

Modern Slavery transparency statement

Hydro's Modern slavery transparency statement has been developed to comply with the legal requirements as stated in the UK Modern Slavery Act 2015, valid to Hydro from 2016, and the Australia Modern Slavery Bill 2018, valid to Hydro from 2020. The reporting requirements apply to Hydro as a supplier of goods with a total turnover of £36 million or more in the UK and more than AUD 100 million in Australia. The statement is valid for Norsk Hydro ASA and its consolidated subsidiaries. These include, but are not limited to, the fully-owned production units Hydro Aluminium Deeside Ltd, Hydro Building Systems UK Ltd., Hydro Components UK Ltd and Hydro Extrusion UK Ltd in the UK and the fully-owned holding company Hydro Aluminium Australia Pty Limited in Australia. The latter is the owner of Hydro's 12.4 percent of the shares in the joint venture Tomago Aluminium Smelter and Tomago Aluminium Smelter management company Tomago Aluminium Company Pty.

The Modern slavery transparency statement is prepared based on information collected from all consolidated entities in Hydro. In addition, the above-mentioned legal entities have been consulted on the statement itself.

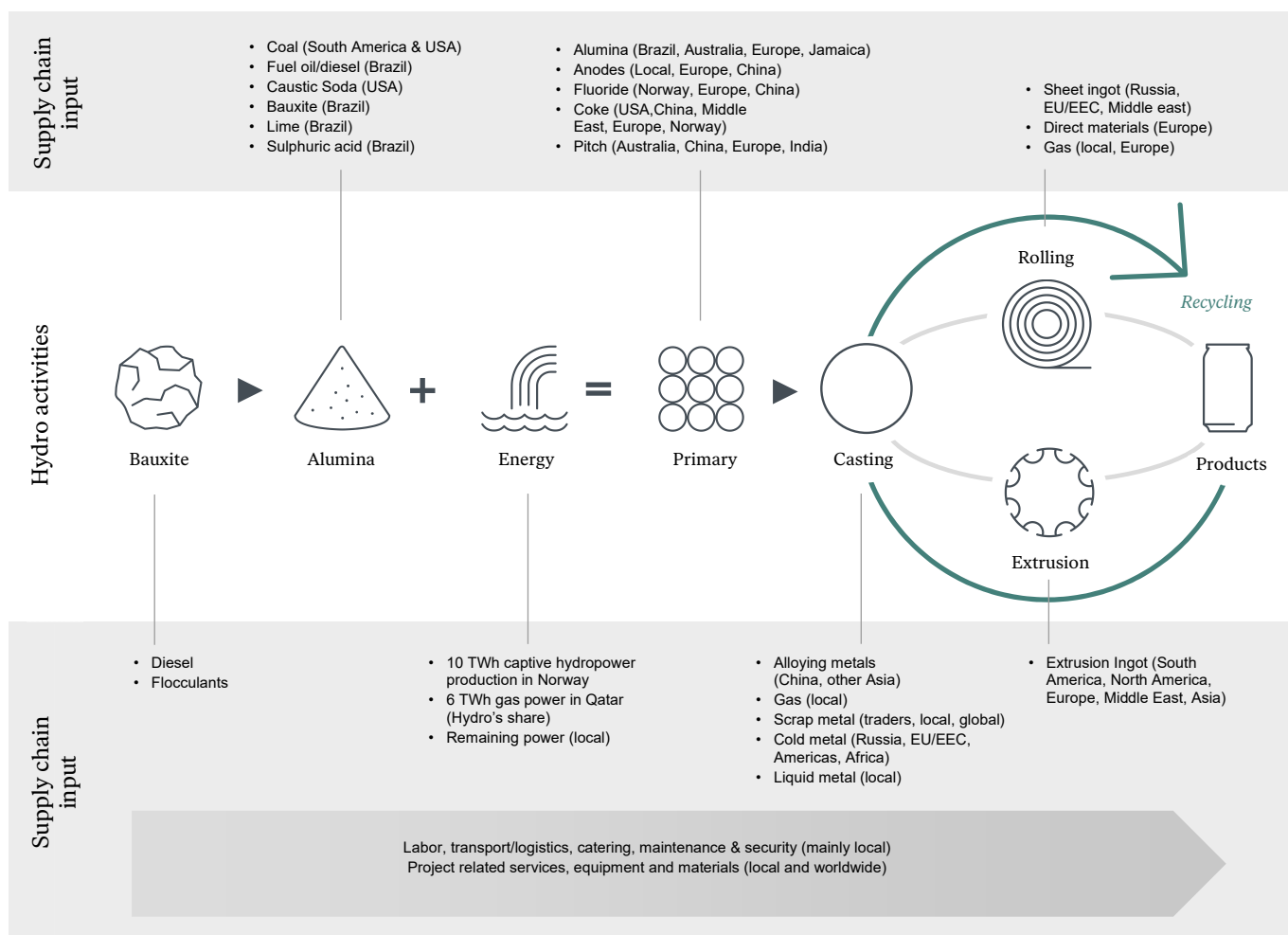
Entities that are not fully owned by, but are controlled by Hydro, can have different policies. We believe that their relevant policies are aligned with the ones of Hydro.

The UK and Australia Modern Slavery transparency statement is approved by the board of directors of the parent company Norsk Hydro ASA. The statement is included in the board's responsibility statement and included in the Financial Statements and Board of Directors' Report 2019.

Our business and supply chain

Hydro is a fully integrated aluminium company with 36,000 employees in around 40 countries on all continents. In addition to production of primary aluminium, rolled and extruded products and recycling, Hydro also extracts bauxite, refines alumina and generates energy to be the only 360° company in the global aluminium industry. Our operations include one of the world's largest bauxite mines and the world's largest alumina refinery, both located in Brazil. We have primary metal production facilities in Europe, Canada, Australia, Brazil and Qatar. Hydro is a large operator of power production in Norway. Extrusion activities are mainly located in Europe and North America, but we also have significant operations in Asia and Brazil. Hydro is present within all market segments for aluminium, with sales and trading activities throughout the value chain serving more than 30,000 customers. Hydro has more than 30,000 active suppliers globally. Most of these are situated in the same countries as our production facilities.

Hydro's supply chain



The figure shows Hydro's supply chain related to its value chain, and does not reflect the current organizational structure.

Our policies and commitments

As a global aluminium company with mining interests, ensuring responsible conduct is important throughout Hydro's value chain. We have to consider our impact on society, spanning from construction to divestment, as well as the exposure to corruption and human rights violations, within our own operations and in the supply chain.

Our compliance system shall ensure that all persons acting on behalf of Hydro comply with applicable laws and regulations and with the requirements adopted by Hydro.

We are committed to respecting and supporting the human rights of all individuals potentially affected directly or indirectly by our operations, including freedom from modern slavery. As an employer, owner and purchaser, an important contribution toward respecting human rights is to secure decent working conditions in our organization, in minority-owned companies and with our suppliers.

We support the principles underlying the Universal Declaration of Human Rights, the UN Global Compact and ILO's eight core conventions. Our human rights policy is based on the UN Guiding Principles on Business and Human Rights, and we report on our adherence in the GRI index. We are a member of the International Council on Mining and Metals (ICMM) and are committed to following their principles and position statements. We use the GRI Standards for voluntary reporting of sustainable development. Hydro's human rights management is based on the OECD Due Diligence Guidance for Responsible Business Conduct

Hydro's Human Rights Policy was developed in 2013 through a multi-stakeholder process. The policy was updated in 2016 and outlines the company's commitment to respecting and promoting human rights. The commitment is integrated in key procedures, including supply chain management, new projects and portfolio management and risk management. The policy is approved by the Corporate Management Board and is governed by EVP Corporate Development.

Implementation of the Human Rights Policy is a line management responsibility. Human rights risk can be addressed in the business areas' Sustainability committees or similar fora. The committees typically include senior members or members of the management team of the business area. Information pertaining to Hydro's most severe human rights risks are communicated to the board of directors, the Corporate Management Board, business area management teams, and relevant parties such as union representatives.

Hydro's supplier and business partner requirements regarding social and environmental responsibility are, as stated in our global directives and procedures, an integral part of all stages of the procurement process. The requirements cover issues related to environment, human rights, anti-corruption and bribery and working conditions, including work environment.

These requirements set out in Hydro's Supplier Code of Conduct are based on international standards, including UN Global Compact, the ILO core conventions, UN Guiding Principles on Business and Human Rights and other UN documents and instruments. The Supplier Code of Conduct will be updated in 2020.

The principles in Hydro's Supplier Code of Conduct are made binding through contractual clauses, to ensure suppliers and business partners reflect the values and principles that Hydro promotes internally and externally. Standard contracts also include clauses on auditing rights and the supplier's responsibility to actively promote the principles with its own suppliers/contractors and sub-suppliers/subcontractors of any tier that have a material contribution to the supply of goods and services to Hydro under the contract.

For legal entities where Hydro holds less than 100 percent of the voting rights, Hydro representatives in the boards of directors shall endeavor to implement the ambitions and principles related to Hydro's global policies including human rights.

Training and capacity building

Human rights responsibilities are part of Hydro's Code of Conduct, which is translated into 18 languages. The Code of Conduct includes our opposition to all forms of human trafficking and forced or compulsory labor. Training in the Code of Conduct is mandatory for all employees. In addition, more specific training on relevant human rights topics is given to functions involved in procurement and social responsibility on a regular basis. E-learning on Hydro's Social responsibility, including human rights, are available to all employees.

Hydro works to strengthen and improve suppliers' performance. This may be done through dialogue, sharing of knowledge, innovation processes, incentives or supplier development programs.

In Brazil, suppliers can apply to participate in a comprehensive, year-long supplier development program. In 2019, 26 supplier companies participated in the program.

Risk assessments of human and labor rights

With more than 30,000 active suppliers, Hydro risks being exposed to human rights violations including modern slavery. Hydro did not detect severe human rights impacts in our own operations in 2019.

Human rights due diligence is integrated in Hydro's processes. As part of the Enterprise Risk Management process, risk of adverse human rights impacts is discussed. Based on this, mitigating actions are developed and included in business plans in the business areas. Business plans are monitored, followed up and evaluated through the year in regular meetings with the Corporate Management Board.

Hydro's procedure for integrity risk management of business partners includes suppliers and customers, strategic partners and intermediaries/agents. It sets requirements for risk assessments and integrity due diligence when entering into a new business relationship or renewing an existing contract. Implementation is risk-based and takes into consideration contractual value, sector specific risk, human rights risk, corruption risk and more.

Suppliers, customers and other business partners registered in our main accounting systems are screened on a weekly basis against recognized international sanction lists. Furthermore, supplier audits and site visits are performed by Hydro personnel and external auditors based on risk analyses, and include environmental, social and governance topics, including human rights.

We consult with interested and affected parties in the identification, assessment and management of significant impacts associated with our activities. This includes communicating findings and addressing mitigating actions. We also consult with human rights experts knowledgeable about the local territories where we operate or through established partnerships.

Before new projects, major developments or large expansions are undertaken, we conduct environmental and social impact assessments when relevant, which includes evaluating risks for adverse human rights impacts in line with internationally accepted standards such as IFC Performance Standards, Equator principles and UN Guiding Principles on Business and Human Rights. This includes the principle of free, prior and informed consent when Indigenous and Traditional Peoples are involved. Dialogue with affected groups gives input to development plans. We strive to act in an open and credible manner, and gather views from interested parties, aiming for a common understanding of the decisions that are made.

Hydro's human rights management is risk-based. In countries with higher risks for adverse human rights impact, we aim to conduct stand-alone human rights impact assessment and mitigating action plans. Hydro recognizes that there are potential risks of adverse impacts concerning our operations in Brazil and in the Middle East, as well as in our supply chain. The risk of incidents of child labor abuse, compulsory or forced labor in our supply chain is low in the majority of Hydro's business areas. We do, however, recognize a risk of forced or compulsory labor among

suppliers in the Middle East, South America and Asia. This is followed up through supplier audits, etc.

Hydro's framework for human rights management was reviewed in 2019. The identified improvements include revision of the Human rights policy and strengthening of due diligence and risk mapping procedures. The improvement work will continue in 2020.

We engage with rightsholders and stakeholders both internally and externally to help inform about the effectiveness of our human rights impact management.

Dialogue with the employees' representatives includes involvement at an early stage in all major processes affecting employees, and we have a tradition for open and successful collaboration between management and unions.

Hydro has regular dialogue with communities, and more frequent and structured dialogue in communities with higher risk of adverse human rights impact. We develop and plan community dialogues in collaboration with affected communities, based on their needs and expectations. Community members in Brazil and at several other major sites are invited to plant visits on a regular basis. We also have regular dialogue with non-governmental organizations, academia and other civil society actors to discuss our human rights management.

Grievance, or complaint, mechanisms are important to understand the impact of Hydro's operations on the rights of individuals and groups affected by our operations. Grievances may be of any kind, including social and environmental issues, and can be made anonymously. In situations where we identify adverse human rights impact, we work to mitigate, prevent, address and remedy potential adverse impacts as recommended in the UN Guiding Principles on Business and Human Rights. Hydro will not tolerate retaliation against anyone who speaks up in good faith to ask a question, raises a concern, reports a suspected violation or participates in an internal company investigation. We have several grievance mechanisms depending on stakeholder groups.

Responsible behavior

We recognize that business can have an important role in supporting the fulfillment of human rights.

Hydro's social responsibility is founded on the basis of making a positive difference by strengthening our business partners and the local communities where we operate. To deliver on this, we target the fundamental drivers of long-term development. In line with local stakeholder expectations and needs, and through strong partnerships, we aim to:

- Contribute to quality education in our communities
- Promote decent work throughout the value and supply chain
- Foster economic growth in our communities
- Strengthen local communities and institutions through capacity building on human rights and good governance

We have committed 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.

In 2019, we reached a more than 26,000 people. Continuous improvement of current initiatives and development of new effective, high-impact initiatives will be important going forward.

Through our operations, we contribute to the economic and human development of our employees and the communities in which we operate. We work to ensure informed and effective participation by individuals and groups who are actually or potentially affected by our operations. We respect Indigenous Peoples' rights, including the right to free, prior and informed consent, and the rights of local communities when our activities may affect their lands, territories and livelihoods.

We are concerned about fundamental labor rights, such as freedom of association and collective bargaining, minimum wage requirements and the regulation of working hours. We have a long tradition of maintaining a good dialogue with employee organizations. Hydro's major sites in Europe and Brazil are unionized. Extruded Solutions has a major presence in the USA, and 60 percent of our US employees are working at unionized sites. We have activities in countries where trade unions are restricted, where we look for alternative forums to empower employees. Hydro's Global Framework Agreement was last updated in 2016. The parties are currently negotiating a new agreement. The agreement aims at creating an open channel of information between the parties about industrial relation issues in order to continuously improve and develop good work practices in our worldwide operations.

An important contribution toward respecting human rights is to secure decent working conditions in our organization and promote the same standards in jointly operated and minority-owned companies, and with our suppliers. In Qatalum, in Qatar, where Hydro holds a 50 percent share, the large majority of employees are migrant workers. Proper working conditions for them is key to us.

Security guards are employed on a regular basis to protect our personnel and assets. No armed guards were engaged in our activities in 2019, and there were no significant incidents reported in connection with the use of security guards. Hydro is committed to the Voluntary Principles on Security and Human Rights.

All documents listed under References below are also valid for all our subsidiaries subject to the UK Modern Slavery Act and the Australia Modern Slavery Bill.

References

A number of Hydro's constituting documents and global directives are relevant for our work against modern slavery.

These include, but are not limited to:

- NHC-CD07 Hydro's Code of Conduct
- GD02 Hydro's People Directive
- GD03 Health, Security, Safety and Environment
- GD09 Hydro's Social Responsibility
- GP09-01 Corporate Social Responsibility in the supply chain
- GP09-01 Hydro's Supplier Code of Conduct
- GP09-03 Hydro's Human Rights Policy
- The Hydro Integrity Program Handbook

All documents are available at www.hydro.com/principles