

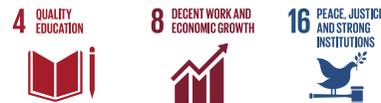
Hydro and the UN Sustainable development goals

The UN sustainable development goals (SDGs) embrace a universal approach to the sustainable development agenda. They explicitly call on business to use creativity and innovation to address development challenges and recognize the need for governments to encourage sustainability reporting. Hydro has an impact on all of the 17 development goals, but some more than other. Of the 17, hydro has chosen eight goals that are the most important to us, that will be highlighted throughout the report.

Improving our footprint



Making a positive difference



Driving innovation

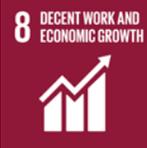


Hydro and the UN Sustainable Development Goals

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Goal	Definition	Hydro operational impact	Hydro Contribution	Hydro Policy or position	Learn more (Refers to Hydro's Annual Report 2021)
	End poverty in all its forms everywhere		<p>A prerequisite for ending poverty is sustainable economic development. Hydro's main contribution is through employment and wages, taxes paid, goods and services bought and investment projects.</p> <p>In addition, our social programs in Brazil aims at improving education and community development which in turn are contributions to reduce poverty.</p>	<p>The Hydro Way - Hydro's mission</p> <p>Hydro's Social Responsibility Policy</p>	<p>Notes: S9 - Community investments, charitable donations and sponsorships</p> <p>S.1.1 - Total employees by region, gender and age as well as payroll</p> <p>S7 - Current income tax</p>
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture		<p>A prerequisite for ending poverty and hunger is sustainable economic development. Hydro main contribution is through employment and wages, taxes paid, goods and services bought and investment projects.</p> <p>In addition, our social programs in Brazil aims at improving education and community development which in turn are contributions to reduce poverty.</p>	<p>The Hydro Way - Hydro's mission</p> <p>Hydro's Social Responsibility Policy</p>	<p>Notes: S9 - Community investments, charitable donations and sponsorships</p> <p>S.1.1 - Total employees by region, gender and age as well as payroll</p> <p>S7 - Current income tax</p>
	Ensure healthy lives and promote well-being for all at all ages	Hydro's operational activities entails risk for work hazards and human exposure to emissions, waste and transportation.	Hydro's ambition is to avoid all accidents, in particular serious ones. Accidents and ill-health cause human suffering and inefficient organizations. We work continuously to avoid damage to health, property and loss of production in all our activities. When relevant, this also includes the communities we are part of.	<p>Hydro's Health safety and Environment Policy</p> <p>Hydro's Social Responsibility Policy</p>	<p>Pages: p. 103-106 - Occupational health and safety</p> <p>Notes: S5 - Health and safety</p>
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all		<p>Hydro has committed to contribute to quality education, and capacity and competence building for 500,000 people in our communities and for business partners from 2018 until end of 2030. Education refers to initiatives within the formal educational system, from elementary school to university. Examples of initiatives include training of teachers and external scholarships.</p> <p>We cooperate with the educational sector at our main sites of operations with apprenticeship programs. In Brazil, we also contribute to enhancing primary education through cooperation with local schools and education authorities.</p> <p>Hydro targets the whole spectra from basic education to technical training and university level degrees relevant to Hydro. Going forward, Hydro will promote</p>	<p>Hydro's People Policy</p> <p>Hydro's Social Responsibility Policy</p>	<p>Pages: p. 100-102 - Community investments and social programs</p> <p>p. 103 – 110 - Effective organization</p> <p>Notes: S9 - Community investments, charitable donations and sponsorships</p> <p>S10.4 - Compliance training</p>

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	Achieve gender equality and empower all women and girls	The aluminium industry is male dominated, especially at the operator level. While only 18 percent of Hydro's employees were women in 2020, 25 percent of the top 200 leaders and 40 percent of Hydro's Corporate Management Board were women in 2020.	<p>teacher training, infrastructure and other means to secure quality education.</p> <p>Hydro is an employer of skilled workers and professionals at all levels. All employees are entitled to an annual appraisal dialogue including establishing a development plan.</p> <p>The share of women in leadership positions is steadily increasing. We are also targeting recruiting more women at all levels in the organization from apprentices to top management.</p> <p>Hydro's new people strategy, launched during 2020, sets global strategic priorities, ambitions, targets and activities, in addition to a defined process for annual update and revision. The global priorities cover learning and competence development, leadership and succession as well as diversity and inclusion. These priorities are supported by every business area with targets and activities based on their specific needs, addressing challenges in regions where they operate.</p> <p>Our ambition is to have a high-performing and sustainable work environment, based on diversity and inclusion. We want all employees to know they are valued for their differences and that they contribute to the success of our business strategy. A part of the new people strategy is to identify measures and quantifiable targets to support our ambition.</p>	Hydro's People Policy	<p>Pages: p. 96 -99 – Responsible Supply Chain</p> <p>Notes: S1 - Employees</p> <p>S3.1 - Women and non-Norwegians in top management</p>
	Ensure availability and sustainable management of water and sanitation for all	<p>Hydro uses and discharges water at all stages of the aluminium value chain. Key stages are mining and alumina refining (Brazil), smelting (largely in Norway) and rolled products and remelting (largely in Europe and the US).</p> <p>Most of the water used by Hydro in the production of aluminium (with the exception of water lost to evaporation) is returned to the external environment. All such discharges to the external environment are regulated by permits.</p>	<p>Prior to building new sites or expanding existing sites, Hydro performs an Environmental Impact Assessment to determine water availability.</p> <p>Where possible, Hydro uses sea water as opposed to freshwater. Freshwater is reused both at the bauxite mine and at the alumina refinery.</p> <p>The water used in hydropower production is strictly managed in line with established water management and biodiversity plans.</p>	Hydro's Health safety and Environment Policy	<p>Pages: p. 82 - Water</p> <p>Notes: E2.1 - Other emissions</p> <p>E2.2 - Spillages</p> <p>E4.2 - Water</p>
	Ensure access to affordable, reliable, sustainable and modern energy for all	Hydro is a large energy consumer.	<p>Hydro is Norway's third largest producer of hydroelectric power. 70 percent of the electricity used for Hydro's primary aluminium productions comes from renewable sources.</p> <p>Aluminium is an important component in facilities for producing solar and wind power. Electric cables are more and more made from aluminium.</p>	Hydro's climate strategy	<p>Pages: p. 75-79 – Climate Change</p> <p>Notes: E3 - Energy</p>

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 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	While the risk of breaching workers' rights is more limited within Hydro, we realize that the risk can be higher in parts of our supply chain.	Workers' rights within Hydro shall be secured through Hydro's global directives and local legislation as well as through cooperation with unions and other employee representatives. In addition, we work to secure responsible sourcing and procurement in the supply chain. Throughout our activities, we contribute to economic activities and growth directly through our operations and indirectly by creating value for our suppliers, customers and the communities we are part of.	<p>Hydro's People Policy</p> <p>Health, Security, Safety and Environment Policy</p> <p>Hydro's Social Responsibility Policy</p>	<p>Pages: p. 89-102 Modern Slavery Act transparency statement</p> <p>p. 71 - Partnerships</p> <p>Notes: S1 -Employees S2 - Remuneration</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	<p>All economic activity has the potential to impact its surroundings, in good ways and bad ways. Hydro recognizes that corporations too, have a responsibility to minimize the negative impacts and maximize the positive impacts of its company, of its industry – and for our planet.</p> <p>Hydro efforts and investments over the last year reveal a clear link between our commercial interests and its positive effect on climate and sustainability throughout our long value chain:</p> <p>Karmøy technology pilot, world's most energy and climate efficient primary aluminium.</p> <p>Our business area Hydro Extrusions delivers use-phase benefits through smart aluminium solutions: «The Crystal» in London is an outstanding 6,300 square meter building with highly energy-efficient and sustainable solutions. Our business unit Building Systems conceived and developed all automated parallel opening windows in the complex facade.</p> <p>And, Hydro Extrusions in Wales (UK) will supply the growing automotive industry demand for lightweight body structure solutions, recently to London Electrical Vehicle Company (LEVC), which has developed an all new zero-emissions-capable black taxi cab.</p>	<p>We believe that the key to Hydro's 115-year-long stretch of industrial progress is the combination of production and innovation, where research and development have gone hand-in-hand with full-scale production.</p> <p>The Karmøy technology pilot is operating at full capacity, producing the world's most climate-friendly and energy-efficient primary aluminium. Furthermore, the Karmøy technology pilot is verifying a broad range of technical innovations that is providing spin-off effects for Hydro's other primary metal plants, helping to lift profitability and drive sustainability for Hydro's production of primary aluminium.</p> <p>Hydro develops aluminium-based material concepts for battery technology from cathode foil to cell housing, up to integrated solutions for thermal management and battery modules. For the e-mobility market, we won our first contracts to supply battery producers. Furthermore, achieving certification according to the ASI Performance and Chain of Custody standards in 2019, Hydro Rolling was first mover to supply ASI-certified material for the lower protection cover and battery box for the Audi e-tron model.</p>	<p>Hydro's Social Responsibility Policy</p> <p>Hydro's Integrity Program Handbook</p> <p>Hydro's Human Rights Policy</p> <p>Hydro's Supplier Code of Conduct</p>	<p>Pages: p. 85-88 - Innovation</p> <p>Notes: S8 - Research & Development (R&D)</p>
 <p>10 REDUCED INEQUALITIES</p>	Reduce inequality within and among countries		Hydro contributes to the socio-economic development of communities where we operate, mainly in Brazil, USA, Germany and Norway. We also contribute to significant economic activities through our joint ventures and products by creating value for our customers and the communities they are part of.	<p>The Hydro Way - Hydro's mission</p> <p>Hydro's Social Responsibility Policy</p>	<p>Pages: p. 180 – 191 - Country by country report</p> <p>Notes: S1.1, S1.2 - Total employees by region, gender and age as well as payroll S7 - Current income tax</p>

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	<p>Make cities and human settlements inclusive, safe, resilient and sustainable</p>	<p>All economic activity has the potential to impact its surroundings, in positive and negative ways. Hydro recognizes that corporations too, have a responsibility to minimize the negative impacts and maximize the positive impacts of its company, of its industry – and for our planet.</p>	<p>In addition, our more than 30,000 suppliers globally contribute to their communities.</p> <p>Aluminium is an important input into modern city communication and construction, including in energy-efficient buildings or "net-zero buildings" which are buildings that produce more energy than they consume.</p> <p>Hydro has committed to contribute to quality education, and capacity and competence building for 500,000 people in our communities and for business partners from 2018 until end of 2030.</p> <p>A key element in Hydro's social responsibility strategy is to strengthen the societies and communities where we operate. The way we do this differs from country to country and from community to community. The main contribution is generated from our operations through production and purchase of goods and services, direct and indirect job creation, and tax payments. We engage in capacity building through targeted programs, and we have partnerships aiming to further enhance the public's knowledge about Hydro and its operations. Hydro has corporate requirements on management of community investments, charitable donations and sponsorships.</p> <p>Some of our community programs are linked to mining license requirements, while others are voluntary commitments. The programs target education, economic growth, decent work, capacity building and strengthening of institutions.</p> <p>To support local communities, we organize volunteer programs at many of our production sites. The volunteer activities are based on local customs and needs. Many sites also support local communities through a range of sponsorships and charitable donations</p>	<p>The Hydro Way - Hydro's mission</p> <p>Hydro's Social Responsibility Policy</p>	<p>S9, Community investments, charitable donations and sponsorships</p> <p>Pages: p. 89 - 95 – Human rights</p> <p>p. 70 -72 - Compliance</p>
	<p>Ensure sustainable consumption and production patterns</p>	<p>All economic activity has the potential to impact its surroundings, in positive and negative ways. Hydro recognizes that corporations too, have a responsibility to minimize the negative impacts and maximize the positive impacts of its company, of its industry – and for our planet.</p> <p>Recycling is growing at an even faster rate than primary metal, as more scrap is becoming available on the market</p> <p>For an integrated player such as Hydro, this means that recycling is an important area going</p>	<p>Hydro engages in dialogue with customers and other stakeholders regarding the environmental impacts of our processes and products. We perform life-cycle assessments (LCAs) for all major product groups to identify improvement potentials. We also assess aspects including energy consumption and recyclability.</p> <p>During 2020 we performed a strategic review of our recycling activities, and we set a growth ambition to double the post-consumer scrap recycling capacity to more than 600 thousand tonnes per year by 2025. To deliver on the growth ambition we established a center</p>	<p>The Hydro Way - Hydro's mission</p> <p>Health, Security, Safety and Environment Policy</p>	<p>Pages: p. 73, in particular Product stewardship on page 88</p>

Goal	Definition	Hydro operational impact	Hydro Contribution	Hydro Policy or position	Learn more (Refers to Hydro's Annual Report 2021)
	<p>Take urgent action to combat climate change and its impacts</p>	<p>Hydro emits significant amounts of greenhouse gas (GHG) emissions.</p>	<p>of excellence for recycling in Hydro Aluminium Metal to bundle competence and develop necessary capacity supporting all business areas in their growth ambitions.</p> <p>We have further improved processes to combine clean scrap with post-consumer scrap recycling. The technology is rolled out to Hydro's remelting and recycling plants. These investments will increase our post-consumer scrap capacity by up to 20 percent at each plant. Hydro's patented technology in scrap shredding and sorting is under further development, making it possible to produce high-quality extrusion and sheet ingot from post-consumer building and automotive scrap.</p> <p>We are a founding member and active participant of the Aluminium Stewardship Initiative, a non-profit multi-stakeholder organization which exist to administer an independent third-party certification for the aluminium value chain so as to provide independent assurance or responsible production, sourcing and stewardship of aluminium.</p> <p>Hydro is engaging in relevant industry associations and through these also contributing to the EU policy development around Circular Economy.</p> <p>Hydro launched a new climate strategy towards 2030 in 2019, as our carbon neutral strategy is coming to an end in 2020. Hydro's overarching ambition towards 2030 is to reduce the global climate impact of our value chain through greener sourcing, greener production and greener products. We aim to reduce our own emissions by 30 percent in 2030 and explore different paths towards further significant emissions reductions and CO2-free processes by 2050. Through greener sourcing and greener production, we also aim to help our customers in reducing their emissions through providing greener products.</p> <p>Our new strategy puts more emphasis on reducing own emissions. Changes in our production portfolio might influence these targets, but our aim is still to reduce our specific emissions. We have set targets to reduce greenhouse gas emissions by 10 percent by 2025 and 30 percent by 2030, based on a 2018 baseline (2017 for Paragominas, Alunorte and Albras due to the production embargo at Alunorte and curtailment at Albras and Paragominas). The baseline emissions equal 13.3 million tonnes CO2 equivalents (CO2e) and includes direct emissions and indirect emissions from electricity generation (scope 1 and scope 2 emissions).</p>	<p>The Hydro Way - Hydro's mission</p> <p>Health, Security, Safety and Environment Policy</p>	<p>Pages: p. 75 - 79 - Climate change p. 85 – 88 - Innovation</p> <p>Notes: E1 - Greenhouse gas emissions</p>

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	<p>Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p>	<p>Hydro uses and discharges water at all stages of the aluminium value chain including mining and alumina refining (Brazil), smelting (largely in Norway) and rolled products and remelting (largely in Europe and the US).</p> <p>Most of the water used by Hydro in the production of aluminium (with the exception of water lost to evaporation) is returned to the external environment. All such discharges are regulated by permits.</p> <p>Under the EU Water Framework Directive, most of the Hydro relevant fjords in Norway have been classified as Moderate and region wide river basin management plans are being drawn up to address this.</p> <p>Other fjords (e.g. next to Herøya in Norway) have had a buildup of historical pollution which requires more tailored plans. Hydro is continuously developing plans in dialogue with experts, local stakeholders and the authorities.</p> <p>Following an overflow of storm water from the bauxite residue (also known as red mud) deposits at Alunorte, short time effects were registered on a nearby river.</p> <p>The water used in hydropower production affects the watersheds and their biodiversity.</p>	<p>The element "greener sourcing" in the new climate strategy refers to Hydro's position as a purchaser of raw materials and energy. Hydro has the opportunity to source less carbonintensive electricity and cold metal with a lower carbon footprint. We also have the opportunity to increase the use of post-consumer scrap in metal production.</p> <p>Innovation and technology development are key enablers towards reducing CO2 emissions. We have initiated a significant R&D program towards 2030 to look into different alternatives to achieve CO2-free processes. We will explore different paths such as carbon capture and storage, biomass anodes and carbon-free processes. By 2030 we expect to have a clearer view on a path to further significant emission reductions by 2050.</p> <p>Prior to building new sites or expanding existing sites, Hydro performs an Environmental Impact Assessment to determine the impact on water.</p> <p>Water used in Hydro's operations in Brazil is reused in the operations or treated before discharged to the environment.</p> <p>The water used in hydropower production is strictly managed in line with established water management and biodiversity plans, including launching about 86,000 fish spawns annually in almost 40 lakes and rivers as part of the concession requirements.</p> <p>To prevent new overflows of storm water from the bauxite residue deposits at Alunorte, corrective actions have been taken including strengthening the drainage system and improving the surveillance of the water treatment facility. In addition, Hydro is building new state of the art waste storage facilities for tailings and bauxite residue. The new technology will allow the storage facilities to have a smaller environmental footprint.</p> <p>We also actively participate in drawing up water management plans for the relevant river basins under the EU Water Framework Directive and in developing tailor made remediation plans for key affected areas.</p>	<p>The Hydro Way - Hydro's mission</p> <p>Health, Security, Safety and Environment Policy</p> <p>Guidance note on biodiversity</p>	<p>Pages: p. 80 - 84 - Environmental impact management</p> <p>Notes: E4.2 - Water</p>

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	<p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>	<p>Hydro's bauxite mine in Brazil is located in what used to be a high biodiversity area. The area was originally deforested for logging and cattle farming many years before the mining operations were established. Hydro uses strip mining. A strip is cleared of vegetation, mined and then rehabilitated.</p> <p>Tailings are stored in engineered storage facilities which are actively managed and monitored. Discharge water is either returned to the mining process or discharged to the river in accordance with permit limits. Once full, all waste storage facilities will be rehabilitated.</p> <p>At our alumina refinery, bauxite residue (also known as red mud) is also stored in engineered storage facilities which are actively managed and monitored. Discharge water is stored in large storage basins and fed to the on-site waste water treatment plant prior to discharge to the river in accordance with permit limits. Once full, all waste storage sites will be rehabilitated.</p>	<p>To increase our knowledge and to secure a science-based approach, the Biodiversity Research Consortium Brazil-Norway (BRC) was established in 2013. BRC consists of the University of Oslo, Norway, and its Brazilian partners Museu Paraense Emílio Goeldi, Federal University of Pará and Federal Rural University of the Amazon in addition to Hydro. The scope of the consortium is to create a research program connected to our mining operations. The aim is to strengthen Hydro's ability to preserve the natural biodiversity of the areas where we mine bauxite.</p> <p>Hydro is building new state of the art waste storage facilities for tailings and bauxite residue. The new technology will allow the storage facilities to have a much smaller environmental footprint and will also aid the final closure and rehabilitation process by generating drier waste.</p> <p>Hydro is developing closure and rehabilitation plans for all its tailings and bauxite residue storage facilities.</p>	<p>The Hydro Way - Hydro's mission</p> <p>Health, Security, Safety and Environment Policy</p> <p>Guidance note on biodiversity</p>	<p>Pages: p. 81 - Biodiversity</p> <p>Notes: E6 - Biodiversity</p>
	<p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<p>Hydro subscribe to UN when stating that: "It undermines democracy and the rule of law, leads to violations of human rights, distorts markets, erodes the quality of life and allows organized crime, terrorism and other threats to human security to flourish."</p> <p>Through Hydro's engagement in international organizations like Amnesty International, Transparency International, Extractive Industries Transparency Initiative, UN Global Compact, etc. Hydro gives support to and contributes in global and local actions advocating justice, and strong institutions. On a company level, we set high standards in Hydro's Code of Conduct and governance processes, to which business partners we engage with in all markets where we operate, both regarding corruption and human rights aspects.</p> <p>Strong communities ultimately rests on the strength of institutions. Therefore, we will promote capacity building on good governance to for instance civil society organizations.</p>	<p>The Hydro Way - Hydro's mission</p> <p>Code of Conduct</p> <p>Hydro's Social Responsibility Policy</p> <p>Hydro's Integrity Program Handbook</p>	<p>Pages: p. 25 – 26 - Regulations p. 180 – 191 - Country by country report p. 88 - Product stewardship on page 88 p. 89-102 Modern Slavery Act transparency statement</p> <p>Notes: S10, Compliance</p>
			<p>We are currently developing quantitative goals to drive our efforts and to be able to measure their effect.</p>		

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	<p>Strengthen the means of implementation and revitalize the global partnership for sustainable development</p>	<p>Strengthen the means of implementation and revitalize the global partnership for sustainable development</p>	<p>Hydro is an active member of UN Global Compact, ICMM, WBCSD, Aluminium Stewardship Initiative, IAI and other industry associations.</p> <p>Hydro's most important partnerships include Amnesty International Norway, Transparency International, Danish Institute for Human Rights and Save the Children.</p> <p>In addition, we have many local partnerships and intersectoral engagements.</p>	<p>Hydro's partnership</p>	<p>Pages: p. 51 - Environment, Social & Governance reporting – The Hydro Way p. 72 - Stakeholder dialogue</p>