

## CSR Progress Report 2020





# 115 years of turning natural resources into value for people and business

Our purpose is to create a more viable society by developing natural resources into products and solutions in innovative and efficient ways.

We say that acting responsibly is part of our DNA. Sam Eyde, one of our founding fathers, understood that workers with decent working conditions and accommodation had better health and contributed to a more productive and stable work force. Perhaps he saw what we see even more clearly today – as a company, we can only succeed if the communities around us succeed, and if our main stakeholders support us and trust us.

In 2017, we saw that particularly in Brazil, this was increasingly not the case. At the same time, there was a growing need to be clearer on how Hydro contributes in all our local communities across the world. This led to a revision of our global CSR strategy, and the establishing of our forward-looking CSR goal;

**Contribute to quality education and skills for 500 000 people in our communities and for business partners from 2018 until end of 2030**

The strategy and the goal are based on broad internal and external input, identified expectations and needs among partners and in local communities, as well as Hydro capabilities and ability to efficiently promote a positive difference. The goal is clear, yet open, intended to enable each area, unit, country, or site to prioritize initiatives that fit their local context best.

We wanted to develop a quantitative target that could be measured, managed and followed up – the same way we approach all our important objectives, be they financial, climate or social related. Making a positive difference will

require actual impact, not only reaching a number of people. We will therefore continuously monitor the effects of the programs we run and look for ways of measuring results. Documenting social impact is inherently challenging, and we have a way to go. Yet, we have started, and it is this start that we would like to provide some examples of in this report.





# CSR goals – reaching 500.000

Hydro's social responsibility ambition is to make a positive difference by strengthening our business partners and the local communities where we operate. It is important for us to use internationally recognized standards as the platform for initiatives that promotes this ambition.

To help us deliver lasting impact through our strategic goal, then, we therefore align our efforts with selected UN sustainability goals which are established to target the fundamental drivers of long-term development.

Working within global standards and expectations also means that we stay focused on issues that are identified as important across the world.

4 QUALITY EDUCATION



Contribute to **quality education** in our communities



8 DECENT WORK AND ECONOMIC GROWTH



Promote decent work **throughout the value and supply chain**



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Strengthen local communities and institutions through **capacity building on human rights and good governance**





# Progress report

The aggregated number of people reached in 2019 was just above 27.500 across our operations. This result is in line with our estimations and we will continue to increase from here as we progress, and it is encouraging that it to a large degree reflects initiatives and processes Hydro has been running before we launched the target.



**Empowering 500.000 people with education and skills development by end 2030**



STATUS



The results for 2018, the first year we started counting, was close to 23,500. The year-on-year increase in 2019 is partly due to higher awareness of the goal and improved processes. Over time we are able to better identify and shape projects that fall within the scope of our target. At the same time, the result reflects a planned process where we actively extend our scope to our stakeholders – inviting suppliers, teachers, students and local businesses to participate in internal capacity building and promote synergies between Hydro, our communities and the supply chain.

So far, we see that the real impact and numbers reached is tightly linked to two factors:

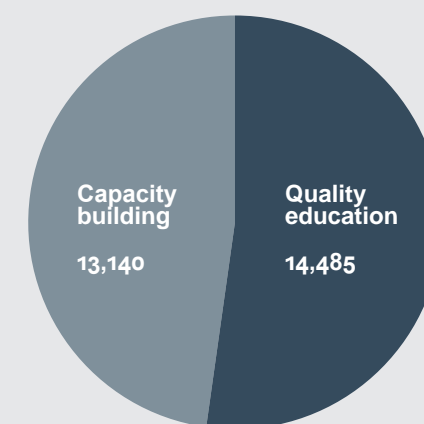
1. Our ability to use our internal programs, our facilities and our competence in ways which benefit both us and local communities. For example, by reaching out to our suppliers and training them, by teaming up with local schools and communities to develop local competence, or by participating in research and Doctoral programs.
2. Our ability to work with other companies, NGOs and both government and private public partnerships, to develop synergies and increase the impact of our projects.

## Our counting method centers around two main pillars:

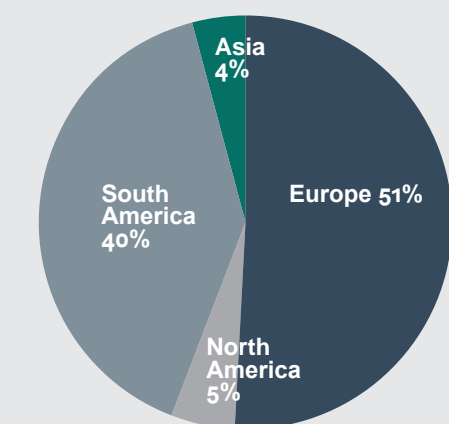
'**Education**', which covers initiatives within the traditional educational system, and '**Capacity building**', which is the category for all training taking part outside the educational system.

These are split into sub-categories for better tracking and identification. It is important to note that we only count initiatives that provide education or capacity building for others than our own employees.

Annual result 2019  
– quality education and capacity building



People reached  
– geographical split



# Global Reach – Local Presence

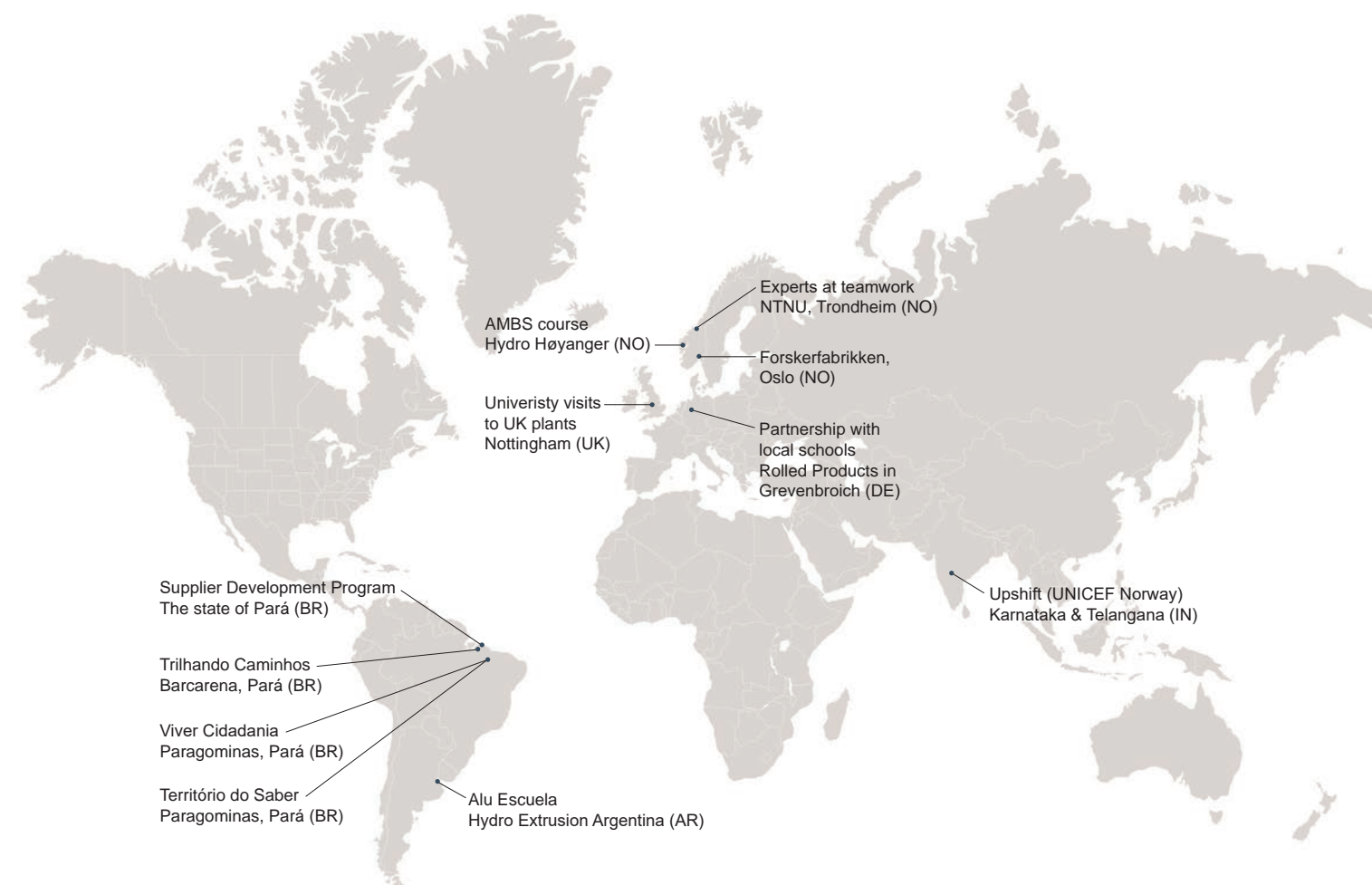
We are a global company, but our presence is always felt strongest at the local level. In that way, Hydro's global business opportunities are tied to the many individual sites we have.

The way we seek to strengthen the societies and communities around us mirrors this situation: the topics and projects will vary from country to country and from community to community based on the local needs. While our main contribution is generated from our operations through production and purchase of goods and services, direct and indirect job creation, and tax payments, we try to engage in capacity building through targeted programs. We also know that we generate greater impact when we work with other companies or organizations towards the same goals.

The overall approach for our initiatives is guided by our CSR goal of reaching 500.000 at the end of 2030, but scope and projects should always be based on local customs and needs.

The following section presents a few selected highlights from across the world where Hydro sites engage in activities outside our fences. They are not necessarily a representative selection but, rather, aim to show the diverse set of challenges and opportunities Hydro and our communities jointly have worked on in the past years.

The examples are as diverse as Hydro is. While they will differ in content, they are all a valuable contribution to achieving our CSR goal of promoting education, economic growth, decent work, capacity building and the strengthening of institutions.





# Global Reach – Local Presence

## Corporate

### Experts at teamwork

Hydro's Corporate Development unit working with the Norwegian University of Science and Technology (NTNU) in a program tailored to develop interdisciplinary cooperative skills for students.

Experts in Teamwork (EiT) is completed by around 2000 students each year. They are divided into classes, or villages, each consisting of 25 to 30 students. Each village has a project as its starting point, and Hydro helps scope and facilitate the project "Aluminium for a lighter world" where different groups explore topics such as aluminium in the living room (design furniture), recycling and circular economy. All topics have a sustainability and profitability mindset as the backdrop.

EiT is a good arena for Corporate Development to present Hydro's history and products. It's also an opportunity for Hydro to work with tomorrow's employees on our challenges and opportunities. After working on their projects, the students and present and evaluate the findings and conclusions

The students learn from their own experiences and develop their teamwork skills. And, Hydro gets valuable feedback and new business insights.

### IMPACT

- Gaining skills that will be an advantage in the workplace
- Helping develop teamwork skills through experience-based learning
- Increased understanding of aluminium solutions and potential contributions to a circular economy

### NUMBERS REACHED

- The project is ongoing in 2020 and numbers will not be final until next year



### Upshift

In February 2020, Hydro entered into a new two-year collaboration agreement with UNICEF Norway as a Signature Partner. The goal of the collaboration is to support UNICEF's work with education and skills development for children and adolescents.

Among the first activities for collaboration is "UPSHIFT," a youth social innovation and social entrepreneurship program designed primarily for marginalized or at-risk young people (14-24). UPSHIFT allows young people to learn 21st century transferable skills through experimental learning which has a proven ability to favor advanced learning outcomes.

In 2020, Hydro supports UPSHIFT for school children in India in the regions of Karnataka & Telangana. The program introduces principles of design thinking to the school children

and teachers and develops a culture of innovation. It also promotes collaboration between the government, schools and businesses.

As part of the training, school children develop an innovation idea. Around 1000 ideas will be shortlisted using set criteria. 10 successful ideas will be selected for incubation. A mentorship collaboration will be developed with businesses to support the finalists for incubation. With the help of the mentors, the school children will continue product development until their innovation ideas become commercially viable.

Due to Covid-19, the innovation challenge in Karnataka & Telangana is currently being developed through an online learning platform on design thinking in local language.

### IMPACT

- Creating a safe and respectful environment for youth and adolescents
- Building innovation and life skills
- Finding new solutions or improvements to an existing solution that benefits their community
- Supporting youth and adolescents in developing positive relationships with the community in which they live

### NUMBERS REACHED

- Since cooperation with UNICEF Norway was started in February 2020, the numbers will not be ready before next year.



# Global Reach – Local Presence

## Bauxite and Alumina

### Trilhando Caminhos

The Trilhando Caminhos project (Treading Paths) offers sports and cultural activities for socially vulnerable children and adolescents between the ages 6 and 17 in the city of Barcarena. The project offers ballet, capoeira, soccer and theater classes after school. The activities take place in community facilities that are normally not formally in use. The project also offers psychosocial support to the children and adolescents to better manage the vulnerable situations they're in.

Through the project's activities, children and adolescents are cared for and heard, helping them understand their importance and rights and duties as citizens.

Eysa, one of the participants, had always dreamed of being

a dancer. Through the project she has been given the opportunity to nurture her dream, to have a voice and to understand that she can have a bright future. On the day of her ballet classes, she excitedly prepares her backpack with her ballet shoes, her leggings, and her water bottle. For Eliana Leão, Eysa's mother, this opportunity gave Eysa life perspectives that she could not have imagined. "She always wanted to take ballet lessons, but I couldn't afford it. With this opportunity, everything has changed. Ballet helped her a lot, and she has learned to communicate better with others", says Eliana.

Due to Covid-19, classes and on-site activities have been suspended. Instead, recorded classes are offered. In addition, the psychosocial care service is available for the children, adolescents and families via telephone.



#### IMPACT

- Improving children and adolescents' psychosocial development
- Improving children and adolescents' social and collaboration skills
- Encouraging physical activity and healthy living habits
- Filling children and adolescents' free time with meaningful activities
- Supporting and filling community spaces with meaningful activities

#### NUMBERS REACHED

- 460 children and adolescents between 6 and 17 years old in Barcarena communities participated in 2019

### Território do Saber

The Território do Saber program in Paragominas aims to strengthen public management in the education sector, to improve education in the municipality, and to promote literacy classes for adolescents, adults and the elderly in neighborhoods with high illiteracy rate. To achieve this, the program trains public teachers in innovative practices for school management, literacy, youth and adult education, and teaching in the subjects of Portuguese and Mathematics.

The program is built in partnership with the Secretary of Education of the Paragominas municipality.

Due to Covid-19, classes and on-site activities in the Paragominas education system have been suspended. Instead, recorded classes are being offered.



#### IMPACT

- Improving the ability of adolescents and adults to complete the Brazilian formal Adult Literacy course
- Improving the courses to better adapt to the needs and interest of adolescents and adults, and to the schools
- Improving public management in the education sector in Paragominas
- Implementing innovative teaching practices and improving the school environment

#### NUMBERS REACHED

- 2018-2019: construction of the program together with SEMEC and the public to be benefited
  - 2019: Planned the content of training courses and conducting diagnostics
  - 2020: From March to the present, classes and on-site activities of the municipal school system are suspended
  - 85 school managers enrolled of online course
  - 162 teachers enrolled of online course
- Adult literacy classes are suspended



# Global Reach – Local Presence

## Bauxite and Alumina

### Viver Cidadania

Viver Cidadania is a project aimed to strengthen the social assistance services in Paragominas. The goal is to better support children and adolescents between the ages of 6 and 17, as well as elderly people, who find themselves in vulnerable situations and in need of social assistance from the municipality.

The project provides guidance on activities that strengthen the participants’ social skills and communication skills. The activities include working in groups and collaborating, learning to communicate between each other, learning to develop social relationships in the group, and learning to play and to be creative. The project also provides face-to-face training for local staff and the management to help strengthen the services.

**IMPACT**

- Expanding and strengthening the activities offered by the social assistance services
- Strengthening the social and communication skills and promoting the well-being and rights of the recipients of the social assistance services

**NUMBERS REACHED**

- In 2019, 2800 children, adolescents and elderly benefited from the activities offered by the project. 35 staff members received capacity training



### Supplier Development Program

The Supplier Development Program trains, develops and strengthens our local suppliers and partners in northern Brazil in the state of Pará to meet our supplier qualification requirements. The program is carried out in partnership with Federation of Industries of Pará and contributes to improving the industry as a whole in the state.

The program consists of a combination of training modules, coaching and implementation. Issues related to quality management, product and process quality, service, health, safety and the environment, as well as corporate social responsibility are audited at the beginning and at the end of the program. These are addressed and followed-up through action plans through the program and after.

In 2019, suppliers also participated in a business presentation conference with other possible customers to help promote new business opportunities for the suppliers.

Bruno Marques, director of Set Linings Pará and one of the participants in 2019, says: "After only the three modules that we've attended so far with the different themes covered, I can already see the progress made with the companies participating. I can really see that Hydro cares through this program."

So far, the program has benefited local suppliers in Barcarena. In 2020, the program is also being rolled out in Paragominas.

**IMPACT**

- Developing local suppliers to meet our qualification requirements
- Supporting local suppliers in expanding their business and winning more contracts
- Contributing to more local jobs, economic growth and sustainable development in Para state

**NUMBERS REACHED**

- In 2019, 276 individuals were trained through their employers' participation in the program





# Global Reach – Local Presence

## Primary Metal

### Sharing knowledge and experience at Hydro Høyanger – for others to improve

With more than 100 years of experience in aluminium production, Hydro Høyanger hosts the AMBS course for internal and external participants. This course aims to educate participants in Hydro's systematic approach to improvement work and process optimization.

Aluminium Metal Business System (AMBS) is Primary Metal's common platform for operations and improvement work. It includes a set of principles, rules, tools and methods fine-tuned over many years to systematically run and improve production processes – and eliminate waste.

In a dedicated AMBS course center located at Hydro Høyanger, participants are offered a classroom session and then invited to see concrete examples in actual production.

In addition, Hydro Høyanger hosts a “Chemical handling course” where broad experience in handling chemicals, relevant legislation and potential challenges is shared with participants. Among others, representatives from the local municipality of Høyanger has attended the course.



### IMPACT

- Knowledge-sharing across industries which benefits all involved stakeholders
- Networking for our partners and suppliers

### NUMBERS REACHED

- In 2019, the AMBS courses had 120 external participants from both private and public sector.



# Global Reach – Local Presence

## Rolled Products

### New Partnership with Local Schools for Hydro in Grevenbroich

With over one hundred years in Grevenbroich, Rolled Products has a long relationship with the community and local schools.

In February 2019, Hydro once again invited students from the Käthe-Kollwitz-Gesamtschule in Grevenbroich to visit our site and learn more about opportunities following the end of their public education.

In total 29 students (and 2 teachers) attended a half-day seminar/workshop, to learn more about our apprenticeship program, how to properly prepare the necessary documents for their application and what to expect during an interview.

Hydro has worked together with the school for the past 10-15 years on various projects and has recently signed a direct contract with the school to further the cooperation between the two parties.

“Good neighborly relations are very important to Hydro. Especially when it comes to the future of students. A cooperation agreement with the Käthe-Kollwitz-Gesamtschule Grevenbroich that has been successful for years was sealed on May 14th, 2019”

### IMPACT

- Making the world of work comprehensible for young adults.
- Increasing the understanding of a complex value chain and the story behind well-known end-products.
- Helping students to better assess their own opportunities in the future – a key objective of this partnership





# Global Reach – Local Presence

## Extruded Solutions



### University Visits to UK Plants

Throughout the year our UK plants welcome university students who are studying Product Design or similar.

In January 2020 we invited 42 students from Nottingham Trent University to our Tibshelf plant. They were split into smaller groups and given a presentation and a site tour. The interactive lecture includes information about the processes undergone at the plant and the capabilities of aluminium.

Following their visit, the students were given a brief for a design project. The project work goes towards their final grade. They were asked to design a product using the knowledge they had gained on aluminium extrusion, paying attention to sustainability and their target market. The final results were very thorough and detailed. Our marketing team decided on a shortlist, which were passed on to our technical team. Together with the lecturer we decided on the winners. 1st, 2nd and 3rd place will be rewarded with a cash prize and we aim to produce samples of the winning design.

#### IMPACT

- Encouraging future generation to consider aluminium, sustainability and material factors when selecting materials
- Improving the students' design skills through a real-life project

#### NUMBERS REACHED

- In 2020 we invited circa 100 students from 3 different Universities to our Tibshelf and Bedwas sites

### Hydro Extrusion Argentina

*Alu Escuela* (the Aluminium School) was established to provide a range of stakeholders (students, customers, architects, construction professionals, technicians, etc.) a cost-free opportunity to better understand handling, processing and assembling of aluminium.

As the main market is Building and Constructions, the focus of *Alu Escuela* is on aluminium use in general, with a particular emphasis on windows, doors and facades systems in 2020. For window-makers alone, an annual average of 400 people has participated.

We also have a special program for last-year students in technical schools nearby. This allows students to gain information, knowledge and tools and better prepare them for jobs after they leave school.

From 2013 to 2020 we have also trained approximately 150 students senior high-school pupils in theoretical and practical window-making courses. The participants make windows for the school and are taught how to replace the old ones.

#### IMPACT

- Reaching a wide range of stakeholders with information on both aluminium as well as the possible solutions it provides
- Encouraging new groups and users to consider aluminium, sustainability and material factors when selecting materials

#### NUMBERS REACHED

- In 2019, we had more than 400 participants with these programs





# Global Reach – Local Presence

## Energy, Primary Metal and Extruded Solutions

### Forskerfabrikken – Science Factory

Since the inception of this social entrepreneurship initiative in 2002, the goal of Forskerfabrikken has been to increase the understanding of and interest in industry and technology among children and teenagers throughout Norway. Forskerfabrikken also cooperates with non-governmental organizations to reach low-income families.

In 2016, Hydro became one of the partners of the Forskerfabrikken initiative (“the Science Factory”). Together we have arranged 64 summer camps courses from 2016 through 2019, which has been attended by more than 1500 children.

The summer camps have been arranged at several of our plants in Norway and have given the children a unique opportunity to create, explore and interact with each other

by using a combination of mathematics, research and science in a safe environment supported by inspiring instructors from Forskerfabrikken.

Hydro helps provide the children with fun and fascinating alternatives to digital entertainment through hands on activities and try to trigger their interest in science and explore the world around them.



### IMPACT

- Increasing children and young people's interest in science and technology subjects and increasing recruitment to science subjects in higher education
- Using and developing new knowledge about how children and young people best learn science so that as many people as possible will master these subjects
- Increaseing children and young people's knowledge of how science can solve many of the challenges we have in today's society

### NUMBERS REACHED

- 650 children in 2019





*Industries that matter*

Norsk Hydro ASA  
NO-0240 Oslo  
Norway

T +47 22 53 81 00  
[www.hydro.com](http://www.hydro.com)

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Hydro is a leading industrial company committed to a sustainable future.  
Our purpose is to create more viable societies by developing natural resources  
into products and solutions in innovative and efficient ways.