	8	-
	Hydro Aluminium Gießerei Rackwitz GmbH	100 %	56	9	-
	Hydro Energy GmbH	100 %	-	-	-
	Hydro Aluminium High Purity GmbH	100 %	60	3	-
	VAW-Innwerk Unterstützungs-Gesellschaft GmbH	77.5 %	-	-	-
	Hydro Aluminium Recycling Deutschland GmbH	100 %	29	-	-
	Standort-Entwicklungs-Gesellschaft Nabwerk mbH	100 %	-	-	-
Total Germany			3 551	289	-
Italy	Hydro Aluminium Metal Products S.r.l.	100 %	2	-	-
Total Italy			2	-	-
Japan	Hydro Aluminium Japan KK	100 %	6	-	-
Total Japan			6	-	-
Luxembourg	Hydro Aluminium Clervaux S.A.	100 %	51	7	-
Total Luxembourg			51	7	-
Netherlands	Norsk Hydro Holland B.V.	100 %	4	-	-
	Hydro Alunorte B.V.	100 %	-	-	-
	Hydro Albras B.V.	100 %	-	-	-
	Hydro CAP B.V.	100 %	-	-	-
	Hydro Aluminium Pará B.V.	100 %	-	-	-
	Hydro Paragominas B.V.	100 %	-	-	2
	Hydro Aluminium Qatalum Holding B.V.	100 %	-	-	-
	Hydro Aluminium Investment B.V.	100 %	-	-	-
	Hydro Aluminium Netherlands B.V.	100 %	-	-	-

Jurisdiction	Legal entity	Ownership 31.12	Number of permanent employees ³⁾	Number of temporary employees ³⁾	Interest paid to Hydro legal entities in another jurisdiction, in kNOK
	Hydro Aluminium Brasil Investment B.V.	100 %	-	-	-
	Hydro Aluminium Rolled Products Benelux B.V.	100 %	3	-	-
Total Netherlands			7	-	2
Norway	Norsk Hydro ASA	-	267	5	-
	Hydro Aluminium AS	100 %	2 282	444	-
	Hydro Invest Porsgrunn AS	100 %	-	-	-
	Hydro Aluminium Rolled Products AS	100 %	633	47	-
	Hycast AS	100 %	46	4	-
	Sør-Norge Aluminium AS	100 %	248	137	-
	Vækerø Gård Barnehage ANS	100 %	-	-	-
	Hydro Energi AS	100 %	176	12	-
	Svælgfos AS	100 %	-	-	-
	Hydro Vigelands Brug AS	100 %	34	3	-
	Røldal-Suldal Kraft AS	91.3 %	-	-	-
	Skafså Kraftverk ANS	33 %	-	-	-
	Norsk Hydro Plastic Pipe AS	Liquidated	-	-	-
	Herøya Nett AS	100 %	31	1	-
	Hydro Vigelandsfoss AS	100 %	-	-	-
	Herøya Industripark AS ²⁾	0 %	-	-	-
Total Norway			3 717	653	-
Poland	Hydro Aluminium Rolled Products Polska Sp. z o.o.	100 %	5	-	-
Total Poland			5	-	-
Singapore	Hydro Aluminium Asia Pte. Ltd	100 %	14	-	(24)
	Hydro Aluminium Asia Rolled Products Pte. Ltd.	100 %	3	-	-
Total Singapore			17	-	(24)
Slovakia	Slovalco a.s.	55.3 %	490	-	-
	ZSNP DA, s.r.o.	55.3 %	-	-	-
Total Slovakia			490	-	-
Spain	Hydro Aluminium Iberia S.A.U	100 %	48	8	-
	Hydro Aluminium Rolled Products Iberia S.L.	100 %	5	-	-
Total Spain			53	8	-
Sweden	Hydro Aluminium Sverige AB	100 %	3	-	-
Total Sweden			3	-	-
Switzerland	Hydro Aluminium International SA ¹⁾	100 %	9	-	11 538
	Hydro Aluminium Walzprodukte AG	100 %	2	-	-
Total Switzerland			11	-	11 538
United Kingdom	Hydro Aluminium Deeside Ltd.	100 %	42	-	9
	Norsk Hydro Employee Trust Ltd.	100 %	-	-	-
	Hydro Motorcast Leeds (Property) Ltd.	100 %	-	-	120
	Hydro Aluminium Rolled Products Ltd.	100 %	6	-	-
Total UK			48	-	129
USA	Norsk Hydro North America, Inc.	100 %	-	-	1 185
	Hydro Aluminum Metals USA, LLC	100 %	128	3	-
	Hydro Aluminum USA, Inc.	100 %	6	-	-
	Hydro Aluminum Tomago Inc.	100 %	-	-	-
Total USA			134	3	1 185
Grand total			12 911	1 266	42 239

1) Interest paid from Alumina do Norte do Brasil S.A. and Hydro Aluminium International SA relates to interest on loans and credit facilities in Norsk Hydro ASA.

2) Entity sold during 2016.

3) Number of employees is based on the legal entity each employee is employed by.