## 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.

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## 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 2019)	
1 NO POVERTY	End poverty in all its forms everywhere		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.  In addition, our social programs in Brazil aims at improving education and community development which in turn are contributions to reduce poverty.	The Hydro Way - Hydro's mission  Hydro's Social Responsibility Policy	Notes: p. 252: S9 - Community investments, charitable donations and sponsorships p. 241: S.1.1 - Total employees by region, gender and age as well as payroll p. 251: S7 - Current income tax	
2 ZERO HUNGER	End hunger, achieve food security and improved nutrition and promote sustainable agriculture			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.  In addition, our social programs in Brazil aims at improving education and community development which in turn are contributions to reduce poverty.	The Hydro Way - Hydro's mission  Hydro's Social Responsibility Policy	Notes: p. 252: S9 - Community investments, charitable donations and sponsorships p. 241: S.1.1 - Total employees by region, gender and age as well as payroll p. 251: S7 - Current income tax
3 GOOD HEALTH AND WELL-BEING	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.	Health, Security, Safety and Environment Policy  Hydro's Social Responsibility Policy	Pages: p. 98-99 Occupational health and safety Notes: p. 247, S5 - Health and safety	
4 QUALITY EDUCATION	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all		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.  Hydro targets the whole spectra from basic education to technical training and university level degrees relevant to Hydro. Going forward, Hydro will promote teacher training, infrastructure and other means to secure quality education.  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.	Hydro's People Policy  Hydro's Social Responsibility Policy	Pages: p. 95 - Community investments and social programs p. 97 - Effective organization  Notes: p. 252: S9 - Community investments, charitable donations and sponsorships p. 257: S10.4 - Compliance training	

Goal	Definition	Hydro operational impact	Hydro Contribution	Hydro Policy or position	Learn more (Refers to Hydro's Annual Report 2019)
5 GENDER EQUALITY	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 2019, 27 percent of the top 200 leaders and 40 percent of Hydro's Corporate Management Board were women in 2019.	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.	Hydro's People Policy	Pages: 93 - Responsible sourcing Notes:
			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. 240: S1 - Employees p. 245: S3.1 - Women and non- Norwegians in top management
			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.		
6 CLEAN WATER AND SANITATION	Ensure availability and sustainable management of water and sanitation for all	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).  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.	Prior to building new sites or expanding existing sites, Hydro performs an Environmental Impact Assessment to determine water availability.	Health, Security, Safety and Environment Policy	Pages: p. 28 last paragraph - p. 29 first paragraph.
			Where possible, Hydro uses sea water as opposed to freshwater. Freshwater is reused both at the bauxite mine and at the alumina refinery.  The water used in hydropower production is strictly managed in line with established water management and biodiversity plans.		p. 84 - Water  Notes: p. 228. E2.1 - Other emissions
					p. 229, E2.2 - Spillages p. 232, E4.2 - Water
7 AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable, reliable, sustainable and modern energy for all	Hydro is a large energy consumer.	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.	Hydro's climate strategy	Pages: p. 102 - Using viable energy sources, Reducing energy consumption and emission in production
			Aluminium is an important component in facilities for producing solar and wind power. Electric cables are more and more made from aluminium.		Notes: p. 230: E3, Energy
8 DECENT WORK AND ECONOMIC GROWTH	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	Hydro's People Policy	Pages: p. 291 - UK Modern Slavery Act transparency statement
				Health, Security, Safety and Environment Policy  Hydro's Social Responsibility Policy	p. 91-90- Integrity and human rights  Notes: p. 240: S1 -Employees

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Learn more (Refers to Hydro's Annual Goal Definition Hydro operational impact Hydro Contribution Hydro Policy or position Report 2019) suppliers, customers and the communities we are part p. 244: S2 - Remuneration Build resilient All economic activity has the potential to impact We believe that the key to Hydro's 115-year-long 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE infrastructure. its surroundings, in good ways and bad ways. stretch of industrial progress is the combination of Hydro's Social Responsibility Policy p. 100 - Innovation and design thinking promote inclusive Hydro recognizes that corporations too, have a production and innovation, where research and and sustainable responsibility to minimize the negative impacts development have gone p. 39 - Technology and innovation (B&A) industrialization and and maximize the positive impacts of its hand-in-hand with full-scale production. Hydro's Integrity Program Handbook foster innovation company, of its industry - and for our planet. p. 39 - Top world primary aluminium The Karmøy technology pilot is operating at full producers in 2018 Hydro efforts and investments over the last year capacity, producing the world's most climate-friendly Hydro's Human Rights Policy reveal a clear link between our commercial and energyefficient primary aluminium. Furthermore, p. 45 - Technology and innovation (PM) interests and its positive effect on climate and the Karmøy technology pilot is verifying a broad range sustainability throughout our long value chain: of technical innovations that is providing spin-off effects Hydro's Supplier Code of Conduct p. 50 - Technology and innovation (MM) for Hydro's other primary metal plants, helping to lift Karmøy technology pilot, world's most energy profitability and drive sustainability for Hydro's p. 52 - Technology and innovation (RP) and climate efficient primary aluminium. production of primary aluminium. p. 57 - Technology and innovation (ES) Our new business area Extruded Solutions, Hydro develops aluminium-based material concepts for delivers use-phase benefits through smart battery technology from cathode foil to cell housing, up aluminium solutions: to integrated solutions for thermal management and p. 252, S8, Research & Development «The Crystal» in London (2015) is an battery modules. For the e-mobility market, we won our (R&D) outstanding 6.300 square meter building with first contracts to supply battery producers. highly energy-efficient and sustainable Furthermore, achieving certification according to the solutions. Sapa Building Systems conceived ASI Performance and Chain of Custody standards in 2019, Rolled Products was first mover to supply ASIand developed all automated parallel opening windows in the complex facade. certified material for the lower protection cover and battery box for the Audi e-tron model. And, Extruded Solutions 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-emissionscapable black taxi cab. Reduce inequality Hydro contributes to the socio-economic development p. 273- Country by country report within and among of communities where we operate, mainly in Brazil, The Hydro Way - Hydro's mission USA, Germany and Norway. We also contribute to countries significant economic activities through our joint Hydro's Social Responsibility Policy ventures and products by creating value for our p. 241-242, S1.1, S1.2 Total employees customers and the communities they are part of. by region, gender and age as well as payroll In addition, our more than 30,000 suppliers globally p. 251, S7, Current income tax contribute to their communities. p. 252, S9, Community investments,

charitable donations and sponsorships

Learn more (Refers to Hydro's Annual Goal Definition Hydro operational impact Hydro Contribution Hydro Policy or position Report 2019) Make cities and All economic activity has the potential to impact Aluminium is an important input into modern city Pages: human settlements its surroundings, in positive and negative ways. communication and construction, including in energy-The Hydro Way - Hydro's mission p. 91-95 - Integrity, human rights and Hydro recognizes that corporations too, have a inclusive, safe, efficient buildings or "net-zero buildings" which are community impact resilient and responsibility to minimize the negative impacts buildings that produce more energy than they sustainable and maximize the positive impacts of its Hydro's Social Responsibility Policy consume. company, of its industry - and for our planet. 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. 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. 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. 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 All economic activity has the potential to impact Ensure sustainable Hydro engages in dialogue with customers and other its surroundings, in positive and negative ways. consumption and stakeholders regarding the environmental impacts of The Hydro Way - Hydro's mission p. 78. in particular Product stewardship production patterns Hydro recognizes that corporations too, have a our processes and products. We perform life-cycle on page 87 responsibility to minimize the negative impacts assessments (LCAs) for all major product groups to and maximize the positive impacts of its identify improvement potentials. We also assess Health, Security, Safety and Environment Policy aspects including energy consumption and company, of its industry - and for our planet. recyclability. Finally; end of life cycle A new recycling line at our Azuqueca plant in Spain will Recycling is growing at an even faster rate than be commissioned and ramped up during 2020. It will be primary metal, as more scrap is becoming modelled as a next generation of our recycling facility available on the market in Clearvaux, Luxembourg. This, in combination with

an upgrade at Clearvaux and the remelter Deeside,

UK, will add up to 30,000 tonnes of post-consumer

from 175,000 tonnes per year at the end of 2019

scrap recycling capacity, increasing our total capacity

For an integrated player such as Hydro, this

forward. Climate benefits of utilizing recycled

means that recycling is an important area going

Learn more (Refers to Hydro's Annual

Goal Definition Hydro operational impact Hydro Contribution Hydro Policy or position Report 2019) material and ensuring that more metal comes back to the loop. We have further improved processes to combine clean scrap with post-consumer scrap recycling. The technology is rolled out to Hydro's remelting and Profit firsts, not always postconsumer scrap wins over process scrap 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. We are a founding member and active participant of the Aluminium Stewardship Initiative, a non-profit multistakeholder 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. Hydro is engaging in relevant industry associations and through these also contributing to the EU policy development around Circular Economy. Take urgent action to Hydro emits significant amounts of greenhouse Hydro launched a new climate strategy Pages: 13 CLIMATE ACTION combat climate gas (GHG) emissions. towards 2030 in 2019, as our carbon neutral The Hydro Way - Hydro's mission p. 39 - Environment (B&A) change and its strategy is coming to an end in 2020. Hydro's impacts overarching ambition towards 2030 is to p. 45 - Environment (PM) reduce the global climate impact of our value Health, Security, Safety and Environment Policy chain through greener sourcing, greener production p. 50 - Environment (MM) and greener products. We aim to reduce our own emissions by 30 percent in 2030 and explore different p. 52 - Environment (RP) paths towards further significant emissions reductions and CO2-free processes by 2050. Through greener p. 57 - Environment (ES) sourcing and greener production, we also aim to help our customers in reducing their emissions through p. 81 - Energy and climate change providing greener products. p. 100- Innovation and design thinking 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 p. 223, E1, Greenhouse gas emissions 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). 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

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Learn more (Refers to Hydro's Annual Goal Definition Hydro operational impact Hydro Contribution Hydro Policy or position Report 2019) 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

> 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

in metal production.

reductions by 2050.



Conserve and sustainably use the oceans, seas and marine resources for sustainable development

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).

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.

Under the EU Water Framework Directive, most of the Hydro relevant fiords in Norway have been classified as Moderate and region wide river basin management plans are being drawn up to address this.

Other fiords (e.g. next to Herøva 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.

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.

The water used in hydropower production affects the watersheds and their biodiversity. Prior to building new sites or expanding existing sites, Hydro performs an Environmental Impact Assessment to determine the impact on water.

Water used in Hydro's operations in Brazil is reused in the operations or treated before discharged to the environment.

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.

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.

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.

The Hydro Way - Hydro's mission

Health, Security, Safety and Environment Policy

Guidance note on biodiversity

Pages:

p. 60 - Environment (Energy)

p. 84 - Water

Notes:

p. 232. E4.2. Water

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and

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.

To increase our knowledge and to secure a sciencebased approach, the Biodiversity Research Consortium The Hydro Way - Hydro's mission 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

Health, Security, Safety and Environment Policy

Guidance note on biodiversity

p. 83 - Ecosystems and biodiversity

p. 39 - Environment (B&A)

p. 60 - Environment (Energy)

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Goal	Definition	Hydro operational impact	Hydro Contribution	Hydro Policy or position	Learn more (Refers to Hydro's Annual Report 2019)
	halt and reverse land degradation and halt biodiversity loss	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.  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.	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.  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.  Hydro is developing closure and rehabilitation plans for all its tailings and bauxite residue storage facilities.		Notes: p. 235 - E6, Biodiversity
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	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."  Through Hydro's engagement in international organizations like Amnesty International, Transparency International, Extractive Industries Transparency International, Tran	The Hydro Way - Hydro's mission  Code of Conduct  Hydro's Social Responsibility Policy  Hydro's Integrity Program Handbook	Pages: p. 66 - Regulation and taxation p. 87-95 - Integrity, human rights and community impact p. 273-285 - Country by country report p. 291 - UK Modern Slavery Act transparency statement Notes: p. 253, S10, Compliance
17 PARTNERSHIPS FOR THE GOALS	Strengthen the means of implementation and revitalize the global partnership for sustainable development	Strengthen the means of implementation and revitalize the global partnership for sustainable development	Hydro is an active member of UN Global Compact, ICMM, WBCSD, Aluminium Stewardship Initiative, IAI and other industry associations.  Hydro's most important partnerships include Amnesty International Norway, Transparency International, Danish Institute for Human Rights and Save the Children.	Hydro's partnership  Hydro's partnership	Pages: p. 79 - Viability - The Hydro Way p. 88 - Dialogue with affected parties

Goal Definition Hydro operational impact Hydro Contribution Hydro Policy or position Learn more (Refers to Hydro's Annual Report 2019)

In addition, we have many local partnerships and intersectoral engagements.