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## 1 Purpose and scope

The purpose of this Global Procedure is to ensure that Hydro operates with a fully integrated approach to the management of shared water resources, in its existing operations and future projects. Shared water resources are those water resources that occur within our operation's area of influence and that other users are also dependent upon. The requirements contained within this document are designed to support Hydro's Position Statement on Water Stewardship (GS-09-08-01).

This Global Procedure applies to all Hydro wholly owned or operated companies and employees worldwide. For legal entities where Hydro holds directly or indirectly less than 100 percent of the voting rights, Hydro representatives in the boards of directors shall act in compliance with, and promote the principles of, this Global Procedure. This procedure covers all activities associated with the withdrawal, consumption and discharge of freshwater resources and is applicable to any impacts, risk or opportunities associated with the management of freshwater resources, including social, climate and environmental aspects.

In addition to implementing the minimum requirements set by this Global Procedure, line management should also refer to the minimum requirements stated in GP-03-05-01 "Environment Management".

## 2 Roles and responsibilities

It is a line management responsibility to implement this Global Procedure into regular business processes and to ensure that the required information, training, instruction, supervision and auditing systems are in place to maintain compliance with this Global Procedure.

## 3 Definitions

3.1 Water Stewardship is defined as:

*the use of water that is socially and culturally equitable, environmentally sustainable and economically beneficial, achieved through a stakeholder-inclusive process that involves site- and catchment-based actions.*

This is aligned with the definition published by the Alliance for Water Stewardship (AWS) and adopted by the International Council on Mining and Metals (ICMM).

## 4 Description

### 4.1 Risk Management

All Hydro wholly owned or operated companies, and other applicable legal entities, shall:

- 4.1.1 Conduct an assessment to identify potential risks related to water resources, that occur within the operation's area of influence, and assess the materiality of these risks to the operation, environment and affected communities. This includes physical, regulatory and reputational risks and considers direct, indirect and cumulative impacts.
- 4.1.2 Adhere to the requirements stated in GP-09-05 Hydro's Social Responsibility, when considering impacts to water resources that affect local communities. This can include impacts on the quality or availability of water used by the communities, or to other ecosystem services related to the impacted water resource, such as access for fisheries or other economic activities.
- 4.1.3 Maintain a water balance that is sufficiently detailed for the operation's water-risk exposure and to understand how this water balance relates to the cumulative impact of other users of the same, shared water resource.

- 4.1.4 Maintain a detailed description of water systems to be able to assess potential environmental impacts.
- 4.1.5 Understand and plan for any constraints that cumulative impacts of other users on water resources may pose for current or future operations.
- 4.1.6 Implement a process to identify, evaluate and respond to catchment-level, water-related risks and opportunities, based on current and future operational needs, and also accounting for the effects of climate change on local hydrology. Pre-existing routines or processes, such as the Enterprise Risk Management (ERM) process, can be used for this purpose.
- 4.1.7 When developing new projects or performing significant changes to existing operations, evaluate and document all risks to affected water resources and develop appropriate mitigating actions and management plans as part of the project design and development. These risks and actions shall be documented in the Project's risk registry, as per requirements stated in GP-09-06 "Sustainability in new projects and major changes to existing operations", and, where appropriate, regulatory approvals of process changes will be obtained in accordance with legal requirements.
- 4.1.8 When performing due diligence within Mergers and Acquisitions (M&A) processes, follow the requirements of 4.1.1 and 4.1.2.

## **4.2 Operational Requirements**

All Hydro wholly owned or operated companies, and other applicable legal entities, shall:

- 4.2.1 Manage the quality of water discharges and water run-off to mitigate negative impacts to the environment and harm to the health and livelihoods of affected communities, within the operation's area of influence. This includes implementation of the minimum requirements stated in GP-03-05-01 "Environment Management".
- 4.2.2 Manage the quantity of freshwater withdrawal and discharges to maintain water flows and volumes needed to preserve the ecological function of the affected water resource and avoid harm to the health and livelihoods of communities, within the operation's area of influence.
- 4.2.3 Implement an appropriate water management system to manage and account for variation in operational demands, local hydrological and seasonal variability, other demands on shared water resources, as well as predictable extreme climatic events that could impact these systems (e.g. floods, storms, droughts).
- 4.2.4 Ensure that wastewater treatment plants are operated and maintained in accordance with permit conditions, manufacturer's recommendations or best management practices. Documentation of inspections, maintenance, repairs, and corrective actions shall be in place.

## **4.3 Stakeholder Engagement**

All Hydro wholly owned or operated companies, and other applicable legal entities, shall:

- 4.3.1 Identify and engage, proactively and inclusively, with stakeholders that may affect or be affected by an operation's water management practices.
- 4.3.2 Adhere to the requirements stated in GP-09-05 Hydro's Social Responsibility, when performing stakeholder engagement.
- 4.3.3 Where appropriate and feasible, actively engage in external water governance issues, with governments, local authorities and other relevant stakeholders, to support the adoption of effective regulation that promotes integrated water resource management.
- 4.3.4 Where appropriate and feasible, support water stewardship initiatives that promote better water use, effective catchment management and contribute to improved water security and sanitation.

#### 4.4 Monitoring and reporting

All Hydro wholly owned or operated companies, and other applicable legal entities, shall:

- 4.4.1 Where material water-related risks have been identified, implement a water management plan and set context-relevant targets and objectives that address material water-related risks and document actions undertaken to support these targets.
- 4.4.2 Where material water-related risks have been identified, establish a baseline status for potentially affected water resources, that accounts for physical, biological and social factors. This can be based on secondary data, if already available.
- 4.4.3 Establish a representative sampling campaign to monitor the quality of all water discharges to the external environment.
- 4.4.4 Ensure that the residual impact of all water discharges to the environment are within acceptable limits and in compliance with applicable permit limits.
- 4.4.5 Implement monitoring programmes that allow for early detection of critical deviations in water management systems.
- 4.4.6 Review and document progress against any established water-related targets and objectives relevant to the operation.
- 4.4.7 Report accurate water data to authorities, following legal requirements.
- 4.4.8 Annually report required water data into Hydro's Environmental Reporting system (HERE), in a timely manner.

#### 5 Deviations

Deviations from this Global Procedure are not permitted without permission from the EVP of Corporate Development.

#### 6 References

- GS-09-08-01 Hydro Position Statement on Water Stewardship
- [Alliance for Water Stewardship \(AWS\) Standard and Guidance](#)
- [ICMM 2014. Water Stewardship Framework](#)
- [ICMM 2015. A Practical Guide to Catchment-based Water Management for the Mining and Metals Industry](#)
- [ICMM 2017. Water Stewardship Position Statement](#)
- [ICMM 2021. Water Reporting: Good Practice Guide](#)

#### 7 Change log

Rev. nr.	Date	Description of change	Approver/Verifier
0		New Document	Helena Nonka