Integrated annual report 2024

Hydro

Introduction

Our 2024 highlights

Hydro delivered solid results, carried by its upstream operations with positive revenue drivers and strong performance, despite challenging markets in Europe and North America during 2024.

Hydro launched its 2030 strategy late 2023, stepping up growth ambitions in aluminium recycling, extrusions and renewable power generation. Hydro will execute on its decarbonization roadmap, and contribute to a nature positive and just transition, while shaping the market for greener aluminium.

Hydro has a solid foundation to capture the long-term value creation opportunities in the aluminium market and Hydro's value chain presents a unique advantage in navigating volatile markets.

To accelerate and elevate Hydro's position as the leading provider of low-carbon, high value aluminium solutions, the company is sharpening its strategic capital allocation and launched a new, 6.5 billion improvement program aimed at 2030 and pushing forward profitable growth throughout the aluminium value chain.

Purpose

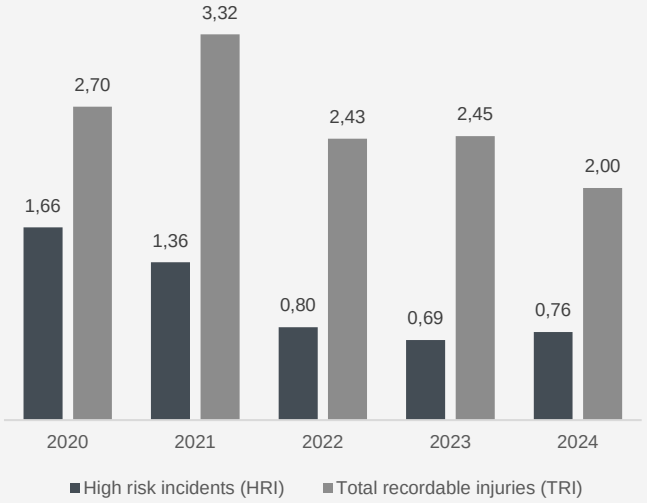
Create a more viable society by developing natural resources into products and solutions in innovative and efficient ways.

Our strategy

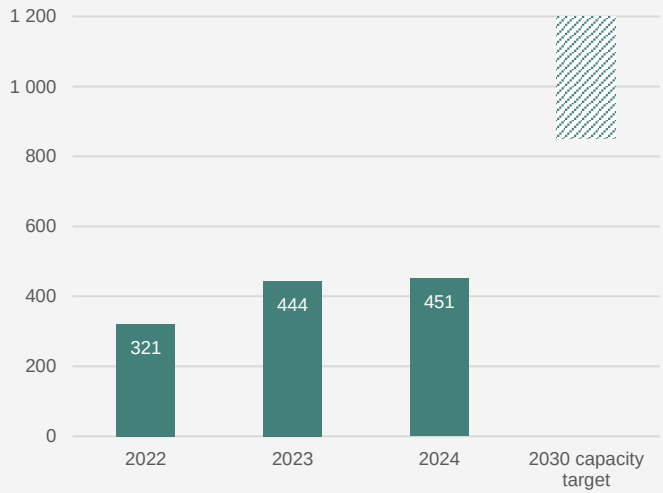
Pioneering the green aluminium transition, powered by renewable energy.

2024 highlights

Incidents per million hours worked

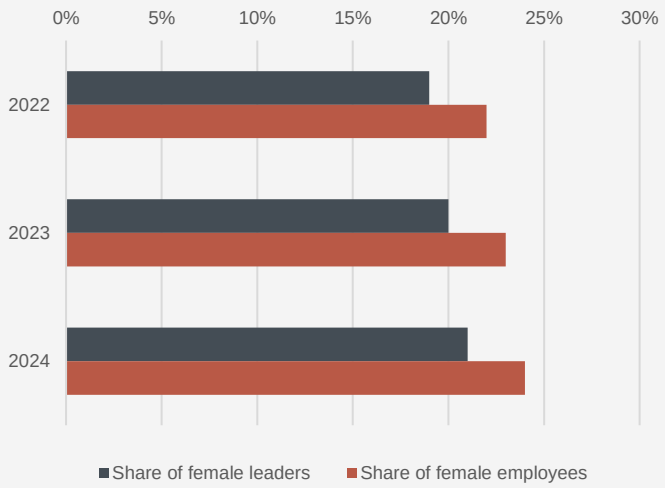


Recycled post-consumer scrap (kT)



Women in Hydro

Permanent and temporary employees



26.3
billion NOK
adjusted EBITDA

8.5 %
adjusted
RoaCE

16.0
billion NOK
net debt

2.25
dividend
NOK/share
Pending approval from the Annual General Meeting, May 9, 2025

Letter to stakeholders

Accelerating the green aluminium transition

2024 was a year characterized by increasing geopolitical tensions and unpredictability. Despite challenging market conditions, we are strengthening our position in the market, supporting our conviction that the long-term opportunities in aluminium remain strong. Hydro is on a solid path executing on our 2030 ambition of *pioneering the green aluminium transition, powered by renewable energy.*

The green transition is progressing and aluminium demand from sectors supporting it remains robust. To realize the low-carbon circular economy is not easy, but we consider the green transition a fundamental megatrend. Hydro will make bold moves and is determined to accelerate the green aluminium transition.

Our people are our top priority

Hydro's most important asset is our 32,000 employees. Their health and safety are our single most important priority. Over the years we have made significant improvements maintaining a consistently low incident rate. In 2024, average Total Recordable Injuries (TRI) per million hours worked was 2.0 compared to 2.4 in 2023. This is the lowest level ever reported in Hydro. Despite our work on fatality prevention procedures and life saving behaviors we experienced a slight increase in the number of high-risk incidents. Tragically, we suffered a fatality at Albras in Brazil in July. We use all high-risk and life changing incidents to learn and change the way operations are performed. Succeeding with Hydro's 2030 strategy relies on our ability to accelerate and grow while at the same time removing risks and driving our level of incidents to zero.

The wellbeing of our employees is fundamental to our success. Achieving our strategic ambition of pioneering the green aluminium transition requires significant efforts across the organization. While machines, technology, and solutions can be bought, our people remain the key differentiator. Their competence, engagement and wellbeing are essential to Hydro's competitive advantage.

To strengthen this foundation, we launched a new people strategy in November 2024. This strategy supports Hydro's overall ambitions by placing leadership, growth, innovation, and belonging at the center - ensuring our employees are well supported and equipped to drive our agenda forward. Additionally, we have a clear roadmap for diversity, equality, and inclusion, reinforcing our commitment to a strong and inclusive work environment. A good work environment leads to better results, and we work systematically to make this a reality.

Growth in challenging markets

In 2024, challenging market conditions created headwinds in meeting our EBITDA targets. We delivered an adjusted EBITDA of NOK 26,318 million, and corresponding adjusted return on average capital employed (ARoaCE) of 8.5 percent, below our target of 10 percent over the cycle. We delivered NOK 10.1 billion from our improvement program since 2018, surpassing the NOK 9.5 billion target set last year. Our commercial initiatives have generated NOK 2.6 billion in value. These initiatives and improvement programs enhance Hydro's competitive edge and support earnings resilience across economic cycles.

Improved earnings allow for competitive shareholder returns. Since 2019, we have distributed NOK 35.7 billion to shareholders, with a proposal to pay out another NOK 4.5 billion for 2024, representing 50 percent of adjusted net income.

We have worked actively on capital allocation over the past years. Hydro's strategic agenda continues to guide capital allocation and capital discipline remains a key financial priority towards 2030. Sales of our greener products continued to grow in 2024 despite a sluggish market. We have remained steadfast in our commitment to position Hydro for the long term and have invested almost 40 percent of our total capex over the last year in growth and return-seeking initiatives to continue to execute on our strategic ambition of pioneering the green aluminium transition.

Reaching strategic milestones

The four main pillars of our strategy towards 2030 are stepping up growth investments in Recycling and Extrusions, stepping up ambitions within renewable power generation, executing on the decarbonization road map, and contributing to a nature positive and just transition, while shaping the market for greener aluminium through partnerships.

In 2024, we revisited our strategy to ensure it remains fit for purpose in changing markets. While the core elements remain, we did make adjustments to address challenging market conditions in the battery materials and green hydrogen sectors. As a result, these areas are no longer considered strategic growth priorities, and no further capital will be allocated to them. The strategy adjustments ensure more focused capital allocation to more profitable growth opportunities. Adaptability is key, and we will continue to refine our strategy to stay competitive in a shifting market landscape.

We are committed to execute on our strategy. Important milestones driving the green aluminium transition have been reached in all parts of the value chain and we are well positioned to reach our ambitions for 2030.

Rune Bjerke, Chair of the Board of Directors

Eivind Kallevik, President & CEO

Stepping up growth investments in Recycling and Extrusions

Since late 2023, recycling margins have been under pressure driven by both weak end-product demand combined with tight scrap markets driven by low economic activity in key segments for scrap generation. Despite short-term challenges, our conviction in the long-term opportunities remains unchanged. We expect growing demand for more sustainable materials, and we see that many customers increasingly value both reliability and responsible value chains.

As customer demand for recycled material is increasing, Hydro is ready to meet this demand with our unique capabilities along the complex recycling value chain. Most importantly, Hydro has developed advanced sorting technology, HySort. This technology, in combination with a diversified product portfolio, allows us to upcycle more complex types of post-consumer aluminium scrap into the highest value products, including advanced and low-carbon recycled offerings.

In 2024, we continued to invest in our core competitive advantages in recycling. On the sorting side, we started commercial HySort operations in Hydro's Alusort JV with Padnos in Michigan and decided to invest NOK 180 million in a scrap sorting facility at the recycling plant in Wrexham, UK. We continued to further high-grade our product portfolio as we opened our new recycling plant in Székesfehérvár, Hungary, and made the decision to invest EUR 180 million in an advanced specialty recycling plant in Torija, Spain.

In Extrusions we see current market downturns, but we are continuously improving, modernizing, and optimizing the flexibility of our globally leading extrusion network. Staying competitive requires improvement efforts across the network. These efforts are centered around automation, operational enhancements, and procurement excellence.

Managing short-term volatility enables Extrusions to continue positioning for long-term growth with the customers, and three new original equipment manufacturer (OEM) contracts were added to the portfolio during the fourth quarter, accumulating contracts worth EUR 3.5-3.8 billion since the beginning of 2023.

Extrusions is experiencing market share growth through our greener offerings in the marketplace. Hydro CIRCAL has been a tremendous success in the market. This is particularly evident in Hydro Building Systems which has been instrumental in shaping the market for premium recycled materials with our Hydro CIRCAL offerings and now raising the bar for delivering projects containing Hydro CIRCAL 100R.

In addition, we are investing in press and fabrication consolidation. We are confident that these investments will reinforce our competitive edge, enabling Hydro to deliver more value and meet the expectations of the most advanced customers. Execution towards 2030 is driven by increasing improvement efforts and targeted commercial initiatives. Additionally, we see further potential for uplift from planned growth projects.

Executing on our ambitions within renewable power generation

Access to affordable renewable energy has been fundamental for our business for more than 120 years and it is at the core of succeeding with our ambition of pioneering the green aluminium transition. We are working on several routes to secure power at competitive prices for our aluminium operations. Within our hydropower portfolio, important projects in 2024 are the Illvatn pumped storage plant in Sogn and one together with our partner Lyse where we have applied for a concession to upgrade and expand the hydropower plants in Røldal-Suldal, both in Norway.

Together with partners we are developing onshore wind projects close to our Norwegian smelters. Likewise, in the Nordics and in Brazil assets are partly owned by the joint venture Hydro Rein as well as Albras, Alunorte and Paragominas. The aim is to conclude renewable power purchase agreements (PPA) between these projects and our industrial activities, all the time observing prevailing market conditions.

Hydro Rein is an important contributor to Hydro's renewable growth ambition, and we are pleased to have Macquarie as our joint venture partner since late June 2024. Hydro Rein will be instrumental in supporting Hydro with the energy we need to reduce CO_2 emissions.

Advancing our social initiatives and the decarbonization roadmap

We have already reached our 2025 decarbonization targets and in 2024 we hit key milestones on the path to our 2030 and 2050 targets. One of the key drivers of this is the successful implementation of the switch from heavy fuel oil to natural gas at Alunorte, Brazil. In addition to reducing Alunorte's CO_2 intensity, the fuel switch has a substantial positive effect on the plant's cost position, yielding some USD 160-190 millions in cost savings per year based on forward and spot prices. With the fuel switch and the installation of 120 MW of electrical boilers in 2024, Bauxite and Alumina has reduced its emissions by almost 30 percent against the baseline.

We continue to pursue multiple initiatives to reduce our greenhouse gas emissions within smelting, casting and recycling. In 2024, we started construction of a pilot to test hydrogen at our Høyanger recycling plant, we made an investment decision to build a plasma pilot, based on direct electrification of the casting process, at our R&D center in Sunndal, Norway, and we started to utilize biogas at our casthouse in Sunndal.

Our strategy outlines our ambition to contribute to the global nature positive goal, and we have made progress in several key areas. We are advancing the roadmap for achieving No Net Loss of Biodiversity at our bauxite mine in Paragominas, Brazil. While Brazil remains a focal point, there is also work to be done in other regions. This year, we announced our first no net loss project outside of Brazil, centered around the Illvatn hydropower pumped storage project in Norway.

On our pathway in the green aluminium transition, our goal is that it happens in a fair and just way for the people impacted. Our Just Transition framework is implemented across the company. In 2024, we continued to improve our management of human rights due diligence in our own operations, our value chain and affected communities. We also launched the Just Transition Program globally which has led to more than 30 new projects. The aim of the program is to engage employees and strengthen local support to initiatives emphasizing equal opportunities, local resilience, and education.

Collaboration is an important mean on our way to a just transition. One example is our customer Mercedes-Benz, which signed on as the first commercial partner in the Corridor Project in Brazil. In collaboration with leading NGOs, we are working to deliver social, nature, and climate benefits to the region surrounding the Bauxite Pipeline between Paragominas and Alunorte.

Historic events in the industry have shown that inferior tailings facility management can in the worst-case compromise public safety. The safety of our tailings operations are of utmost importance. We are therefore pleased that in December 2024, we achieved external verification of our Bauxite & Alumina tailings facilities in Brazil, including all Hydro's facilities in the highest consequence classes, in conformance with the Global Industry Standard on Tailings Management (GISTM) and our International Council on Mining and Metals (ICMM) commitment.

Shaping the market for greener aluminium in partnership with our customers

End-consumers are increasingly concerned about the embedded emissions of the products they purchase. As a result, our customers are responding by shifting their attention towards how aluminium is produced. We expect demand for low-carbon aluminium to outpace overall market demand towards 2030. Our close cooperation with our customers ensures we stay aligned with evolving demand, supported by a decarbonization agenda which is already delivering results. We also work closely with industry associations to ensure standardization and continuous improvements across the whole industry.

Collaborating with customers to develop an early market for our leading products is a crucial element of our strategy. Over the past years, we have entered into strategic partnerships with some of the world's leading companies. And in 2024 we have made big steps towards increasing partnerships.

In July, we signed a long-term agreement that opens for Hydro to deliver low-carbon aluminium for Porche's vehicle production in the years to come. This business model is a game changer in the aluminium industry, demonstrating how low-carbon aluminium is increasingly perceived as a scarce and valuable resource in the market. We also partnered up with Brompton which launched their line of city bikes with wheel rims made entirely from post-consumer aluminium scrap, in the shape of Hydro CIRCAL 100R. In addition, together with the VELUX Group, we are exploring a potential long-term commercial agreement as they seek reliable access to low-carbon aluminium. We are also working closely with Volvo Group, exploring opportunities for Volvo to adopt low-carbon aluminium, and we have partnered with Siemens Mobility and a national railway company to enable a closed loop recycling solution, integrating post-consumer recycled aluminium into new trains. Further, we are engaged in early-stage discussions about material substitution, including moving from copper and steel to aluminium.

Positioned to succeed towards 2030

Aluminium demand is set to increase significantly towards 2050, driven by electrical vehicles, renewable energy, and infrastructure, creating opportunities for Hydro's low-carbon and recycled products. Hydro continue to thrive in a decarbonizing world with certified, traceable, and low-carbon solutions. Hydro is well positioned for its journey towards the 2030 strategy, and we constantly adapt to an evolving geopolitical and macro-economic landscape. Going forward our dedicated employees will continue to push on executing growth, value creation and sustainability through collaboration.

Over the last 15 years, we've delivered more than NOK 17 billion in improvements. In November, we launched a new improvement program which is designed to be even more effective and visible on the bottom line. This program is built on three pillars: commercial excellence, procurement improvement and operational improvement. The total target is NOK 6.5 billion by 2030. This program will enable us to continue to invest in our growth ambitions in recycling, extrusions, and renewable energy, while continuing to deliver attractive shareholder returns.

We experience a growing demand of sustainable materials, and partnerships help us position to accelerate greener earnings uplift. Hydro continues to be robust while improving efficiency and sustainability through technology and innovation. We are on track towards the ambitions in our 2030 strategy pioneering the green aluminium transition powered by renewable energy.

Rune Bjerke
Chair of the Board of Directors

Eivind Kallevik
President & CEO

Key events 2024

January

Hydro joins the First Movers Coalition's new greener supplier database to enable the world's most ambitious companies to take climate action. Read more.

Pushing the boundaries for low-carbon aluminium with Hydro CIRCAL. Read more.

February

Hydro invests EUR 180 million in new Spanish aluminium recycler to decarbonize European industries. Read more.

March

Hydro invests NOK 225 million to complete electrolysis upgrade at Husnes. Read more.

Mendubim solar plant starts commercial operations and begins delivering clean energy to Alunorte alumina refinery. Read more.

April

Hydro invests NOK 180 million in new scrap sorting facility in the UK to increase low-carbon aluminium capability. Read more.

Hydro opens new recycling facility in Høyanger to meet demand for low-carbon aluminium. Read more.

May

Eivind Kallevik new Hydro CEO accelerating growth, value creation and sustainability to change the game for aluminium. Read more.

Rune Bjerke elected chair of Hydro's Board of Directors. Read more.

June

Hydro pursuing net-zero aluminium by testing green hydrogen technology with global potential. Read more.

Hydro Rein JV: Hydro and Macquarie begin renewable energy partnership. Read more.

July

Hydro and Porsche accelerate collaboration by launching new business model for low-carbon aluminium supplies. Read more.

August

Hydro Alunorte starts alumina production using natural gas, replacing fuel oil. Read more.

September

Hydro and PADNOS start advanced aluminium scrap sorting operations in the U.S. Read more.

Hydro investing in Illvatn pumped storage plant in Luster. Read more.

Hydro and Mercedes-Benz launch partnership to foster sustainable development in the Amazon. Read more.

Hydro opens new aluminium recycling plant in Hungary. Read more.

October

Hydro opens new extrusion press and increases recycling capacity in Cressona, Pennsylvania. Read more.

Hydro opens best in class technology center in Cassopolis, Michigan. Read more.

Hydro and Skellefteå Kraft sign long-term power contract. Read more.

November

Alumetal achieves Environmental Product Declaration for recycled foundry alloy aluminium products. Read more.

Hydro starts battery and solar rooftop operations at Offenburg aluminium plant. Read more.

Hydro decides to phase out Battery and Havrand. Read more.

December

Hydro sign long-term power contracts with Axpo (read more) and Å Energy (read more).

Hydro Alunorte completed the fuel switch project, starting two new electric boilers replacing coal fired boilers. Read more.

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Our Business

About Hydro

Hydro is a leading aluminium and renewable energy company committed to a sustainable future. Hydro's purpose is to create more viable societies by developing natural resources into products and solutions in innovative and efficient ways. Hydro is present throughout the global aluminium value chain, from energy to bauxite mining and alumina refining, primary aluminium, aluminium extrusions and aluminium recycling.

Hydro Bauxite & Alumina represents the first two steps in the aluminium value chain through bauxite mining and alumina refining. Hydro Aluminium Metal is a leading supplier of extrusion ingots, sheet ingots, foundry alloys, wire rods, forge stock and high purity aluminium with a global production network. Hydro Extrusions delivers tailored aluminium components and solutions to customers around the world. Hydro Energy is a major renewables producer, market operator and developer of businesses for the energy transition.

Hydro is changing the aluminium game to provide greener materials to products crucial for sustaining the world's rapid development. During 2024, Hydro continued to deliver on its 2030 strategy, stepping up growth investments in Recycling and Extrusions, and within renewable power generation. Hydro is executing on an ambitious decarbonization and technology road map, while stepping up its contributions to support a nature positive future and a just transition for society and shaping the market for greener aluminium in partnership with customers.

Our presence and values

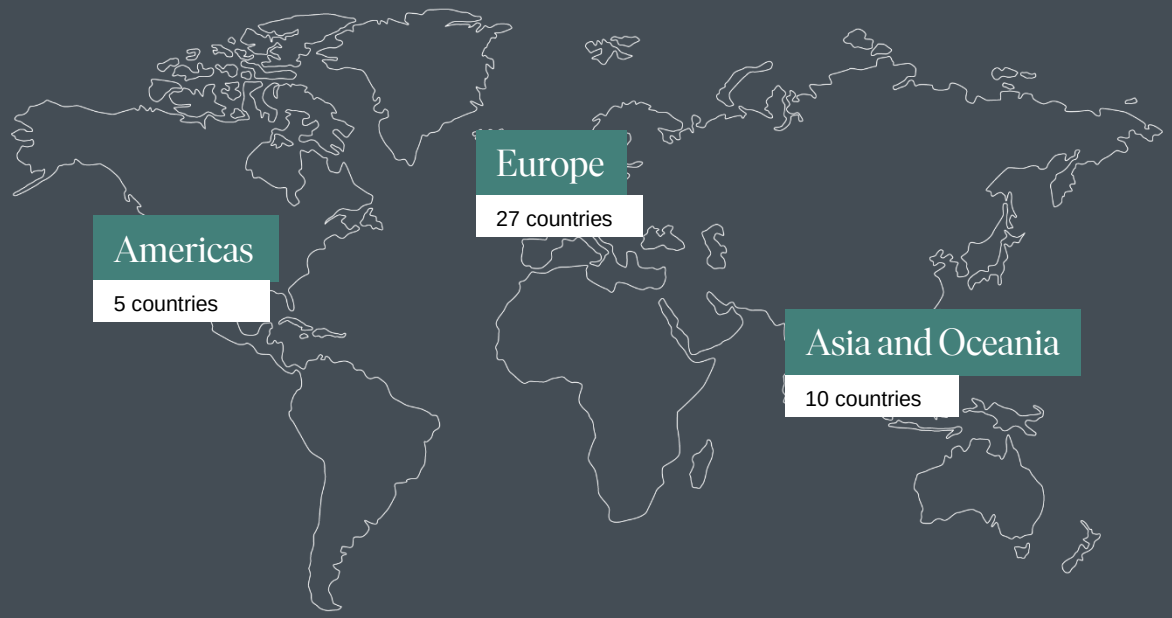
The company has 32,000 employees, at more than 140 locations in 42 countries, more than 30,000 suppliers, and serves more than 30,000 customers around the world.

Hydro's values of care, courage and collaboration, reflect how the company aims at interacting with its employees, local communities, customers and suppliers.

140+
locations

42
countries

32k
employees



Europe

Austria, Belgium, Bosnia and Herzegovina, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Ireland, Italy, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Spain, Sweden, Switzerland, Turkey, United Kingdom

Asia and Oceania

Australia, Bahrain, China, India, Japan, Qatar, Singapore, South Korea, Turkey, United Arab Emirates

Americas

Argentina, Brazil, Canada, Mexico, USA

Care

We act with respect for people and the environment, and place safety at the heart of our operations.

Courage

We break new ground and take measured risks with agility, accountability, and foresight.

Collaboration

We work as partners internally and externally to unite competencies and create win-win opportunities.

Hydro's main inputs and outcomes[1]

Robust balance sheet | Competent workforce, technology and R&D | Environmental, social and economic context

	BAUXITE	ALUMINA	ENERGY	PRIMARY	CASTING	EXTRUSION	PRODUCTS
Main inputs	• Bauxite resources • Water	• Bauxite • Caustic soda • Coal • Lime • Natural gas • Oil • Water	• Water resources • Wind resources	• Alumina • Aluminium fluoride • Anodes • Coke • Pitch • Power • Water	• Alloying materials • Natural gas • NGLs • Post-consumer scrap • Primary aluminium • Process scrap	• Electricity • Extrusion ingot	• Extruded products • Hydro CIRCAL • Hydro REDUXA • Primary foundry alloys, wire rod and forge stock • Standard, sheet and extrusion ingot
Main outputs and outcomes	• Bauxite • Rehabilitated land • Tailings[2] • Land use change[2]	• Alumina and alumina hydrate • Bauxite residue[2] • GHG emissions[2] • Non-GHG emissions[2]	• Hydropower • Flood control • Regulated watersheds[2] • Land use change[2]	• Primary aluminium • GHG emissions[2] • Non-GHG emissions[2] • Spent potlining[2]	• Standard, sheet and extrusion ingots • Primary foundry alloys and wire rod • Forge stock • Non-GHG emissions[2] • Dross[2]	• Extruded solutions for building- and automotive industries, consumer goods etc.	• A more viable society by developing natural resources into products and solutions in innovative and efficient ways

RECYCLING

Income and shareholder value | Salaries, taxes and supplier income | Community and industry impact | Full value chain provenance

1) The illustration presents Hydro's main activities, key inputs that Hydro depends on, and the main outputs and outcomes resulting from its industrial processes along Hydro's integrated value chain.
2) Potential negative environmental impact.

Hydro Bauxite & Alumina

4,161
Employees

6.0
Million tonnes alumina production

100,000
People assisted by social programs since 2018

71 %
Reduction in Alunorte CO_2 emissions by 2030[1]

1) Against 2017 baseline

Business Areas

Operations

Hydro Bauxite & Alumina covers Hydro's bauxite mining activities in Paragominas and the company's 62 percent interest in the Brazilian alumina refinery, Alunorte, both located in Pará State, North of Brazil. Alunorte is the biggest alumina refinery in the world outside China, with nameplate capacity of 6.3 million tonnes per year.

Hydro mines bauxite from Paragominas using strip mining technology where bauxite is sorted and crushed before being transported as a slurry through a 244-kilometer long pipeline to its refinery Alunorte, before being refined into alumina. Approximately 30 percent of Alunorte's long-term bauxite requirements are supplied from Mineracão Rio do Norte (MRN) through an agreement with Glencore and transported to Alunorte by ship.

Cost and revenue drivers

The main cost drivers in bauxite production are labor, maintenance and consumables, electricity, and fuel for mining equipment, which account for around 75 percent of mining cash cost. Labor, accounting for about 25 percent of cash cost, is influenced by Brazilian wage levels, inflation and productivity developments. Maintenance and consumables are influenced by inflation and operational efficiency.

The main cost drivers for alumina refining are bauxite, energy and caustic soda. These represent around 85 percent of cash costs, where caustic soda represented around 14 percent of cash costs in 2024. Energy costs are a mix of fuel, coal, and electricity, and account for about 35 percent of the total costs. Bauxite purchases from Paragominas, and those supplied from MRN agreements, are based on prices partly linked to the London Metal Exchange's (LME) prices and to alumina market prices.

Hydro Bauxite & Alumina aims to further strengthen their position on the alumina cost curve, through delivering NOK 1.45 billion in operational, procurement and commercial improvements by 2030, against the 2024 baseline. Hydro Bauxite & Alumina has a potential adjusted return on average capital employed (ARoaCE) of around 16 percent in 2030, based on a forward market scenario as described in the Financial ambitions section.

Strengthen low-carbon aluminium position

Hydro Bauxite & Alumina is working continuously to improve its position on the alumina industry cost and carbon curves, with Alunorte targeting to move from the first quartile of alumina refineries in terms of carbon intensity, to the first decile by 2025.

To reach the targets for greenhouse gas emissions reductions, Hydro is replacing fuel oil with liquid natural gas at the Alunorte alumina refinery and installing two more electrical boilers that use renewable electricity. This will enable the growth in sales of low-carbon alumina and aluminium at an expected growing premium. See the section on Climate Change for more details.

Hydro's bauxite mine is located in an area comprising primary and secondary forest and agricultural land in Pará State. To minimize and restore the impacts of mining activities on biodiversity, including local fauna and flora species, Hydro has developed a reforestation program to mitigate forest removal and aims to start restoration of mined areas that are released for rehabilitation within two hydrological seasons. In 2023, Hydro increased its no net loss ambition for biodiversity for the bauxite mine. In addition to achieving no net loss for the future expansion of the mine, Hydro will also include impacts that have occurred since 2020 for the existing mining footprint. Hydro also renewed the Biodiversity Research Consortium Brazil-Norway for a further five years, to secure a science based approach to biodiversity management and forest rehabilitation.

To reduce the environmental impact of its operations, Hydro has developed the tailings dry backfill methodology at the Paragominas mine, which eliminates the need for new permanent tailings storage facilities and permits rehabilitating areas affected by mining operations faster.

Hydro also supports social and economic development in the communities where it operates. Read more about the skills development, community investments and efforts to support just transition in the sections on Affected communities and Human rights.

Hydro Energy

479
Employees

9.3 TWh
Hydropower production

8.4 GW
Solar and onshore wind projects[1]

10.7 TWh
External power sourcing in 2024[2]

1) Gross capacity
2) Nordics and Brazil

Operations

Hydro Energy is one of the three largest operators of hydropower production in Norway, and a large power market player in the Nordic region and Brazil. As Hydro's energy competence center, Hydro Energy provides support to the company's business areas on large and complex industrial projects, market analytics, power contracts, supply security and energy framework conditions. Hydro Energy continues development of hydropower and renewables both within the fully owned portfolio and through partnerships such as Hydro Rein.

In Norway, Hydro Energy operates 40 renewable power plants, with combined installed capacity of 2.8 GW. In a normal year, Hydro Energy operate 13.7 TWh production, of which 9.4 TWh is captive power. This includes Tonstad windfarm (208 MW/0.7 TWh), where Hydro Energy purchases all volumes and power assets owned by Lyse Kraft DA in Røldal-Suldal and the Stavanger region. In addition, Hydro Energy purchases more than 9 TWh of renewable power annually in the Nordic market, mainly under long-term power purchase agreements (PPAs) resulting in a total market portfolio of 18 TWh per year in the Nordics in a normal year.

In late 2024, and as part of a reorganization plan for Markbygden Ett AB, Hydro agreed to a settlement for its long-term PPA with the company. In the settlement, Hydro is entitled to a compensation of up to EUR 248 million for its voluntary termination of the PPA. The sourcing situation at Hydro's Norwegian smelters remains robust through 2030. Hydro is actively pursuing available alternatives for renewable power sourcing, including onshore wind, to meet the need for cost competitive power for its industrial operations.

Hydro Energy enables achievement of Hydro's strategic ambitions in renewable energy through focus on core business and through partnerships such as Hydro Rein.

Cost and revenue drivers

Hydropower production is strongly influenced by hydrological conditions. Seasonal factors affect both supply and demand. Hydro Energy is an industry leader on cost and operational performance with a cost base that is relatively stable. Volatility in both production as well as electricity spot prices may however cause significant variations in quarterly revenues. Hydro Energy optimizes its power portfolio in the market every day.

Electricity prices are influenced by fuel costs (including emission allowance costs), meteorological parameters and exchange transmission possibilities with adjoining markets, as well as by fluctuations in demand. Rising intermittent generation from solar and wind power is increasing price variations across power markets.

Hydro Energy estimates to deliver NOK 0.4 billion in improvements by 2030 against the 2024 baseline, giving a normalized EBITDA of NOK 3.5 billion in 2030 for Hydro Energy excluding Hydro Rein.

Powering the green aluminium transition

Hydro Energy's captive renewable energy production, competitive sourcing of renewable power and energy solutions enable Hydro and other industrial companies to succeed in the transition to a net-zero society. The carbon footprint of aluminium is highly dependent on the source of energy, and Hydro Energy enables the production of low-carbon aluminium.

In June 2024, the transaction with Macquarie Asset Management for the sale of 49.9 percent of Hydro Rein was finalized. Hydro Rein offers renewable energy solutions for more sustainable industries, and the Hydro Rein JV with Macquarie enables further development of renewable power production and pursuit of profitable renewable power projects.

To strengthen the focus on Hydro's 2030 strategy and address challenging market conditions in the batteries and green hydrogen sectors, battery materials and green hydrogen will no longer be strategic growth areas for Hydro and no further capital will be allocated. Battery and Havrand businesses will therefore be phased out. Hydro will continue to support Hydrovolt as an industrial owner in close link with the recycling business and strategic partners. Within green hydrogen, Hydro will continue to test the technology at the recycling unit in Høyanger for internal decarbonization.

Energy supports Hydro's strategic objectives of developing renewable energy solutions and decarbonizing the industry, while aiming to limit impacts to nature and creating a positive outcome for the communities where Energy operates.

Hydro Aluminium Metal

4,418
Employees

2.0
Million tonnes primary production

19
Countries

30 %
Reduction in GHG emissions by 2030[1]

1) For Hydro whole and against 2018 baseline, includes logistics ambition in Metal Markets.

Operations

Hydro Aluminium Metal is the world's (excluding China) sixth largest producer and supplier of primary aluminium and value added casthouse products. The business area consists of five wholly owned aluminium metal plants in Norway, five partly owned plants in Qatar, Brazil, Canada, Australia, and Slovakia (currently curtailed), in addition to several advanced R&D facilities. Hydro's total annual primary aluminium capacity is about 2.1 million tonnes.

Hydro's primary aluminium operations extract aluminium from aluminium oxide (alumina) by way of electrolysis to produce liquid aluminium. Recycled post-consumer scrap is also remelted to liquid aluminium which in turn is converted into value added products such as extrusion ingot, primary foundry alloys, sheet ingot and wire rod as well as standard ingot. Hydro's primary plants have also built-up capacities to process additional quantities of post-consumer scrap in their casthouses, including the purpose-built recycling facility near the primary aluminium plant in Høyanger.

Cost and revenue drivers

The main cost drivers for the production of primary aluminium include alumina, power and carbon, which together comprised about 80-85 percent of the cash costs of electrolysis metal in 2024. Hydro uses approximately two tonnes of alumina to produce one tonne of aluminium, representing 40-45 percent of the cash cost of primary aluminium. Energy represents on average 20-25 percent of cash costs and carbon anodes consumed in the smelting process account for 20-25 percent. Realized aluminium prices and casthouse product premiums are the most important revenue drivers.

Access to competitive renewable power is the foundation for delivering low-carbon aluminium at competitive cost in the long-term and enables Hydro's 28th percentile placement on the global primary aluminium cost curve in 2024. Around 80 percent of the electricity used for Hydro's primary aluminium capacity is based on renewable power.

Hydro Aluminium Metal has a history of continuous improvements, covering all relevant earnings drivers, placing Hydro's primary production competitively on the global primary aluminium cost curve. Hydro Aluminium Metal aims to strengthen its position further through delivering NOK 1.1 billion in operational and procurement improvements by 2030, against the 2024 baseline, in addition to contributing to the commercial excellence improvements through greener premium and other commercial initiatives. Hydro Aluminium Metal has a potential adjusted return on average capital employed (ARoaCE) of around 19 percent in 2030, based on a forward market scenario as described in the financial ambitions section.

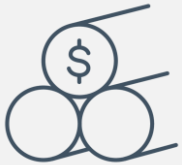
Strengthen low-carbon aluminium position

Hydro's presence in the primary value chain, combined with access to renewable power, are important enablers on Hydro's decarbonization pathway and key in delivering its low-carbon aluminium Hydro REDUXA. Hydro REDUXA offers customers a fully transparent value chain and a certified carbon footprint below 4 kg CO2e per kg aluminium, corresponding to about one quarter of the world average. By entering into strategic partnerships with leading customers in the automotive, buildings and construction, electricity, and consumer goods markets, Hydro Aluminium Metal works to decarbonize the industries where aluminium is used.

Hydro Aluminium Metal has an ambitious sustainability strategy with dedicated roadmaps to address decarbonization, energy efficiency, and impact on nature and circular economy. Hydro Aluminium Metal's decarbonization roadmap aims to create multiple pathways toward net-zero and to decarbonize both its casthouses through the use of direct electrification, hydrogen or bio-methane, and the electrolysis process through both carbon capture and storage and the development of Hydro's new proprietary HalZero zero emission process.

Read more about Hydro's pathways to net-zero in the section on Climate change.

Hydro Metal Markets



1,523
Employees

2.7
Million tonnes sales

15
Countries

30 %
Reduced CO_2 emissions from logistics by 2030[1]

1) Against 2018 baseline

Operations

Hydro Metal Markets, which is organized as part of the business area Aluminium Metal, consists of the Recycling and Commercial business units.

Recycling

The Recycling business unit consists of 12 recyclers in Europe and the U.S., producing extrusion ingot and recycled foundry alloys with a total annual capacity of 995,000 tonnes. The four Alumetal plants acquired in 2023 are located in Hungary and Poland, contributing with 275,000 tonnes. In 2023, Hydro started a new recycling plant in Cassopolis, Michigan as well as a new HyForge line in Rackwitz, Germany that have been ramping-up during 2024. The recycling plants provide customers with high-quality, value added casthouse products. About 270,000 tonnes of post-consumer scrap (PCS) was used in Metal Market's 2024 recycling operations.

To secure access to scrap and enable increased usage of PCS, Hydro also owns three scrap sorting facilities with a total annual capacity of ~160,000 tonnes, where 36,000 tonnes come from the Dormagen facility, 100,000 tonnes from the Alumetal Nowa Sol hub and ~20,000 tonnes in the newly commissioned Alusort JV in the U.S.

Commercial

Metal Markets supplies Hydro's value added products to a global market through a wide range of product offerings and services, including low-carbon aluminium products. Hydro's portfolio of production plants allows for a flexible, multi-sourcing system that enables significant, rapid and cost effective volume adjustments for customers. Hydro possesses leading research and development competence in value added casthouse products, supporting customers in achieving their goals and in developing new products. Commercial activities include sourcing and trading of standard ingots from third parties for remelt in Hydro's recyclers and primary casthouses, and to secure margins through execution of Hydro's strategic hedge program.

Cost and revenue drivers

The results in Metal Markets consist of the operating results of the recyclers, margins on sales of third party products, and results from ingot and LME trading activities. Revenues for Hydro's recyclers are influenced by volumes, the LME price and product premiums. Costs are driven by the cost of metal including LME, the cost of scrap and standard ingot premiums, freight costs to customers, and operational costs, including energy. Hydro's results can be heavily influenced by currency effects and ingot inventory valuation effects.

Metal Market's 2030 improvement ambitions are part of Hydro Aluminium Metal's targets, described in our targets and ambitions.

Strengthen low-carbon aluminium position

Aluminium recycling requires 95 percent less energy than primary aluminium production and aluminium can be recycled infinitely without degradation in quality. Metal Markets recyclers offer a range of low-carbon, recycled products to the customers, such as Hydro CIRCAL, with a minimum post-consumer scrap (PCS) of 75 percent and a carbon footprint of 1.9 kg CO_2 per kg aluminium.

Going forward, Metal Markets will grow the portfolio of lower-carbon aluminium products, demanding higher premium pricing. This is supported by Hydro's recycling ambitions to materially increase the use of post-consumer scrap usage.

Recycling growth strategy is focused on diversifying and high grading the recycled product portfolio, developing advanced sorting capabilities as well as realizing full synergy potential in the Aluminium Metal network, including the recently acquired Alumetal. As part of this strategy, Recycling has several greenfield and brownfield projects under development. HySort equipment is being installed in the recycling plant in Wrexham, UK as well as in Alumetal's Nowa Sol sorting hub. Furthermore, Hydro has announced an investment in a new specialty recycling casthouse in Torija, Spain with a total capacity of 120,000 tonnes, including 60,000 tonnes of Hydro CIRCAL capabilities.

Hydro Extrusions

19,617
Employees

1.0
Million tonnes sales

40
Countries[2]

27 %
Reduced CO_2 emissions by 2030[1]

Operations

Hydro Extrusions operates the world's largest network of aluminium extrusion and recycling plants, counting 70 production sites in 20 countries. Through a combination of local expertise, a global network, and advanced product development capabilities, Hydro Extrusions is future-proofing its customers' businesses. The extrusion production capacity amounts to 1.4 million tonnes annually, and the market shares are 16 percent in Europe and 19 percent in North America in 2024, in addition to solid positions in South America and Asia.

Hydro Extrusions operates 22 recycling facilities in total in Europe, North America and South America. The combined annual capacity of these facilities is approximately 1.5 million tonnes.

The business area is organized in four business units: Extrusion Europe, Extrusion North America, Precision Tubing and Building Systems. These units are responsible for their respective value chains, from recycling, aluminium extrusion and value adding operations to commercial activities such as product development and sales.

Cost and revenue drivers

The main cost drivers are aluminium and labor, where aluminium cost is tied to the LME and labor cost to inflation, wage levels, and productivity. Both elements comprise about 80-90 percent of the cash cost. LME volatility is absorbed by customers via contracts, which are typically short to medium term. Customers in certain industries, like automotive, are trending towards longer-term contracts.

The price of products and solutions in the extrusion business is determined by the value it creates for each individual customer. Hydro Extrusions will continue to shift its portfolio towards delivering more advanced, innovative, and sustainable products and solutions, thus increasing overall value and generated revenue.

Through growth in attractive regions and segments, a strong sustainability platform, customer partnerships and commercial focus as well as portfolio optimization and cost reductions, Hydro Extrusions is stepping up ambitions on operational and commercial improvements towards 2030. The ambitious improvement is supported by dedicated value streams. Hydro Extrusions is targeting an EBITDA result of NOK 10-12 billion in 2030 in normalized markets after improvements.

Strengthen low-carbon aluminium position

Sustainability is an integrated part of the business and Hydro Extrusions is working closely with customers across most industries to deliver products and solutions that help its customers reduce their carbon footprint and improve sustainability and transparency in their supply chain. This includes the Hydro EcoDesign process which helps customers create better products with increased functionality and a lower-carbon footprint.

In 2024, Hydro Extrusions added recycling capacity in Europe and North America through upgrades of existing facilities in Cressona, Pennsylvania, USA, and the addition of a new recycling facility in Hungary. These two projects added 140,000 tonnes of annual recycling capacity, supporting Hydro's 2030 strategy of growth in recycling.

Hydro Extrusions applies additional levers to reduce its carbon footprint, including sourcing of aluminium with a carbon footprint that is lower than average, increased recycling and reducing the emissions from own operations. See the section on Climate change for more details on how the recycling sourcing strategy can reduce upstream greenhouse gas emissions and the carbon footprint of products.

Several of Hydro Extrusions' plants have installed or are considering installation of on-site renewable power generation, while others have signed power purchase agreements with renewable power producers. In 2024, Hydro Extrusions started onsite renewable energy production with battery storage in Sweden and Germany, supported by Hydro Rein.

1) On extrusion billets against 2018 baseline in CO_2/t
2) Sales and production

2030 strategic direction

Pioneering the green aluminium transition, powered by renewable energy

Hydro is a leading aluminium and renewable energy company committed to a sustainable future and creating industries that matter. Hydro's purpose is to create more viable societies by developing natural resources into products and solutions in innovative and efficient ways. With more than a century of industrial experience, Hydro is supporting the green transition through innovation, technological advances and a strong commercial mindset aiming to deliver strong shareholder value creation. Hydro supplies low-carbon aluminium products to customers worldwide, supported by a low-cost integrated value chain, powered by renewable energy.

With this unique starting point, last year Hydro set an ambition towards 2030 to leverage its position to change the aluminium landscape, pioneering the green aluminium transition, powered by renewable energy.

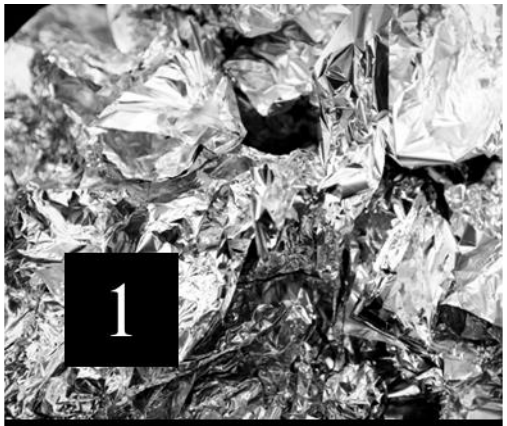
Aluminium is a key enabler of the green transition

Aluminium is a key enabler for the green transition and, towards 2030, Hydro sees increasing demand for low-carbon aluminium especially from electrical vehicles, solar power, and electricity systems. In addition, there is a demand for aluminium as a lighter, less expensive and more sustainable substitute for copper. Attention is now turning to how this aluminium is produced and the embedded emissions in the materials used to produce these transformative technologies. Low-carbon aluminium is a key enabler to reduce Scope 3 emissions for these industries.

In addition, the political and regulatory landscape supports aluminium demand. Governments across the world have set ambitious renewables targets, while in the EU alone regulations on energy efficient buildings and reduction of fluorinated gases, drive the further use of aluminium in building facades and refrigeration.

While total demand for aluminium is set to grow by around three percent annually through 2030, demand for low-carbon primary aluminium is expected to grow by approximately 20 percent and recycled aluminium by five to six percent annually. Hydro is uniquely positioned to succeed in this new reality and can utilize the integrated value chain to deliver low-carbon aluminium products, with focus on traceability and transparency at every step from mine to component.

Hydro's strategic direction towards 2030 focuses on the following four key levers:



Step up growth investments in Recycling and Extrusions to take lead in the market opportunities emerging from the green transition

Step up ambitions within renewable power generation

Execute on ambitious decarbonization and technology road map and step up to contribute to nature positive and a just transition

Shape the market for greener aluminium in partnership with customers

Shifting gears to capture opportunities in a new reality

1. Step up growth investments in Recycling and Extrusions to take the lead in the market opportunities emerging from the green transition

Hydro is stepping up growth ambitions within Recycling and Extrusions to capture the market opportunities emerging from the green transition. The move to electric mobility is one such example, which will, despite slower growth than previously forecasted, transform the entire automotive manufacturing process and supply chain. Two areas which will grow in line with the EV transition are aluminium extrusions and large castings, ideal for recycled post-consumer content.

Extruded aluminium is also widely used within the growing solar sector, in particular for mounting systems and frames. Hydro is well positioned to meet and shape this demand, and will invest according to market growth. Within Extrusions, Hydro will grow capacity and capabilities in fabrication and value added services, confirming ambitions to deliver EBITDA in the range of NOK 10 to 12 billion in 2030. Hydro also sets targets to increase capacity within Recycling, aiming to increase the post-consumer scrap capacity to 850 - 1200kt in 2030, compared to around 450 kmt consumed in 2024. This represents a 2030 EBITDA ambition in the range of NOK 5 to 8 billion, depending on market developments and capital availability. The EBITDA target for recycling is part of the total EBITDA target for Extrusions, further enabled by the recycling business in Metal Markets.

2. Step up ambitions within renewable power generation

The green aluminium transition requires renewable energy and Hydro has stepped up ambitions within renewable power generation, ensuring the development of renewable energy for the aluminium value chain at affordable cost. Hydro has the capabilities to develop, operate and manage renewable power production in house, also capturing the growing value of flexible production to balance intermittent renewables such as wind and solar. Hydro's renewables joint venture, Hydro Rein, will continue to take an active role in developing renewable energy opportunities for Hydro and others. Hydro intends to deliver EBITDA from the Energy business area in the region of NOK 3.5 billion in 2030, excluding Hydro Rein EBITDA.

3. Execute on ambitious decarbonization and technology road map, and step up to contribute to nature positive and a just transition

Hydro continues its determined execution of its decarbonization and technology roadmap, while stepping up its contributions to a nature positive future and supporting a just transition for society. Hydro's current target for greenhouse gas emissions was set in 2019, and aims for a 30 percent reduction by 2030 (baseline 2018). Changes to Hydro's portfolio have since made this target even more ambitious than originally intended in 2019, but Hydro maintains this overall ambition and has identified additional initiatives to support this commitment. By 2030, Hydro also has an ambition to be able to demonstrate technology that can enable near-zero emission aluminium in an industrial pilot setting This will be an important milestone in Hydro's target of reaching net-zero by 2050 and for the aluminium industry as a whole.

Pioneering the green aluminium transition, powered by renewable energy

Hydro is also very conscious that sustainability is more than carbon emissions and therefore will step up efforts within its nature and social programs. Hydro already has an advanced nature agenda with clear commitments to biodiversity, waste management and non-green-house gas emissions in its operations. These will be further strengthened and broadened as part of Hydro's contribution to a nature positive future. Within the social sphere, Hydro is committed to improving the lives and livelihoods in local communities. To support this ambition, a Just Transition framework has been developed to guide Hydro's contribution to creating and safeguarding thriving societies.

4. Shape the market for greener aluminium in partnership with customers

Hydro will leverage its position to take the lead in shaping the market for greener aluminium. This portfolio transition will enable Hydro to deliver an earnings uplift potential of NOK 2 billion in 2030. Hydro will utilize its key capabilities: high share of renewables, global presence, both primary and recycling volumes, concrete decarbonization roadmap, customer co-innovation, together with its integrated value chain advantage to pioneer the green aluminium transition.

Within the Hydro low-carbon portfolio, we have a wide range of products and aim to deliver industrial scale pilot volumes based on emission free smelting technology by 2030, while additional capacity and demand from new sectors such as automotive sees the share of recycled metal growing. Hydro is already building this foundation, working with a select number of strategic partners which are leaders within their own fields and look to Hydro to deliver unique and more sustainable aluminium solutions with full control of the value chain.

Additional information

Hydro's current business model is not alone dependent on intangible resources. However, to achieve Hydro's strategic goals by 2030, intangible resources such as technologic development, brand recognition, and industry expertise are important.

Our targets and ambitions

Key performance measures

Financial	Targets and ambitions
Adjusted RoaCE[1)]	Profitability target of > 10 percent over-the-cycle
Operational improvement program	NOK 2.5 billion accumulated improvements by 2030 against 2024 baseline
Procurement improvement program	NOK 1 billion accumulated improvements by 2030 against 2024 baseline
Commercial excellence program	NOK 3 billion accumulated improvements by 2030 against 2024 baseline
Pay-out ratio[3)]	≥ 50 percent of adjusted net income over-the-cycle[2)]
Adjusted net debt[1)]	NOK 25.0 billion over-the-cycle
Environmental	
Total greenhouse gas emissions[4)]	10 percent reduction by 2025 and 30 percent by 2030 against 2018 baseline Net-zero by 2050 or before
Indirect Scope 3 GHG emissions[5)]	30 percent reduction per tonne aluminium by 2030 against 2018 baseline
Other emissions (SO_2, NO_X and PM)	50 percent reduction in material non-GHG emissions by 2030 against 2017 baseline
Recycled post-consumer scrap	850 – 1,200 thousand tonnes recycling capacity per year by 2030
Waste generation and waste recycling	Eliminate landfill of recoverable waste by 2040, <35 percent of spent pot linings to landfill by 2030
Biodiversity impact – No net loss	No net loss of biodiversity for Hydro's bauxite mine, from a 2020 baseline
Biodiversity impact – Rehabilitation of mined areas	1-to-1 rehabilitation of mined areas in Paragominas, Brazil, within two hydrological cycles
Biodiversity impact – No net loss	No net loss of biodiversity in new projects
Social	
Number of fatal accidents	Zero fatal accidents
Total recordable injuries[6)]	Zero life-changing injuries
Persons empowered with skills and education	Provide quality education and capacity building for 500,000 people by 2030
Share of women employees[7)]	25 percent share of women by 2025
Share of women leaders[7)]	25 percent share of women leaders by 2025
Employee inclusion	78 percent inclusion index score by 2024
Governance and compliance indicators	
Combat corruption	Zero substantiated claims of corruption
Building a culture of integrity and trust	Compliance training and tracking performance on integrity culture index

1) Alternative performance measures (APMs) are described in the appendices
2) Refers to relevant short-term targets for improvement program and commercial ambitions, since these programs are being closed out as of end of 2024. Long-term targets replaced by targets for the new improvement program launched in Capital markets day 2024.
3) Actuals refers to pay-out ratio, dividend per share divided by adjusted earnings per share from continuing operations.
4) Scope 1 and 2 GHG emissions by ownership equity. See note E1.1 for more information.
5) By ownership equity. Comprises material upstream Scope 3 categories. See note E1.2 for more information.
6) Includes both employees and contractors. See note S1.3 for more information
7) In permanent and temporary positions combined

Operational improvement program

- Improvement in operational metrics through targeted initiatives and continuous improvement
- Cost reduction and efficiency improvements in support functions

NOK ~2.5 billion
annual improvement

Procurement improvement program

- Improvements through procurement and sourcing savings
- Driven through individual procurement initiatives

NOK ~1 billion
annual improvement

Commercial excellence program

- Improvements achieved through commercial activities and growth projects
- Key drivers include new aluminium products, greener premiums and extrusions market share

NOK ~3 billion
annual improvement

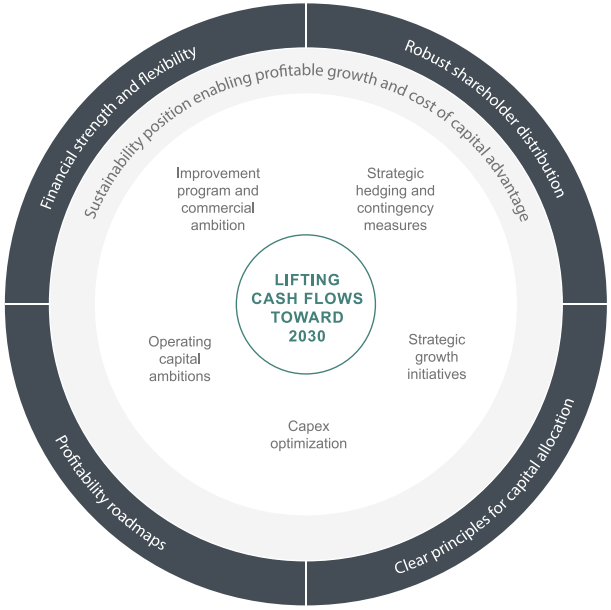
Financial targets and ambitions

Lifting cash flow, delivering higher returns

Hydro's financial ambition is to lift cash flows and generate capital and shareholder returns through a combination of longer-term financial priorities supported by near-term financial targets. At the same time, Hydro aims to differentiate through its strong sustainability position and to develop businesses were megatrends match Hydro's capabilities.

Supported by increasing interest from regulators, customers and financial markets, Hydro firmly believes that leading in sustainability is a strong foundation for long-term license to operate and a key driver for long-term profitability. By emphasizing climate, environment, integrity and social responsibility, as well as by developing greener business and product offerings, Hydro will reduce risks and create new profitable opportunities.

Hydro has developed a framework that establishes clear priorities to lift cash flows and returns.



Profitability roadmaps

Adjusted return on average capital employed

Hydro has a target to achieve an adjusted return on average capital employed (ARoaCE) of 10 percent over the course of a business cycle due to industry cyclicality. Short-term ARoaCE targets include an additional stretch on top of the 10 percent ARoaCE target.

Cost of capital and ARoaCE targets are differentiated for each business area as risk and volatility of earnings, and cash flows in the underlying business activities differ.

Hydro's main efforts to realize targeted capital returns include two levers all underpinned by Hydro's sustainability agenda: the improvement programs and strategic growth initiatives.

2030 improvement program

Since 2009, Hydro has successfully implemented a series of improvement initiatives, building a strong track record of meeting and exceeding operational efficiency and improvement goals. By the end of this year, Hydro achieved NOK 10.1 billion in improvements against the 2018 baseline, surpassing the original target of the program, as well as the 2024 target of NOK 9.5 billion. Now, we are launching a new improvement program towards 2030, which will reinforce Hydro's strong focus on performance and directly support successful execution of strategic targets.

To further elevate Hydro's performance agenda, there are several key changes to the new program. First, the new program will prioritize high-value areas, targeting the initiatives with the greatest potential for impact and aligning efforts where they can deliver the most value.

Secondly, the program will provide more visibility and transparency into the improvements made, highlighting how these enhancements contribute to specific value drivers across the business. This approach will allow us to track progress and communicate the improvements more effectively.

Lastly, it will ensure the improvements are directly tied to financial and operational outcomes, providing a transparent link between the program's activities and financial results.

The new improvement program is built around three core pillars: operational improvements, procurement and commercial excellence.

The operational program is focused on driving improvements in key operational metrics with significant potential for value creation. This will be achieved through a combination of targeted initiatives and integrated business systems that support continuous improvement.

The expected impact of this program by 2030 is NOK 2.5 billion against the 2024 baseline, reflecting its crucial role in enhancing operational efficiency and delivering long-term growth.

The procurement program focuses on maximizing value through targeted procurement initiatives, with an estimated potential of NOK 1 billion against the 2024 baseline. This is achieved through joint procurement activities, competence development and technology enhancements to release synergies.

The commercial excellence program focuses on driving top-line growth through commercial activities and growth projects. The key improvement areas include new aluminium products, greener premiums and extrusions market share. The total expected impact of these activities is NOK 3 billion against the 2024 baseline.

Digital improvements play a pivotal role across all improvement programs, with a strong emphasis on enabling transformation through Hydro's dedicated Digital Transformation Office (DTO). The DTO ensures that digital advancements are seamlessly integrated into relevant processes, driving efficiency, innovation and overall value creation throughout the organization. Notably, initiatives such as predictive maintenance and production optimization are central to this effort, enhancing operational performance and reducing costs.

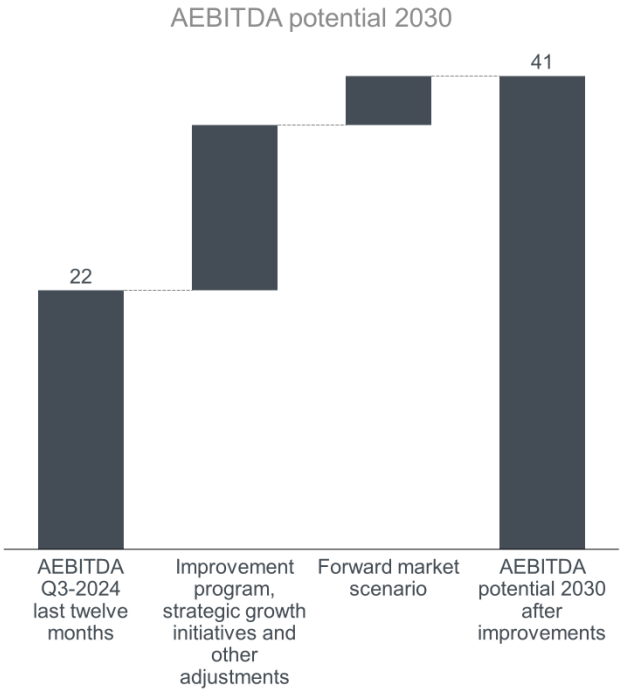
Strategic growth initiatives

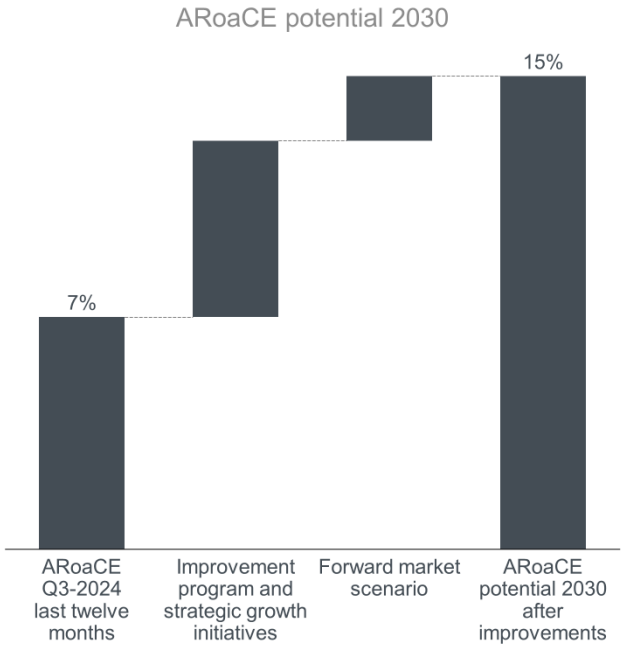
Growth initiatives represent larger changes in the business portfolio. Hydro's strategy is to pioneer the green aluminium transition, powered by renewable energy, seizing growth opportunities within the areas of

recycling and extrusions, and renewable power generation (described in 2030 strategic direction). These areas are supported by the current megatrend of green transition as well as by Hydro's core industrial expertise.

Hydro 2030 profitability roadmap

If Hydro is able to deliver on its improvement program targets and strategic growth initiatives, 2030 potential ARoaCE and adjusted EBITDA could be around 15 percent and NOK 41 billion, respectively, based on a forward market scenario. This scenario is not a forecast, but shows simplified indicative long-term potential from sensitivities based on the financial result as of third quarter 2024 last twelve months adjusted for market prices, foreign currency rates and other short-term effects impacting the period's result.





For further information on the assumptions for the market scenario, see Hydro 2030 profitability roadmap assumptions in the appendices.

Financial strength and flexibility

Hydro's main strategy for mitigating risk related to volatility in cash flow is to maintain a strong balance sheet, investment grade credit rating and strong liquidity. At the same time, reducing the average cost position of production assets and allocating capital in line with the company's strategic ambitions remain a key priority. Hydro considers this crucial to navigate the industry cycles, enabling investments during cyclical downturns and access the capital markets at attractive terms. In certain circumstances, derivatives may be used to mitigate financial risk in the business area or group levels.

Currently, Hydro has a BBB rating with stable outlook at S&P Global and a Baa2 rating with stable outlook at Moody's.

Hydro uses the ratio Adjusted net debt to adjusted EBITDA as the key indicator of balance sheet strength and the ability to absorb volatility in the markets. The target is to stay below 2.0 over the cycle, which aligns with the company's ambition to maintain an investment grade credit rating. Hydro has a guidance on targeted adjusted net debt of around NOK 25 billion over the cycle. Given historical industry cyclicality, this means that the adjusted net debt will be below the target in the stronger parts of the cycle, to be able to absorb the impact from industry cycle downturns and maintain financial flexibility in periods of adverse market conditions.

A strong liquidity position is considered critical to support operations and investments through the industry cycle. In addition to a robust cash position, Hydro's liquidity is supported by revolving credit facilities, overdraft facilities and short-term liquidity lines.

Hydro's strategic hedge program is aimed at further strengthening the company's financial flexibility and robustness. Using financial derivatives, the program seeks to lock in strong upstream margins and secure cash flows. For further details, see note 7.1 Capital Management.

Clear principles for capital allocation

Hydro has clear priorities and guidelines for capital allocation. Investments are evaluated using different scenarios for macro and market development to support robustness in investment decisions. Hydro also uses differentiated return requirements to reflect the underlying risk and exposures in each business area. Hydro divides capital expenditures into three categories: sustaining, return seeking and growth. The strategy is to allocate more growth and return seeking capital to the areas with higher value generation potential, both from a profitability and sustainability perspective. In addition, all the business areas have been grouped into different strategic modes, which impacts the capital allocation.

Investments are generally funded by Hydro cash generation or debt, with each subsidiary being capitalized to serve its own activity.

Hydro set a target during Capital Markets Day 2023 to achieve an operating capital balance of NOK 28 billion by end of 2024. Hydro achieved an operating capital balance of NOK 31.5 billion, which reflected increasing upstream prices, lower stock reduction than targeted due to weaker downstream demand, periodization effects, as well as translation effects due to weaker NOK towards end of 2024. Hydro will continue to optimize net operating capital levels both in

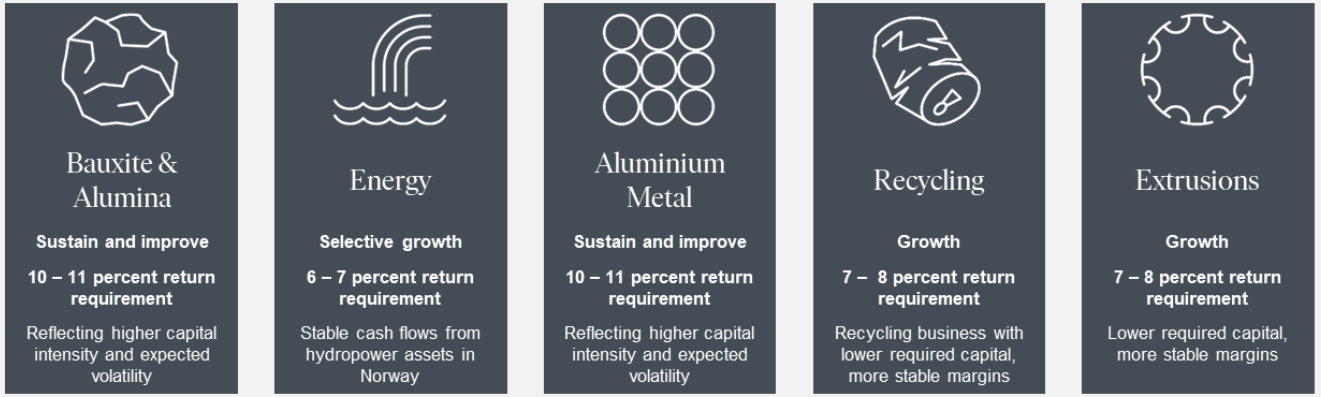
absolute terms and in days of revenue, with due consideration given to the balance between capital release and supply chain robustness.

Robust shareholder distribution

Hydro aims to provide its shareholders with a predictable dividend and a competitive return compared with alternative investments in similar companies. Hydro's ambition is to distribute a minimum of 50 percent of adjusted net income attributable to Hydro shareholders as ordinary dividend over the cycle, with a dividend floor of NOK 1.25 per share. The average pay-out ratio over the last five years is 67 percent. Share buybacks or extraordinary dividends will supplement dividends during periods of strong financials, with due consideration being given to the commodity cycle and capital requirements for future growth.

Differentiated return requirements based on risk profiles[1)]

Each business areas strategic mode is designed to capitalize on global megatrends and yield high-return opportunities



1) Return requirements are in real terms and refers to adjusted return on average capital employed. APMs are described in the appendix.

Sustainability targets and ambitions

Sustainability is an integrated part of Hydro's strategy to lift long-term profitability and positioning in the market. By reducing Hydro's environmental footprint, improving relations with stakeholders and neighbors, managing impacts, increasing resource efficiency, producing products needed for the green transition, and improving lives and livelihoods wherever we operate, Hydro aims to reduce risk and create business opportunities. Hydro has quantified ambitions towards 2030 and 2050 that will improve the company's performance on climate, environment, and social responsibility.

Climate change

Net-zero products and net-zero company by 2050 or before

Nature and biodiversity

Protect biodiversity and reduce our environmental footprint, 1:1 rehabilitation of available mined areas within two years

Just transition

Improve lives and livelihoods wherever we operate. Empower 500,000 people with education and skills development by 2030

Environmental targets and ambitions

Hydro's target is to be a net-zero company by 2050 or earlier, delivering net-zero products and enabling a net-zero society. Based on a 2018 baseline, Hydro targets 10 percent reduction of total scope 1 and 2 emissions by 2025, and 30 percent by 2030. Hydro also targets a 15 percent reduction in upstream scope 3 emissions by 2030 and 30 percent reduction in upstream scope 3 emissions per tonnes aluminium delivered to market by 2030.

Hydro has a range of targets to reduce its impact on nature. To address material impacts to biodiversity through land use change, Hydro has a 1-to-1 rehabilitation target for areas suppressed by its bauxite mining activities in Hydro's only mine located in Paragominas, Brazil, within two hydrological cycles. Hydro also set an ambition of no net-loss of biodiversity for its bauxite mine, from a 2020 baseline, and no net-loss of biodiversity in new projects.

To reduce pollution risk, Hydro has set a 50 percent reduction target for material non-GHG emissions, from a 2017 baseline, and a fluoride performance target of 0.35 kg F / tonne aluminium for its fully owned smelters, by 2030. In relation to the company's waste footprint, Hydro aims to eliminate the need for new bauxite residue storage areas by 2050 and to eliminate the landfilling of all other recoverable waste streams by 2040. This includes spent pot lining, which also has an interim 2030 target to reduce landfilling to below 35 percent.

Hydro has an 850-1,200 kilotonnes target for post-consumer scrap recycling capacity by 2030.

Social targets and ambitions

Hydro aims to improve lives and livelihoods wherever it operates by contributing to the protection of human rights and access to equal opportunities, resilient local communities in a changing world, and development of skills and jobs for the future low-carbon economy. Hydro has a target to equip 500,000 people with new skills and education by 2030.

Hydro targets zero fatal accidents and life changing injuries.

Hydro targets 25 percent women employees in permanent and temporary positions, and 25 percent women in leadership positions, by 2025.

Sustainability reporting

See the detailed reporting on progress towards Hydro's sustainability targets in the sustainability statements.

Hydro's sustainability statements are prepared in compliance with the European Sustainability Reporting Standards (ESRS) and other applicable regulations. Hydro reports in accordance with the GRI Standards and the requirements of the International Council on Mining and Metals (ICMM). The GRI index is available at Hydro.com/gri.

Managing uncertainty

Risk management

Hydro's purpose is to create a more viable society by developing natural resources into products and solutions in innovative and efficient ways. Hydro meets this purpose, manages uncertainty and achieves its long-term objectives through the development and application of a robust risk management framework based on international standards, operated through a lines of defense governance model. Hydro's 2024 detailed risk review is included in this report.

Hydro's key actions and initiatives to mitigate uncertainty include but are not limited to:

- Physical control measures aimed at reducing the likelihood of fatal and life changing incidents have been developed and implemented in all business areas across geographical locations. Hydro's fatality prevention procedures are well established and continuously improved.
- Maintaining robust and stable operations, a strong balance-sheet, focus on operational and commercial improvements, competitive power contracts and strategic hedging to support Hydro's strong positioning during potential downturns.
- The ability to flex and adapt production capabilities to maximize short-term profitability in situations of changing demand.
- The execution of in-house research and development as well as participation in joint partnerships and projects with other leading industrial companies, universities and research institutions combined with close monitoring of external developments.
- The identification and execution of technology-based roadmaps to produce aluminium with a near-zero to zero footprint. This includes phasing out fossil energy sources throughout the value chain, removing direct emissions from production processes, and stepping up recycling of post-consumer aluminium scrap.
- Comprehensive climate risk assessments to better understand and mitigate the potential consequences of climate related physical events on our operations. The company updated its physical climate risk assessments in 2023 and is committed to the integration of findings and management of such risks at an operational level.
- Climate strategy advocacy work on future climate-related legislation, technology, and market strategies aim to be consistent with a 1.5-degree scenario. Our long-term positioning, operational and financial planning reflect our assessment of related transition risks.
- A systematic dialogue with political, governmental, non-governmental and local communities regarding the social and regulatory challenges facing our operations and the communities in which we operate.

Hydro's capabilities and positioning within renewable energy, low-carbon alumina and aluminium products, sorting and recycling as well as the ambitious range of broader environmental and social ambitions described on page 19. position the company well to benefit from the transition to a low-carbon economy and drive value creation.

Scenarios and financial modelling

Sensitivity analysis is an integral part of Hydro's financial planning and is used to make informed decisions on matters such as investment capacity, capital structure and hedging. As described during the 2024 Capital Markets Day, Hydro has used four scenarios to analyze potential 2030 adjusted EBITDA (AEBITDA) and adjusted return on average capital employed (ARoaCE) under the assumption that the company deliver on its improvement program targets and strategic growth initiatives:

- Based on prices and foreign currency rates as of third quarter 2024 last twelve months, 2030 ARoaCE and AEBITDA could potentially be around 13 percent and NOK 37 billion, respectively
- Based on five-year average prices and foreign currency rates, 2030 ARoaCE and AEBITDA could potentially be around 10 percent and NOK 31 billion.
- Based on forward prices and foreign currency rates around the time of the 2024 Capital Markets Day, 2030 ARoaCE and AEBITDA could potentially be around 15 percent and NOK 41 billion.
- Finally, using an external scenario based on prices and foreign currency rates from CRU and S&P Global, 2030 ARoaCE and AEBITDA could potentially be around 13 percent and NOK 37 billion.

The four scenarios are not forecasts but show simplified indicative long-term potential based on a sensitivity analysis. Hydro's financial result as of third quarter 2024 last twelve months is used as the basis for the sensitivity analysis. Adjustments to market prices, foreign currency rates and other short-term effects impacting the period's result have been made to arrive at simplified indicative long-term potential AEBITDA and ARoaCE in the different scenarios. The market sensitivities are based on the expected Hydro market exposures for 2025. For further information on the market scenarios see Hydro 2030 profitability roadmap assumptions in the appendices.

To further inform Hydro's strategic positioning towards 2030, several megatrends were explored through the means of identifying risks and opportunities beyond market prices and currency. Cross cutting themes like increased geopolitical and national political uncertainty, increasing sustainability expectations, weakening Nordic power balance, general aluminium market dynamics and impact from the green transition, were taken into consideration. These themes amongst others have provided key insights on how Hydro should navigate in an uncertain world where resilience against multiple outcomes is essential, as well as facilitated the development of the 2030 strategic direction.

Market development and outlook

The global economy overall remained resilient in 2024, despite differences in the level of economic activity across sectors and regions. The U.S. continued to show strong growth while Europe and China were lower than forecasts. Inflation continued to moderate and central banks began to ease monetary policy accordingly. Labor market tightness also eased but remains elevated.

Bauxite and alumina

The World ex-China metallurgical grade alumina market was undersupplied in 2024 with Chinese alumina exports balancing the market. The World ex-China production declined 2.4 percent year over year mainly driven by lower production in Australia as one refinery fully curtailed production in the second quarter in addition to several other production disruptions, partially offset by increased production in Western Europe. Demand increased 1.5 percent in 2024 compared to 2023.

In 2024, Chinese metallurgical grade alumina production increased 4.2 percent from 2023 as industry operating rates increased to meet higher demand. However, after alumina exports, the Chinese alumina market supply/demand balance was also very tight. Lower domestic bauxite availability drove Chinese bauxite imports in 2024, where imports from Guinea represented 69 percent in 2024, followed by Australia at 25 percent.

The Platts alumina price index started the year at USD 350 per mt and increased throughout the year peaking at USD 805 per mt in early December before dropping USD 672 per mt at year end.

A full refinery curtailment and several production disruptions in Australia, India and Jamaica progressively tightened the World ex-China supply/demand balance throughout the year driving the alumina price to a new all-time high in nominal terms in December. The suspension of bauxite exports from one mine in Guinea in the fourth quarter of the year reduced bauxite exports to China and India, fulling the alumina price rally further.

In China, refineries contended with domestic bauxite sourcing challenges as regulation on mining activity increased resulting in lower bauxite output compared to 2023. Bauxite imports increased to replace domestic material and supply new capacity. Against a backdrop of robust alumina demand as smelter production increased, nominal alumina prices in China also reached all-time highs in December.

The Platts alumina price index averaged USD 504 per mt for the year, a 47 percent increase compared to 2023 (USD 343 per mt) and a new all-time high. Prices as a percentage of three month aluminium price quoted on LME varied significantly throughout the year, averaging 20.4 percent for the year compared with 15.1 percent in 2023. The price index at the end of 2024 represented 26.5 percent of the three month aluminium price quoted on LME.

China imported 1.4 million mt of alumina in 2024 compared to 1.8 million mt in 2023. Australia accounted for 63 percent of imports followed by Vietnam and Indonesia, and with 15 percent and 10 percent, respectively. China exported 1.8 million mt of alumina in 2024, of which 1.6 million mt to Russia; alumina exports to Russia reached 1.1 million mt in 2023.

China was thus a net alumina exporter in 2024 (0.4 million mt), compared to a net importer in 2023 (0.6 million mt).

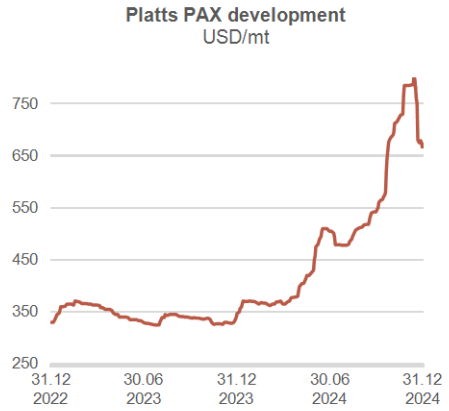
China imported 159 million mt of bauxite in 2024, 12 percent higher than the previous year. Imports from Guinea increased 11 percent from 2023 to 111 million mt and by 15 percent from Australia to 40 million mt. These two countries accounted for 95 percent of China's bauxite imports, unchanged from 2023.

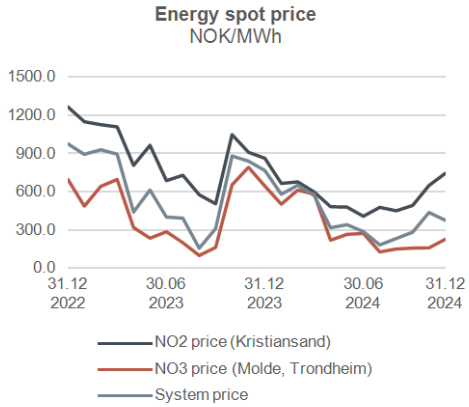
The price of bauxite imported into China in 2024 increased to an annual average of USD 67 per mt CIF China compared to USD 61 per mt CIF China in 2023.

Energy market developments

In 2024, Nordic and Continental power prices declined slightly from 2023. After a mild winter in Europe, natural gas storage was restocked quickly during summer, with sufficient supply available. A wet fall led to strong hydrology in the Nordic area towards the end of the year. The price area differences in the Nordics remained significant in 2024. The price area differences arise due to limited transmission capacity between the northern and southern part of the NordPool area.

In 2024, prices in the Brazilian power market were at the minimum level set by the authorities during the first half of the year before prices increased significantly in the second half of the year mainly due to poor hydrology and strong demand growth.





Primary aluminium

Global primary aluminium demand increased 3.1 percent in 2024 due to a stabilizing macro environment in World ex-China and continued stable demand in China. Global supply increased by 2.6 percent, resulting in a market surplus of 174 thousand tonnes in 2024. Primary production in China increased 3.3 percent year on year in 2024, as many smelters that curtailed production in 2023 were restarted and new capacity was put into operation. Supply in World. Ex-China increased by 1.5 percent in 2024 driven by the restarts of some production in South America and Europe. Demand in downstream segments increased throughout 2024 in most sectors, except building and construction.

Three month LME prices started the year around USD 2,335 per mt and ended the year at USD 2,551 per mt. Prices have been volatile throughout the year, where an increased share of speculative trading on the exchange have led to fast movements in either direction. Overall, a tight alumina market, especially in the second half of 2024, has kept LME high.

For most of the year prices remained in a range between USD 2,100 per mt and USD 2,800 per mt as weakening demand, especially from the building and construction sector, kept prices capped on the upside, while the general cost picture for smelters capped prices on the downside. Chinese SHFE prices were often lower than LME due to a variety of reasons like the constant inflow of Russian metal, the removal of VAT rebate in China and events influencing the market outside China resulting in higher LME.

The U.S. and European standard ingot premiums started the year at USD 414 per mt and at USD 202 per mt respectively. European standard ingot premiums improved throughout the year and peaked in December at USD 360 per mt. The premium has had good support throughout the year from increased freight costs due to the Red Sea disruption, resulting in a tight supply.

The U.S. Midwest standard ingot premium had a similar development and peaked at a high of USD 515 per mt in December. In general, the U.S. Midwest saw a large uptick in November because of the U.S. Presidential Election, and expectations that President Donald Trump will raise tariffs. Average U.S. Midwest standard ingot premium decreased USD 84 per mt compared to 2023, while corresponding standard ingot premiums in Europe increased about USD 39 per mt.

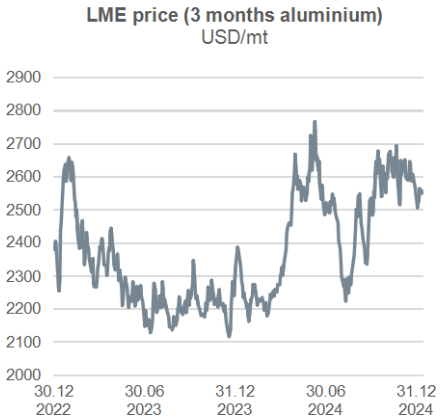
Global primary aluminium consumption increased by 3.1 percent to 72.4 million mt in 2024. Global supply increased by 2.6 percent to 72.5 million mt resulting in global surplus of around 0.1 million mt. For 2025, global primary aluminium demand is expected to increase by around 2 percent and aluminium production is expected to increase by ca. 1 percent, resulting in a global deficit of around 0.4 million mt in 2025.

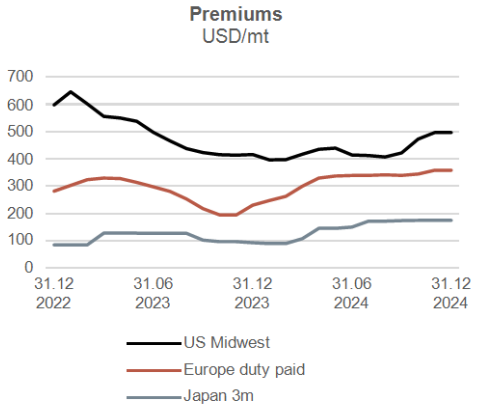
Demand for primary aluminium outside China increased by around 1 percent in 2024, while corresponding production increased by 1.5 percent. Overall, supply outside China exceeded demand by around 0.07 million mt in 2024 after exports to China. Over 1.9 million mt of primary imports into China have decreased the World ex-China surplus for the year. Demand for primary aluminium outside China is expected to increase by around 3.9 percent in 2025. Corresponding production is expected to be up about 2.6 percent, leaving the world outside China in a deficit in 2025. Imports of primary metal into China are expected to be around the same level in 2025 compared to 2024.

Demand for primary metal in China increased around 4.4 percent to 44.8 million mt in 2024. Chinese production increased by 3.3 percent in 2024, resulting in a surplus of 0.1 million tonnes for the year after imports. Production growth was supported by an overall better energy situation in the country and hence significant restarts of previously curtailed capacity. Chinese primary production is expected to increase by 0.5 percent in 2025. Primary demand is estimated to increase by around 1-2 percent, resulting in a deficit in 2025.

LME stocks increased in 2024 on the back of LME rule changes for Russian aluminium and warehouse games, from 0.55 million mt at the end of 2023 to 0.64 million mt at the end of 2024. Stocks stayed fairly stable throughout the year except in April when a large amount of metal was delivered during a short period of time. The composition of the inflow was mostly Indian as part of a warehouse rent sharing agreement rather than Russian sanctions. The composition of stocks in total, however, changed dramatically. The share of Russian stocks decreased from 90 percent in the beginning of 2024 to 67 percent at the end of the year. The share of Russian dropped significantly in April/May when there was a large inflow of Indian metal. After that the share increased steadily again as the Indian metal was taken out. Total global inventories, including unreported inventories, are estimated to have increased by 0.17 million mt in 2024. The total stock level is estimated to be around 9.8 million mt at the end of 2024.

The European demand for sheet ingot and wire rod increased in 2024. The consumption of extrusion ingot was reduced in 2024 compared to 2023. Additionally, the consumption of primary foundry alloys was negatively impacted in 2024 by an emerging weakness within automotive.





In Asia, the demand for extrusion ingot was still soft, but with signs of improvements in 2024 on falling inflation and stabilizing economic conditions. PFA demand declined towards the year end due to a challenging automotive market (which is expected to continue into 2025).

Extrusion ingot consumption in the U.S. remained subdued in 2024 as higher interest rates depressed building and construction activity, and other key end segments experienced cyclical declines. After a strong start of the year, foundry alloy demand slowed after the summer, following slowing automotive build rates.

Recycling market

Throughout 2024, recycling margins for both extrusion ingot and foundry alloy recycled products remained under pressure driven by weak end product demand combined with tight scrap markets.

Despite weaknesses in some market segments for aluminium such as automotive, and building and constructions, global demand for low-carbon recycled material, and consequently for aluminium scrap, has continued to increase. At the same time, low industrial activity has led to reduced scrap generation in manufacturing processes as well as lower post-consumer scrap recovery through demolition. This supported elevated scrap prices in 2024, up on average two to five percent of LME compared to 2023.

In general, scrap generation will follow the overall economic recovery. In addition, global scrap generation is expected to increase by 38 million mt between 2024 and 2050 (approximately four percent annually) as the aluminium content in products is growing, more products are reaching their end of life, and scrap recovery rates are increasing with improving collection methods and sorting technologies. Shorter-term scrap availability will, however, continue to be challenged by intensifying competition for scrap in all the key regions.

China has been investing in additional recycling capacity, which has reached 21 million tonnes in 2024. Domestic scrap generation in China, while expecting 10 percent annual growth between 2020 and 2030, is not yet sufficient to supply the expanding recycling production, with scrap imports used to bridge the gap. European aluminium scrap exports to Asia have increased an estimated six percent compared to 2023, from 1.6 million tonnes in 2023 to 1,7 million tonnes in 2024, while the U.S. exports remain at 10 year high levels of roughly 2 million tonnes in 2024.

Compared to 2023, the European recycling aluminium market is set to expand recycling capacity by nearly 750kt in the next three years, predominantly in extrusion ingot, driving up the demand for wrought aluminium scrap. Furthermore, on top of continued pressure from export markets, scrap supply will also be challenged by reduced imports from the Middle East on the back of new recycling capacity expansions in the region. On the other hand, due to investments made by scrap processors over the past several years in advanced large scale sorting technologies, it will be possible to extract higher volumes of the desired grades from the typical mixed export grade materials, easing some of the supply tightness.

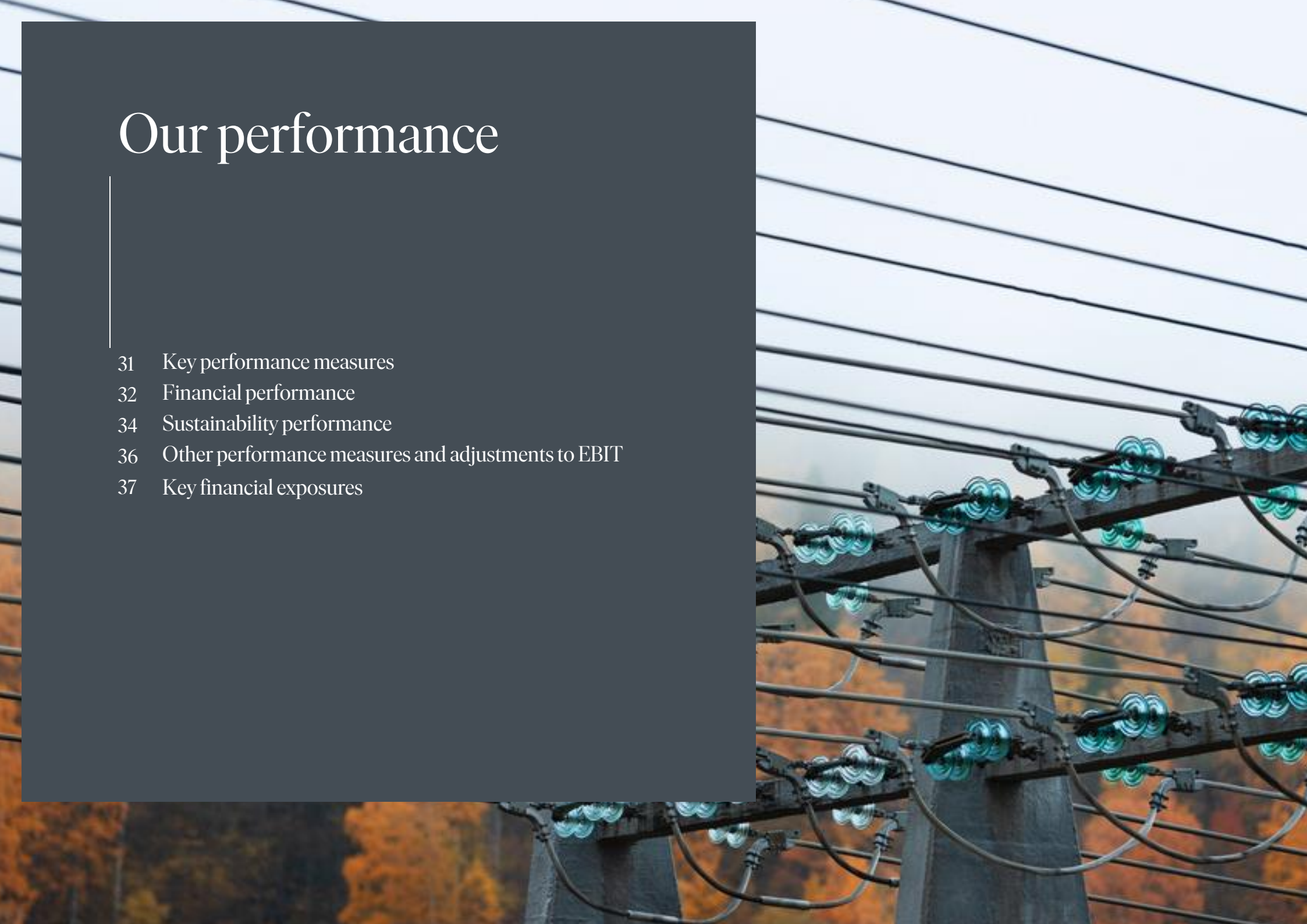
The North American market will also experience even more rapid development of its recycling capacity over the same period. Over 1.6 million tonnes of slab expansions have been announced into 2027 and up to 250 kt of additional extrusion ingot capacity. To meet the supply challenges in feeding the new capacities, it is expected that much of the exports of wrought grades which leave the continent today will stay domestic in the future.

Extruded products

Extrusion demand continued to decline in Europe and North America in 2024, following decreasing demand also in 2023. The automotive segment faced headwinds from weaker production of electric vehicles than expected, while extrusion demand for the transport segment was negatively impacted by lower build rates of commercial truck and trailer particularly in the U.S. Extrusion demand for the building and construction segment was challenged by high interest rates and low activity, but started to stabilize at moderate levels towards the end of 2024. Weak industrial activity negatively impacted extrusion demand in industrial segments in both Europe and North America.

Overall, European demand is estimated to have decreased by 9 percent in 2024 compared to 2023. CRU estimates that European extrusion demand will increase by two percent in 2025 compared to 2024, with growth picking up in the second half of the year. North American demand is estimated to have decreased four percent in 2024 compared to 2023. CRU estimates that North American extrusion demand will increase by three percent in 2025 compared to 2024.

Our performance



Key performance measures

Key financial performance	Ambitions and targets	2024	2023	2022
Adjusted RoaCE[1)]	Profitability target of > 10 percent over-the-cycle	8.5%	7.1%	22.2%
Improvement program[2)]	NOK 9.5 billion accumulated improvements by 2024 against 2018 baseline	10.1	8.8	7.8
Commercial ambitions[2)]	NOK 2.6 billion accumulated improvements by 2025 against 2018 baseline	2.6	2.4	1.8
Pay-out ratio[3)]	≥ 50 percent of adjusted net income over-the-cycle[2)]	50%	59%	53%
Adjusted net debt[1)]	NOK 25.0 billion over-the-cycle[9)]	(24.1)	(18.0)	(6.0)

Environmental performance	Ambitions and targets	2024	2023	2022
Total greenhouse gas emissions [4)]	10 percent reduction by 2025 against 2018 baseline, 30 percent reduction by 2030, and net-zero by 2050 or before	(16.1%)	(11.9%)	(6.5%)
Indirect Scope 3 GHG emissions [5)]	30 percent reduction per tonne aluminium by 2030 against 2018 baseline	(40%)	(32%)	(27%)
Non-greenhouse gas emissions				
• sulfur dioxide (SO_2) emissions	50 percent reduction in SO_2 emissions by 2030 against 2017 baseline	(57%)	(30%)	(31%)
• nitrogen oxide (NO_X) emissions	50 percent reduction in NO_X emissions by 2030 against 2017 baseline	(67%)	(20%)	(13%)
• particulate matter (PM) emissions	50 percent reduction in PM emissions by 2030 against 2017 baseline	(37%)	(15%)	(20%)
Biodiversity impact				
• rehabilitation of mining areas	1-to-1 rehabilitation of mined areas in Paragominas, within two hydrological cycles	100%	100%	100%
• no net loss – bauxite mine	No net loss of biodiversity for the bauxite mine against 2020 baseline			
• no net loss – new projects	No net loss of biodiversity in new projects			
Recycled post-consumer scrap – thousand tonnes recycled	850 – 1,200 thousand tonnes recycling capacity per year by 2030	451	444	321
Waste generation and waste recycling –				
• share of total waste directed to landfill	Eliminate landfill of recoverable waste by 2040	19%	15%	18%
• landfilling of SPL	Less than 35 percent of spent pot linings to landfill by 2030	43%	33%	29%

Social performance	Ambitions and targets	2024	2023	2022
Number of fatal accidents	Zero fatal accidents	1 [6)]	1 [6)]	0
Total recordable injuries - recorded injuries per million hours [7)]	Zero life-changing injuries	2.0	2.4	2.4
Persons empowered with skills and education - thousand persons reached	Provide quality education and capacity building for 500,000 people by 2030	241	197	157
Share of women employees [8)]	25 percent share of women by 2025	24%	23%	22%
Share of women leaders [8)]	25 percent share of women leaders by 2025	21%	20%	19%
Employee inclusion index	78 percent inclusion index score	75%	74%	76%

Governance and compliance indicators	Ambitions and targets	2024	2023	2022
Substantiated claims of corruption	Zero substantiated claims of corruption	1	0	0
Building a culture of integrity and trust – integrity culture index	Track performance against integrity culture index	77%	78%	78%
Building a culture of integrity and trust – compliance awareness and training	Number of completed modules	51,216	29,213	56,516

1) Alternative performance measures (APMs) are described in the appendices.
2) Refers to relevant short-term targets for improvement program and commercial ambitions, since these programs are being closed out as of end of 2024. Long-term targets replaced by targets for the new improvement program launched in Capital markets day 2024.
3) Actuals refers to pay-out ratio, dividend per share divided by adjusted earnings per share from continuing operations.
4) Scope 1 and 2 GHG emissions by ownership equity. See note E1.1 for more information.
5) By ownership equity. Comprises material upstream Scope 3 categories. See note E1.2 for more information.
6) One contractor fatality in consolidated operations in 2024. In 2023, there was one contractor fatality in consolidated operations that is still under investigation for work relatedness, as well as one contractor fatality at the joint venture Qatalum that is not part of consolidated statistics.
7) Includes both employees and contractors. See note S1.3 for more information.
8) In permanent and temporary positions combined.
9) At year-end, the Adjusted net debt level will normally be below this target in anticipation of coming dividend payment.

Financial performance

Adjusted EBITDA[1)]

Adjusted EBITDA for the full year of 2024 increased to NOK 26,318 billion from NOK 22,258 billion compared to the same period 2023. Higher alumina price, lower raw material costs and positive currency effects were partly offset by lower extrusions and recycling volumes, higher fixed costs and lower contributions from sale of power.

Net income

Net income amounted to NOK 5,040 million in 2024, compared to NOK 2,804 million in 2023. In addition to the factors described above, net income included NOK 580 million unrealized loss on LME related contracts, a net foreign exchange loss of NOK 6,021 and impairment charges in equity accounted investments of NOK 1,079 million.

Adjusted return on average capital employed (ARoaCE)[1)]

Upstream business areas and Energy delivered returns above their cost of capital during 2024, while downstream segments delivered below in challenging markets. Bauxite & Alumina experienced strong increase in adjusted RoaCE compared to recent years in supporting alumina price environment. Hydro's adjusted RoaCE ended at 8.5 percent over the year, influenced by challenging downstream market conditions, as well as high growth and return-seeking investments in the year. Over the last 5 years, the average adjusted RoaCE has been 12 percent, above the target of 10 percent over the cycle.

Cash effective change in net operating capital[1)]

Hydro has continued the strong focus on operating capital management. The net operating capital from continuing operations increased by NOK 4.2 billion during 2024. The build partially reflects a normalization after the NOK 6.9 billion release during 2023 and the low net operating capital (NOC) level coming into 2024. The largest NOC build in 2024 came from the strong upstream prices and weaker NOK contributed to the increased value of the operating capital.

Capex[1)]

Total capex in 2024 ended up at NOK 15.1 billion, a reduction from the NOK 21.1 billion in 2023. During the year several large return-seeking and growth projects within the strategic growth areas were completed, for example the Cassopolis and Hungary recycling plants, as well as new presses in Extrusions. The fuel switch project in Alunorte was also completed at the end of the year. Other projects prioritized in 2024, include critical maintenance activities needed to safeguard Hydro's production assets in every business area. Examples also include smelter relining in Aluminium Metal, bauxite pipeline section replacement in Paragominas, power plant rehabilitation and upgrades in Energy, various upgrades of presses in Extrusions and recyclers in Metal Markets.

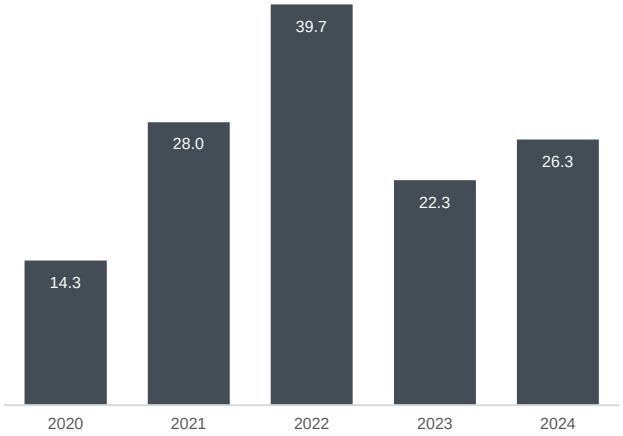
Free cash flow[1)]

Free cash flow from continuing operations ended at NOK 2.8 billion in 2024, up from NOK (0.2) billion in 2023. The improved cash flow in 2024 was a result of stronger EBITDA upstream, lower investment level supported by the partial divestment of Rein, offset by a net operating capital build.

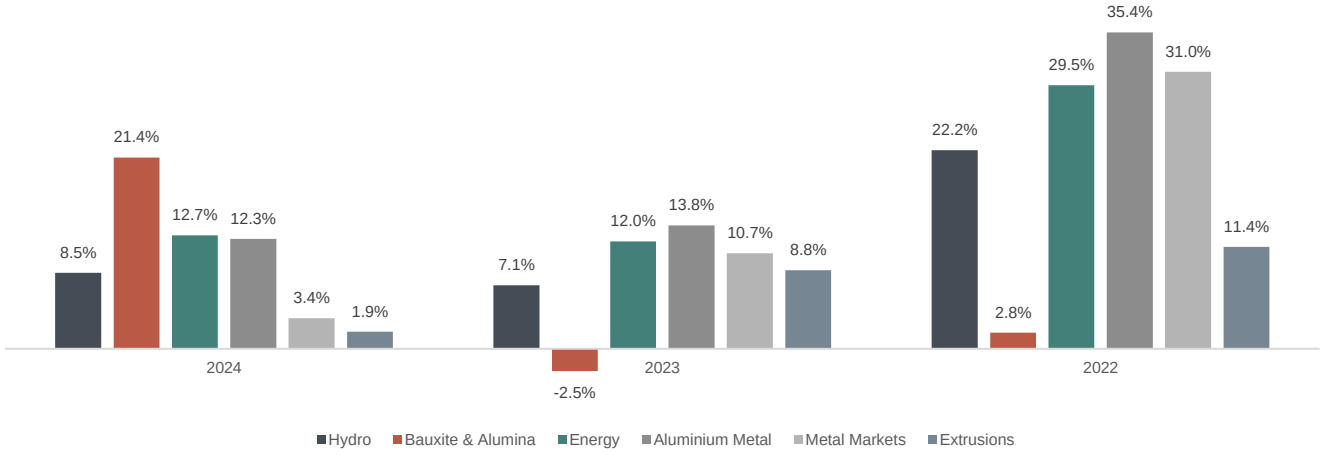
Dividend

Hydro's ambition is to pay attractive dividends to shareholders. Considering Hydro's strong financial performance, the Board of Directors has proposed to distribute NOK 4.5 billion in dividends, which represents 50 percent of 2024 adjusted net income per share and a dividend of NOK 2.25 per share. The final shareholder distribution for 2024 is subject to approval by the Annual General Meeting on May 9, 2025.

Adjusted EBITDA, NOK billion

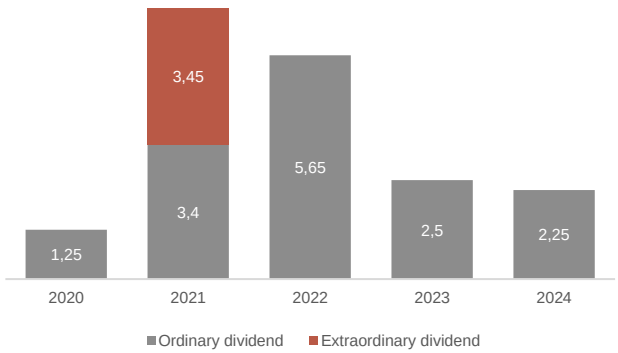


Adjusted RoaCE per business area



1) For further details, see the Alternative Performance Measures (APM)

Dividend NOK/share[1)]



	2020	2021	2022	2023	2024
Dividend yield[2)]	3.1%	9.9%	7.7%	3.7%	3.6%
Dividend payout ratio[3)]	95%	101%	53%	59%	50%

1) Pending approval from the Annual General Meeting, May 9, 2025
2) Based on share price at year end
3) Average dividend per share divided by average adjusted earnings per share from continued operations
4) 2021 extraordinary dividend of NOK 2 per share May 11, 2022, and NOK 1.45 per share September 21, 2022

Net debt[1)]

Hydro's net debt was NOK 16.0 billion at the end of 2024, compared to net debt of NOK 8.2 billion at the end of 2023. The net debt increase was mainly driven by shareholder distributions that more than offset the free cash flow, as well as foreign exchange effects on cash/debt and new lease.

Adjusted net debt[1)]

Hydro's adjusted net debt was NOK 24.1 billion at the end of 2024, compared to NOK 18.0 billion at the end of 2023. The adjusted net debt increase was mainly driven by increased net debt, which were partly offset by reduced net pension obligations and other liabilities.

Adjusted net debt to adjusted EBITDA ratio[2)]

Hydro's average adjusted net debt to adjusted EBITDA was 0.9, well below the targeted maximum ratio of 2.0 over the cycle.

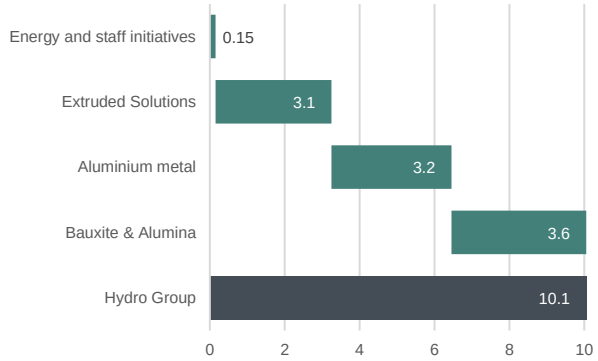
Liquidity

Hydro held NOK 15.0 billion in cash and cash equivalents, and NOK 0.4 billion in time deposits at the end of the year. Short-term bank deposits are normally available at short notice. Norsk Hydro ASA has two revolving multi-currency credit facilities with a syndicate of international banks. The first is a USD 1.6 billion facility maturing in December 2026, and the second is a USD 1.0 billion facility maturing in February 2026. Both facilities were undrawn per year-end 2024. Overdraft facilities and liquidity lines also provide access to additional short-term liquidity.

Improvement program

Hydro closed out the existing improvement programs, which were launched in 2019, and launched a new improvement program towards 2030. The new improvement program is built around three core pillars: operational improvements, procurement and commercial excellence, and will deliver NOK 6.5 billion towards 2030. For further details, see chapter 2. Financial ambitions.

By the end of 2024, Hydro realized NOK 10.1 billion in improvements on the existing improvement program, against the 2018 baseline, exceeding the target of NOK 9.5 billion for the year[3)]. The following table illustrate the distribution of improvements across our business areas:



In Bauxite & Alumina the main improvement impact was driven by the ramp up of the Alunorte fuel switch project, which reduced both energy cost and CO2 emissions. In Aluminium Metal and Extrusions, main improvements are coming from the procurement program, as well as continuous improvement efforts.

In addition, Hydro realized NOK 2.6 billion[3)] in commercial initiatives by the end of 2024 from the 2018 baseline, which meets the 2025 target of NOK 2.6 billion. The 2024 commercial impact is mainly driven by market share development in Extrusions, and positive development for new products and greener premiums in Aluminium Metal.

Moody's	S&P
Baa2	BBB
24.1 Adjusted net debt	0.9 Average adjusted net debt / adjusted EBITDA

1) For further details, see note 7.1 Capital management
2) For further details, see the Alternative Performance Measures (APM)
3) Refers to targets communicated in Capital markets day 2023. Excludes Energy commercial impact, which were not included in the 2025 target.

Sustainability performance

Environmental performance

Climate change and net-zero transition

Hydro's target is to be a net-zero company by 2050 or earlier, delivering net-zero products and enabling a net-zero society. Based on a 2018 baseline, Hydro targets 30 percent reduction of total scope 1 and 2 greenhouse gas (GHG) emissions and 30 percent reduction in upstream scope 3 emissions per tonnes aluminium produced by 2030. In 2024, Hydro's total scope 1 and 2 emissions were 16.1 percent lower than the 2018 climate strategy baseline, exceeding the target of 10 percent reduction compared to the baseline. The reductions in 2024 are a result of the fuel switch and electrification at the Alunorte alumina refinery as well as lower production in Aluminium Metal and Hydro Extrusions due to lower demand. Total scope 3 emissions were 12.5 tonnes. This represents a 40 percent reduction of upstream scope 3 emissions per tonnes aluminium produced compared to the 2018 baseline, surpassing the 2030 reduction target of 30 percent.

Other emissions

Hydro targets 50 percent reduction in material non-GHG emissions by 2030, including sulphur dioxide (SO_2), nitrogen oxide (NO_X), and particulate matter (PM). In 2024, total emissions of SO_2, NO_X and particulate matter were 57 percent, 67 percent, and 37 percent lower, respectively, compared to the 2017 baseline, meeting several of Hydro's emissions targets for 2025. A key driver for this improvement has been the replacement of heavy fuel oil with natural gas at the Alunorte alumina refinery.

Recycling

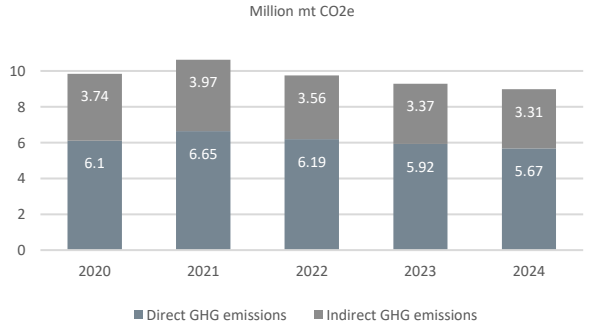
Hydro targets 850-1200 thousand tonnes of post-consumer scrap (PCS) recycling capacity by 2030. In 2024, Hydro increased its recycling capacity to 700 thousand tonnes, driven by opening new recycling facilities in Høyanger, Norway, and Szekesfehervar, Hungary. In total, Hydro recycled 451 thousand tonnes of post-consumer aluminium scrap in 2024, an increase of 2 percent from 2023.

In 2024, Hydro sold 57,000 tonnes of CIRCAL, Hydro's brand of recycled aluminium with a minimum of 75 percent recycled post consumer scrap and a carbon footprint of 1.9 kg CO2 per kg aluminium.

Waste management and utilization

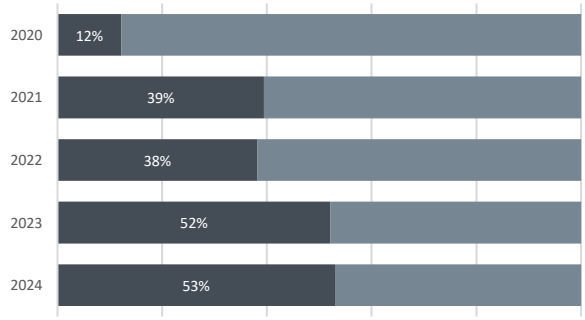
Hydro aims to eliminate landfill of all recoverable waste by 2040, and to landfill less than 35 percent of spent pot linings (SPL) by 2030. In 2024, Hydro landfilled 19 percent of its waste and 43 percent of its SPL.

Total greenhouse gas emissions by ownership equity
(Scope 1 and 2)



Greenhouse gas emissions were lower in 2020 due to production embargo at Alunorte and curtailed production at Albras and Paragominas. Emissions have decreased since 2021 mainly due to shut down of primary production at our Slovalco plant, and implementation of emission reduction efforts described in the Climate change chapter.

Post-consumer scrap (PCS) inflows



Annual development of post-consumer scrap recycling against 2030 target of 850 thousand tonnes (2030 target: 850-1200 thousand tonnes). See the Resource use chapter for more information.

Continuing efforts within ESG performance[1]

SUSTAINALYTICS

15.7 (Low risk)
#3 in sector (3/230)

MSCI

AA rating
"Leading initiatives to achieve carbon-free aluminium"

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

65%
Europe Index Inclusion
DJSI inclusion since 1999

ecovadis

77/100
96th percentile

ISS ESG

B rating
Corporate rating: Prime status

1) ESG rating as of 31.12.2024

No Net Loss ambition

Hydro targets no net loss of biodiversity for its bauxite mine in Paragominas, Brazil, from a 2020 baseline, and no net loss of biodiversity in new projects. Hydro has established a partnership with Brazilian NGOs, Imazon and IPAM, which have a long standing presence within the State of Pará, and are actively engaged in the conservation and sustainable development of the Brazilian Amazon.

Hydro also has a 1 to 1 rehabilitation target for mined areas in Paragominas, within two hydrological cycles. All suppressed land that has been released for rehabilitation prior to 2023, has been rehabilitated within the target of two years hydrological cycles, and a total of 292 hectares started rehabilitation in 2024.

Social performance

Towards a just transition

Hydro aims to improve lives and livelihoods wherever it operates by contributing to the protection of human rights and access to equal opportunities, resilient local communities in a changing world, and development of skills and jobs for the future low-carbon economy. In 2024, Hydro continued to map salient human rights risks across the countries where it operates or that are part of its value chain, and prioritized the follow-up of human rights risks in Brazil and the Nordics.

In 2024, Hydro spent NOK 300 million in its local communities including community investments, TerPaz (local community centers), donations and sponsorships, and launched its program to increase funding to projects aligned with Hydro's Just Transition priorities in the communities where it operates. In addition to this, Hydro made a provision in December 2024 of NOK 300 million to support communities along the pipeline between the Paragominas mine and Alunorte refinery in Brazil. The provisioned funds will support infrastructure, local production facilities, and skills development.

Hydro also progressed towards its target to equip 500,000 people with skills and education for the future low-carbon economy by 2030, reaching more than 44,000 people in 2024. In total, 241,000 people have benefitted from Hydro's education and skills initiatives since 2018.

Health and safety

Hydro values human life above all other considerations and will not compromise the health and safety of those working for Hydro or that are affected by the company's activities. Hydro targets zero fatal accidents and life changing injuries. In 2024, the total recordable injury (TRI) rate was 2.0 per million hours worked by employees and contractors, with the majority of injuries relatively minor.

While this continues the positive trend from 2023, and Hydro achieved its best TRI result to date, there was one fatality involving a contractor and one life changing injury at the Albras aluminium smelter. Action plans and global learning plans have been established and implementation is ongoing.

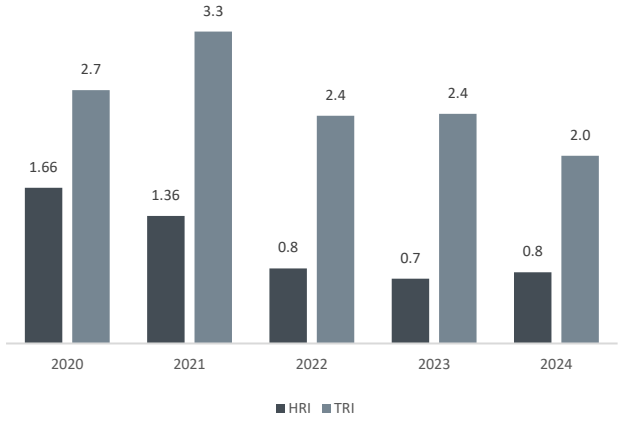
Gender balance

Hydro targets 25 percent women employees in permanent and temporary positions combined, and 25 percent women in leadership positions by 2025. Hydro's overall gender balance improved one percentage point from 2023, with 24 percent of the Hydro workforce comprising women at the end of 2024. The share of women in management has also increased by one percentage point in the same period, with 21 percent of leadership positions in Hydro comprising women at the end of 2024.

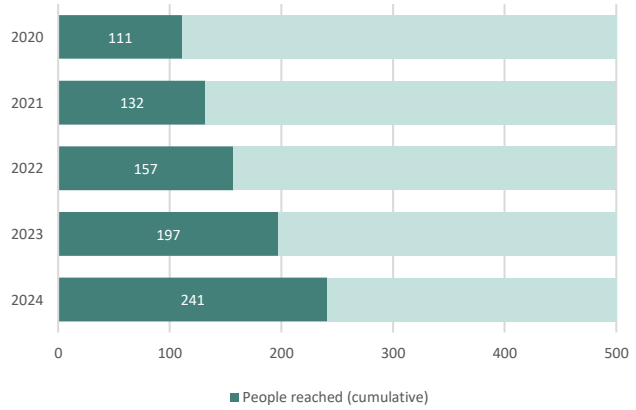
Transparency and reporting

Sustainability is fully integrated in Hydro's strategy and has been reported on for three decades. 2024 marks the first year of sustainability reporting according to the new European Sustainability Reporting Standards (ESRS). Hydro also reports on its sustainability performance in accordance with GRI Standards; see the GRI index at hydro.com/gri. Hydro has launched a program to prepare for the EU Corporate Sustainability Due Diligence Directive (CSDDD). Hydro also continues to improve its performance against several internationally recognized ESG rating systems.

High risk incidents (HRI) and total recordable injuries (TRI)
Incidents per million hours worked by employees and contractors



Total people reached with skills and education towards 2030 target of 500,000
Thousand people



Other performance measures and adjustments to EBIT

Other performance measures

NOK million, except per share data	2024	2023	2021
Revenue	203,636	193,619	207,929
Earnings before financial items, tax, depreciation and amortization (EBITDA)	26,543	23,291	39,536
Adjustments to EBITDA[1)]	(225)	(1,033)	128
Adjusted EBITDA[1)]	**26,318**	**22,258**	**39,664**
Hydro Bauxite & Alumina	10,799	1,828	3,122
Hydro Energy	3,540	3,146	4,926
Hydro Aluminium Metal	9,668	10,502	22,963
Hydro Metal Markets	1,175	1,533	1,673
Hydro Extrusions	4,065	6,480	7,020
Other and eliminations	(2,928)	(1,231)	(39)
Adjusted EBITDA[1)]	**26,318**	**22,258**	**39,664**
Earnings before financial items and tax (EBIT)[2)]	16,487	9,592	30,715
Adjusted EBIT[1)]	16,284	12,983	31,179
Net income (loss) from continuing operations	5,040	2,804	24,381
Adjusted net income (loss) from continuing operations[1)]	9,278	7,835	23,145
Net income (loss) from discontinued operations	-	-	36
Earnings per share from continuing operations	2.90	1.77	11.76
Adjusted earnings per share from continuing operations[1)]	**4.50**	**4.26**	**10.70**
Financial data			
Investments[1)2)]	21,034	25,647	13,391
Net debt[1)]	(15,976)	(8,191)	1,310
Key Operational information			
Bauxite production (kmt)	10,506	10,897	11,012
Alumina production (kmt)	5,973	6,185	6,193
Realized alumina price (USD/mt)	462	359	382
Primary aluminium production (kmt)	2,038	2,031	2,137
Realized aluminium price LME (USD/mt)	2,374	2,218	2,599
Realized USD/NOK exchange rate	10.75	10.37	9.52
Extrusions sales volumes to external market (kmt)	988	1,090	1,251
Power production (GWh)	9,298	9,697	7,664

1) Alternative performance measures (APMs) are described in the appendices
2) EBITDA and investments per segment are specified in Note 1.4 Operating and geographic segment information in the
3) Paragominas production, on wet basis
4) Weighted average of own production and third-party contracts. The majority of the alumina is sold linked to either the LME

Adjusting items to EBITDA, EBIT and net income

Reported earnings before financial items and tax (EBIT) and net income (loss) include effects that are disclosed in the table below. Adjusting items to EBIT and adjusted net income (loss) are defined and described as part of the Alternative Performance Measures in the Appendices.

NOK million[1)]	2024	2023	2022
Unrealized derivative effects on LME related contracts	580	(1,530)	(3,003)
Unrealized derivative effects on power and raw material contracts	(90)	887	3,352
Significant rationalization charges and closure costs[2)]	407	265	152
Community contributions Brazil[3)]	-	25	32
Impairment charges equity accounted investments	1,079	-	-
Transaction related effects[4)]	(439)	120	(119)
Net foreign exchange (gain)/loss[5)]	(595)	(883)	(318)
Other effects[6)]	(1,168)	83	32
Adjusting items to EBITDA	**(225)**	**(1,033)**	**128**
Impairment charges[7)]	22	4,424	335
Adjusting items to EBIT	**(202)**	**3,391**	**464**
Net foreign exchange (gain)/loss and other	6,021	2,084	(2,192)
Calculated income tax effect	(1,580)	(445)	492
Adjusting items to net income	**4,238**	**5,031**	**(1,236)**
Income (loss) tax rate	43%	57%	25%
Adjusted income (loss) tax rate	37%	35%	24%

1) Negative figures indicate reversal of a gain and positive figures indicate reversal of a loss.
2) Significant rationalization and closure costs include a provision for costs related to reduction of overcapacity, closures and environmental clean-up activities in Hydro Aluminium Metal and Hydro Extrusions.
3) Community agreements includes provisions for the TAC and TC agreements with the Government of Parà and Ministèrio Pùblico made in September 2018, including later adjustments for changes in cost estimates, and similar agreement.
4) Transaction related effect inculdes gains(losses) of divestments as described in the Alternative Performance Measures section in the
5) Realized currency gains and losses from risk management contracts and embedded currency derivatives in physical
6) Other effects include adjustments as described in the Alternative Performance Measures section in the appendices.
7) Impairment charges for 2023, 2022 and 2021 include goodwill and property, plant and equipment in the operating plants in Bauxite and Alumina, Tomago and Slovalco smelter in Aluminium Metal and various sites and assets in Hydro

Key financial exposures

Hydro's operating results are primarily affected by price developments of Hydro's main products, raw materials, margin developments and fluctuations in the most significant currencies for Hydro, which are USD, NOK, EUR, and BRL.

Hydro enters into derivative forward sale contracts both on the LME and with banks to secure prices on parts of the planned aluminium production as part of securing a margin level for periods up to about three years when considered beneficial. To mitigate the impact of exchange rate fluctuations, long-term debt is mainly maintained in currencies reflecting underlying exposures and cash generation.

The table shows sensitivities regarding aluminium prices and foreign currency fluctuations for 2025. The table illustrates the sensitivity of adjusted earnings, before tax, interest and depreciation to changes in these factors and is provided to supplement the sensitivity analysis required by IFRS, included in note 8.2 Financial instruments to the financial statements. These sensitivities are on an adjusted basis and do not consider revaluation effects of derivative instruments, which may influence earnings. The sensitivities include the impact from financial risk management contracts per December 31, 2024.

Furthermore, the sensitivities are calculated based on the currencies in which the respective prices are denominated and will not fully reflect the underlying exposure. Hydro's upstream business is essentially long alumina, aluminium, and product premiums, and short energy (power, gas, and coal), caustic soda, pet coke, pitch, BRL, and NOK. While the commodity prices are nominated in USD and EUR, the underlying exposure is primarily against the factors driving the cost curve at the relevant pricing percentile in the respective markets. The short BRL and NOK exposure is linked to production costs in Brazil and Norway. Hydro's downstream segments have a clearer currency profile with a net long exposure to USD and EUR reflecting the main currencies in the markets in which they operate.

Sensitivities based on annual production

Commodity price sensitivity +10%

NOK million	Adjusted EBITDA
Aluminium	3,920

Currency sensitivities +10%

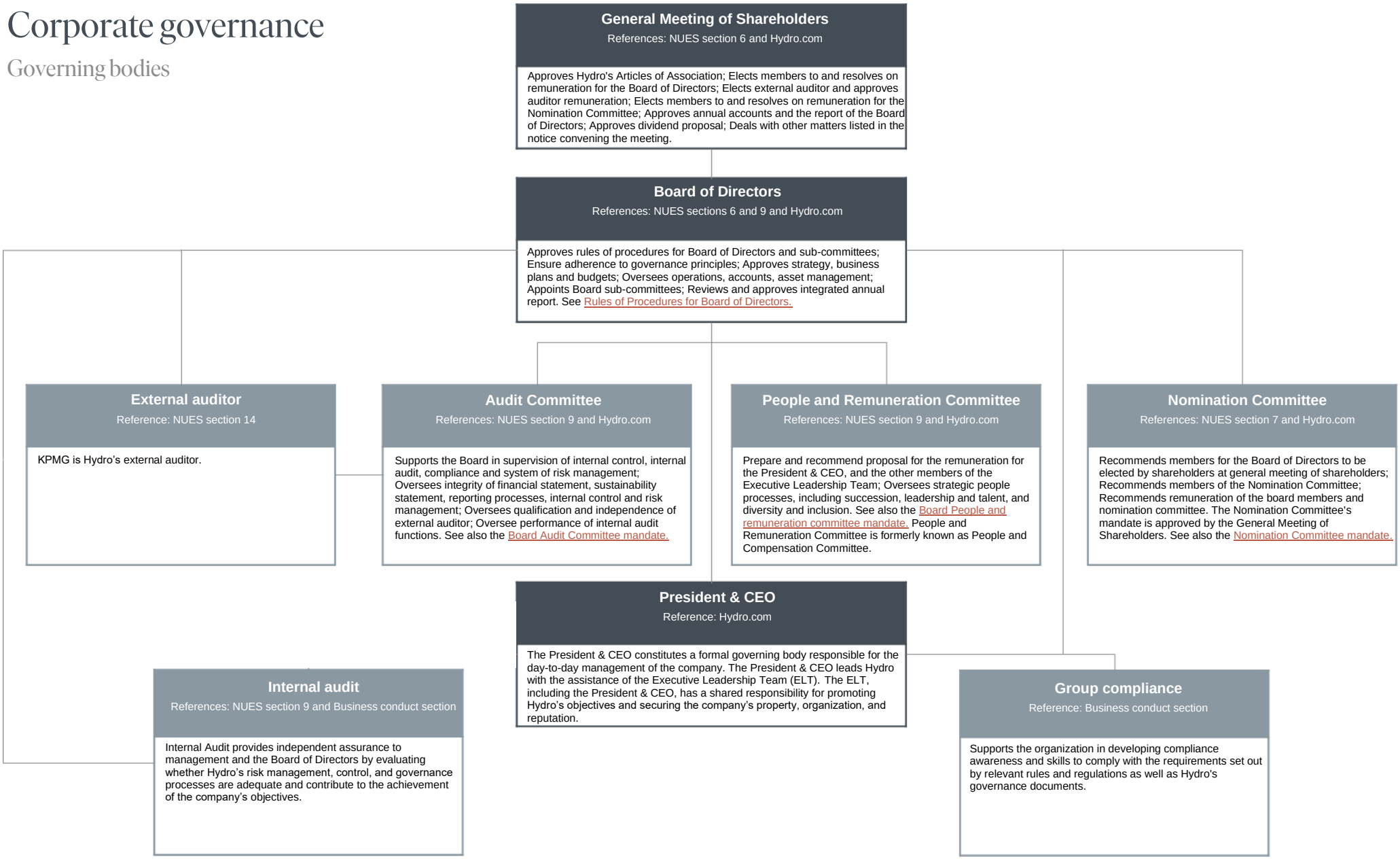
NOK million	USD	BRL	EUR
Sustainable effect AEBITDA	5,210	(960)	(150)
One-off reevaluation effect Financial items	(960)	1,250	(3,540)

Annual sensitivities based on normal annual production volumes and reflecting strategic hedge positions. LME USD 2,450 per mt, USDNOK 11.01, BRLNOK 1.89, EURNOK 11.76.

Our governance

Corporate governance

Governing bodies



General information

Hydro is a public limited liability company organized with a governance structure based on Norwegian corporate law. Hydro's corporate governance provides a foundation for value creation and good control mechanisms in the form of global directives that describe mandatory requirements for all parts of the organization.

Hydro follows the most recent Norwegian Code of Practice for Corporate Governance (NUES) dated October 14, 2021. The Board of Directors' report in relation to the Code can be found in the appendix.

Information regarding shareholder policy can be found in the Hydro Share section of the Our Performance chapter. Hydro's strategic direction is described in the Our business chapter.

Global directives and Code of Conduct

Hydro's governance structure is based on applicable laws and regulations, and Hydro's corporate directives, with delegation of responsibility to the business areas and to corporate functions whose duties include finance, tax and accounting, social responsibility, environment, governance, legal and compliance. To maintain uniformly high standards, Hydro sets common requirements in the form of constituting documents and global directives. Constituting documents are approved by Hydro's Board of Directors or the general meeting of shareholders, while global directives are approved by the President & CEO. This information is made available to all employees.

Hydro's governing documents and global directives help ensure that all employees carry out their activities in an ethical manner, and in accordance with current legislation and Hydro standards. The Code of Conduct addresses compliance with laws and matters, such as handling of conflicts of interest and a commitment to equal opportunities for all employees. The defined programs contribute to compliance with anti-corruption and basic human rights, and other relevant governance areas. Hydro's Code of Conduct is a constituting document and applies to all Hydro employees throughout the world, as well as to board members of Hydro and its subsidiaries. For legal entities where Hydro holds less than 100 percent of the voting rights, Hydro's representatives in the Boards of Directors or in other governing bodies, shall act in compliance with Hydro's Code of Conduct and endeavor to implement the principles as laid down therein.

For information about Hydro's Code of Conduct, other constituting documents and global directives see Hydro.com/principles. For information about Hydro's whistleblowing procedures, see Business Conduct in the sustainability statement.

Governing bodies

General Meeting of Shareholders

Hydro's shareholders exercise ultimate authority through the general meeting. Persons who own shares on the fifth business day prior to the general meeting are entitled to attend and vote at the general meeting, either in person or by proxy.

The General Meeting of Shareholders elects the shareholders representatives of the Board and determines the remuneration of the Board. It elects the company's external auditor and approves the auditor's remuneration. It also approves the integrated annual report and the statutory report according to Norwegian requirements, including the dividend proposed by the Board. It elects the Nomination Committee and determines their remuneration, and deals with any other matters listed in the notice convening the meeting. Shareholders may, at least four weeks before an ordinary general meeting, request in writing that a question with proposal for resolutions are submitted to the general meeting, or explanation for adding a question to the agenda.

Nomination Committee

The Nomination Committee consists of three to four members who shall be shareholders or shareholder's representatives. The members and its chairperson are elected by the general meeting of shareholders for periods of up to two years at a time. The committee makes its recommendation to the general meeting of shareholders regarding the election of shareholder elected members on the Board of Directors, remuneration to the members and deputies of the Board, the election of the members and chairperson of the committee, and remuneration to the members of the committee. The guidelines for the Nomination Committee are adopted by the general meeting of shareholders and include Hydro's requirements for independence, shareholder interests, competence, capacity, and diversity.

The Nomination Committee consist of the following members:

- Berit Ledel Henriksen (Chair)
- Karl Mathisen
- Susanne Munch Thore
- Muriel Bjørseth Hansen

Board of Directors

The Board held 11 members as of December 31, 2024. Seven are elected by the general meeting of shareholders, four are elected by and among the company's employees in Norway. All shareholder elected board members are elected for a period of up to two years. The employee representatives on the Board each have a personal deputy. In accordance with Norwegian law, the Board assumes the overall governance of the company, ensures that appropriate management and control systems are in place, and supervises the day to day management as carried out by the President & CEO.

The Board has established procedures for its own work. These are set out in the Rules of Procedures for the Board of Directors of Norsk Hydro ASA. The Rules of Procedures has a particular emphasis on clear internal allocation of responsibilities and duties vis-à-vis the Board and the President & CEO.

The Board has an annual work plan with particular emphasis on objectives, strategy and implementation. It includes recurring topics such as strategy review, business planning, risk and compliance oversight, financial reporting, people strategy, succession planning as well as health and safety, and sustainability, including social responsibility, climate and environment. The Board is closely following the market and macroeconomic developments relevant for the aluminium industry.

The Board works to ensure that sustainability is considered in the company's activities and value creation, and is regularly informed by the President & CEO about material impacts, risks and opportunities related to sustainability matters. In 2024, the Board also had a deep dive on the EU Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD).

The Board oversees that Hydro has appropriate global directives for issues including risk management, business conduct, health and safety, people management, social responsibility and human rights. Impact, risks and opportunities related to sustainability, including environment and climate change, social responsibility, diversity, health, safety and compliance, are integrated into the group's risk management and strategy processes, and are at the center of the Board's considerations and decision making throughout the year.

All shareholder elected members were in 2024, deemed to be independent according to the Norwegian standards. None of the company's non-employee board members had any other service contractual agreements with the company. No members elected by and among the employees, are part of the company's executive management. Employee elected directors have no other service contractual agreements with the company outside of their employee contracts, though they are subject to their duties as board members.

All new board members take part in an onboarding process focusing on Hydro's industries, operating model, risk management and sustainability approach, including its Code of Conduct. Regular orientations and discussions are performed in the board on the same topics.

The Board conducts an annual self-assessment of its work, competence, skills and expertise, and cooperation with management. This assessment also includes an assessment of the chairperson.

Board People and Remuneration Committee

The committee consists of three members of the Board of Directors. The committee shall assist the Board in exercising its oversight responsibility in relation to compensation matters pertaining to the President & CEO and other members of the Executive Leadership Team (ELT). They also assist in other compensation issues of principal importance, and strategic people processes in the company such as succession planning, leadership and talent, and diversity and inclusion.

The committee shall regularly consider the appropriateness and competitiveness of the remuneration arrangements for the President & CEO and other members of the ELT.

Board Audit Committee

The Board Audit committee consists of four of the Board members and meets the Norwegian requirements for independence and competence. The committee assists the Board in exercising its oversight responsibility with respect to the integrity of the company's financial statements and sustainability reporting, the financial and sustainability reporting processes, internal controls, systems of risk management, and the compliance system. In addition, the committee oversees qualifications, independence, and performance of the external auditor and Hydro's internal audit function. As part of overseeing the external auditor's independence and performance, the audit committee maintains a pre-approval policy governing the external auditor's engagement.

The Board Audit Committee performs an annual self-assessment. To ensure the independence of the internal audit function, the Chief Audit Executive reports to the Board through the audit committee and meets with the Board of Directors for approval of the audit plan and annual report. The Chief Compliance Officer has a dotted reporting line to and meets regularly with the audit committee.

President & CEO and the Executive Leadership Team (ELT)

According to Norwegian Public Limited Liability Companies Act, the President & CEO constitutes a formal governing body responsible for the day to day management of the company. The President & CEO leads Hydro with the assistance of the Executive Leadership Team. The division of functions and responsibilities between the President & CEO and the Board is defined in greater detail in the rules of procedures for the Board of Directors, a governing document established and approved by the Board.

The ELT, including the President & CEO, has a shared responsibility for promoting Hydro's objectives and securing the company's property, organization, and reputation. Members of the ELT are also Executive Vice Presidents (EVPs) with responsibility for the respective business areas and corporate staffs.

The ELT oversees the management of Hydro, including governance processes and business conduct, controls and procedures to monitor sustainability related impacts, risks and opportunities. The ELT is regularly informed about such sustainability related impacts, and risks and opportunities which are considered in all major business decisions, including new projects and major changes to existing facilities. Hydro's corporate directives and procedures delegate responsibility for sustainability due diligence, and managing sustainability related impacts, risks, and opportunities to corporate staff and line management in the business areas.

Corporate staff and the Business Areas report on Hydro's performance against targets and KPIs on a quarterly basis.

In 2024, the ELT had several deep dives, including, but not limited to, Risk Management, Cyber, HSE, People, Human Rights, and operational and safety deep dives on Energy, Bauxite & Alumina and Recycling. The ELT also received introductions to the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD).

Management and Board remuneration

Please refer to the Remuneration report for information concerning remuneration and remuneration policies, share ownership, loans outstanding and loan policy relating to Hydro's Board of Directors and Executive Leadership Team.

Hydro board competency	Level of competency
Industry relevant experience	
Industry experience GICS 1510 Materials: upstream related[1)]	●●●●○○○
Industry experience GICS 1510 Materials: downstream related[1)]	●●●●●○○
Industry experience GICS 5510 Materials: utilities[1)]	●●●●●○○
Supply chain	●●●●●●●
Customer and markets	●●●●●●○
General experience	
CEO / large scale leadership	●●●●●●●
CFO, finance and audit committee	●●●●●●●
Corporate governance / legal and public affairs	●●●●●●●
Mergers and acquisitions	●●●●●●●
Risk management	●●●●●●●
Strategy	●●●●●●●
HR / remuneration[1)]	●●●●●●○
Workers and human rights[1)]	●●●○○○○
IT and cybersecurity	●●●○○○○
Digitalization	●●●●○○○
Environment and climate[1)]	●●●●●●○

● Practiced competence ● Familiarity

The Board has asked the consultancy Spencer Stuart to assist them in evaluating the competency within certain competence areas for all shareholder elected board members. The definitions used are:

- Practiced competence: experience from executive career
- Familiarity: expertise from non-executive career (boards, other)

1) Employee representatives bring significant experience

Board of Directors

Rune Bjerke
Chair

Position
Adjunct Executive in Residence, Norwegian School of Economics

Education
Exam. Oecon., University of Oslo; Master of Public Administration (MPA), Harvard University, Massachusetts USA

Current directorships
Chair of Reitan Retail AS; Chair of Dinnergruppen Holding AS; Chair of Wallenius Wilhelmsen ASA; Deputy Chair of Schibstedt ASA; Board member of Stiftelsen Kronprinsparets Fond.

Kristin Fejerskov Kragseth
Deputy Chair

Position
CEO of Petoro

Education
M. Eng, Ocean Engineering, Texas A&M University, USA; Engineer Marine, Høgskulen på Vestlandet; ExxonMobil Management Program; INSEAD Management Program

Current directorships
Board member of Stavanger Sandnes Skøyteklubb; Chair Election Committee, Offshore Norge; Deputy Board member of ONS (Offshore Nothern Seas).

Arve Baade
Director

Position
Employee representative representing the Norwegian union Forbundet Styrke

Education
Certificate of Apprenticeship in Process Studies

Current directorships
Chair of Sunndal Chemical Union.

Jane Toogood
Director

Position
Non-executive director

Education
MA in Natural Sciences, University of Oxford, UK; Fellow of the Royal Society of Chemistry

Current directorships
Co-Chair UK Hydrogen Delivery Council, UK; Non-Executive Director and member of Audit, Remuneration and Nomination Committees; Chair of Corporate Responsibility Committee, Victrex plc, UK.[1)]

Espen Gundersen
Director

Position
Non-executive director

Education
AMP, INSEAD, France
CPS, NHH Norwegian School of Economics; MBA, BI Norwegian Business School

Current directorships
Chair and chair Audit Committee; Hexagon Purus ASA; Chair of Kid ASA; Board member and Chair Audit Committee of Scatec ASA.

[1)] Ended February 7. 2025 after having completed the maximum term (9 years).

Peter Kukielski
Director

Position
CEO of Hudbay Minerals Inc.

Education
MSc Civil Engineering, Stanford University, USA

Current directorships
Board member Hudbay Minerals Inc.

Philip New
Director

Position
Non-executive director

Education
MA PPE, University of Oxford, UK

Current directorships
Chair Trustmark Research and Innovation Ltd.; Non-executive Director ReNew Energy Global PLC; Non-executive Director Fotowatio Renewable Ventures S.L.; Fellow, Institute of Energy; Council member, World Economic Forum Global Future Council; Advisory Board, UK Faraday Battery Challenge; Council Member, UK Auto Council.

Marianne Wiinholt
Director

Position
Chief Financial Officer, WS Audiology, Denmark

Education
State-Authorized Public Accountant, Copenhagen Business School, Cand. Merc. Aud, Copenhagen Business School, Bachelor communication, Copenhagen Business School

Current directorships
Board member and Chair of the Audit Committee of Coloplast A/S.

Bjørn Petter Moxnes
Director

Position
Employee representative

Education
MSc in Chemical Engineering, NTH, Trondheim, Norway; MSc Technology management, NTNU, Trondheim and MIT, USA

Current directorships
Group leader (konserngruppeleder) Tekna-P Norsk Hydro, SSR leader Norsk Hydro (Tekna, Nito, Negotia, Lederne).

Torleif Sand
Director

Position
Employee representative representing the Norwegian union Forbundet Styrke

Education
Upper secondary school with vocational subjects

Current directorships
Chair, Årdal Chemical Union; Board member, Aluminiumsindustriens Miljøsekreteriat; Member of the National Board of Forbundet Styrke.

Margunn Sundve
Director

Position
Union representative representing the Norwegian union Forbundet Styrke

Education
Certificate of Apprenticeship in Process Studies, Vocational School in HSE

Current directorships
Chair of Alnor Chemical Union (AKF); Chair of AKF Hydroklubben; Member of the National Board of Forbundet Styrke.

Name	Place of residence	Year of birth	Position	Board committee	Meetings attended	Number of Hydro Shares[1)]	Director since	Term expires[2)]
Rune Bjerke[3)]	Oslo, Norway	1960	Chairperson	Compensation and people committee	15	26,700	2020	2026
Kristin Fejerskov Kragseth[4)]	Stavanger, Norway	1967	Deputy Chair	Compensation and people committee	15	1,200	2022	2026
Marianne Wiinholt	Klampenborg, Denmark	1965	Director	Chairperson Audit committee	16	-	2016	2026
Peter Kukielski	Vancouver, Canada	1956	Director		16	8,000[5)]	2019	2026
Philip Graham New	Oxford, United Kingdom	1962	Director	Audit committee	16	1,598	2022	2026
Arve Baade	Sunndalsøra, Norway	1967	Director and employee representative	Compensation and people committee	15	6,771	2018	2025
Espen Gundersen[6)]	Oslo, Norway	1964	Director	Audit committee	12	10,000	2024	2026
Jane Toogood[6)]	Cambridge, UK	1965	Director		12	-	2024	2026
Bjørn Petter Moxnes	Sunndalsøra, Norway	1960	Director and employee representative	Audit committee	16	933	2022	2025
Torleif Sand	Øvre Årdal, Norway	1967	Director and employee representative		16	1	2022	2025
Margunn Sundve	Haugesund, Norway	1971	Director and employee representative		15	1,262	2022	2025

The number of board meetings were 16.

1) As per December 31, 2024.
2) Following decision from the Norwegian Labor Inspection Authority (“Tvisteløsningsnemda”), all employee elected board members will be on election in 2025. Norsk Hydro, in agreement with the employee elected board members, applied for an extension of the current elective period of one (1) year. Following the election in 2025, the employee elected members will – in line with applicable regulation – be on election every second year. This one-time prolongation of the election period will cater for diverging election years of shareholder elected board members and employee elected board members, respectively, going forward.
3) Elected Chair after Annual General Meeting May 7, 2024
4) Elected deputy chair after Annual General Meeting May 7, 2024
5) American Depositary Shares purchased via OTCQX. Includes ADRs purchased via Cynthia Kukielski Spousal Trust.
6) New Board members after Annual General Meeting May 7, 2024.

Board members stepped down after Annual General Meeting May 7, 2024

Name	Place of residence	Year of birth	Position	Board committee	Meetings attended	Director since	Term expired
Dag Mejdell	Oslo, Norway	1957	Chairperson	Compensation and people Committee	4	2012	2024
Petra Einarsson	Torsåker, Sweden	1967	Director	Audit Committee	3	2022	2024

Executive Leadership Team

Eivind Kallevik
President and Chief Executive Officer

Key experience

In Hydro since 1998 and held several senior positions in the corporate center and in Business areas, in Norway and internationally. Head of Aluminium Metal since 2019. CFO and Executive Vice President (2013-2019). CFO for the Business areas Bauxite and Alumina and Aluminium Products. Head of Corporate Financial Reporting, Performance and Tax, Assistant VP and Relationship Manager, Christiania Bank & Kredittkasse (1993-1998).

Education

Master of Business Administration from University of San Francisco, USA; Bachelor of Business Administration from Norwegian Business School, Norway.

External directorships

Board Member Norsk Industri; Member of Representantskapet NHO; Member of ERT and ICMM.

Trond Olaf Christophersen
EVP and Chief Financial Officer

Responsible for strategy, sustainability, technology, risk management, IT and cyber security, supply chain policy, and shaping and safeguarding portfolio

Key experience

Extensive and broad experience in Hydro since joining in 1997. Head of Business Unit Recycling, Head of Commercial, and Plant Manager at the Karmøy smelter (Aluminium Metal, 2013 – 2022) Senior positions in the business area, including Head of Energy Markets (Energy, 2007-2013) Several management positions in the former Oil & Energy Business Area and the Aluminium Business Area including asset management and business development (1997-2007).

Education

Master of Management, BI Norwegian Business School; MSc Mechanical Engineering, University of Bath, UK / MSc Mechanical Engineering, NTNU, Trondheim, Norway.

External directorships

None.

Hilde Vestheim Nordh
EVP People & HSE

Responsible for people strategy, including health, safety, security, and environment

Key experience

Executive Vice President People and HSE since 2019. Nordh joined Hydro in 1995 and has held roles of Head of HSE & HR in Energy, HSE manager at Karmøy, and casthouse manager at Karmøy.

Education

MSc in Materials Technology, Rheinisch Westfälische Technische Hochschule (RWTH), Aachen, Germany.

External directorships

None.

Anne-Lene Midseim
EVP Compliance, IP & General Counsel

Responsible for Hydro's governance system and compliance processes

Key experience

Executive Vice President Compliance, IP & General Counsel since 2019. EVP CSR, Legal and Compliance, since 2015. Midseim has worked in Hydro since 1998, with senior positions as Company Secretary, and as Head of Staffs in Bauxite & Aluminium. Midseim was Resident Legal Advisor in East-Timor, Oil for development program (2006-2007), Lawyer in Norwegian law firm Vogt & co (1996-1998), and Executive Officer in the Ministry of Oil and Energy (1994-1996).

Education

Candidate in Jurisprudence (Cand. Jur.), University of Oslo.

External directorships

Board member Gassco AS; Board member Veidekke ASA, Chair of the Board of Industriforsikring AS (until mid of 2024).

Therese Rød Holm
EVP Communication & Public Affairs

Responsible for communication and interaction with authorities

Key experience

Extensive experience, including several senior positions in Hydro and other large companies across all main disciplines of communication and public affairs. Holm joined Hydro in 2014 and has held several leadership roles, both in Hydro Group and in Hydro Extrusions. Prior to Hydro, Holm was responsible for internal communication in the mail division in Posten Norge, and communication manager in Marine Harvest, now Mowi.

Education

MSc in Economics and Business Administration (Siviløkonom), Norwegian School of Economics (NHH).

External directorships

None.

John Thuestad
EVP Hydro Bauxite & Alumina

Key experience
Executive Vice President for Hydro Bauxite & Alumina, from the position as Senior Vice President, Hydro Extruded Solutions. Extensive leadership and industry experience from previous roles as Executive Vice President, SAPA; EVP Group President Primary Metals, Alcoa; CEO, Elkem; CEO/EVP Primary Aluminium, Elkem Aluminium.

Education
MSc in Metallurgy (Sivilingeniør), Norwegian University of Science and Technology (NTNU) Trondheim, Norway; MBA Carnegie Mellon University, Pittsburgh, USA.

External directorships
Member of the Executive Committee of International Aluminum Institute (IAI) on behalf of Hydro; Board member Yara International ASA.

Kari Ekelund Thørud
EVP Hydro Energy

Key experience
Executive Vice President for Hydro Energy since 2024, from the position as Head of Ownership Governance in Hydro Energy. Prior to Hydro, Thørud has extensive experience from the energy industry, including CEO of Nord Pool, and Deputy CEO and Senior Vice President in Hafslund Markets.

Education
Master of Business and Economics (Siviløkonom), BI Norwegian Business School.

External directorships
Board member of XXL ASA Sport og Villmark; Board member of Hafslund Oslo Celsio.

Hanne Karine Simensen
EVP Hydro Aluminium Metal

Key experience
Executive Vice President for Hydro Aluminium Metal since 2024, from the position as Head of Hydro Aluminium Metal Commercial. Simensen has long experience from Hydro starting in 1994, including Director and Head of Hydro's Global Business Services, and EVP for People & HSE, as well as several senior positions in Hydro within the energy business.

Education
Master of Management from BI Norwegian Business School.

External directorships
None.

Paul Warton
EVP Hydro Extrusions

Key experience
Executive Vice President for Hydro Extrusions. Warton previously served as global president Automotive Structures & Industry for Constellium. 30 years of experience from the global aluminium extrusion industry with leadership positions in Sapa, Alcoa and Luxfer Group. He also worked for 10 years in manufacturing and commercial leadership positions in Tier 1 automotive companies at Federal Mogul and GKN.

Education
BSc in Production Engineering, University of Birmingham, UK; MBA in Finance, London Business School, UK.

External directorships
Member (Treasurer) of the Executive Committee of European Aluminum on behalf of Hydro.

Name	Place of residence	Year of birth	Position	Employed in Hydro since	Current position since	Number of Hydro Shares[1)]
Eivind Kallevik[2)]	Oslo, Norway	1967	President and Chief Executive Officer	1998	2024	97,874
Trond Olaf Christophersen[3)]	Oslo, Norway	1972	EVP and Chief Financial Officer	1997	2024	15,148
John Thuestad	Asker, Norway	1960	EVP Hydro Bauxite and Alumina	2017	2018	93,403[4)]
Kari Ekelund Thørud[5)]	Oslo, Norway	1975	EVP Hydro Energy	2022	2024	388
Hanne Karine Simensen[6)]	Oslo, Norway	1967	EVP Hydro Aluminium Metal	1994	2024	815
Paul Warton	Loughton, Essex, United Kingdom	1961	EVP Hydro Extrusions	2021	2021	36,198
Anne-Lene Midseim	Oslo, Norway	1968	EVP Compliance, IP & General Counsel	1998	2015	51,542
Hilde Vestheim Nordh	Asker, Norway	1969	EVP People & HSE	1995	2019	44,038[7)]
Therese Rød Holm	Bærum, Norway	1975	EVP Communication & Public Affairs	2014	2022	8,869

EVP: Executive Vice President. All EVPs are members of the company's Executive Leadership Team (ELT)

1) As per December 31, 2024
2) Appointed CEO from May 13, 2024
3) Acting CFO from March 2024, appointed on May 13, 2024
4) Including shares owned through Jothur AS, a private equity investment firm.
5) New member of ELT effective from July 1, 2024
6) New member of ELT effective from May 13, 2024
7) Including shares owned by spouse

Executive Leadership Team members stepped down during 2024:

Name	Place of residence	Year of birth	Position	Employed in Hydro since	Position since	Number of Hydro Shares[4)]
Hilde Merete Aasheim[1)]	Oslo, Norway	1958	President and Chief Executive Officer	2008	2019	163 282
Arvid Moss[2)]	Oslo, Norway	1958	EVP Energy	1991	2010	195 509
Pål Kildemo[3)]	Bærum, Norway	1984	EVP and Chief Financial Officer	2008	2019	-

1) Aasheim stepped down May 13, 2024
2) Moss stepped down July 1, 2024
3) Kildemo stepped down from ELT March 1, 2024
4) Per December 31, 2024

Risk review

Enterprise Risk Management in Hydro

Risk management is an integral part of all Hydro's business activities and decisions.

The Board of Directors (BoD) sets expectations, oversees Hydro's system of risk management and reviews key risks through biannual updates which serve as an important foundation for the strategy and business planning processes. In addition, specific risk topics are subject to more frequent updates. Progress on risk mitigation is reflected in the remuneration schemes of the Chief Executive Officer (CEO) and Executive Leadership Team (ELT). The Board Audit Committee supports the BoD's supervisory role. The ELT is responsible for Hydro's risk management framework at group level and assists the CEO in its execution. The framework is based on international standards, and Hydro more specifically applies the Committee of Sponsoring Organizations of the Treadway Commission's 'COSO Internal Control – Integrated Framework' (2013) with respect to Financial Reporting.

The further attribution of risk management roles in Hydro are supported by the development of a three lines of defense (3LoD) governance model.

> Risk management is an integral part of all our business activities and decisions.

The first line of defense resides with managers at all levels. Business areas and group functions have the responsibility for and ownership of business and HSE risks. They ensure that risks within their respective areas of accountability are identified, analyzed, adequately mitigated, documented and reported. The frequency of updates is dependent on the nature of each risk as well as the pace of internal or external change.

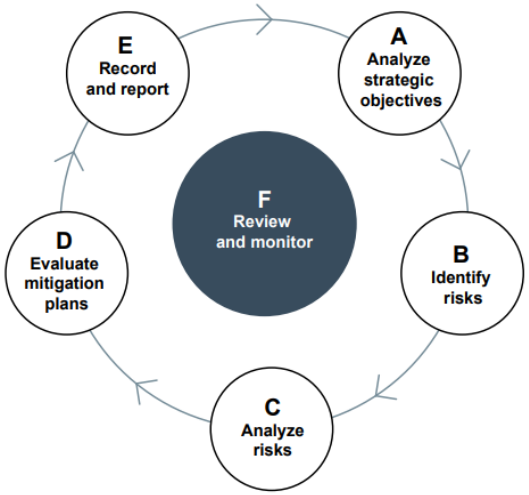
The second line comprises governance owners and subject matter experts on different risk areas as well as an Enterprise Risk Management (ERM) function. They assess the need for, develop policies and procedures for managing risk as well as coordinate biannual risk updates. More broadly, the second line supports, challenges and monitors the first line of defense.

The third line comprises Group Internal Audit & Investigation. This department independently evaluates whether Hydro's risk management, control, and governance processes, as designed and implemented by management, are adequate and contribute to the achievement of the organization's objectives.

Through the 3LoD model, major risks are managed according to Hydro's risk appetite and consolidated at group level through the annual strategy process, with a status update provided in the business planning process, while mitigating plans progress on an ongoing basis. An overview of key risks, including developments during the last 12 months and related mitigating actions, is included below. This overview is derived from Hydro's risk matrix which facilitates risk oversight and prioritization.

Overall, Hydro has seen an evolution of the company's risk profile rather than a material change, with emphasis on the new strategic direction in a context of increasing sustainability expectations as well as an uncertain geopolitical and regulatory landscape. Despite Hydro's best efforts, the risk mitigating initiatives may fail or prove to be inadequate to mitigate all risks. As risks increase, decrease, or change and new risks emerge over time, the information contained in this section should be carefully considered by investors.

Risk process



A. Strategic and business level objectives are clearly communicated to and well understood by managers at all levels

B. Upside and downside risks within each business or functional area, as well as interconnected risks are identified and assigned to risk owners

C. Significant risks are further analyzed using a variety of risk assessment techniques to articulate key attributes and establish their materiality

D. Mitigating strategies are selected and evaluated based on their cost benefit

E. Risk outcomes are recorded and reported within business areas and corporate functions, as well as further aggregated at group level

F. Risk information is reviewed and monitored on an ongoing basis, considering the pace of internal and external change

Strategic risks	Influenceability	Likelihood	Trend[1)]
• Complex and evolving sustainability landscape	M	M	↗
• Value chain concentration	H	H	→
• Macro-economic developments, geopolitical tensions, protectionism and trade disruptions	L	M	↗
• Regulatory & policy framework uncertainty	L	H	→
• Technological breakthroughs	L	M	→
• Climate change	L	M	→
Incident risks			
• Insufficient asset integrity	H	M	→
• Material legal or compliance incident	H	L	→
• Major breach of cyber security	M	M	→
• Failure to meet social performance expectations	M	M	→
• Pandemic	L	M	→
• Material tax change	L	M	→
HSE risks			
• Fatal or life changing accident	M	M	↗
• Security incident	L	M	↗
• Impact on the environment	M	M	→
• Structural collapse or other major accident	M	M	→

1) Indicates whether the likelihood of the risk and/or the severity of its consequences have increased, decreased, or remained stable since 2023.

Although Hydro maintains insurance to protect against certain risks in such amounts as it considers reasonable and in accordance with market practice, its insurance may not cover all the potential risks associated with its operations, and therefore any material disruptions (especially if not covered by Hydro's insurance) could have a material adverse impact on its business and financial condition.

Hydro's risk categories

Strategic risks

Strategic risks are emerging challenges to the achievement of Hydro's strategic objectives. They could have a significant upside and are characterized by their large scale and potential long-term impact on sustainability and profitability. They are generally influenced by structural shifts in the external business environment.

Business risks

Business risks are mainly operational or influenced by operational processes. Short-term mitigation is typically within Hydro's control, in particular for risks within plant boundaries. Hydro's main incident risks could impact several parts of the value chain with a broad range of consequences.

HSE risks

HSE risks relate to health, safety, security and/or environmental events. They are often operational or influenced by operational processes. Hydro's main HSE risks could influence multiple parts of the business. In addition to their HSE related consequences, these risks may also result in major legal, social, reputational and financial impacts.

Influenceability		Likelihood		Trend	
L	Low	L	Low	↘	Decreasing
M	Medium	M	Medium	→	Stable
H	High	H	High	↗	Increasing

Strategic risks > **1. Sustainability trends - complex and evolving sustainability landscape** Influenceability: M Likelihood: M Trend: ↗

Description

Stakeholder expectations on Hydro's sustainability performance continue to evolve. While Hydro's CO_2 footprint is among the lowest of aluminium producers, the production process remains energy and carbon intensive. In addition, key stakeholders are increasingly looking beyond carbon and focusing on the overall sustainability footprint, including nature, social factors and their trade-offs.

Consequences

Meeting or exceeding expectations may give opportunities to build comparative advantage and deliver significant value creation.

A failure to deliver on expectations could negatively impact Hydro's license to operate, damage Hydro's reputation and increase the risk of substitution away from aluminium.

Developments

Global awareness and attention toward sustainability continue to accelerate. Regulatory changes are reacting to and driving decarbonization pressure while consumers are taking a wider sustainability perspective. The focus is increasingly shifting to include the impact of human activities and climate crisis on nature and social development, as well as transparency and traceability along the entire value chain.

Sustainability requirements are increasing in terms of scale, scope and complexity due to growing interdependencies with trade policies. Investments are expanding towards the research and development of greener solutions, which increases the drive to deliver sustainable materials. In general, all geographies, industries and companies are expected to come under additional scrutiny.

Mitigation

In 2023, Hydro presented its 2030 strategy 'Pioneering the green aluminium transition, powered by renewable energy.' The strategy leverages on the company's strong existing sustainability position and steps up efforts within recycling and renewable power generation to further reduce the carbon footprint of its products as key enablers for the green transition. The execution of this strategy is now underway.

Hydro is targeting a 30 percent reduction in greenhouse gas (GHG) emissions by 2030. This will be achieved through projects to reduce CO_2 emissions across the value chain such as Alunorte's fuel switch to Liquid Natural Gas (LNG) implemented during 2024 and the ongoing electrification of boilers, efficiency and technology developments at the smelters together with the increased use and recycling of post-consumer scrap.

In 2024, Hydro made further steps towards its sustainability ambitions, including a No Net Loss ambition for hydropower investment in Norway and a partnership with Mercedes-Benz on social programs close to operations in Brazil. Hydro invested in additional sorting and remelting capacity in the U.S., opened a new recycler in Hungary and continues to upgrade the Alumetal plants. Green hydrogen will be tested on an industrial scale for a 3 year period at a recycling plant in Norway.

Hydro is working on various options to reduce direct emissions from primary aluminium production. These contribute towards our longer-term technology roadmap to decarbonize main processes, supporting our overall ambition of net-zero emissions by 2050.

Hydro is also working with the International Council for Mining and Metals (ICMM) on an industry approach to contributing towards the Nature Positive goal and has its own related targets alongside its Just Transition framework. Progress is made on specific environmental areas such as biodiversity, waste and water as well as stronger community related initiatives to improve our social and environmental impact are monitored, communicated, and reported on a regular basis.

On the whole, Hydro views increased sustainability expectations as necessary and positive, and aims to leverage its strong sustainability position as a comparative advantage.

Strategic risks > **2. Value chain concentration** Influenceability: H Likelihood: H Trend: →

Description

Hydro sources almost all alumina from its own operations in Brazil, whereby the bauxite mine at Paragominas supplies the majority of raw materials to the Alunorte alumina refinery through a 244 kilometer long pipeline.

Hydro experienced in the past some challenges with respect to its operations in Brazil due to a combination of factors involving physical climate incidents, asset integrity as well as a complex political and social environment. In response, the company has made significant efforts over several years to enhance the robustness of its operations in the region.

Consequences

Hydro's integrated aluminium value chain offers advantages in terms of end to end management and product traceability. Value chain concentration also has downside risk where upstream disruptions in bauxite and alumina production could negatively impact metal production.

Developments

Significant investments in community relations continue, including the building of a technical school and peace houses. Hydro's mapping of sustainability trends and expectations indicates that interconnectedness and complexity between nature, environment, and social themes will only increase in and outside Brazil. The strength of Hydro's integrated value chain is increasingly valuable to Hydro customers that require sustainable and traceable raw materials.

COP30 in Belem in 2025 will be an important arena for Hydro to demonstrate how it works in a responsible way, including showcasing concrete initiatives supporting its sustainability roadmap on climate, nature and social.

Mitigation

In Brazil, initiatives continue to improve Hydro's asset integrity with significant investments in its bauxite pipeline, tailings management, wastewater treatment and security of power supply. Alongside this, Hydro also invests in initiatives to strengthen community relationships and reduce its long-term environmental impact. The fuel switch to LNG at the Alunorte refinery came online in 2024, reducing CO_2 and other emissions to air. The development of electrical boilers and use of local biomass also reduce the footprint and utilize local waste streams. Mercedes-Benz has joined Hydro in the Corridor program to create a collaborate network that drives local sustainable development, demonstrating the value of Hydro's integrated value chain from a customer perspective. Hydro is engaged in a systematic dialogue with political, governmental, non-governmental, and local communities regarding the social and regulatory challenges facing its operations and the communities in which it operates.

The physical adaptation of assets and supply chain robustness are important mitigating factors against the risks posed by climate change related incidents such as floods, landslides, droughts, the implications these may have on the local environment as well as Hydro's ongoing ability to operate safely, and access raw materials and markets. Overall, Hydro has a sufficiently long alumina position to provide flexibility and security of supply for its smelters. Commercial activities within alumina and other raw materials provide access to key markets and additional sources as tools to further manage the risk of supply disruption.

Strategic risks > **3. Macro developments, geopolitical tensions, protectionism and trade disruptions** Influenceability: L Likelihood: M Trend: ↗

Description

The aluminium industry is pro-cyclical with demand for products closely linked to overall economic conditions.

Barriers to free trade may be imposed with the intention of protecting national interests. Geopolitical tensions are often the underlying cause of such actions. Trade and supply chain disruptions can impact the access to and cost of raw materials.

Consequences

Protectionism may directly affect Hydro's ability to access certain markets and trade competitively. It also leads to lower economic growth, which could indirectly affect the demand for its products.

Higher import duties and trade barriers increase costs, impacting the quantity, quality and price of internationally traded goods which Hydro requires to run its operations.

Periods of macroeconomic uncertainty or recession can increase the price volatility for aluminium products, affecting Hydro's ability to deliver stable returns. Macroeconomic developments also drive changes in currency rates, which may have a significant adverse effect on Hydro's cost and competitive position. At industry level, changing dynamics in major aluminium producing countries, such as China, may see large volumes of aluminium enter the market, reducing global price levels.

In the long-term, renewable energy scarcity and high supply costs in countries where Hydro operates could affect the company's competitiveness.

Developments

Macroeconomic and geopolitical dynamics have been increasingly volatile during the period. The ongoing invasion of Ukraine continues to impact the geopolitical and geoeconomic picture, and the Israel- Hamas conflict exacerbates tensions within the Middle East and between global superpowers. Concerns around domestic industry and national interest increased calls for protectionism in an important election year globally. The escalation of geopolitical pressures adds to regionalization trends and the push for strategic autonomy.

Economic growth remains weak as the lagged impact of monetary tightening continues; even as major central banks begin to cut rates. The risk of recession has reduced and the economic outlook stabilized, albeit at low growth rates. Disturbances in the Middle East and any resulting rise in oil prices may exert additional downward pressure on economic growth. Currency movements also impact Hydro's profitability, where the recent depreciation of the NOK against the USD has had a positive effect. Demand within some of Hydro's customer segments has softened, yet the longer-term trends still point to a favorable role for aluminium within the green transition where Hydro is well placed with its low-carbon aluminium products.

There are continued heightened trade tensions between the main economic powers, particularly in areas of strategic importance such as microprocessors between the U.S. and China. The EU has introduced additional import duties on Chinese EV imports, with potential impacts for the automotive industry and its supply chain, both within and outside Europe.

Mitigation

Robust and stable operations, a strong balance sheet, high focus on operational and commercial improvements, competitive power contracts and strategic hedging support Hydro's robust positioning during potential downturns.

However, actions may still be needed in response to market conditions. Hydro has initiated mitigating measures within Hydro Extrusions and Recycling, where current production flexibility and adaptation abilities are being utilized to maneuver given falling demand while any further curtailments are evaluated considering market conditions.

In general, Hydro is well positioned to handle challenges arising from protectionism and regionalization. The majority of Hydro's network of aluminium metal plants are located within large well established markets. Hydro's downstream operations have a strong local presence in both Europe and North America. Hydro actively participates in organizations aiming to promote and foster fair trade, such as European Aluminium and the U.S. Aluminum Association.

The supply chain risk is managed through a combination of physical inventory build ups for key raw materials, selective hedging, long-term agreements with approved suppliers and commercial activities in the marketplace.

For further information on Hydro's mitigating financial measures, please refer to the Performance review section Key financial exposures and Note 8.1 Financial and commercial risk management.

Strategic risks > **4. Regulatory & policy framework uncertainty** Influenceability: L Likelihood: H Trend: →

Description

The aluminium industry is subject to a broad range of local and global regulatory frameworks, including mining regulations, tariffs, labor laws and power industry regulations. Additionally, EU climate related regulations such as the implementation of national and regional CO_2 taxes and increased attention on similar regulations in the U.S. are at the forefront of the current uncertainty. The growing pressure to meet climate goals is driving the pace of new regulations and their increased scope regarding all aspects of sustainability.

Consequences

Sustainability driven developments in regulatory frameworks largely represent an opportunity for Hydro. There might, however, be unintended consequences arising from complexity, the uneven impact of and increased emphasis on legislation, potentially impacting aluminium's competitiveness versus other materials, the economic viability of Hydro's operations and/or ability to conduct business in certain markets.

A failure to comply with such laws across multiple local and global regulatory frameworks could expose Hydro to investigations, criminal and civil sanctions such as fines, penalties or loss of licenses, materially impacting the financial results. In addition, there could be other adverse consequences such as reputational damage.

Developments

The growing pressure to meet climate goals is driving the pace of new regulations and their expanded scope regarding all aspects of sustainability. This is increasingly aligned with a push towards strengthening regional sustainable supply chains, reducing the dependence on global markets for key raw materials and energy sources. Industrial policy is rising on the political agenda both in Europe and the U.S., with more emphasis towards the security of raw materials supply, domestic production and industrial competitiveness.

In 2023, the EU adopted an updated Emissions Trading System (EU ETS) and new Carbon Border Adjustment Mechanism (CBAM) as a part of the EU Green Deal Package. As a result, the free allocation of emission allowances for aluminium production will be gradually phased out from 2026 to 2034 and replaced by a CBAM fee for imported goods.

The majority of the CBAM secondary legislation still needs to be finalized. Questions therefore remain on potential loopholes and the practical application of the CBAM transitional period which commenced on October 1, 2023.

By the end of 2025, the European Commission will decide on whether to close the scrap loophole, meaning the possibility to import products based on remelted scrap free of carbon cost. The Commission will also publish an assessment of a potential extension of CBAM to more downstream products and indirect emissions. The CBAM is expected to be revised between 2026 and 2029.

In Norway, the government, industry associations and trade unions reached an agreement on the future of the CO_2 compensation scheme, valid from 2024 to 2030. The revised scheme also includes a link to emission reduction and energy efficiency improvements for industry.

As a part of its industrial policy, the EU adopted in 2024 the Critical Raw Materials Act which includes both aluminium as a strategic raw material, as well as the Net Zero Industry Act that sets targets for the domestic production of green technology. The European Commission has also announced a proposal for a new Clean Industrial Deal in the first quarter of 2025.

In the U.S., the new administration may reverse some of the green transition related support programs however, their extent remains uncertain.

Mitigation

Hydro continues to actively engage with regulators and industry associations, where appropriate, to ensure that aluminium's position is taken into consideration. Hydro has been involved in the development of international frameworks on climate change and greenhouse gas emissions as well as raw materials policies supporting the establishment of a level playing field for the industry.

For power industry regulations, Hydro engages in various activities to support and promote sustainable energy policies in the regions in which it operates, in addition to securing competitive energy supplies for its own operations.

For further information, please refer to the Regulations section in Chapter 4. Governance

Strategic risks > **5. Technological breakthroughs**

Influenceability: L Likelihood: M Trend: →

Description

Hydro is exposed to disruptive technological developments by its direct competitors or competing materials and industries. Technology that reduces the sustainability footprint of other materials could provide a significant advantage and challenge aluminium in key application areas.

Consequences

The successful industrialization of competing materials with lower sustainability footprints could increase the risk of substitution and potentially lower demand for aluminium.

The successful commercialization of breakthrough technological developments such as inert anodes would impact Hydro's comparative advantage as an aluminium producer with one of the lowest CO_2 footprints.

Developments

The increasing emphasis on sustainability is part of a long-term trend which is expected to continue. Hydro sees research and development activities across relevant industries concerning CO_2 free production methods and competing materials, such as production of steel using hydrogen. Within the aluminium industry, several research initiatives are looking into inert anode technology to reduce direct process emissions.

Mitigation

Hydro views technology as a key enabler in delivering on the dual profitability and sustainability strategy. Hydro conducts research and development in house and participates in joint partnerships and projects with other leading industrial companies, universities, and research institutions. Hydro also closely follows external developments.

Hydro has identified and are executing several technology based roadmaps to producing aluminium with near-zero footprint including more recycling of post-consumer scrap, carbon capture and storage as well as CO_2 free primary production process electrolysis through a chloride based process called HalZero. Several important milestones have been achieved for HalZero, including securing external funding from ENOVA and starting the construction of a new test facility in Porsgrunn.

Strategic risks > **6. Climate change**

Influenceability: L Likelihood: M Trend: →

Description

Climate change related risks comprise climate related physical events that may impact the integrity of Hydro's assets (physical risks) as well as strategic challenges arising from climate related policies, regulations and customers' demand for net-zero or low-emission solutions (transition risks).

Physical risks could result from climate related acute and/or chronic changes in rainfall patterns, flooding, shortages of water or other natural resources, variations in sea levels, storm patterns and intensities as well as temperatures.

Transition risks could result from an increased demand for low-carbon products and solutions, higher costs for greenhouse gas emissions and production inputs, as well as changes to market prices for aluminium based products.

Consequences

The consequences of physical risks on Hydro's facilities and operations are highly uncertain and could include the flooding of containment basins, interruptions to production processes, infrastructure failures, and the potential for major accidents.

Transition risks could positively affect the demand for and valuation of Hydro's low-carbon products and portfolio while also requiring the implementation of additional low-emission solutions throughout the value chain. Current technologies may not be able to meet abatement and emissions requirements, necessitating the development of new solutions to reduce Hydro's carbon footprint.

Developments

Physical climate risks are on the rise, evidenced by the increased occurrence of climate events such as floods, drought and forest fires. Hydro is exposed to such physical climate risks through its global footprint, although there was no significant impact to its operations over the course of 2024.

Transition risks are reflected in the increased demand for low-carbon aluminium in Hydro's markets. The sales of Hydro REDUXA and Hydro CIRCAL have increased accordingly as Hydro continues to attract strategic partners aiming to decarbonize the supply chains. The sustainability strategy puts Hydro in a leading position to supply low-carbon aluminium to the market. Hydro also sees a growing interest among its customers and end users regarding its decarbonization roadmap and ability to deliver near-zero products well before 2030.

Mitigation

Hydro has conducted comprehensive climate risk assessments to better understand and mitigate the potential consequences of climate related physical events on its operations. Hydro modelled future weather patterns and their potential impact on its sites based on climate models and scenarios from the Intergovernmental Panel on Climate Change (IPCC). The physical climate risk assessments were updated in 2023. Hydro is working on further integrating the findings and management of such risks at an operational level, where the physical adaptation of assets and supply chain robustness are the subject of ongoing attention.

To manage transition risks, Hydro's climate strategy, advocacy work on future climate related legislation, technology and market strategies aims to be consistent with a 1.5-degree scenario. Hydro's long-term positioning, and operational and financial planning reflect its assessment of related transition risks. Hydro's capabilities and positioning within renewable energy, low-carbon alumina and aluminium products, sorting and recycling, as well as the ambitious decarbonization roadmap position the company well to benefit from the transition to a low-carbon economy.

Business risks > **7. Insufficient asset integrity** Influenceability: H Likelihood: M Trend: →

Description

Hydro is exposed to a range of risks and hazards including critical equipment breakdowns, power failures, climate events and natural catastrophes that could result in disruptions to operations across its business areas.

Consequences

Operational disruptions might reduce or interrupt production at key plants for significant periods of time, materially affecting Hydro's financial results and cash flows.

In Brazil, Hydro operates an integrated mine, pipeline and refining system meaning that a disruption at Paragominas could adversely affect Alunorte and other downstream operations.

Some operations are located close to sizable communities where unplanned operational events could also result in significant and potentially lasting impacts on the health and safety of employees, contractors, nearby communities as well as the environment. In addition, Hydro might be subject to claims, fines and further damage to its profitability or reputation.

Developments

The risk of a major operational disruption remains a subject of ongoing attention. There was no significant interruption to activities at the mine, refinery, smelters, energy and extrusion sites over the course of 2024. Long-term risks are expected to gradually reduce with planned investments to sustain and replace equipment across sites.

Mitigation

The asset integrity of Hydro's operations continues to be preserved and improved through historically high sustaining capital expenditure. ISO 55001 Asset Management certifications have been renewed for Hydro's Bauxite & Alumina operations. Extensive repairs and maintenance along the Paragominas bauxite pipeline continue to progress. The integrity of the pipeline will be further validated through a new Pipeline Inspection Gadget (PIG) campaign scheduled for 2025.

The back up power line between Paragominas and Tomé-Açu has been completed. Discussions are ongoing to transfer its operation to a private operator.

Hydro Aluminium Metal is making good progress on a range of projects to replace or update critical equipment such as transformers, rectifiers and pot control systems over the next few years.

Hydro's portfolio of hydropower dams is undergoing a range of upgrade projects and continues to be operated in compliance with the high standards of regulation set by competent authorities in Norway.

Hydro performs regular inspections and maintenance activities, conducts comprehensive emergency preparedness training with key personnel, and maintains a range of business continuity plans across sites to best prevent and mitigate operational disruptions. Hydro's resilience against power outages is enhanced, where appropriate, by automated substations, power generating facilities and back up facilities.

Business risks > **8. Material legal or compliance incident** Influenceability: H Likelihood: L Trend: →

Description

Hydro has a strong commitment to act in compliance with applicable laws and regulations. However, Hydro could still be negatively affected by investigations and criminal or civil proceedings into alleged non-compliance related to anti-competitive or corrupt practices, product quality, environment, health and safety, data privacy, market regulation, or trade sanctions.

Consequences

There could be material adverse effects on Hydro's business if its controls and initiatives prove to be insufficient to mitigate the risk of non-compliance with applicable laws and regulations. Potential consequences range from fines, litigation and reputational risk, the withdrawal of licenses and suspension or operational shutdowns thereby causing material adverse impacts on Hydro's operating results, cash flow and financial condition.

Developments

Hydro's exposure to legal and compliance related risks is considered to be stable. All business units regularly identify and evaluate such risks as well as implement corresponding mitigating measures. Risks arising from regulatory developments within the various compliance areas are addressed through continuous improvements of Hydro's compliance structures and processes.

One compliance incident involving a U.S. subsidiary was resolved in December 2023 when Hydro Extrusion USA, LLC was sentenced in accordance with a negotiated plea agreement. Under the plea agreement, the company admitted to a federal misdemeanor violation of the Clean Air Act at its casthouse in The Dalles, Oregon. In parallel, the company entered into a three year Administrative Agreement with the U.S. Environmental Protection Agency Suspension and Debarment Division with respect to this matter. The company timely submitted its first annual report in September 2024 and is in material compliance with its obligations under the Administrative Agreement.

Mitigation

Hydro's Code of Conduct requires adherence to laws and regulations as well as global directives and procedures. It is systematically implemented and maintained through Hydro's compliance system, which is based on a clear governance structure defining roles and responsibilities to manage the relevant compliance risks.

Business Areas have a clear responsibility to act in a compliant manner, while being supported by Group Compliance and competent staff in other functions. While the system includes controls and activities to prevent, detect, report and respond to compliance failures, the core focus is on the prevention of non-compliance incidents.

In addition to policies, guidelines and procedures, Hydro maintains an extensive training program adapted to the company's risks and profile to continuously build and maintain a strong culture of compliance and integrity. Hydro also actively promotes its whistleblower hotline to allow employees and external third parties to report concerns 24 hours a day, 7 days a week in multiple languages via toll-free telephone or online. Reporting, which may be anonymous or identified, is supported by information on Hydro's website and strong anti-retaliation protection.

For further information, please refer to the Business Conduct section in chapter 5. Sustainability Statements"

Business risks > **9. Major breach of cyber security**

Influenceability: M Likelihood: M Trend: →

Description

Hydro's Information and Technology (I&T) infrastructure is critical to all its operations, ranging from process control systems at production sites to central personnel databases and systems for external reporting.

Cybercrime is increasing globally, exposing Hydro to a range of threats to the integrity, availability and confidentiality of its systems. Threats may include attempts to access information, ransomware attacks, supply chain attacks, malware, denial of service and other digital security breaches.

Consequences

A breach of cyber security could result in a broad range of impacts including HSE events, operational disruptions and the leakage of private or confidential data. Such leakages could also impact Hydro's reputation and result in fines against the company.

Developments

The underlying cyber security risk to industrial control systems continues to be sustained at a high level, reflecting the geopolitical context and high rate of cybercrime. The trend of supply chain attacks (both malicious and accidental) is increasing across the industry, manufacturing companies often being prime targets.

External threats relating to cyber security are developing as threat actors continue to innovate and change their techniques to increase their success rate, requiring organizations to adapt quickly.

Mitigation

Hydro remains vigilant to the unstable geopolitical situation in Europe and other geographical areas where the company operates, with possible spillover effects on governmental organizations and companies around the world.

This risk continues to receive attention through the continuous improvement and close monitoring of compliance with and effectiveness of existing security capabilities. In 2025, Hydro will continue to improve its risk management process for cyber security across the group to address the most likely threat scenarios and specific tactics deployed. These improvements will assist the company in meeting the rise in customer and regulatory requirements for cyber security.

Business risks > **10. Failure to meet social performance expectations** Influenceability: M Likelihood: M Trend: →

Description

Hydro is committed to behaving in an ethical and socially responsible manner. However, Hydro could still be exposed to allegations or perceived failures to act in an ethical or socially responsible manner, particularly related to human rights and legacy issues which could influence its social license to operate.

Consequences

A deterioration of Hydro's social license to operate may impact the company's ability to maintain optimal productivity at certain sites, would Hydro no longer be perceived as a responsible company. Loss of public trust could affect Hydro's reputation both in the short and long-term, impacting its ability to attract capital and ultimately result in a loss of market share.

Unrest in local communities may impact safety and security as well as cause logistical and transportation challenges.

Other potential consequences range from fines or penalties, contractual implications, litigation, the withdrawal of licenses and suspension or operational shutdowns thereby causing a material adverse impact to Hydro's operating results, cash flow and financial condition.

Developments

Social performance related risks continue to be influenced by a combination of increasing customer and civil society expectations, scrutiny as well as legislative development in Norway, Brazil, Germany and the implementation of the EU Corporate Sustainability Due Diligence Directive (CSDDD). The EU is also pushing ahead with its Forced Labor Ban regulation, which aims to stop sourcing from regions with state sponsored forced labor risks.

Hydro believes that transparent communication with regards to sustainability claims, including social performance, is critical to gain trust. Hydro is increasingly engaged by customers and civil societies to verify its ethical sourcing and social footprint across the value chain from bauxite mining and scrap supply to finished products. This includes an increase in targeted questions on Hydro's due diligence activities with reference to the Norwegian Transparency Act.

In a context of increasing geopolitical uncertainty and polarization, Hydro is likely to see more instances where social conditions are less than optimal in some areas where it operates and parts of the supply chain.

Mitigation

As part of Hydro's social responsibility strategy, it has defined priorities and overall goals, and implemented these through specific directives, policies, procedures, and social development programs to manage social risks and opportunities throughout the company. Importantly, Hydro has initiated a CSDDD project across the company which aims to future proof its organization to the end of 2027.

Hydro continues to implement Human Rights due diligence in its business processes including own operations, procurement activities and projects, as well as building its internal competence on human rights management based on the OECD Guidelines on Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights.

Hydro collaborates on industry initiatives and invests in partnerships for supporting human rights and positive social development, such as through its ICMM membership as well as partnership with Amnesty International in Norway.

The Aluminium Stewardship Initiative (ASI) certification of sites across Hydro's value chain provides its stakeholders with a third party verification that Hydro conducts its business according to globally accepted good practices.

See the chapter on Human Rights, Workers in the value chain and Affected communities for further information.

Business risks > **11. The next pandemic** Influenceability: L Likelihood: M Trend: →

Description

Hydro's vertically integrated value chain and global footprint are exposed to rapidly evolving and spreading communicable diseases.

The actions Hydro takes in anticipation of and response to a pandemic may affect its ability to maintain stable operations across business areas and corporate functions.

Consequences

High transmission rates among employees, contractors, stakeholders and communities may lead to the prolonged shutdown of operations, either due to government imposed restrictions, insufficient manning, social unrest or Hydro's inability to provide a safe environment.

The inbound and outbound supply chains of Hydro, its suppliers and customers could also face constraints, further disrupting production and sales.

On a broader scale, a global pandemic may cause acute, short-term fiscal shocks as well as longer-term damage to economic growth, significantly affecting demand for Hydro's products and causing a material adverse impact on operating results, cash flow and financial condition.

Developments

Hydro operated throughout the last pandemic without any major disruptions, however some of its staff may still be impacted mentally or physically by the long-term effects of COVID-19. Hydro continues to give due emphasis on mental health through a broad range of initiatives and encourages vaccination according to the guidelines set by competent authorities.

Hydro regularly monitors the evolution of diseases which could potentially affect the regions where it operates and has been paying specific attention to the mpox outbreak following the alerts provided by the World Health Organization. This served as a basis to check the ongoing relevance of its risk mitigation measures as described in the paragraph below.

Mitigation

Hydro's strategy to prepare for future pandemics continues to be based on full cooperation with local authorities and compliance with rules complemented by a flexible range of company and location specific measures.

Where applicable, guidelines and regulations from national authorities such as those pertaining to travel restrictions, social distancing, home office or complete societal lockdowns, are reflected in Hydro's internal policies and procedures. Hydro evaluates its key pandemic related risks and vulnerabilities through security and business resilience assessments, which support the preparation and review of robust emergency preparedness and business continuity plans.

Additional measures previously implemented, and which could be reinstated include raw material stock level increases to reduce Hydro's exposure to supply chain disruptions as well as cash preservation measures to reduce cost, capital expenditures and to ensure adequate liquidity to face the financial impact of potential shutdowns.

Business risks > **12. Material tax change** Influenceability: L Likelihood: M Trend: →

Description

Hydro is committed to pay equitable taxes where the economic value is created. Its global reach involves complexity and potential volatility linked to regulatory changes on direct and indirect taxes as well as to OECD/EU initiatives such as the Global Tax Reform (Pillar Two). In addition, multiple changes often occur in local tax regulations, constantly shifting the global tax landscape which is challenging to predict and navigate.

Developments

In Brazil, the tax system remains complex and volatile, with a broad range of direct and indirect taxes levied at federal, state and municipal levels, including the Imposto Sobre Circulação de Mercadorias e Serviços (ICMS) which is an indirect state tax charged on circulation of goods and services. Brazil has a general ICMS exemption on exports. Under a 15 years framework agreed in 2015 with the state of Para, Hydro's local operations are, under certain conditions, entitled to a deferral of ICMS. A potential discontinuation of the ICMS deferral would materially adversely affect Hydro's financial results from its Brazilian operations.

In November 2024, the state of Para launched a Tax Amnesty Program, (REFIS) allowing for the settlement of certain tax disputes with a substantial rebate on fines and interest. Hydro resolved on partial adherence to REFIS (for certain ICMS cases) in Q4, and the included judicial disputes are now being withdrawn from the courts.

Brazil launched both a consumption tax reform, affecting the ICMS reporting longer-term, as well as new transfer pricing rules. Analysis of the new regulations continues. So far, no notable disadvantage has been detected for Hydro.

Hydro is involved in many tax disputes pertaining to the Group's business in Brazil.

Temporary safe harbor rules for the period from 2024 to 2026 will simplify the initial tax compliance for Hydro in Norway under the OECD's global minimum tax initiative (Pillar Two). Challenges with the collection and systemization of information needed for local and central filings is anticipated. This will be addressed through the development of new tools and routines.

The temporary increase in employer social security contribution on higher salaries introduced in Norway in 2023 will disappear from 2025, but other peculiarities such as restrictive foreign tax credits and input VAT deduction regimes will cause inefficiencies and potentially increase tax costs for groups headquartered in Norway.

Consequences

Changes to tax regulations can occur suddenly and materially impact Hydro's financial results as well as influence decisions with regards to future investments.

Mitigation

Hydro is engaged in a systematic dialogue with local, state and federal politicians, authorities as well as industry associations regarding the fiscal regulatory challenges which could impact Hydro's operations. The main topics of these dialogues concern Hydro's contribution to a sustainable aluminium value chain and underlines the need for competitive and predictable framework conditions for its operations.

Hydro continuously monitors and responds to relevant global, regional and national regulatory initiatives and changes, including the draft corporate tax framework (BEFIT proposal) and transfer pricing directives in the EU.

HSE risk > **13. Fatal or life-changing accident** Influenceability: M Likelihood: M Trend: ↗

Description

Hydro's operations range from mining in Brazil, primary aluminium production in Norway and Brazil, extrusions in Europe, the U.S., South America and China, the recycling of used metal in Europe and the U.S. as well as renewable power production. Associated activities pose serious safety risks that, if not controlled, could cause serious injuries or fatalities.

Despite Hydro's best efforts, high risk incidents do occur. All such incidents are treated seriously and investigated to their root causes to prevent recurrence.

Consequences

Workplace related loss of life has a traumatic and long lasting psychological effect on relatives, close friends and colleagues.

Life changing injuries affect the quality of life of the injured person and often require significant adjustments at home and work. This could be associated with long lasting psychological impacts on the injured person and family, together with the need for ongoing financial support. Police or health and safety agencies might impose sanctions which include imprisonment and fines. In addition, Hydro might need to shut down its operations and be subjected to legal disputes, sanctions and reputational damage. Civil action could result in compensation claims.

Developments

High Risk Incidents (HRIs) refer to events which could potentially have been fatal or cause life threatening injuries. HRIs in general continue to decrease year on year in terms of numbers and rate, however the incidents which more specifically could have been fatal increased during 2024.

One contractor related fatality occurred at the Albras smelter in July 2024. The accident occurred during maintenance (relining) activities and its root cause is related to electrocution.

Initiatives rolled out during the period include self-assessment systems for all business areas and asset management improvements.

Mitigation

Safety is our number one priority. Hydro's robust approach to HSE. This includes committed and highly visible leaders on the factory floor, well developed HSE management systems, together with employees and contractors who are actively engaged in day to day HSE risk management activities such as work permitting, risk assessments and root cause analysis.

Electrical safety reviews are ongoing in Bauxite & Alumina, Aluminium Metal and at Group level. The latter comprises electrical engineers and HSE specialists that will meet periodically to review electrical risks, investigate and analyze HRIs as well as define minimum requirements to be implemented.

Control measures aimed at reducing the likelihood of fatal and life changing incidents occurring have been developed and implemented in all business areas. Hydro's fatality prevention procedures are well established and continuously improved.

High risk actions and completion rates are critically reviewed to ensure robust processes and learning across all sites. Frequent health, safety, security and environment network meetings connect specialists from all business areas to discuss preventative control measures following high risk incidents as well as share best practices and innovative solutions. Machinery safety and asset integrity incidents are receiving particular attention to further prevent failures and constitute an area for further improvement.

HSE risks > **14. Security incident** Influenceability: L Likelihood: M Trend: ↗

Description
Hydro is exposed to security risks such as public violence, robbery or theft. This risks are particularly relevant in the Barcarena region in Brazil, but also present in other areas such as Reynosa and Monterrey in Mexico.

Consequences

The outcome of security incidents could be psychological impact, a serious injury, single or multiple fatalities. The risk of kidnapping and subsequent ransom demands is also present.

Security incidents could potentially be associated with environmental incidents through attacks on the Paragominas bauxite pipeline and result in business interruptions.

Developments

Firearm related incidents and robberies continued to occur in 2024 in relation to Hydro's operations in Paragominas, Barcarena and Mexico. No Hydro personnel was injured in these events. Security mitigation measures have been employed to further protect personnel and prevent against other incidents. Violence in Barcarena and surrounding areas remains comparable to previous years, at a concerning level. One High Risk Incident involving firearms occurred whereby security guards were assaulted and robbed. The security situation in Reynosa and Monterrey, while not impacting business operations, remains problematic and is monitored closely.

The war between Russia and Ukraine has raised the risk to sabotage, cyber attacks and international political tensions. The escalation of the conflict in the Middle East and tensions between Israel, Hamas, Hizballah and Iran continue to cause international uncertainty around the potential for increased terror attacks and conflict extension to other regions as witnessed by ongoing Houthi attacks on shipping in the Red Sea.

Mitigation

Hydro's Bauxite & Alumina security team closely monitors security risks and maintains close contact with security authorities in operational areas. Training for Brazil's security team continues. Regular security calls are held incorporating all Hydro locations including Energy and Extrusion plants. Project security planning has implemented mitigating measures to counteract potential criminal activity along the pipeline, and this is ongoing and evolving.

Group Security closely monitors the security risks in Brazil and maintains close contact with both Hydro plants in Mexico with a monthly security call implemented to ensure security mitigation measures are aligned with the developments and threat. Regular security updates are disseminated to all Hydro business areas with information and advice provided on any associated travel, security or emergency mitigation measures which may be required.

HSE risks > **15. Impact on the environment** Influenceability: M Likelihood: M Trend: →

Description

Hydro's mining and industrial operations are exposed to potential risks that could have a negative impact on the environment. Such risks are usually long-term and may relate to the effects of known and unknown, historical and current emissions to the air, water, and soil around Hydro's operations.

Many operational sites have some form of environmental legacy that eventually need to be remediated prior to site closure. Examples include areas with contaminated ground and landfills that could potentially impact the environment if there is a route of exposure, such as a spread to the food chain via groundwater.

Consequences

Related events could have a significant and potentially lasting negative impact on the aquatic life, flora, fauna and may pose health and safety risks to nearby communities if, for example, ground water becomes contaminated. They could also potentially lead to operational shutdowns, fines or legal disputes, negative reputational impacts as well as a material impact on financial results and cash flow.

Developments

Chemical usage and waste production are present at all sites, with an inherent risk of spills and leakages. Aluminum Metal and Bauxite & Alumina are the business areas most exposed to potential impacts on the environment due to the volumes and nature of hazardous materials used in operations as well as the locations of large sites. There has been a reduction in the number of environmental incidents reported across Hydro in 2024 compared to previous year.

Although bauxite mining in the Amazon region requires the removal of overburden as well as vegetation clearing activities with a material environmental impact on biodiversity, the strip mining method allows for the progressive rehabilitation of mined areas. A robust rehabilitation process in place at Paragominas with key support from the Biodiversity Research Consortium (BRC). Hydro is pursuing its own Nature Positive related ambitions to supplement the ongoing 1:1 rehabilitation practice.

Mitigation

All Hydro sites are required to have action plans in place for known legacies. These are agreed with relevant regulatory bodies. While legacy remediation plans are suitable for known risks, potential investigations may uncover unknown risks.

Hydro performs extensive risk assessments to reduce the risks to its operations. These include environmental studies and the modelling of future weather patterns together with their impact on Hydro's facilities based on existing climate models from the Intergovernmental Panel on Climate Change (IPCC) as well as scenarios for policy, legal, technology, market ,and reputational risk.

The Tailings Dry Backfill technology allows new tailings from bauxite mining to be returned to open and mined areas before the rehabilitation process, instead of being deposited in separate, permanent storage areas. BRC related activities continuously improve rehabilitation at Paragominas. The roadmap for No Net Loss seeks to mitigate residual impacts to biodiversity and has further matured in 2024. All sites are required to follow Group standards on chemical and waste management to mitigate the inherent risk of storing, handling and disposing of hazardous materials. Chemical management and controls set to prevent spills are included in business area internal audit programs. Hydro has conducted an analysis on fluoride emissions from its smelters in Norway and established plans to mitigate their effect on the local deer population.

HSE risks > **16. Structural collapse or other major accident**

Influenceability: M Likelihood: M Trend: →

Description

Hydro is exposed to the risk of major accidents such as the collapse of a hydropower dam, an incident at its tailings storage at Paragominas or bauxite residue storage facilities at Alunorte and Schwandorf, the collapse of the entire port structure at the Alunorte alumina refinery or a rupture of the bauxite slurry pipeline between Paragominas and Alunorte.

Consequences

Any occurrence of such incidents could have a significant and potentially lasting adverse impact on the environment as well as the health and safety of employees, contractors and nearby communities. In addition, Hydro might need to shut down its operations and may be subjected to fines, legal disputes and reputational damage thereby causing a material adverse impact on operating results, cash flow and financial condition.

Developments

Extensive repairs, inspections and maintenance to the pipeline continued in 2024.

The ongoing implementation of the Global Industry Standard on Tailings Management (GISTM) in Hydro reduces the potential risk of failure at tailings storage facilities (Paragominas) and bauxite residue storage facilities (Alunorte).

Mitigation

Hydro continuously seeks to reduce the likelihood of major accidents through risk mitigating activities. Hydro has committed to comply with the GISTM within applicable deadlines together with additional initiatives such as the Tailings Dry Backfill technology to contribute towards the reduction of long-term risks at Paragominas. At closed tailings facilities, the risk of failure under varying conditions, including extreme weather and seismic events (defined as events with a statistical return period of 1:10000), is under investigation.

The Paragominas bauxite pipeline’s extensive repairs and maintenance program is ongoing, while security concerns associated with the pipeline’s length and remote location are addressed through a robust and well embedded fatal risk management approach.

Hydro’s portfolio of hydropower dams is undergoing a range of upgrade projects and continues to be operated in strict compliance with the high standards of regulation set by competent authorities in Norway.

The Hydro share

Introduction

Hydro's share price closed at NOK 62.5 at the end of 2024. The return ex. dividend[1] for 2024 was a negative NOK 6.1, or a negative 8.8 percent. Hydro paid its 2023 dividend of 2.5 NOK per share in May 2024. The Annual General Meeting in May 2024 approved a new NOK 2 billion share buyback program. As of December 31, 2024, approximately 60 percent of this share buyback program had been completed. The previous share buyback program, initiated in September 2023, completed its market purchases on January 31, 2024. The redemption and cancellation of all shares, including shares held by the Norwegian state, related to this earlier program were approved for cancellation by the Annual General Meeting in May 2024 and officially registered in June 2024. The total shareholder return for 2024[2] ended at negative 5.2 percent. Hydro's Board of Directors proposes to pay a dividend of NOK 2.25 per share for 2024, for approval by the Annual General Meeting on May 9, 2025, reflecting Hydro's strong financial position. The proposed payment demonstrates the company's commitment to provide a predictable and competitive dividend.

The average five year pay-out ratio is 67 percent. There were 2,009,015,998 shares issued at the end of 2024. A total of 1,028,498,807 Hydro shares were traded on the Oslo Stock Exchange (OSE) during 2024 at a value of NOK 66.38 billion. The average daily trading volume for Hydro shares on the OSE during 2024 was 4,033,329 shares. Hydro's shares are listed on the Oslo Stock Exchange, while the American Depositary Shares (ADSs) trade on OTCQX International in the U.S., the premium over the counter market tier.

Dividend policy

Long-term return to shareholders should reflect the financial value created by Hydro over time. Total shareholder return consists of dividends and share price development. Hydro's dividend policy is to pay out minimum 50 percent of adjusted net income as ordinary dividend over the cycle to shareholders. The dividend policy has a floor of NOK 1.25 per share.

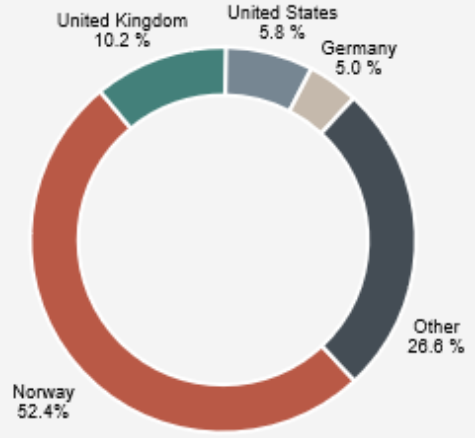
1) Return is calculated based on the opening share price and the closing share price for the year.

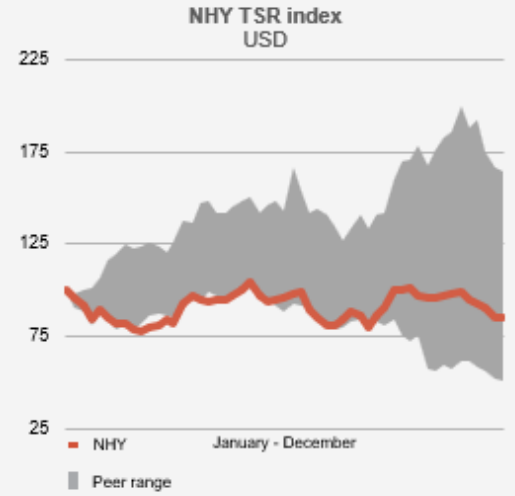
2) Total shareholder return includes the opening share price, dividends paid during the year and the closing share price.

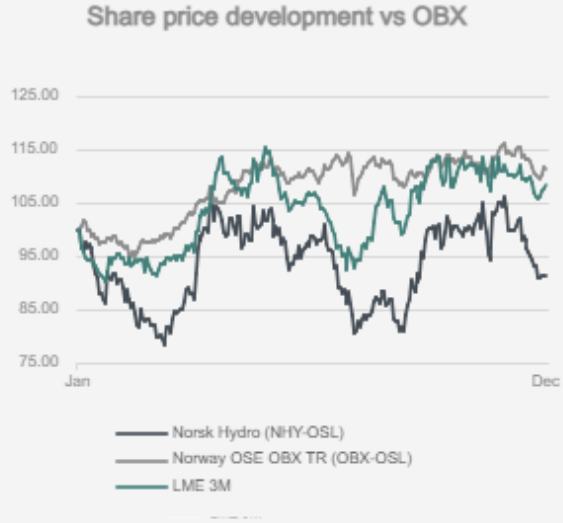
Top 15 shareholder

The Ministry of Trade, Industry and Fisheries of Norway	34.8 %
Folketrygdfondet	7.0 %
The Vanguard Group, Inc.	2.6 %
BlackRock Institutional Trust Company, N.A.	2.3 %
Storebrand Kapitalforvaltning AS	2.0 %
Nordea Funds Oy	2.0 %
BlackRock Investment Management (UK) Ltd.	1.9 %
DNB Asset Management AS	1.7 %
KLP Fondsforvaltning AS	1.5 %
Schroder Investment Management Ltd. (SIM)	1.5 %
State Street Global Advisors (US)	1.1 %
Allianz Global Investors GmbH	1.1 %
Swedbank Robur Fonder AB	1.1 %
BlackRock Advisors (UK) Limited	0.8 %
Assenagon Asset Management S.A.	0.8 %

Se main shareholder list on Hydro's website







When determining the dividend for a specific year, Hydro will take into consideration expected earnings, future investment opportunities, the outlook for world commodity markets and financial position. Hydro targets an adjusted net debt of around NOK 25 billion over the cycle.

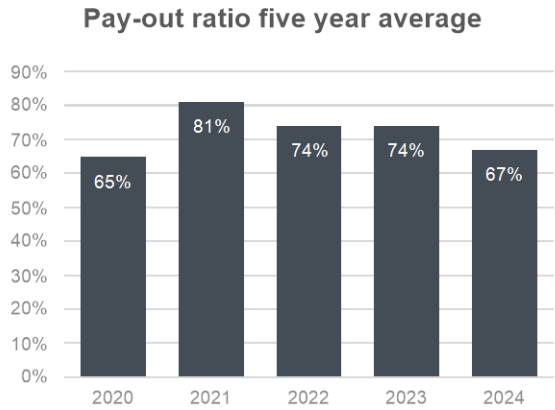
Share buybacks or extraordinary dividends may supplement ordinary dividends during periods of strong financial results, due consideration being given to the commodity cycle and capital requirements for future growth. The total pay-out should reflect Hydro's aim to provide its shareholders with competitive returns benchmarked against alternative investments in comparable companies. Hydro's Board of Directors normally proposes a dividend per share in connection with the publication of the fourth quarter results. The Annual General Meeting then considers this proposal in May each year and the approved dividend is subsequently paid to shareholders in May or June. Hydro pays ordinary dividends once each year. For non-Norwegian shareholders, Norwegian tax will be deducted at source in accordance with the current regulations.

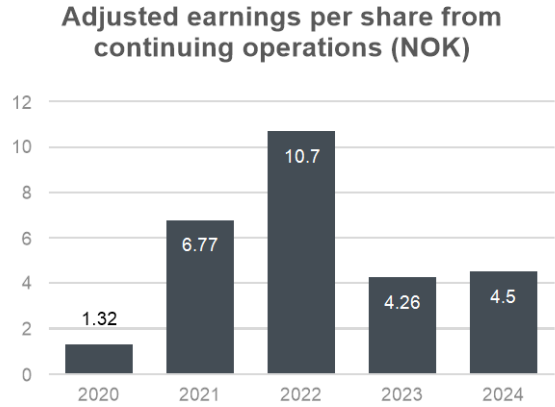
Buyback of shares

Hydro may consider buying back shares in addition to ordinary or extraordinary dividend payments. This consideration will be made in the light of alternative investment opportunities and financial situation. In circumstances when share buybacks are relevant, the Board of Directors proposes buyback authorizations to be considered and approved by the Annual General Meeting. Authorizations are granted for a specific time period and for a specific share price interval during which share buybacks can be made, in accordance with applicable regulation.

Common share data	2024	2023	2022	2021	2020
Share price high, Oslo (NOK)[1)]	75.10	84.04	89.95	71.46	40.74
Share price low, Oslo (NOK)[1)]	53.24	56.63	51.49	36.99	19.14
Share price average, Oslo (NOK)	64.26	68.85	69.34	55.94	28.09
Share price year-end, Oslo (NOK)	62.54	68.40	73.32	69.52	39.86
Earnings per share from continuing operations	2.90	1.77	11.76	5.92	1.99
Adjusted earnings per share from continuing operations[2)]	4.50	4.26	10.70	6.77	1.32
Dividend per share (NOK)[3)]	2.25	2.50	5.65	6.85[7)]	1.25
Pay-out ratio[4)]	50%	59%	53%	101%	95%
Dividend growth	-10%	-56%	-18%	448%	-
Pay-out ratio five year average[5)]	67%	74%	74%	81%	65%
Adjusted net debt / adjusted EBITDA	0.9	0.7	0.2	0.36	1.95[6)]
Credit rating, Standard & Poor's	BBB	BBB	BBB	BBB	BBB
Credit rating, Moody's	Baa2	Baa3	Baa3	Baa3	Baa3
Non-Norwegian ownership, year-end	48%	49%	53%	52%	52%
Outstanding shares, average	1,997,800,202	2,029,080,722	2,050,779,399	2,050,818,686	2,048,766,546
Outstanding shares, year-end	2,009,015,998	2,041,208,621	2,068,998,276	2,051,475,662	2,049,124,718

1) Share price high and low based on intraday, not only closing price
2) Alternative performance measures (APMs) are described in the appendices
3) 2024 dividend per share proposed by Board of Directors, dependent on approval from the Annual General Meeting May 9, 2025
4) Dividend per share divided by adjusted earnings per share from continuing operations.
5) Average dividend per share divided by average adjusted earnings per share from continuing operations for last five years.
6) Restated
7) Includes NOK 1.45 per share extra dividend distributed.





Funding and credit quality

Maintaining a strong financial position and an investment grade credit rating are viewed as important risk mitigating factors, supporting Hydro's possibilities for strategic development. Access to external financial resources is required to maximize value creation over time, within an acceptable risk exposure.

To secure access to debt capital on attractive terms, Hydro aims at maintaining an investment grade credit rating from the leading rating agencies. Contributing towards this ambition, Hydro's targets, over the business cycle, a ratio of average adjusted net cash to adjusted EBITDA below 2x, and an adjusted net debt of around NOK 25 billion over the cycle. For further information, see note 7.1 Capital management in the Financial Statements section of this report.

American Depository Shares

JPMorgan Chase Bank NA, as depositary of the ADSs through its nominee company, Morgan Guaranty Trust Company, held interests in 22,547,090 ordinary shares, or 1.1 percent of the outstanding ordinary shares as of December 31, 2024. The interests are on behalf of 221 registered holders of ADSs.

Major shareholders and voting rights

As of December 31, 2024, Hydro had 55,557 registered shareholders as per the Norwegian Central Securities Depository (VPS). The Ministry of Trade, Industry and Fisheries of Norway was the largest of these with a shareholding of 34.26 percent of the total number of ordinary shares authorized and issued, and 34.80 percent of the total shares outstanding. As of the same date, the Government Pension Fund - Norway (Folketrygdfondet) owned 6.94 percent of the total number of ordinary shares issued and 7.05 percent of the total shares outstanding. There are no different voting rights associated with the ordinary shares held by the Norwegian state.

The Norwegian Ministry of Trade, Industry and Fisheries represents the Norwegian government in exercising the state's voting rights. The state has never taken an active role in the day to day management of Hydro and has for several decades not disposed of any of the ordinary shares owned by it, except when participating in the share buyback programs. All shares carry one vote. It is a requirement of Norwegian legislation that a shareholder can only vote and have preferential subscription rights for shares registered in their name.

Shares registered with a nominee account must be re-registered in the Norwegian Central Securities Depositary, Verdipapirsentralen (VPS), before the Annual General Meeting in order to obtain voting rights. This requirement also applies to Hydro's U.S. traded ADS'. Hydro cannot guarantee that beneficial shareholders will receive the notice for a general meeting in time to instruct their nominees to affect a re-registration of their shares. Hydro is organized under the laws of the Kingdom of Norway. It may be difficult for investors to effect service of process outside Norway upon Hydro or its directors and executive officers, or to enforce against Hydro or its directors and executive officers judgments obtained in other jurisdictions. Norwegian courts are unlikely to apply other than Norwegian law when deciding on civil liability claims under securities laws.

Information from Hydro

Communicating with the stock market is given high priority and Hydro aims to maintain an open dialogue with market participants. Hydro's objective is to provide sufficient information on a timely basis to all market participants to ensure a fair valuation of company shares. Information that is considered price sensitive is communicated by news releases and stock exchange announcements. Hydro hosts regular meetings for investors in Europe and the U.S. The major brokers in Oslo and London publish equity research reports on Hydro. Previous annual and quarterly reports and Hydro's Investor relations' policy are available on Hydro.com.

Annual General Meeting

The Annual General Meeting of the company will be held May 9, 2025. Notice to the Annual General Meeting, including information on participation and relevant appendices will be distributed to the company's shareholders at least three weeks prior to the Annual General Meeting.

Change of address

Shareholders registered in the Norwegian Central Securities Depository should send information on changes of address to their registrar and not directly to Hydro.

Financial calendar 2025 [1)]

29. April	Results first quarter
09. May	Annual General Meeting
22. July	Results second quarter
24. October	Results third quarter

[1)] Hydro reserves the right to revise these dates

See updated calendar on Hydro.com.

Regulations

Hydro is subject to a wide range of laws and regulations in the jurisdictions in which it operates. These impose stringent standards and potential liabilities concerning plant construction and operations, emissions to air and water, the storage, treatment and discharge of waste waters, handling of hazardous materials, waste disposal, and environmental remediation, among other things. Some of the laws and regulations deemed most material to Hydro's type of operations are outlined below. Tax regulations are covered in the

Country by Country report.

Bauxite & Alumina regulations

Environmental Regulation

Hydro's operations in Brazil are subject to stringent environmental licensing requirements. Brazilian law mandates an environmental license for any potentially polluting activity, often with conditions for regulatory compliance and mitigation of environmental impacts. Hydro's Brazilian operations hold several environmental licenses.

Brazil has numerous norms regulating waste management, forest protection, water resources usage and air quality. Specific regulations apply to our Mineracão Paragominas S.A. mine, due to its location in the Amazônia region. The Brazilian Forest Code requires that a portion of a rural property with native forest in the Amazônia region must be preserved as an Environmental Legal Reserve, implying that a mine cannot be developed without a sustainable forest management plan.

Greenhouse gas emissions

In 2024, Brazil committed to reducing greenhouse gas emissions between 59 and 67 percent by 2035, (v. 2005 levels), as initially pledged at the 2015 Paris Climate Conference. The long-term goal of net-zero emissions by 2050 was reinforced. These targets drive further sustainability initiatives in Brazil, prompting continued improvements to meet evolving emission standards.

Mining

Mineral exploration requires an exploration license from the federal mining agency, granting exclusive exploration rights to an area. Such license includes obligations like compensation to landowners and payment of an annual exploration fee to the National Mining Agency. If the exploration identifies viable resources, a mining concession is granted with obligations to pay royalties to the government and landowners.

Energy regulations

Hydro's main production assets are hydropower situated in Norway, where ownership and utilization of large waterfalls for hydropower production is subject to various law and regulatory requirements, including concession requirements.

About one-third (3 TWh) of Hydro's normal annual production is subject to concession terms requiring Hydro to transfer ("revert") the production assets to the Norwegian state when the concession expires. The majority of concessions will expire around 2050. Reversion can be avoided if the power plants or at least two-thirds of the shares of the entity which owns the power plants, are sold to a public entity.

Hydro's activities within wind, solar and hydrogen are also subject to regulations, such as licensing, grid access, land use, zoning, and HSE. Regulations for renewable energy and hydrogen are evolving in many jurisdictions.

Aluminium regulations

Environment

Hydro's aluminium operations are governed by stringent environmental laws, both inside and outside the EU, covering, inter alia, air emissions, water management, hazardous materials, and waste management.

Greenhouse gas emissions

The aluminium industry is part of the EU Emissions Trading System (ETS), which impacts it directly, as well as indirectly through CO2 costs passed on by power producers into the power prices (referred to as "indirect effects").

Classified as a high-risk sector for "carbon leakage" (loss of market share by European operations to more carbon-intensive imports from outside the EU), aluminium producers receive more free emission allowances compared to sectors not exposed to carbon leakage, and can apply for indirect carbon cost compensation for the indirect effects of the ETS in the power prices under applicable state aid guidelines.

In 2023, the EU adopted a revised ETS Directive and the carbon leakage mechanism known as the Carbon Border Adjustment Mechanism (CBAM) Regulation. These updates aim for a 55 percent emissions cut by 2030 (v. 1990 levels) for the EU. For CBAM-covered sectors, ETS free allowances will phase out from 2026 to 2034. CBAM reporting obligations began in October 2023, with charges applying from 2026. Parts of the CBAM design are still in the process of being decided.

Trade and Tariffs

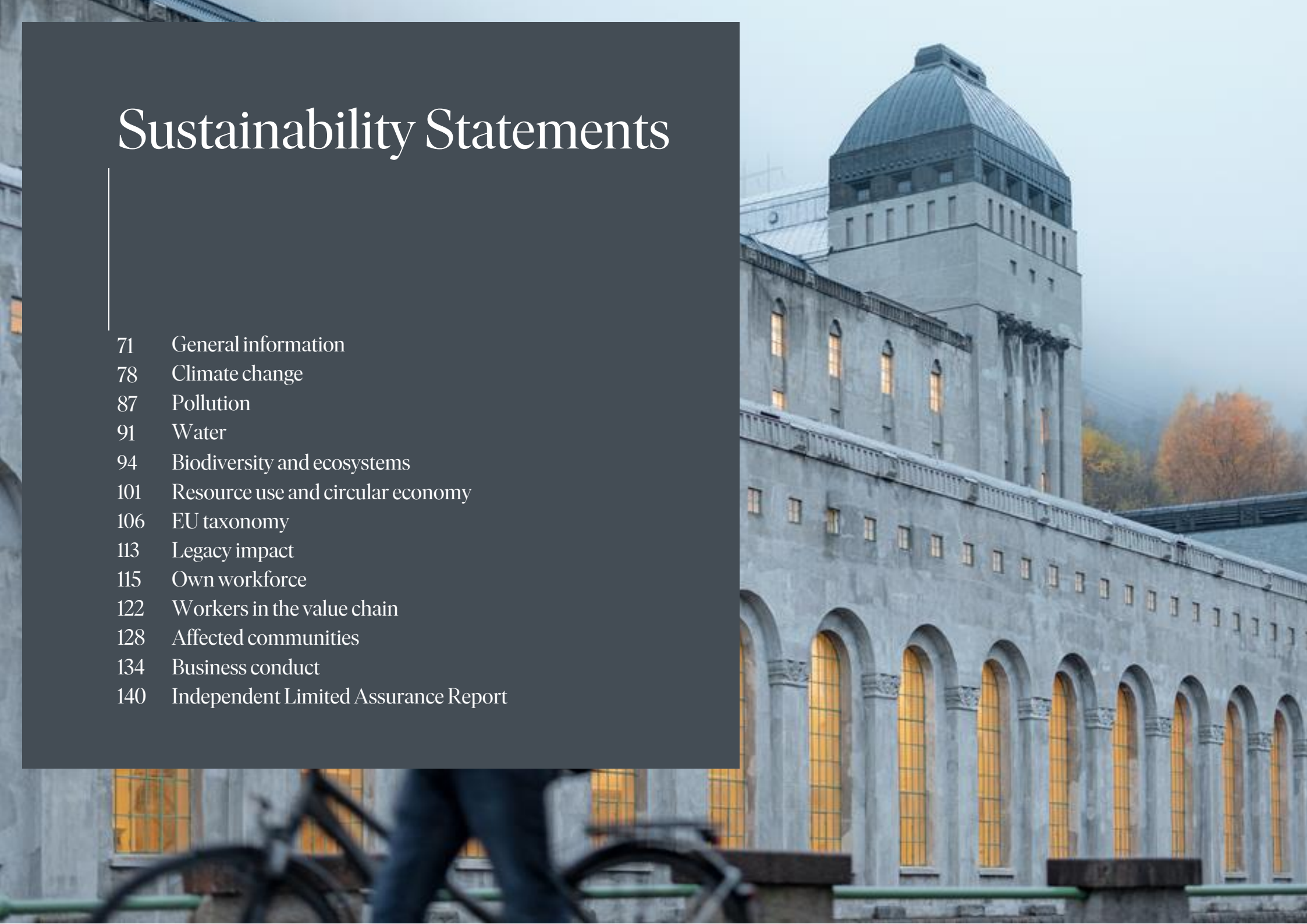
The international trade framework significantly impacts Hydro's business through political developments (EU-U.S.-China relations), strategic trading bloc agendas (free trade agreements, WTO developments), and technical trade measures like tariffs and anti-dumping duties.

EU tariff rates on imports of alumina, primary and semi-finished aluminium products range from 3 to 7.5 percent, excluding aluminium produced in the EEA and countries with which the EU has free trade agreements. Since 2020, the EU has imposed anti-dumping duties of 21.2-32.1 percent on aluminium extrusions from China, along with duties on certain other aluminium products imported from China. In December 2022, the UK applied anti-dumping duties on imports of certain aluminium extrusion from China to UK, ranging from 0 to 35 percent.

The U.S. has a 10 percent tariff on aluminium imports, excluding those from Australia, Argentina, Canada and Mexico. In October 2021, the EU and the U.S. temporarily agreed to replace U.S. Section 232 aluminium tariffs with a tariff-rate quota for imports from the EU. On February 10, 2025, the U.S. administration announced that all countries, without exception, will face a tariff increase to 25 percent starting March 12, 2025. Changes to the tariffs may be made through further negotiations between the parties.

In April 2023, the U.S. imposed a 200 percent import duty on aluminium articles with any Russian primary metal, on top of the 70 percent duty due to revoked most favored nation status. In December 2023, the EU banned imports of Russian aluminium products (profiles, wire, bars, rods, plates, sheet tubes and foil), affecting about 12 percent of Russian imports into the EU.

Sustainability Statements



General information

The sustainability statements present Hydro's governance and performance related to material sustainability topics, including detailed performance indicators (sustainability metrics).

This general information section presents identified material sustainability related impacts, risks, and opportunities, and Hydro's principles for sustainability reporting which form the basis for preparation of the sustainability statements.

Principles for sustainability reporting

The purpose of Hydro's reporting is to provide stakeholders with a fair and balanced picture of relevant aspects, engagements, practices, and results for 2024. The sustainability statements are prepared on the same consolidated basis as the financial statements. Sustainability information that relates to business relationships in non-consolidated entities, including Hydro's upstream or downstream value chain, is clearly identified as such. No specific information corresponding to intellectual property, know how or the results of innovation that is considered material for users of the integrated annual report, has been omitted.

Quantitative metrics included in the sustainability statements include a description of reporting principles, measurement and calculation methodology, assumptions and basis for presentation, including an evaluation of accuracy if the data is estimated using sector averages or other proxies and planned actions to improve accuracy in the future. Metrics subject to a high level of measurement uncertainty are clearly identified as such.

The sustainability statements, including additional notes and disclosures pursuant to the Norwegian Equality Act in the appendix, are approved by the Board of Directors.

Statutory reporting and reporting standards

Hydro's sustainability statements are prepared in compliance with the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), the Norwegian Accounting Act, and other applicable regulations. Hydro follows the ESRS recommendations regarding phase in periods for disclosure requirements E1-9, E2-6, E3-5, E4-6, E5-6.

Disclosures required by the Norwegian Equality and Anti-Discrimination Act are included in the Appendix.

Human rights related reporting, including disclosures required by the Norwegian Transparency Act 2021, the Australian Modern Slavery Act 2018, and the UK Modern Slavery Act 2015 are provided in the sections on Own Workforce, Workers in the value chain, and Affected communities.

The reporting requirements in these regulations apply to Hydro as an enterprise resident in Norway with total assets of more than NOK 35 million combined with, on average, more than 50 full time employees, a supplier of goods with a total turnover of more than AUD 100 million in Australia and GBP 36 million or more in the UK, respectively.

The human rights related disclosures are prepared based on information collected from all consolidated entities in Hydro. Hydro's Human Rights Policy and further information about the company's human rights management approach is available on Hydro.com. Hydro's Code of Conduct sets out the company's position on human rights in all operations, including the opposition to all forms of modern slavery. Entities that are not fully owned by, but are controlled by Hydro, can have different policies. Hydro expects that their relevant policies are aligned with the ones of Hydro. The Modern Slavery Transparency Statement is approved and signed by the Board of Directors of the parent company Norsk Hydro ASA. See also Hydro's separate statements based on the Norwegian Transparency act at Hydro.com.

Hydro also reports in accordance with the GRI Standards and the requirements of the International Council on Mining and Metals (ICMM). The GRI index is available at Hydro.com/gri.

Reporting scope and disclosures in relation to specific circumstances

The sustainability statements cover the period January 1 to December 31, 2024. Operations sold or demerged during the year are not included, unless specified. Health and safety, and headcount metrics for previously consolidated operations are included in the historical data for the period the unit was owned by Hydro. Climate and environmental metrics for new operations or operations acquired during the reporting year are included for the year in full as well as in historical data unless otherwise mentioned. Data from discontinued or closed down operations are included for the part of the reporting period it was under operation, unless otherwise stated. In line with ESRS requirements, non-controlled joint ventures, joint operations, associates and other joint arrangements are not included in the sustainability metrics, except for the Scope 1 and Scope 2 emissions reported in the climate change section.

Reporting systems

Metrics for climate change, energy, pollution, water, resource use and waste, and certain data on biodiversity are collected using Hydro's environmental reporting system on an annual basis. Metrics for health and safety of Hydro's own workforce are collected using the reporting systems for incident reporting, IMS and Synergi. Diversity and other metrics relating to Hydro's own workforce are collected from Hydro's SAP system and Hydro's employee engagement survey, Hydro Monitor. Data for workers in the value chain and affected communities are based on Hydro's due diligence processes and data collected from the business areas, procurement teams, and Group Internal Audit and Investigations' overview of alerts reported to line management, supporting staff functions, and Hydro's AlertLine. Additional metrics are calculated by corporate functions based on third party data.

Basis for preparation and limitations

The basis for calculation and presentation of sustainability metrics is described in the notes to the respective metrics, including information on whether the metrics are measured directly or estimated based on sources such as third party data or sector averages. Metrics are collected from Hydro's operational units relying on local management systems and are typically based on process data systems, measurements, calculations, and purchasing data. Controls are performed to ensure the information is complete and accurate. However, the scope of the sustainability statements and the absence of generally accepted reporting standards and practices for certain data may result in uncertainties in the reported information. The notes to the chapters on each material sustainability topic includes information on sources of estimation or outcome uncertainty.

Reporting changes and prior reporting errors

- Hydro's sustainability statements in the Annual Report 2024 have been prepared in compliance with ESRS.
- Hydro's assessment and presentation of material sustainability matters were updated in 2024 based on the guidance issued by EFRAG.
- Consumers and end users are no longer considered a material topic, as Hydro does not have a material impact on, and is not exposed to material risks associated with individuals who consume goods for personal use, based on an improved understanding of ESRS definitions of consumers and end users.

- The presentation of material impacts, risks and opportunities (IRO) in relation to each ESRS topical standard in the Materiality assessment section is changed to better distinguish between actual and potential impacts, and to improve alignment of sustainability related risks with the aggregated risk profile presented in the Risk update.
- The presentation of Scope 1 and Scope 2 GHG emissions has been updated to comply with ESRS E1 requirements. Historical GHG emissions have been recalculated to provide comparative data.
- Sustainability metrics and indicators that were presented in the sustainability statements in 2023, but that are considered not relevant for material IROs, have been moved to the Appendix. Metrics in the appendix are part of Hydro's management report, approved by the Board of Directors, and subject to the same level of control and external assurance as the sustainability statements.

No material errors in prior periods have been identified, but some minor corrections have been made in individual metrics. Such corrections are described in the note to the respective metrics.

Incorporation of ESRS requirements by reference to other sections of the integrated annual report and the remuneration report

The description of Hydro's strategy, business model and value chain, inputs, outputs, outcomes, and the integration of sustainability matters and sustainability related goals (SBM-1), is presented in the Our Business and Our Performance chapters. Hydro's identified material sustainability topics are presented in the Materiality assessment section on the next page. Information on how Hydro's business model adapts to manage material sustainability related impacts, risks and opportunities (SBM-3) is presented alongside the disclosures provided in relation to each material sustainability topic. Number of employees by geographical is reported in the Own workforce chapter. Revenue by IFRS 8 segments is presented in Note 1.4 to the financial statements.

The description of Hydro's governance bodies (GOV-1) and their work to address sustainability matters (GOV-2) are included in the Governance chapter. The integration of sustainability in performance incentive schemes (GOV-3) is described in the Remuneration report.

A content index with the ESRS Disclosure Requirements that are covered by the sustainability statement (IRO-2), is included in the Appendix. Hydro's GRI index is available at Hydro.com/gri.

Risk management and internal controls over sustainability reporting

Hydro regularly assesses risk and controls over its sustainability reporting process. The risks are reviewed with the Board Audit Committee and discussed with Hydro's external auditors who provide limited assurance over the sustainability statement. The external assurance process is risk based, and the external auditors provide feedback on their assessment of risks to the Board Audit Committee and Hydro's management. The auditors also provide feedback to the Board of Directors in relation to the Board's review and approval of the integrated annual report.

Hydro is exposed to risks associated with incomplete or inconsistent reporting on sustainability topics, including risks associated with greenwashing. There are also risks related to the accuracy of data inputs and manual errors in the reporting process from aggregating data from multiple systems into the corporate disclosure management system.

Hydro has developed and implemented formalized processes to determine material sustainability disclosures for the integrated annual report 2024. Material sustainability matters are covered by Hydro's sustainability reporting manual, which formalizes roles, responsibilities and definitions for the information reported in the sustainability statement. Hydro has also implemented controls based on the assessment of risks in the sustainability statements, including review controls for quantitative and qualitative data in the sustainability statements by business area, group functions and Hydro's disclosure committee, as well as access controls and automated input controls in sustainability reporting systems.

Hydro's external auditors perform testing on Hydro's sustainability reporting as part of the limited assurance provided over the company's sustainability statements in the integrated annual report. The assurance activities performed by the external auditor are described in the assurance statement.

Interests and views of stakeholders

Engaging with Hydro's stakeholders helps the company understand what is expected of it, what is important to them, how Hydro impacts them and how Hydro can solve common challenges. Hydro consults affected stakeholders to identify, assess, and manage material social, health, safety, environmental, and economic impacts associated with its activities and business relationships. Dialogue with affected stakeholders gives input to action plans to manage Hydro's impacts and the views of affected stakeholders are integrated in the reporting on sustainability topics to Hydro management. Hydro strives to act in an ethical and transparent manner, and gather views from interested parties, aiming for a common understanding of the decisions that are made so Hydro can act with integrity in everything it does.

Hydro's engagement includes representatives of affected stakeholders, such as unions, work councils, local community groups and non-governmental organizations, suppliers, business partners, customer representatives, and industry associations. Hydro also engages and partners with sustainability experts from academia, and actively engages users of Hydro's sustainability statements such as authorities, banks, and investors on Hydro's sustainability ambitions and progress toward Hydro's sustainability goals.

Information on Hydro's engagement of affected stakeholders is described in the chapters Own workforce, Workers in the value chain and Affected communities.

Stakeholder engagement is organized both at the corporate level and in the business areas through local community meetings, bilateral engagement of individual stakeholders, national, and international multi-stakeholder meetings, and through industry associations. All business areas have a forum for dialogue between management and union or employee representatives.

Stakeholder dialogue in Hydro

Market

- Commodity and stock exchanges
- Competitors
- Customers
- Insurers and banks
- Partners and joint ventures
- Suppliers
- Other business relations

Owners

- Owners and shareholders
- The Norwegian government
- Financial markets
- Analysts
- Traders
- Brokers
- Ratings agencies

Society

- Academia
- Authorities
- Industry associations
- Lobby groups
- Local communities
- Media
- National and international unions
- NGOs
- Politicians
- Public offices
- R&D funding bodies

Internal

- Board of Directors
- Employee representatives
- Employees

Sustainability due diligence

All identified material sustainability topics are considered in the definition of Hydro's overall strategy. The overall strategy is supported by specific strategies on climate change, environment and people. Sustainability is integrated in the remuneration incentives of the Executive Leadership Team (ELT). Hydro's performance against targets for climate and nature comprise four percent of the CEO's short-term incentive plan and two percent or more of the short-term incentive plan of other members of the ELT. In 2024, the CEO will receive a climate related bonus equivalent to 2 percent of the base salary. See Hydro's remuneration report for more information on incentive schemes.

Requirements for sustainability due diligence and risk management, in line with Hydro's sustainability strategies, are embedded in business processes through Hydro's global policies, directives and procedures, including Hydro's human rights policy, Hydro's Code of Conduct and Supplier Code of Conduct, and Hydro's procedures for biodiversity and ecosystem services, sustainability in the supply chain, environmental management, water stewardship, HSE risk management, social responsibility, and sustainability in new projects and major changes to existing facilities

The sustainability statements' chapter corresponding to each material sustainability matter provides an overview of risk assessment and due diligence processes in relation to each sustainability topic, including Hydro's assessment of identified adverse impacts, Hydro's actions to address identified impacts, and the results of these efforts.

When planning new projects, major developments or large expansions it is a requirement to evaluate the environmental and social impact. Hydro follows standards such as the International Finance Corporation 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 people are involved. The assessments follow the requirements regarding information, consultation, and investigation of the project's environmental and social impact, including human rights, and includes an action plan with proposed initiatives.

Materiality assessment

Hydro assesses material sustainability related impacts, risks, and opportunities according to the ESRS concept and requirements of double materiality. The assessment is validated by Hydro's disclosure committee and approved by the Board of Directors.

The materiality assessment is based on input from Hydro's subject matter experts in group functions for climate, environment, social responsibility, health and safety, communication and investor relations, compensation and benefits, diversity, inclusion and belonging, compliance, and enterprise risk management, as well as input from risk management and sustainability functions in each business area. Involvement of the risk management resources in the materiality assessment process supports the identification and further evaluation of sustainability related impacts and risks.

The views of Hydro's stakeholders are integrated in the materiality assessment that is updated every year. Hydro's group functions and business areas summarize input provided to them through their engagement with affected stakeholders, and their interaction with external sustainability experts and users of Hydro's sustainability statement.

Impact materiality is assessed in terms of actual and potential, positive and negative sustainability impacts from Hydro's own activities and/or business relationships in the upstream and downstream value chain. The assessment of impacts is in accordance with the GRI Standards and OECD Due Diligence Guidance for Responsible Business Conduct.

The materiality of impacts is assessed based on the severity and likelihood of impacts occurring. When exercising judgment on whether an impact is considered material, reference is made to the primary consequence scales in Hydro's global ERM directive. For environmental impacts, reference is also made to the environmental consequence scales in Hydro's Guidance for HSE Incidents management. For human rights impacts, reference is made to the metrics for assessing severity of human rights impacts defined in the ICMM Human Rights Due Diligence Guidance

Financial materiality is assessed in terms of risk of negative reputational, financial or commercial consequences for Hydro that are associated with sustainability topics, as well as potential sustainability related upside risks, or opportunities, for Hydro. The materiality of risks and opportunities is assessed based on the likelihood and magnitude of anticipated effects on Hydro's performance, financial position, cash flow, access to finance or cost of capital.

All identified sustainability related impacts, risks and opportunities, including risks arising from Hydro's potential sustainability impacts and dependencies, that are considered material for affected stakeholders or users of Hydro's sustainability statements are presented on the next four pages and described in the sustainability statement. These sustainability related risks are prioritized in the same way as other risks Hydro is exposed to, however, not all sustainability related risks in the sustainability statements are specifically highlighted in Hydro's aggregate risk profile described in the Risk review section.

Hydro's sustainability statements include separate chapters on all material sustainability topics covered by ESRS. In addition, Hydro has included one Hydro specific sustainability topic: Legacy impact.

The chapter for each material sustainability topic includes a description of Hydro's sustainability context and dependencies ("why it matters"). The chapters also include a section on "our approach," which presents Hydro's due diligence and stakeholder engagement on identified IROs for the sustainability matter, as well as relevant disclosures on policies, strategy, actions, targets and metrics in relation to the sustainability topic.

Material topic: **Climate Change**	Related to Risk 1, Risk 2, Risk 4, Risk 5, Risk 6. Risk 7 described in the risk review.		
Material impacts	**Material risks and opportunities**	**Due diligence activities and processes to identify and assess material impacts, risks, and opportunities**	**Stakeholder engagement**
Negative impacts on climate change associated with GHG emissions from fossil fuel use, as well as process emissions from the production of primary aluminium. Value chain impacts on climate change associated with the carbon footprint of raw materials that Hydro depends on in its aluminium production processes. Positive impacts on climate change mitigation associated with generation of renewable energy, development of new renewable energy assets, and production of low-carbon primary and secondary aluminium.	Transition risks related to carbon taxes, dependency on electricity, and development of technologies for net-zero emission primary aluminium production. Physical risks associated with changes in rainfall patterns, flooding, shortages of water or other natural resources, variations in sea levels, storm patterns and intensities as well as temperatures. Market opportunities associated with premiums for delivering lower-carbon aluminium products and Hydro's production of strategic input materials to technologies that enable the transition to a net-zero GHG emissions economy. Opportunities associated with development of new renewable energy assets.	Hydro identifies and measures impacts on climate change by calculating and managing its GHG emissions from all its operations. All existing and planned production assets are screened and all GHG emissions resulting from energy use and aluminium electrolysis processes are calculated. Material GHG emissions in Hydro's value chain are identified and calculated based on the International Aluminum Institute's guideline. Hydro has conducted a climate risk assessment, described in the climate change chapter, in line with assumptions related to the disclosures on climate risk and opportunities in Note 1.1 to the financial statement. Transition risks and opportunities are assessed through scenarios for technology, regulatory and policy development, and markets consistent with a 1.5-degree scenario. Relevant transition events are identified through on going stakeholder engagement. Assets and business activities are screened for transition risks and compatibility with a 1.5-degree scenario as part of enterprise risk and strategy processes. Climate related physical risks are assessed using models for future weather patterns and their impact on production facilities in different scenarios from the Intergovernmental Panel on Climate Change (IPCC) in 2030, 2040 and 2050.	Hydro engages with a broad set of stakeholders on climate related issues, including industry organizations, international standard setters, and local stakeholders in countries where it has significant operations, such as Norway, Brazil and the U.S., as well as with regional structures like the European Union. Hydro also engages and partners with customers in different industries to deliver low-carbon aluminium and to develop technical solutions for low-carbon products.

Material topic: **Pollution**	Related to Risk 1, Risk 4, Risk 7, Risk 15. Risk 16 described in the risk review		
Material impacts	**Material risks and opportunities**	**Due diligence activities and processes to identify and assess material impacts, risks, and opportunities**	**Stakeholder engagement**
Potential negative impacts associated with unintended or accidental emissions of pollutants to air or water from alumina refining or primary aluminium production. Potential negative impacts associated with unintended or accidental emissions of pollutants to air or water in Hydro's supply chain for raw materials and energy.	Risks associated with stricter regulation of emissions to air or water in the aluminium value chain. Potential incidents of pollution that trigger clean up or remediation costs, litigation costs, fines or penalties.	Hydro identifies and assesses potential pollution impacts from all its operations by assessing risk of accidental spills, leakages, or other unplanned events and by monitoring emissions to air and water from its operations in the aluminium value chain based on the Best Available Techniques Reference documentation (BREF) for the non-ferrous metals industries. Hydro has established action plans and controls to manage potential pollution impacts, such as spill kits, secondary containment, storage basins. Environmental incidents are classified based on potential and actual impact; all material incidents, as well as all emissions to air and water above the thresholds defined in the European Pollutant Release and Transfer Register (E-PRTR), are reported in the Pollution chapter.	Hydro engages regulators, local authorities and communities directly on its environmental management and potential incidents of pollution. Potentially affected stakeholders or communities can use Hydro's grievance mechanism, AlertLine, to report environmental and social issues concerning Hydro operations. Hydro also engages civil society on environmental issues. This includes Hydro's membership in the World Economic Forum’s Alliance for Clean Air to promote collective action to reduce air pollution and works with the Stockholm Environment Institute to develop value chain inventories and baselines of material air pollutants.

Material topic: **Water**	Related to Risk 6 described in the risk review		
Material impacts	**Material risks and opportunities**	**Due diligence activities and processes to identify and assess material impacts, risks, and opportunities**	**Stakeholder engagement**
Potential negative impacts of freshwater withdrawals on local water resources. Positive impacts on flood control from regulated watersheds.	Risks associated with water availability for electricity generation, cooling, operations or transport/logistics in the value chain.	Hydro identifies and assesses potential water impacts by monitoring water withdrawals and water use at all production assets, and follows the International Council on Mining & Metals' (ICMM) standards and requirements for measuring and reporting its water interaction and the quality of water discharges. Hydro uses the WRI Aqueduct tool to analyze Hydro's freshwater footprint in water stressed areas. Hydro's operational sites are screened for water related risks, and develops management plans and context relevant targets to address any material risks identified.	Hydro engages regulators, local authorities and communities directly on water related issues. For the hydropower operations in Norway, water resources are followed up by authorities through regional water management plans, in line with the EU Water Framework Directive.

Material topic: **Biodiversity and ecosystems**	Related to Risk 1, Risk 4, Risk 15, Risk 16 described in the risk review		
Material impacts	**Material risks and opportunities**	**Due diligence activities and processes to identify and assess material impacts, risks, and opportunities**	**Stakeholder engagement**
Impacts associated with land use change in mining operations and new renewable energy development, and impacts from water use change in hydropower operations. Impacts associated with greenhouse gas emissions and potential incidents of pollution in alumina refining and primary aluminium production. Impacts associated with sourcing of energy and raw materials. Potential impacts associated invasive species introduction resulting from transportation of materials to and from Hydro operations.	Risks associated with changing regulations or expectations for the impact on drivers of biodiversity loss, including land use change, water use, climate change and pollution. Risks associated with Hydro's dependency on ecosystem services for water flow, flood and storm protection, mass stabilization and erosion control.	Hydro identifies and assesses impacts, risks and dependencies on biodiversity in its operations and value chain according to the LEAP methodology. Hydro conducts environmental impact assessments for its operations, new project development, and in relation to merger and acquisition processes. The assessments identify potential impact on biodiversity and ecosystem services within the operation's area of influence and assess the materiality of these impacts to the operation, environment and affected communities. This assessment shall also identify and describe any priority biodiversity features or ecosystem services that occur within the operation's area of influence and consider the full lifecycle of the operation, including closure. On going impacts are monitored by tracking the impact of land use change on local biodiversity and ecosystems. Sites located near biodiversity sensitive areas, their potential impacts and mitigation measures are disclosed in the Biodiversity chapter. Any accidents that result in pollution are assessed and classified according to actual and potential impacts. The impacts of water withdrawal and emissions are estimated using a lifecycle assessment model.	Hydro engages local authorities and people in local communities directly on biodiversity and ecosystems impacts, including recreational impacts, from on going operations as well as the planning and execution of new projects. To increase Hydro's knowledge and secure a science based approach to biodiversity management and forest rehabilitation, Hydro supports the Biodiversity Research Consortium Brazil-Norway (BRC). Hydro has also established a partnership and actively engage with two Brazilian NGOs in the State of Pará on the conservation and sustainable development of the Brazilian Amazon. For its hydropower operations, Hydro engages the International Hydropower Association and Renewables Norway, as well as the Norwegian Institute for Nature Research to take a scientific approach to managing biodiversity impacts.

Material topic: **Resource use and circular economy**

Related to Risk 1, Risk 2, Risk 3 described in the risk review

Material impacts

Value chain impacts associated with Hydro's dependency on raw materials for alumina refining and primary aluminium production.

Impacts associated with resource outflows, including tailings from mining operations, bauxite residue from alumina refining and waste generation from operations in the aluminium value chain.

Material risks and opportunities

Risks associated with Hydro's dependency on raw materials in a concentrated aluminium value chain.

Opportunities associated with having an integrated value chain with traceable, secure material supply, including recycled aluminium, and opportunities associated with developing more circular production models in the aluminium value chain.

Due diligence activities and processes to identify and assess material impacts, risks, and opportunities

Hydro identifies and assesses impacts, risks, and dependencies associated with resource use and circular economy by measuring its resource use and resource outflows from all operations. This includes energy and raw material use for production processes, recycled content in resource inflows, as well as the generation of tailings, residue and waste from its operations, and the waste treatment and disposal methods for different waste streams.

Stakeholder engagement

Hydro has strategic partnerships with many customers to design and develop more sustainable products. The company engages industry associations, standard setters, and local stakeholders in countries where it has significant operations, as well as with regional structures like the European Union, on topics related to the environmental and social impacts of resource use. Hydro engages local authorities and communities directly in relation to tailings and bauxite residue management through on-site inspections, third party audits. Hydro engages several commercial partners and supports R&D projects connected to management and utilization of bauxite residue, and has established partnerships to develop more circular solutions to other waste streams.

Material topic: **Legacy assets**

Related to Risk 1, Risk 4, Risk 15, Risk 16 described in the risk review

Material impacts

Potential incidents or accidents affecting the health and safety of people or the environment near legacy industrial sites.

Material risks and opportunities

Risks associated with obligations or changing expectations for the management of tailings facilities and industrial legacy sites, restoration or remediation of waterbodies or land areas, or future closure and clean up obligations for industrial sites.

Due diligence activities and processes to identify and assess material impacts, risks, and opportunities

Impacts and risks are assessed through on going assessment of legacy sites and industrial operations. Sites are screened for potential impacts and risks, land and waterbodies near material industrial sites are tested for pollution. Hydro's legacy project has developed a methodology to evaluate legacy risks and their potential financial effects for Hydro.

Stakeholder engagement

Potentially affected stakeholders are engaged directly and through local media, and informed and consulted when potential impacts have been identified. Local authorities and NGOs are also engaged on impact assessments to identify potential risks.

Material topic: **Own workforce**

Related to Risk 10, Risk 13, Risk 14, Risk 16 described in the risk review

Material impacts

Potential fatal or life changing accidents affecting own workforce.

Potential incidents of discrimination or harassment affecting own workforce.

Positive impacts associated with employees personal and career development and social protection.

Material risks and opportunities

Risks associated with fatal or life changing accidents.

Risks associated with actual or alleged incidents of discrimination, harassment, or other breaches of employee's rights.

Opportunities associated with being perceived as an attractive and responsible employer.

Due diligence activities and processes to identify and assess material impacts, risks, and opportunities

Impacts and risks are identified and assessed using employee engagement surveys, grievance mechanisms including AlertLine, root cause reviews of incidents affecting employees, health and safety network meetings, and regular employee reviews meetings conducted by line managers.

Stakeholder engagement

Hydro engages its employees on health and safety issues through frequent health and safety network meetings in business areas. Engagement on diversity and inclusion issues is primarily done through employee reviews and the range of initiatives sponsored by members of the Executive Leadership Team.

Material topic: **Workers in the value chain**	Related to Risk 10, Risk 13, Risk 14, Risk 16 described in the risk review		
Material impacts Potential fatal or life changing accidents affecting workers in the value chain. Potential incidents resulting in breaches of the rights of workers in the value chain. Positive impacts associated with supplier engagement on workers rights, including health and safety standards.	**Material risks and opportunities** Risks associated with fatal or life changing accidents involving workers in the value chain. Risks associated with actual or alleged incidents of discrimination, harassment or other breaches of the rights of workers in the value chain.	**Due diligence activities and processes to identify and assess material impacts, risks, and opportunities** Contractors working on Hydro's sites are subject to the same requirements and due diligence on health, safety and worker's rights as Hydro's own workforce. Impacts and risks on other workers in the value chain are identified and assessed by performing supplier due diligence activities using data on inherent risk of negative impacts by geography and industry. High and medium risk suppliers are subject to further due diligence using self-assessments, screening tools, direct engagement and audits to determine residual risk of negative impacts, and direct engagement on corrective action plans related to residual risk of negative impacts.	**Stakeholder engagement** Contractors working on Hydro's sites are engaged directly on health and safety standards the same way as Hydro's own workforce. Other potentially affected workers in the value chain are engaged indirectly though Hydro's requirements and expectations for workers' rights as set out in Hydro's Supplier Code of Conduct.
Material topic: **Affected communities**	Related to Risk 10, Risk 16 described in the risk review		
Material impacts Potential incidents affecting the rights of people in local communities. Potential accidents negatively impacting the health and safety of people in local communities. Positive impacts from contributing to resilient local communities in a changing world, and skills and jobs for the future low-carbon economy.	**Material risks and opportunities** Risks associated with accidents impacting health and safety, and risks associated with actual or alleged incidents affecting the rights of people in affected communities across the value chain. Opportunities associated with being perceived as a cornerstone company in the communities where we operate.	**Due diligence activities and processes to identify and assess material impacts, risks, and opportunities** Impacts and risks are identified and assessed by mapping the local sustainability context and transition challenges where Hydro operates using data on inherent risk of negative impacts by geography and industry. Potential human rights impacts are further assessed by direct engagement of potentially affected stakeholders through stakeholder dialogue to understand what is expected of the company, what is important to local communities, how Hydro impacts them and how the company can solve common challenges.	**Stakeholder engagement** Potentially affected stakeholders in local communities are engaged directly through stakeholder dialogues and through local media, and informed and consulted when potential impacts have been identified. Local authorities and NGOs are also engaged on impact assessments to identify potential risks.
Material topic: **Business conduct**	Related to Risk 8 described in the risk review		
Material impacts	**Material risks and opportunities** Risks associated with actual or alleged breaches of regulations, standards or stakeholder expectations for business conduct. Opportunities associated with responsible business conduct.	**Due diligence activities and processes to identify and assess material impacts, risks, and opportunities** Hydro identifies inherent risk of corruption and other business conduct issues through corruption indexes and other screening tools, and assess potential impacts and risks through supplier and business partner due diligence processes. Hydro monitors business conduct incidents through cases reported to line management, supporting staff functions, Hydro’s grievance mechanisms, AlertLine and Canal Direto, quarterly and year end compliance reporting from its business areas, and information collected from Hydro’s legal and compliance departments.	**Stakeholder engagement** Hydro engages its major shareholder, the Norwegian state, on compliance and business conduct in quarterly meetings and engages local authorities, civil society, and industry associations and other companies regularly. Hydro also participates in the development of industry practices through engagement with organizations such as Transparency International Norway, the Maritime Anti-Corruption Network, the International Council on Mining and Metals (ICMM) and the Aluminium Stewardship Initiative (ASI).

Climate change

Why it matters

Hydro's industrial processes generate greenhouse gas (GHG) emissions that contribute to climate change, primarily because of the energy used in alumina refining and primary aluminium production and the process emissions from the electrolysis process in primary aluminium production. Hydro also depends on energy and material inputs that are associated with GHG emissions in Hydro's value chain. At the same time, Hydro contributes significantly to climate change mitigation through its production of renewable energy, low-carbon primary aluminium, and recycled aluminium of post-consumer scrap. The aluminium Hydro produces is also a strategically important input material to many technologies that enable the green transition, including the development of renewable energy.

Hydro is exposed to climate related risks such as acute or chronic changes in rainfall patterns, flooding, shortages of water or other natural resources, variations in sea levels, storm patterns, and intensities as well as temperature changes. Such risks can impact the integrity of Hydro's assets or cause disruptions to Hydro's operations or to Hydro's value chain.

The transition to a low-carbon economy can also pose risks to Hydro, including higher costs for greenhouse gas emissions and production inputs, or changes to market prices for aluminium based products. However, the transition to a 1.5-degree economy also presents significant opportunities for Hydro. Aluminium is an enabler for the transition away from fossil fuels and other activities that generate greenhouse gases. Aluminium demand in sectors such as renewable power production, transport and electrification are expected to grow as companies, states and society work to reach its commitments to reduce GHG emissions. Aluminium can save significant amounts of energy and GHG emissions in the use phase due to its lightweight properties, and building facades in aluminium can lead to lower operating costs and enable buildings to generate as much energy as they use during operation. In addition, Hydro aims to enable other sectors to decarbonize and transform to a low-carbon economy by utilizing its industrial and energy competence to develop renewable energy sources such as hydropower, wind, and solar.

Our approach

Hydro identifies and measures impacts on climate change by calculating and managing its GHG emissions from all its operations and from material parts of its value chain. Hydro's methodologies are aligned with international standards including the Greenhouse Gas Protocol and industry standards from the International Aluminium Institute (IAI). Hydro engages with a broad set of stakeholders on climate related issues, including industry organizations, international standard setters, and local stakeholders in countries where it has significant operations, such as Norway, Brazil and the U.S., as well as with regional structures like the European Union.

Strategy and transition plan

Hydro's climate strategy and transition plan is an integral part of its overall business strategy. Hydro's net-zero ambitions are based on a successful transition to a 1.5-degree economy, and are in line with climate science and the Paris agreement. Hydro's climate strategy consists of three pillars, aiming to reduce the climate impact of its operations and create business opportunities by enabling its customers and society to do the same:

- Net-zero Hydro: Reduce Scope 1 and 2 GHG emissions by 30 percent by 2030 and become a net-zero Hydro by 2050 or earlier
- Net-zero products: Deliver net-zero products to Hydro's customers and reduce upstream Scope 3 GHG emissions per tonnes of aluminium by 30 percent by 2030
- Net-zero society: Use Hydro's industrial and energy competence to contribute to the transition to a net-zero society

The climate strategy is integrated in the ELT's remuneration and followed up as a quarterly KPI on the CEO's balanced scorecard. See the remuneration report for more information.

Hydro's climate strategy is integrated in the overall strategy as set by the Executive Leadership Team. The business areas are responsible for Hydro's performance and implementation of the climate strategy. All significant investment decisions are assessed for their impact on Hydro's climate strategy according to Hydro's policies addressing climate change mitigation. A thorough description of Hydro's climate related impacts and how Hydro works to prevent, mitigate and remediate these, is provided in the white paper "Positioning Hydro for the just and green transition" from 2025.

Targets and ambitions

10%	30%	Net-zero	30%
Reduction in Scope 1 and 2 GHG emissions by 2025	Reduction in Scope 1 and 2 GHG emissions by 2030	Scope 1 and 2 GHG emissions by 2050 or earlier	Reduction in upstream Scope 3 GHG emissions per tonnes aluminium by 2030

Performance

16.1%	8.98	1.52	11.08
Reduced Scope 1 and 2 GHG emissions, against 2018 baseline [1]	Million tonnes Scope 1 and 2 GHG emissions (location based), by ownership equity	Tonnes Scope 1 GHG emissions per tonne aluminium from the electrolysis process	Million tonnes upstream Scope 3 emissions by ownership equity

[1] Based on Hydro's decarbonization strategy approach. See note E1.1 for details on GHG calculation methodology.

Net-zero Hydro

Hydro has a defined ambition to reduce GHG emissions from own operations and to reach net-zero GHG emissions by 2050 or earlier. To concretize this ambition Hydro has established a technology and decarbonization roadmap for how to reduce direct and indirect GHG emissions by 10 percent by 2025 and 30 percent by 2030, from a 2018 baseline.[2)]

The technology and decarbonization roadmap is approved by the Executive Leadership Team. Hydro has a technology board consisting of members from Hydro's Executive Leadership Team which set direction and priorities in the technology area. The business areas are responsible for their own technology development and for the execution of their respective technology strategies. Hydro's corporate technology office ensures a holistic and long-term approach to Hydro's technology strategy and agenda.

Hydro's decarbonization roadmap addresses actual GHG emission reductions and the ambition is to reach the reduction targets without using carbon offsets.

Changes in Hydro's production portfolio influence the company's decarbonization roadmap. However, Hydro maintains a 30 percent target by 2030 and recalculates the baseline after changes to the portfolio so that progress towards the target reflect actual decarbonization efforts. The 2018 baseline currently equals about 10 million tonnes CO_2 equivalents (CO_2e), including direct emissions and indirect emissions from electricity generation (Scope 1 and 2 emissions). The baseline and the associated target achievements take into consideration green Power Purchasing Agreements, as opposed to the pure location based method (see Note E1.1).

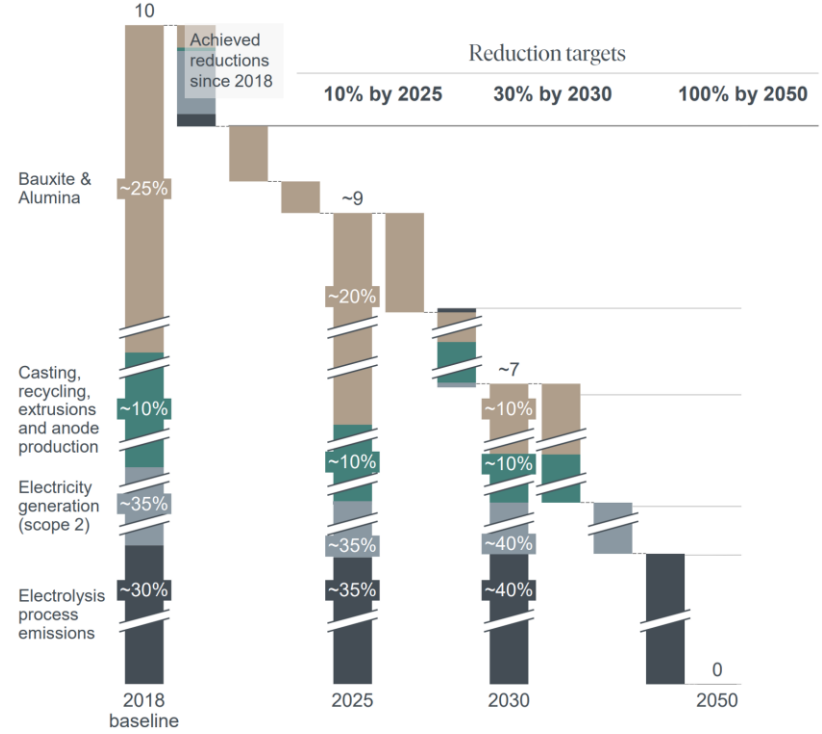
The baseline composition of Hydro's GHG emissions can be divided into four sources:

- Electrolysis process emissions which constitute around 30 percent of Hydro's total emissions and are the hardest emissions to abate.
- GHG emissions from natural gas used in Hydro's casthouses, for recycling and remelting aluminium, extrusion processes and anode production, which constitute around 10 percent of Hydro's total emissions.
- GHG emissions from generating electricity, so called scope 2 emissions, which constitute around 35 percent.
- Fossil fuel consumption at the Alunorte alumina refinery, which constitute around 25 percent of Hydro's total emissions.

Technology and decarbonization roadmap towards net-zero emissions in 2050

GHG emissions – ownership equity[1)]

Million tonnes CO_2e (% of 2018 baseline emissions[2)])



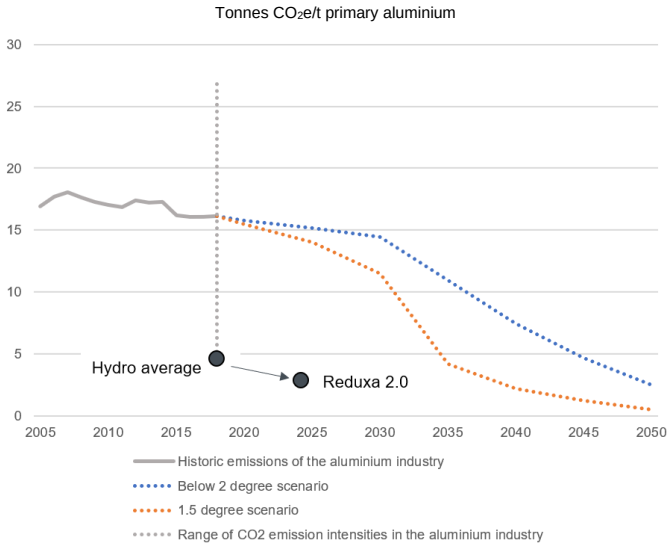
	Status
• Fuel switch from heavy fuel oil to natural gas at Alunorte (~434,000 tonnes CO_2e reduction at Alunorte[3)])	Completion Q4 2024
• Three x 60MW electrical boilers installed (~248,000 tonnes of CO_2e reduction at Alunorte[3)])	Completion Q4 2024
• 2030: Potential for additional four electrical boilers to be installed and coal to be substituted with Biomass, achieving a 70% reduction at Alunorte	Verification ongoing
• Renewable PPAs	Ongoing
• Smelter process improvements	Ongoing
• Casting, recycling, extrusion and other improvements	Ongoing
• Biomethane in casting and anode production (at Sunndal)	Implementation
• Emission-free plasma technology for remelting (at Sunndal)	Pilot testing
• Green hydrogen in casting (at Høyanger)	Pilot testing
• Exploring technology to decarbonize calcination in B&A	Exploring
• CO_2-free PPAs across portfolio	Continuous
• Develop HalZero technology with implementation towards 2050	Industrial scale pilots by 2030
• Develop carbon capture and storage solution to decarbonize existing smelters	Industrial scale pilots by 2030
• Develop anodes with biomaterial mix	R&D
• Implement carbon removal to cover any residual emissions	R&D

1) Scope 1 and scope 2. 2) 2018 rebased baseline post-Alunorte transaction as of December 1, 2023 3) Hydro equity share Alunorte.

IAI emission projection pathways toward 2050

Hydro has participated in the International Aluminium Institute's (IAI) work to develop a GHG emission reduction pathway for primary aluminium production toward 2050 consistent with the Paris Agreement. The analysis is based on the International Energy Agency's (IEA) 1.5-degree scenario, combined with IAI's analysis of demand in the aluminium market and material flows. Hydro's net-zero ambitions and decarbonization pathway is in line with IAI's emission reduction pathway for the aluminium sector and the 1.5-degree scenario. When the Science Based Target Initiative (SBTi) has developed a sectoral decarbonization approach (SDA) for the aluminium sector, Hydro will consider verifying the climate strategy against SBTi.

IAI emission projection pathways toward 2050



Source: International Aluminium Institute (IAI), Hydro analysis

Emission reduction activities

Bauxite mining and Alumina refining

Hydro's Alunorte alumina refinery is among the most energy efficient refineries in the world. Over the past decade, the company has initiated numerous projects prioritizing emissions reduction through a comprehensive energy transition. This strategy includes switching from heavy fuel oil to natural gas and incorporating biomass as a fuel source. The ongoing Fuel Switch Project aims to replace heavy fuel oil with natural gas. This initiative is further supported by the installation of electric boilers, marking a significant advancement in the refinery's electrification efforts. The success of this project has paved the way for the construction of two additional electric boilers, expected to be operational by the end of 2024. It is estimated that the fuel switch and these electric boilers will reduce emissions by in total 1,100,000 tCO_2e when completed and contribute to the development of critical infrastructure that benefits the region. The fuel switch project and additional electric boilers will together reduce GHG emissions at Alunorte by 70 percent towards 2030.

Alunorte is also adopting biomass fuel, currently utilizing a blend of açaí pits and coal, with plans to transition to boilers that operate entirely on biomass. Furthermore, the refinery is establishing solar and wind farms in Brazil's Northeast to sustainably meet its energy demands and reducing its reliance on third party energy suppliers by 2025. Alunorte and Albras are working with Hydro Rein to secure renewable power access and supply to its factories.

MPSA (Paragominas bauxite mine) is advancing its emissions reduction objectives through key initiatives focused on renewable energy and fleet upgrades. To tackle emissions from its primary source, MPSA is transitioning its vehicle fleet to electric and biofuel-powered models, currently operating two electric trucks with plans to include more. Additionally, the unit has launched a pilot project to enhance energy efficiency through renewable energy by integrating solar panels on water tanks. This project aims to develop sustainable energy on site while minimizing water evaporation.

Primary aluminium production

Toward 2050, Hydro is exploring different paths to net-zero emission primary aluminium production, including Hydro's proprietary HalZero technology for new smelters, CO_2 capture at existing smelters, and scaling up use of post-consumer aluminium scrap. See the net-zero products section for information on these technologies.

Hydro is also exploring alternatives to replace fossil energy in the casthouses and in the anode production. These include a biomethane project at Sunndal which will reduce emissions by 20,000 tonnes of CO_2e each year and testing emission free plasma technology to enable electrification of the remelting process in casthouses by using the same renewable energy that powers Hydro's primary smelters.

In 2023, Hydro produced the world's first successful batch of recycled aluminium with green hydrogen as an energy source at the casthouse in Navarra in Spain. In 2024, Hydro decided to continue the project with a three year pilot for green hydrogen at the recycling plant at Hydro Høyanger. In the pilot, Hydro will partly replace natural gas with green hydrogen in one remelting furnace, and develop solutions and technology with global potential. Recycling 100 percent post-consumer aluminium scrap by using zero emission energy sources such as green hydrogen is the fastest way to produce net-zero aluminium. This pilot project is therefore an important part of Hydro's long-term strategy to reduce greenhouse gas emissions and strengthen Hydro's position as a leading player in low-carbon aluminium. The pilot is under development with the aim to start production in 2026.

To replace fossil carbon anodes, Hydro is also exploring bio carbon and is participating in two R&D programs supported by the Norwegian Research Council related to this. The project consists of two workstreams, substituting parts of the packing coke in the baking furnace with bio-carbon and using bio-material in the anode for the electrolysis process. On the bio-material side there are several challenges related to safe storage and handling, processing, and product qualities. Partnership with both research institutions and material producers/suppliers have been established, and tests are ongoing at laboratory and pilot scale level.

Hydro has a 75,000 tonne per year technology pilot at Karmøy in Norway with stable and excellent performance, one of the world's most climate and energy efficient primary aluminium production facilities. Hydro is now in the process of implementing technology elements from the Karmøy Technology Pilot in its existing primary aluminium smelters, improving performance and financial robustness. This includes the Husnes line B in Norway, which started production in 2020, and as a part of the regular maintenance and relining of Hydro's electrolysis cells in all smelters, presently at Sunndal.

Extrusions

In Hydro Extrusions, the sites are working on different initiatives and actions to lower their GHG emissions associated with energy and electricity consumption. This includes power purchasing agreements (PPAs) with renewable power producers, improved energy efficiency through benchmarking, process improvements and investing in new equipment. Many plants are also working with partners and governments to evaluate the possibilities of installing on-site renewable power generation, such as solar panels and windmills.

At the extrusion plant in Drunen, Hydro is exploring production of renewable gas from waste material from the automotive industry as an

alternative to its natural gas supply. This innovative solution addresses two challenges: it reduces the volume of plastic waste and reduces the consumption of natural gas. If the laboratory scale tests can be successfully scaled up for industrial use and if environmental studies confirm improvements, full operations could begin in early 2026.

Electricity production

Power is a significant input in the aluminium industry and critical to meet global climate targets. To reduce emissions, aluminium must be produced using cleaner energy solutions like renewable power throughout the value chain. More than 70 percent of the electricity used in Hydro's production of primary aluminium is based on renewable power. While Hydro's refinery in Brazil is transitioning to more sustainable fuel sources to mitigate emissions in upstream operations, Hydro's primary aluminium production in Norway is powered by close to 100 percent renewable energy by following a location based approach.

In order to ensure continued supply of renewable power to Hydro's operations in Norway, the company operates 40 hydropower plants with a combined output of 13.7 TWh renewable electricity in a normal year. Adjusted for ownership shares, Hydro's captive hydropower production is 9.4 TWh in a normal year. In addition, Hydro operates a wind farm and purchase more than 9 TWh of renewable power annually in the Nordic market under long-term contracts.

Hydro is also investing in upgrades and new projects to increase renewable power production and expand installed capacity in existing hydropower systems in Norway. As part of this, Hydro is seeking solutions to enable energy more efficiently and increase flexibility in Hydro's power systems to make better use of the power grid. Hydro has taken an investment decision for the project Illvatn in Sogn. A plan for substantial increase in installed capacity in the Røldal-Suldal (RSK) power system is also established, with a filed application for concession. Hydro is also supporting the development of green industries through long-term electricity contracts with businesses and industrial companies.

Illvatn project - Pumped storage Hydropower plant

Hydro is exploring opportunities to reduce upstream emissions during the construction and upgrades of existing hydropower facilities, as well as in the development of new power projects. By identifying emission reduction measures early in the decision process, Hydro can use climate budgets to ensure a structured and actionable approach to reduce the environmental impact from projects. In the early phase of the Illvatn project, Hydro conducted an assessment to identify options for reducing emissions, including the potential use of low-carbon materials and strategies to lower fuel consumption, reduce emissions from onsite construction activities, and optimize transportation to and from the site. The project has established a climate budget with the aim of reducing emissions throughout the project execution phase.

Sustainable financing in Hydro

Hydro's sustainability position enables profitable growth and a cost of capital advantage. To access favorable financing, Hydro published a green and sustainability linked financing framework in 2022. The financial products supported by this Framework use, respectively, the EU Taxonomy and Hydro's climate strategy as a basis, with KPIs linked to GHG emissions and recycling of post-consumer scrap. CICERO Shades of Green has provided a Second Party Opinion on the Framework, and rated it Excellent on Governance and "medium green" overall.

Per December 31, 2024, Hydro has not issued any green financing instruments, but report taxonomy aligned CapEx and other Taxonomy KPIs in the disclosures pursuant to Article 8 of Regulation 2020/852.

Hydro established a Euro Medium Term Note (EMTN) programme on November 7, 2022, approved by Euronext Dublin and the Central Bank of Ireland. The EMTN programme provides a framework for issuance of euro medium term notes up to an aggregate amount of EUR 5 billion. Hydro's first NOK 3 billion sustainability-linked bonds under the new framework and EMNT programme were issued on November 30, 2022, making Hydro the first investment grade Norwegian company to issue sustainability-linked notes.

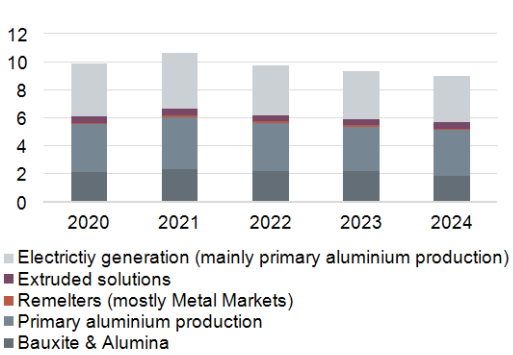
Alunorte signed a USD 200 million sustainability-linked loan in 2022. The seven year loan facility is structured as a sustainability-linked loan, swapped to fixed rate. The sustainability link was incorporated in the facility and interest rate swap, linking pricing to performance on the GHG emission reduction target to be achieved through the Alunorte fuel switch project.

In 2019, Hydro signed a USD 1.6 billion revolving multicurrency credit facility with the margin linked to Hydro's GHG emission targets. The margin under the facility will be adjusted based on Hydro's progress to meet its annual targets to reduce GHG emissions by 10 percent by the end of 2025.

In 2024, Hydro's GHG emissions were 16.1 percent lower than the 2018 baseline, following Hydro's decarbonization strategy approach (see Note E1.1), thus reaching Hydro's 2025 target. This was mainly due to fuel switch and early implementation of electric boilers at Alunorte, and curtailments in Aluminium Metal and Hydro Extrusions. With expected restart of some of these curtailments, Hydro's emissions is expected to increase in 2025. Hydro still expects to meet the target of 10 percent emissions reductions by 2025.

Note: In 2023, Hydro's GHG emissions were 11.9 percent lower than the 2018 baseline. This was misstated as 6.5 percent in the 2023 annual report due to over reporting scope 2 emissions from Green Power Purchasing Agreements (PPAs) in Norway, Brazil, and Canada. See Note E1.1 for more information on GHG calculation methodology.

Greenhouse gas emissions from Hydro's ownership equity



Greenhouse gas emissions were lower in 2020 due to production embargo at Alunorte and curtailed production at Albras and Paragominas.
The reductions since 2021 are primarily driven by fuel switch and el boilers at Alunorte, and changes in production volumes in Aluminium metal and Extrusions.

Net-zero Products

Net-zero Products is Hydro's ambition to deliver net-zero carbon aluminium products and solutions to its customers, as well as increasing circularity in the value chain. The demand for low-carbon aluminium products is increasing and is expected to continue to grow. Hydro works closely with customers and partners early in the product design phase to develop products that are energy efficient and have low-carbon footprint, which enables them to reach their sustainability targets. Hydro differentiates its product portfolio from its peers by using renewable electricity when producing about 70 percent of Hydro's primary aluminium and providing the two low-carbon aluminium brands: Hydro CIRCAL and Hydro REDUXA.

Hydro can deliver net-zero products to its customers before Hydro as a company reaches net-zero emissions. In the short and medium-term Hydro can deliver net-zero products by scaling up the volumes of post-consumer scrap, and in the long-term by implementing carbon capture and storage solutions and HalZero technology. A large part of Hydro's R&D expenses and efforts to deliver net-zero products are concentrated along these three strategic pathways:

1. **Carbon capture and storage (CCS) – Decarbonizing existing operations**

To accelerate decarbonization of the aluminium industry and make Hydro's existing aluminium smelters fit for the future, Hydro is developing carbon capture and storage (CCS) solutions that can be retrofitted into aluminium plants already in operation. Through capturing off-gases at Hydro's existing smelters, the company aims to reduce emissions from the electrolysis process. In addition, and as a supplement, Hydro is exploring options for direct air capture (DAC) units at its smelters. For some capture technologies, this has the advantage that process heat can be recovered for use in the DAC unit, lowering power demand and operational costs.

Hydro has evaluated more than 50 CCS technologies and developed a roadmap for testing and piloting the most promising up to industrial scale. The most likely outcome will be a combination of off-gas capture and direct air capture to eliminate 100 percent of the emissions.

2. **HalZero chloride process – Decarbonizing new smelter capacity**

HalZero is a new production process for primary aluminium that emits oxygen instead of carbon dioxide (CO_2). In the HalZero process, alumina is chlorinated and becomes aluminium chloride. Through closed loop processes, the electrolysis will be greenhouse gas emission free.

The HalZero process differs significantly from the current production of primary aluminium and is being developed for use in new production facilities. Construction of Hydro's HalZero test facility in Porsgrunn, Norway, is proceeding according to plan. For the next step, the feasibility study is ongoing and the project will proceed through the next phases towards construction of an industrial scale pilot facility by 2030. The HalZero process will be applicable for greenfield aluminium plants or brownfield replacement of obsolete potlines, where the smelter infrastructure can be re-used. This way Hydro can fully decarbonize the smelting process by eliminating emissions from both electrolysis and anode baking.

3. **Net-Zero aluminium through scaling up volumes of post-consumer scrap (PCS)**

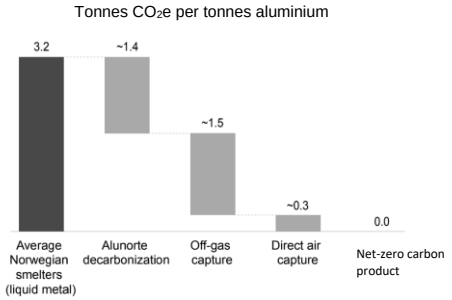
Aluminium recycling requires 95 percent less energy than the production of primary aluminium while still offering high-quality aluminium. Hydro is developing recycling technology and low-carbon products based on post-consumer scrap (PCS), and plans to improve its recycling capacity to sort and utilize more complex PCS aluminium.

Hydro has already produced Hydro CIRCAL, which is a certified recycled and low-carbon product, with more than 75 percent PCS. Hydro CIRCAL has a market leading CO_2 footprint of 1.9 kg of CO_2e/kg aluminium, down from previously being 2.3 kg of CO_2e/kg. This is done through advances in sourcing, sorting and traceability of post-consumer aluminium scrap.

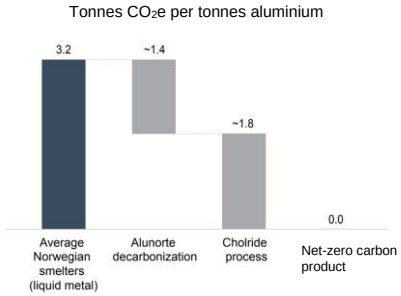
At Hydro's recycling plant in Clervaux in Luxembourg, the company has also produced 130 tonnes of near-zero carbon aluminium with 100 percent post-consumer aluminium scrap, Hydro CIRCAL 100R, with a carbon footprint below 0.5 kg CO_2e per kg aluminium.

Hydro will make key capacity investments over the medium term to ensure its recycling portfolio can facilitate the increasing demand for Hydro CIRCAL and invest in technologies to increase usage of end-consumer scrap while securing access to scrap. Hydro has continued to strengthen its recycling position in 2024 by opening a new aluminium recycling plant in Szekesfehervar in Hungary with capacity of 90,000 tonnes, investing in a new recycling facility in Høyanger in Norway with capacity of 36,000 tonnes and investments in upgrading the recycling facility in Atessa in Italy to further increase the recycling capacity. Please see the Resource use and circular economy chapter for more information about recycling.

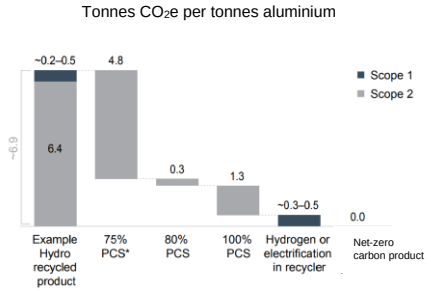
Emissions reduction pathway by Carbon capture and storage



Emissions reduction pathway by HalZero chloride process



Emissions reduction pathway by Post-Consumer Scrap (PCS)



Hydro REDUXA is Hydro's other brand of low-carbon aluminium using renewable energy from water, wind and solar in the production phase. This can reduce the full value chain carbon footprint per kg of aluminium to 4.0 kgCO_2e per kilo aluminium, which is significantly less than the global average of 14.8. The production capacity for near-zero carbon aluminium will be developed in line with market demand for this near zero-carbon aluminium. This is also reflected in the ambition to deliver Hydro REDUXA 2.0 with a carbon footprint of less than 2 tonnes of CO_2e per mt of aluminium by 2030. Hydro CIRCAL and Hydro REDUXA supports both margin and volume growth. Hydro earns additional premiums or volume commitments on its low-carbon products, and many customers choose Hydro's aluminium due to its low-carbon footprint.

Greener sourcing and scope 3 emissions

Hydro reports Scope 3 emissions based on the guidelines issues by the International Aluminium Institute (IAI) Scope 3 Tool Guidance. Hydro is a large purchaser of raw materials and energy, including aluminium and the metal required for alloys. The aluminium Hydro purchases externally to supply its casthouses, recyclers and extrusion plants, and the greenhouse gas emissions associated with the production of this aluminium, makes up the majority of Hydro's scope 3 emissions. As Hydro considers the carbon footprint of process scrap as equal to its metal origin, Hydro's upstream scope 3 emissions are significant when including externally sourced metal. Hydro aims to source aluminium metal with a lower-carbon footprint and to increase the use of post-consumer scrap in its metal production.

In 2022, Hydro set emissions reduction targets for upstream scope 3 emissions to reduce total upstream scope 3 emissions by 15 percent by 2030, and to reduce upstream scope 3 emissions per tonne aluminium delivered to the market by 30 percent by 2030. Both targets refer to a 2018 baseline. Downstream scope 3 emissions were not included in the targets as these emissions are more difficult to influence and control, and since upstream emissions represents 93 percent of the total scope 3 emissions.

The 2024 results show that Hydro has reduced its total upstream scope 3 emissions by 44 percent, compared to the 2018 baseline. Per tonnes aluminium delivered to market, Hydro has already reduced its emissions by 40 percent. The reductions are mainly due to more conscious sourcing of metal, but also due to less volumes in Extrusions. Going forward, upstream scope 3 emissions may increase, both in total and per tonne, due to higher activity and thus more external metal input.

Hydro is currently considering setting a net-zero target also for upstream scope 3 emissions.

Net-zero society

Net-zero society is an important pillar in Hydro's climate strategy, with a defined ambition to use Hydro's competence and capabilities to enable a net-zero society. The transition to a net-zero society must be a just and fair transition, which means a transition that is as fair and inclusive as possible to everyone concerned. Hydro's approach to a just transition is further described in the chapters on Own workforce, Workers in the value chain and Affected communities.

To move to a net-zero society, the world needs more renewable electricity generation and mechanisms to store that energy. Hydro is investing in renewable energy solutions, including projects that increase renewable electricity generation capacity and technologies to store energy. In addition, low-carbon aluminium is an enabling material for the green transition in different markets.

Hydro Rein

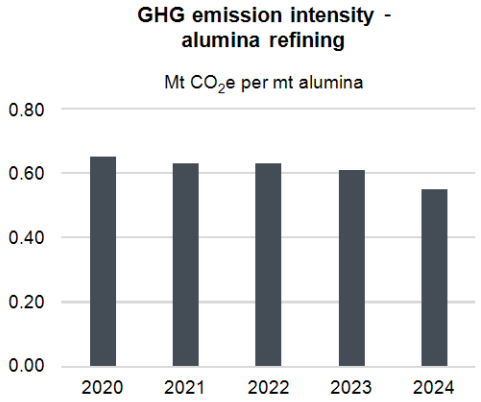
Hydro Rein is a leading provider of renewable energy solutions to industry. Hydro Rein supports Hydro and other industrial companies to decarbonize through large renewables energy projects in addition to onsite generation, energy efficiency, energy storage and flexibility management. Hydro Rein currently has a diversified portfolio of more than 60 renewable energy projects in core markets in the Nordics and Brazil, in addition to a pipeline of energy solutions projects in Europe and North America.

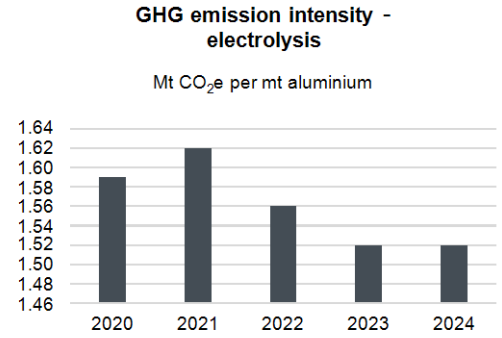
During second quarter 2024, Hydro Rein and Macquarie Asset Management became partners to further accelerate Hydro Rein's growth in renewable energy. The two companies were already partners in a large-scale onshore wind farm in the northeast of Brazil which became commercially operational in fourth quarter 2024 and is estimated to avoid 11,767 KT CO_2e over the project life. Through Power Purchase Agreements (PPAs), this project will supply electricity to Hydro's bauxite mine in Paragominas and its alumina refinery in Alunorte in order to reach Hydro's GHG reduction target. Hydro has been partnering with Macquarie since 2017 to enable the development of renewable energy capacity.

Batteries

The Batteries business unit in Hydro Energy was established in 2020 with an ambition to invest and grow sustainable battery materials companies. The portfolio includes Hydrovolt, E-magy, Lithium de France, Northvolt, Corvus and Vianode. In fourth quarter 2024, Hydro increased the ownership of Hydrovolt to 68 percent. To strengthen the focus on Hydro's 2030 strategy and address challenging market conditions in the batteries sectors, battery materials will no longer be strategic growth areas for Hydro and the Batteries businesses unit will therefore be phased out.

Hydro will continue to support Hydrovolt as an industrial owner in close link with the recycling business and strategic partners.





Greenhouse gas emissions from the electrolysis from Hydro smelters based on ownership equity. Slovalco is excluded from 2022 due to production curtailment.

Addressing climate risks and opportunities

Climate related physical risks

Climate related physical risks refer to the impact on business performance by climate related acute and/or chronic changes in rainfall patterns, flooding, shortages of water or other natural resources, variations in sea levels, storm patterns and intensities as well as temperatures. Such risks can result in flooding of facilities, interruptions to production processes, infrastructure failures and potential accidents.

To understand and mitigate climate related physical risks for Hydro's operations, the company has performed several climate risk assessments. In 2018, Hydro modelled future weather patterns and their impact on its facilities based on climate models and scenarios from the Intergovernmental Panel on Climate Change (IPCC). In 2023, Hydro updated the physical climate risk assessment, which included modelling the risk of climate related events in the current situation, in addition to RCP 4.5 and RCP 8.5 in a 2030, 2040 and 2050 scenario.

Hydro is working to assess the potential consequences and necessary mitigating actions, and plans needed to adapt for climate change. The findings from the updated climate assessment are being integrated in Hydro's risk management system. Several of Hydro's assets have already undertaken significant upgrades to manage climate related risks such as the effects of increased precipitation and associated flood risks.

Climate related transition risks

Climate change adaptation and the transition to a 1.5-degree economy poses both opportunities and risks to Hydro. The company has assessed regulatory risks, market risks and technology risks consistent with a 1.5-degree scenario. As a result, Hydro's long-term positioning, and operational and financial planning, reflect the company's assessment of transition risks in a 1.5-degree scenario.

The transition can lead to stricter regulations and more ambitious climate targets may drive costs within parts of Hydro's asset base. The overall portfolio will likely benefit from such trends, as it will increase the demand and value of Hydro's low-carbon products and portfolio.

Aluminium is widely acknowledged as an enabler for the green transition and the low-carbon aluminium Hydro produces is a key lever to reduce scope 3 emissions for customers across several industry sectors. Hydro is well positioned to benefit from the transition to net-zero GHG emissions and generates significantly lower GHG emissions than the industry average. The average carbon intensity of Hydro's aluminium production is below the 2030 and 2035 targets in the 1.5 degree scenario that the International Aluminium Institute has defined for the aluminium industry. The carbon footprint of aluminium production is highly dependent on the source of electricity used to produce the metal. Hydro's footprint reflects the fact that the majority of its primary production facilities use electricity from renewable sources.

Regulatory risks

As the aluminium and alumina markets are global markets, relative competition between countries and regions influences which production sites will be viable in the future. In general, Hydro will benefit from globally aligned initiatives which sets a price on CO_2 emissions and supports renewable energy use. Additionally, regulatory initiatives providing low-emission energy at competitive prices will benefit Hydro's existing production facilities.

In the opposite scenario, Hydro will have a disadvantage if significant carbon taxes are imposed on emissions in countries or regions where Hydro's production is placed, while similar regulation is not introduced in competing regions. Situations with severe limitations in availability of renewable electricity where Hydro's production facilities are located will be a disadvantage for the company's aluminium related assets.

Hydro's energy producing assets are renewable only, with the majority being hydropower in Norway. Hydro is also engaged in production of power from solar and wind resources, currently mainly in partnership with other companies and the majority of the projects are in development phase. These assets will benefit from stricter regulations on CO_2 emissions. However, specific regulations might impact the competitiveness and value of individual facilities.

Market risk

Hydro will benefit from increased demand for low-carbon aluminium, as customers decarbonize their value chains. The demand for low-carbon aluminium is expected to grow at a higher rate than the overall demand for aluminium. In parallel, demand for (low-carbon) aluminium could strengthen further as aluminium substitutes steel, copper or other metals, in sectors such as production of renewable energy and thermal technologies, transport, construction and real estate.

In an opposite scenario, the demand for aluminium could decline if Hydro does not succeed with the decarbonization of its value chain in line with its technology roadmap for net-zero GHG emissions by 2050. If Hydro fails to develop and implement HalZero, or other electrolysis technology while competing industries succeed in their decarbonization efforts, this could result in decreased demand for aluminium as steel or other metals substitute aluminium. Similar risks apply if Hydro does not succeed with retrofitting carbon capture at existing facilities. This can impact the value of Hydro's existing aluminium smelters.

Technology risk

New technology must be developed and implemented for production of primary aluminium in a net-zero GHG emission economy. Hydro is developing new, emission free, technology for use in future aluminium production facilities. In addition, Hydro is assessing options to implement carbon capture solutions at the existing smelters. For Hydro to retain the strategic benefit of lower-carbon emissions, developing technology that can be fitted to existing production facilities at an affordable price is important, and not succeeding in this constitutes a technological risk. In other parts of Hydro's value chain, the company can achieve net-zero emissions with existing technologies, provided sufficient renewable energy is available at competitive prices in the regions.

Potential carbon lock-in in the aluminium value chain

Carbon lock-in occurs when fossil fuel assets continue to be used, despite the possibility to substituting them with low-emission alternatives. For Hydro, carbon lock-in is primarily a risk associated with fossil fuel dependencies in the production of the electricity used for aluminium production. At Hydro's joint venture in Qatalum, Qatar, the electricity used for primary aluminium production is provided from an integrated natural gas-fired plant. The fuel switch project in Alunorte is an intermediate step towards full decarbonization of alumina refining by 2040 and this is therefore not considered as a long-term lock-in effect on GHG emissions.

Internal carbon pricing

A large amount of Hydro's aluminium operations falls within the scope of the EU Emissions Trading System (EU ETS). Hydro purchases and surrenders allowances (EUAs) to fulfil the company's compliance obligations under the EU ETS, and receives a proportion of free EUAs. The amount of purchased and received EUAs is publicly available information at a national level by the respective local EU ETS authorities.

Hydro uses the EU ETS carbon price in internal decision making processes inside and outside of the EU/EEA, and the cost of carbon is integrated in financial and operational decisions. By including a carbon price in Hydro's analysis, costs related to CO_2 emissions become a variable operational cost at plant level and CO_2 price expectations influence future investment decisions.

Hydro's part owned primary aluminium producer, Alouette, is also subject to carbon market compliance obligations (under the Québec cap-and-trade system which is part of the Western Climate Initiative (WCI)).

E1 Notes on Climate change

E1.1 Total greenhouse gas emissions based on ownership equity

Reporting principles

Hydro's decarbonization plan and GHG emissions targets refer to Hydro's total GHG emissions based on ownership equity. See the appendix for total GHG emissions in consolidated operations, including marked based Scope 2 GHG emissions and total GHG emissions presented according to ESRS E1 AR48.

The total direct and indirect (Scope 1 and Scope 2) GHG emissions in Hydro, based on ownership equity, are reported per business segment. GHG emissions have been calculated based on the principles of the WRI/WBCSD GHG Protocol according to the equity share principle, based on ownership share as per year end 2024. The reported emissions include Hydro's share of emissions from all operations including non-consolidated operations where Hydro has a minority interest.

The emission factors used to calculate Scope 1 GHG emissions from fossil fuel consumption have been updated using the UK Government GHG Conversion Factors for Company Reporting (DEFRA 2023). The Global Warming Potentials (GWP) of non-CO2 greenhouse gases have been updated according to IPPC AR6. The changes have been applied to historical emissions and GHG emissions reported in previous annual reports have been updated accordingly.

Direct GHG emissions (scope 1) are calculated based on anode consumption during the electrolysis process and use of fossil fuels. PFC emissions are calculated based on automatic process measurements and comprise CF_4 and C_2F_6 that are formed during anode effect situations in the electrolytic cells. Anode effect is mainly a result of production instability, e.g. in connection to power outages. The reported direct emissions are comparable to Scope 1 emissions as defined by the GHG protocol. All GHG emissions reported have been converted to CO2 equivalents (CO2e).

Indirect GHG emissions (scope 2) are calculated based on Hydro's consumption of electricity. Reported indirect emissions cover GHG emissions from purchased electricity and emissions from the gas-fired power plant in Qatalum. The table shows Hydro's emissions according to the location based method in the revised GHG Protocol Scope 2 Guidance and uses emission factors from the International Energy Agency (IEA) which is updated on an annual basis.

Hydro's position is that GHG emissions reporting should reflect physical realities as closely as possible. Hydro's decarbonization strategy generally follows the location based method, as Hydro believes this gives the best picture of scope 2 emissions. However, Hydro believes that green Power Purchasing Agreements (PPAs) are important to drive a green transition in the electricity sector. To reflect the impact of Hydro making active choices to enter into green PPAs, scope 2 emissions are set to zero in Hydro's decarbonization strategy where green PPAs exist. This is consistently done, also for historical emissions, and result e.g. in zero scope 2 emissions for Hydro's activities in Norway, Brazil (Albras) and Canada. This approach forms the basis for Hydro's Revolving Credit Facility (RCF) and the associated performance reporting.

GRI reference: GRI Standards 305-1 (2016) and 305-2 (2016).

Greenhouse gas emissions per segment - ownership equity

Million tonnes CO2e	2024	2023	2022	2021	2020
Direct GHG emissions	**5.67**	**5.92**	**6.19**	**6.65**	**6.10**
Bauxite & Alumina	1.85	2.16	2.20	2.31	2.09
Primary aluminium production	3.25	3.20	3.41	3.72	3.42
Remelters (mostly Metal Markets)	0.13	0.11	0.12	0.12	0.11
Extruded solutions[1)]	0.43	0.44	0.47	0.50	0.47
Indirect GHG emissions	**3.31**	**3.37**	**3.56**	**3.97**	**3.74**
Electricity consumption (mainly primary aluminium production)	3.31	3.37	3.56	3.97	3.74
Total GHG emissions	**8.98**	**9.29**	**9.75**	**10.63**	**9.83**

1) Includes GHG emissions from remelt activities in Extrusions.

In 2024, Alunorte piloted the use of biomass from açaí residue mixed with the coal used for steam generation. Total biogenic CO2 from this pilot were 60,743 tonnes in 2024. These emissions are not included in Scope 1 emissions reported, above.

E1.2 Indirect (scope 3) greenhouse gas emissions

Reporting principles

Hydro's indirect emissions based on ownership equity.

Indirect (Scope 3) GHG emissions are reported for emissions related to purchased goods and services, fuel and energy related activities, upstream transportation and distribution, downstream transportation and distribution, and processing of sold products. The calculation and reporting of Hydro's Scope 3 emissions are based on principles from the International Aluminium Institute's (IAI) Scope 3 Calculation Tool Guidance 2022 and its definition of material Scope 3 categories. Reported Scope 3 emissions are based on a combination of supplier-specific primary data and estimations based on statistical averages and generic emission factors.

Hydro presented its Scope 3 emissions for the first time in 2021, together with 2018 as a baseline. Hydro has not calculated Scope 3-emissions for 2020.

GRI reference: GRI Standards 305-3 (2016).

Scope 3 GHG emissions (million tonnes CO_2e)	2024	2023	2022	2021
Upstream scope 3 emissions	**11.08**	**12.09**	**13.43**	**15.01**
Purchased goods and services	10.06	10.99	12.34	13.90
Fuel and energy related activities	0.76	0.84	0.82	0.83
Upstream transportation and distribution	0.26	0.26	0.27	0.28
Downstream scope 3 emissions	**1.45**	**1.46**	**1.45**	**1.45**
Downstream transportation and distribution	0.06	0.06	0.06	0.06
Processing of sold products	1.40	1.40	1.40	1.40
Total GHG emissions	**12.53**	**13.55**	**14.88**	**16.46**

The reduction in upstream Scope 3 is mainly due to more conscious sourcing of metal, but also due to less volumes in Extrusions. Historical numbers to category 3 Fuel and energy related activities have been updated due to updates related to Scope 1 and 2 figures.

Hydro's upstream Scope 3 emissions are dominated by emissions from cold metal and aluminium scrap provided from external suppliers. Hydro regards the carbon footprint of process scrap as equal to its metal origin. Industry players who do not take the inherent carbon footprint of process scrap input into account will report significantly lower Scope 3 emissions. Hydro believes this method of accounting is inaccurate, as it accounts for process scrap being carbon neutral, when in reality the process scrap has the same inherent carbon footprint as its metal origin. Hydro believes that it needs to focus on what drives real change towards the green transition and Hydro needs to exercise its role as a responsible supplier and customer to influence the right development. If Hydro were to regard process scrap as carbon neutral, Hydro's upstream Scope 3 emissions would be significantly lower.

Hydro's downstream Scope 3 emissions are dominated by processing of sold metal. As this processing happens outside of Hydro's control, the company's ability to influence these emissions are limited. Nevertheless, reporting of these emissions contributes to give a holistic perspective on the total emissions of the value chain of our sold products.

Alumetal, which was acquired during 2023, has not been included in the Scope 3 calculations yet due to lack of historical data. In 2024, Scope 3 emissions from Alumetal were 442,135 tCO_2e.

E1.3 Greenhouse gas emissions intensity

Reporting principles

Hydro reports GHG intensity at the Alunorte alumina refinery and GHG intensity of the electrolysis process from Hydro's smelters, based on ownership equity, which are operational performance indicators in Hydro.

GHG intensity of alumina refining is calculated based on the total GHG emissions and production volumes at Hydro's Alunorte alumina refinery. The reported GHG intensity covers all alumina refining in Hydro.

GHG intensity of the electrolysis process is calculated based on greenhouse gas emissions and production volumes in Hydro's smelters, based on ownership equity. This is an operational target that excludes extraordinary emissions resulting from e.g. start up of curtailed capacity. The methodology for calculation is site specific and historical figures may be subject to change.

GHG intensity based on net revenue is calculated based on total Scope 1, Scope 2 location based, and material Scope 3 emissions, divided by total revenue as reported in the consolidated income statement.

GRI Reference: GRI Standards 305-4 (2016).

GHG intensity	2024	2023	2022	2021	2020
Refining at Alunorte alumina refinery					
Tonne CO_2e per tonne alumina	0.55	0.61	0.63	0.63	0.65
Electrolysis, based on ownership equity					
Tonne CO_2e per tonne aluminium	1.52	1.52	1.56	1.62	1.59

The implementation of electric boilers for steam generation at Alunorte and process improvements have resulted in an improvement in emissions per tonne alumina refined compared to previous years.

For the GHG intensity per tonne aluminium from the electrolysis process, Slovalco was excluded in 2022 due to production curtailment.

GHG intensity based on net revenue and total Scope 1, 2 and 3 emissions was 114.3 tonnes (location based) and 138.1 tonnes (marked based) of per NOK million in 2024. This is an ESRS reporting requirement, but not an operational target for Hydro, as the value will vary depending on market prices than explaining changes in actual emissions. The value is calculated based on total GHG emissions reported in the appendix, and net revenue from consolidated activities from Note 1.4 to the consolidated financial statement.

See also additional notes to Climate change in the appendix.

Pollution

Why it matters

Aluminium production carries an inherent risk of pollution, linked to process emissions to air and water, and the potential for accidental spills or leakages. There is also risk of pollution in the supply chain for raw materials. Such pollution can have a negative impact on the local environment and local communities if not managed correctly.

Hydro's business activities are subject to emissions regulations, including local emission permits, as well as regional and international regulation of emissions.

Stricter regulations related to emissions and pollution could impose new requirements on Hydro's operations and value chain, which in turn could affect cash flow or impose capital investments to reduce the emissions from Hydro's activities in the medium and long-term.

Incidents resulting in spills, leakages and other non-compliance with emission permits can result in fines and remediation costs that have an impact on Hydro's financial performance. Pollution linked to historical activities, at both existing operations and legacy sites, may also require active intervention and remediation. Actual or perceived pollution impacts on local communities can result in operational shutdown, legal disputes or negative reputational effects.

Our approach

Hydro's Global Procedure on Environmental Management, which is approved by the EVP People and HSE, requires that all operational sites that are fully owned or operated by Hydro, identify, control, and appropriately monitor material emissions to air and water from its operations, in accordance with the environmental licensing and applicable legal requirements. These emissions are typically subject to regulatory controls and requirements such as emission limits, abatement and monitoring. The requirements are reflected in the operational licenses and will differ depending on the type of activity and applicable regulatory frameworks.

Hydro's most significant emissions to air are linked to fossil fuel consumption in alumina refining and process emissions linked to primary aluminium production. The largest non-GHG emissions are sulfur dioxide (SO_2), nitrogen oxide (NO_x), particulate matter (PM) and fluoride (F). SO_2 and NO_x emissions to air are primarily from the use of oil and coal as an energy source for the refining of bauxite to alumina. Another large contributor to Hydro's total SO_2 emissions to air is related to the aluminium electrolysis process in smelters. Where technically feasible, Hydro has implemented seawater fed scrubbers in order to reduce SO_2 emissions. The largest emission to water is the sulfur captured by these seawater scrubbers. See Note E2.1 for an overview of emissions to air and water.

Hydro uses ozone depleting substances in certain applications in its Brazilian operations and to some extent also in Extrusions. In 2024, Hydro used in total 8.2 tonnes of such substances in its operations. The reported value corresponds to the purchased amount of such substances and can vary significantly according to the need of refilling existing cooling devices. In Brazil, such substances are managed and reported according to Brazilian legal requirements. In Hydro Extrusions, hydrochlorofluorocarbon (HCFC) accounts for around one third of ozone depleting substances.

Acid Mine Drainage (AMD) is not a material risk for Hydro. The chemical content of the ore is the primary cause of AMD and is typically associated with sulfur bearing metals, which is not present in bauxite mines in Brazil.

To avoid incidents of pollution and mitigate impacts in the event of a spill or other unplanned event, all sites are required to have performed risk assessments, and establish action plans and controls to manage the risk, such as emergency action procedure, secondary containment, and storage basins.

Hydro's global procedures for health risk management and environment management require all operational sites that are fully owned or operated by Hydro, identify, risk assess, minimize, evaluate for substitution and appropriately manage all hazardous materials or substances, purchased or generated in its processes, that have the potential to cause ill health, or to negatively impact the environment. Hydro's products are subject to compliance declarations according to different EU and U.S. legislations. This includes registration, evaluation, authorization and restriction of chemicals (REACH) and restriction of hazardous substances (RoHS) in the EU, and the Toxic Substances Control Act and California's proposition 65 in the U.S. This gives Hydro's customers assurance that its aluminium profiles do not contain the prohibited substances above the defined limits. Stakeholders and potentially affected communities can use AlertLine as a communication tool to report environmental and social issues concerning Hydro operations. See Business Conduct chapter for more information about AlertLine.

In 2024, Hydro joined World Economic Forum's Alliance for Clean Air, a cross sector initiative to the social and environmental benefits of collective action to reduce air pollution. As an Alliance Member, Hydro has worked with the Stockholm Environment Institute to develop inventories and baselines of material air pollutants, linked to its electricity sourcing and wider value chain. This data will be used as input for future disclosures and target setting, with the goal of reducing air pollutant emissions linked to Hydro's full value chain.

Targets and ambitions

50%

Reduction in material non-GHG emissions by 2030 against 2017 baseline

Performance

57%

Reduction in SO_2 against baseline

67%

Reduction in NO_x against baseline

37%

Reduction in particulate matter emissions against baseline

Actions to reduce risk of pollution

Hydro has established a voluntary target to halve material non-GHG emissions (i.e. SO_2, NO_x and PM emissions to air) by 2030, from a 2017 baseline. These emissions are primarily linked to fossil fuel consumption in Hydro's operations. To achieve this target, sites are required to decarbonize their processes where feasible. For more information about Hydro's efforts to decarbonize and reduce emissions, see chapter on Climate change.

In 2024, total emissions of SO_2, NO_x and PM10 were 57 percent, 67 percent and 37 percent lower, respectively, than the 2017 baseline. A key driver for this improvement has been the replacement of heavy fuel oil with natural gas at Hydro's refinery, Alunorte. Additionally, to align more closely with the measurement hierarchy stated in ESRS E2, Alunorte changed its reporting approach in 2024 to report directly measured emissions of SO_2 and NO_x from its processes, through periodic sampling, instead of using the default emission factors taken from the Norwegian Authorities. This approach gives a closer approximation of actual emissions released, accounting for the technology and process efficiency at the site.

Hydro has set targets to reduce fluoride emissions from its fully owned smelters. These smelters currently perform below the EU regulatory emission limit for existing smelters (0.6 kg F/t Al) and the average is also below EU regulatory emission limit for new smelters (0.35 kg F/t Al). Hydro will continue to invest in upgrades of gas treatment centers and strive for operational excellence such that individual smelter performances are all below the 0.35 kg F/t Al limit

Inorganic mercury compounds are naturally occurring trace element within bauxite. Due to the high temperatures in the refining process, elemental mercury is produced and can be emitted to air and water. Hydro's alumina refinery has a wastewater treatment plant to mitigate emissions to water that treats all liquid effluents prior to discharge. To reduce emissions of mercury to air, Hydro has initiated a project to install four non-condensable gases units (condensers) on Alunorte's eight digestor lines. The first condenser was installed in 2018, as a pilot, and its technical performance was monitored prior to the installation of the remaining units. A second condenser was installed in 2023 and entered into operation in 2024. The third condenser was installed in 2024 and will be operational in early 2025. The final condenser will be installed and operational by end of 2025.

Incidents resulting in spills, leakages, or other non-compliances with environmental performance standards, could potentially result in material pollution. To minimize the risk of material pollution, operational sites are required to implement suitable process controls, inspection and maintenance routines and additional controls, such as secondary containment. In the events of an actual spill, incidents are assessed and classified according to the severity of impact. See Note E2.2 for reported spills and leakages and Note E2.3 for information on environmental permits.

Emissions and mitigating actions in the aluminium value chain

Activity	Emissions	Mitigating actions
Bauxite mining	Water discharges to environment: suspended solids	Clarification basins
Alumina refining	Water discharges to environment: pH and suspended solids	Two step water treatment process, consisting of pH adjustment and clarification
	SO_2, NO_x and PM emissions to air	Alunorte fuel switch project to replace HFO with LNG by 2025, reduction of coal use towards 2030
	Fugitive PM emissions to air in dry season	Water spraying of roads and open areas; use of non-woven geotextile materials (aka. Bidim) to cover bauxite residue deposits
	Mercury emissions to air and water	Mercury condensers by end 2025, and wastewater treatment
Primary aluminium production	Water discharges to environment	Wastewater treatment plants; oil separators; containment basins
	Fluoride emissions to air	Alumina fed dry scrubbers
	SO_2 and PM emissions to air	Seawater fed wet scrubbers (fully owned smelters)
	Other emissions to air from casthouse and anode baking furnaces	Bag filters
Aluminium recycling	Other emissions to air from casthouse	Bag filters (where legally required)
Extruded products	Water discharges to environment (where applicable)*	Wastewater treatment plants; oil separators; containment basins

* Many Extrusion sites discharge process water to third party sewer systems for collection and treatment.

E2 Notes on Pollution

E2.1 Emissions to air and water

Reporting principles

Emissions reported below are consistent with prior reporting periods, before reporting emissions to air and water based on ESRS E2. The total emissions reported below are consistent with the reporting boundaries for Hydro's targets for reducing SO_2, NO_x, and particulate matter emissions, and are measured for all controlled operations, regardless of emission thresholds referenced in ESRS E2.

See Note E2.4 in the Appendix, for total non-GHG emissions based on requirements in ESRS E2.

Total emissions of PAH-related pollutants do not include data from Hydro's part-owned smelter, Albras, in Barcarena, Brazil. Under Brazilian legislation, it is not a legal requirement for Albras to measure this group of emissions, so the data does not exist. Hydro will not work on closing this data gap in 2025.

GRI reference: GRI Standards 305-6 (2016) and 305-7 (2016).

Emissions to air

Metric tonnes	2024	2023	2022	2021	2020
Sulphur dioxides (SO2)	15,167	25,370	24,794	31,110	25,108
Nitrogen oxide (NOx)	5,533	13,125	14,564	14,959	14,466
Particulate matter (PM10)	2,929	3,974	3,730	4,037	3,009
Non-methane volatile organic compounds (NMVOC)	369	134	324	209	145
Carbon monoxide (CO)	1,111	NR	NR	NR	NR
Black Carbon	171	NR	NR	NR	NR
Polycyclic aromatic hydrocarbons (PAHs) - EPA 16 definition[1)]	7.81	11.75	12.62	10.09	15.27
Polycyclic aromatic hydrocarbons (PAHs) - E-PRTR definition[1)]	0.02	NR	NR	NR	NR
Anthracene	0.06	NR	NR	NR	NR
Naphthalene	1.97	NR	NR	NR	NR
Fluorine and inorganic compounds (HF)	443	NR	NR	NR	NR
Mercury and compounds (as Hg)	0.49	NR	NR	NR	NR

1) PAH emissions excludes emissions from Albras. NR = Not reported.

Emissions to water

Metric tonnes	2024	2023	2022	2021	2020
Total nitrogen	0.11	0.12	0.15	0.88	0.81
Polycyclic aromatic hydrocarbons (PAHs) - EPA 16 definition[1)]	1.04	1.29	1.10	1.15	2.89
Polycyclic aromatic hydrocarbons (PAHs) - E-PRTR definition[1)]	0.14	NR	NR	NR	NR
Anthracene	0.0006	NR	NR	NR	NR
Naphthalene	0.51	NR	NR	NR	NR
Fluoranthene	0.08	NR	NR	NR	NR
Benzo(g,h,i)perylene	0.02	NR	NR	NR	NR
Fluorides (as total F)	214	196.9	229.1	235.0	220.6
Total organic carbon (TOC) (as total C or COD/3)	12	10	15	32	39

1) PAH emissions excludes emissions from Albras. NR = Not reported.

SO_2, NO_x and PM have decreased materially from the 2017 baseline. A key driver has been the replacement of heavy fuel oil with natural gas at the Alunorte refinery. Additionally, to align more closely with the measurement hierarchy stated in ESRS E2, Alunorte changed its reporting approach in 2024 to report directly measured emissions of SO_2 and NO_x through periodic sampling, instead of using default emission factors taken from the Norwegian Authorities. This approach gives a closer approximation of actual emissions released, accounting for the technology and process efficiency at Alunorte.

E2.2 Spills and leakages

Reporting principles

Total reported severe and major leakages from Hydro consolidated activities.

Spillages and leakages to the external environment (soil, water or air) are registered in Synergi and/or in IMS, Hydro's reporting tools for incidents regarding health, safety, security and environment. Spills and leakages reported in Note E2.2 comprise incidents that have resulted in emissions to the external environment that are categorized as severe or major, i.e. unintended and sustained spills and leakages. A spillage or leakage can be reclassified according to changes in the actual consequence of the spillage or leakage, and historical figures are updated accordingly. Several reported incidents can be closely related and therefore classified as the same spillage.

GRI-reference: GRI Standards 306-3 (2016).

Spills and leakages to the external environment

	2024	2023	2022	2021	2020
Spills, leakages	0	1 [1)]	1	0	5

1) The 2023 incident relates to a spill of sulfuric acid at our Extrusions site in Cheltenham, UK. The case was classified as severe due to its potential consequences, not due to actual damage to the environment.

E2.3 Environmental permit breaches

Reporting principles

Total reported severe and major permit breaches from Hydro consolidated activities.

Environmental permit breaches are reported when an incident occurs that in any way relates to an environmental permit. This definition is in certain cases stricter than the legal definition, i.e. not all reported incidents are related to breach of legal criteria in an environmental permit. For other cases of non-compliance, see Note G1 to the Business conduct chapter. The reported cases are based on monthly monitoring and reported in Synergi and/or in IMS, Hydro's reporting tools for incidents regarding health, safety, security and environment.. Permit breaches reported in Note E2.3 comprise breaches that are classified as severe or major, which mean the incidents require regulator contact and/or have led to permit breaches with possible fine or suspension. The reported permit breaches may be related to spillages and leakages covered in Note E2.2. Several reported incidents can be related to the same permit and will be reported as one breach. Historical figures may be subject to change due to time lag in administrative procedures.

Permit breaches

	2024	2023	2022	2021	2020
Permit breaches	0	0	3	2	11

See also additional notes to Pollution in the appendix.

Water

Why it matters

Hydro depends on the supply of water as an ecosystem service and withdraws large volumes of water for beneficiation and pumping at its Paragominas mining operations, steam generation in the Bayer process at the Alunorte alumina refinery, and for cooling and operations in Hydro's primary aluminium and recycling processes. Freshwater withdrawals can have a negative impact on local water resources in the event of drought.

Hydro's hydropower operations can have a positive impact on flood control and water flow. Potential negative impacts on water based ecosystems in the catchment areas are described in the biodiversity and ecosystems chapter.

Hydro is exposed to water related risks associated with seasonal rainfall or drought, which can cause disruptions in the availability of water for electricity generation, cooling, operations, infrastructure, and logistics services in Hydro's value chain. Climate change can exacerbate the scale and frequency of such risks.

Our approach

Hydro's Global Procedure for Water Stewardship, approved by EVP Chief Financial Officer, requires all operational sites that are fully owned or operated by Hydro, evaluate water related risks and opportunities at a catchment scale and develop management plans to address any material risks identified. While there are no group wide targets for water, operational sites must develop context relevant targets and maintain a sufficiently detailed water balance account to reflect the site's water risk exposure and comply with the International Council on Mining & Metals' (ICMM's) requirements for water reporting. Operational sites must also manage the quality of water discharges and run-off to fulfil legal permit limits and mitigate potential negative impacts to the environment and harm to the health and livelihoods of affected communities, within the operation's area of influence.

Aluminium value chain

Hydro uses the WRI Aqueduct tool to analyze Hydro's freshwater footprint in water stressed areas, defined as locations with high or extremely high baseline water stress. Approximately one percent of Hydro's freshwater withdrawals are related to operational assets located in water stressed areas, so over exploitation of natural water resource availability is not considered material for Hydro today. In addition, and due to seasonal heavy rainfall in Northern Brazil, managing flood risk is also a priority for both the mining operation and alumina refinery. With future climate change scenarios, location specific changes to the availability of water resources may occur. Such risks were evaluated in the physical climate risk assessment that was updated in 2023, described in the climate change chapter.

Hydro manages the quality of discharges to the external environment to ensure that Hydro operates within the relevant permit limits and regulatory frameworks. For information about emissions to water, refer to the Pollution chapter.

Around 77 percent of Hydro's total water withdrawal occurs in Norway from fjords (sea water) and rivers (fresh water) that supply these fjords. These water sources are vast and are not significantly affected by Hydro's operations. All seawater withdrawal in Norway is used in gas treatment centers, enabling the primary production smelters to reduce dust, SO_2 and fluoride emissions to air.

To address local water risks, Hydro has implemented strategies to minimize surface water withdrawals at its mining and refining operations in Brazil.

In 2024, 26 percent of Hydro's surface water withdrawals was rainwater, primarily captured at Alunorte and Paragominas. Approximately 76 percent of Paragominas' water demand was met by recovery of water from the beneficiation process, and eight percent from water captured in the reservoirs, significantly reducing dependency on water withdrawals from the Parariquara river. Alunorte receives a large volume of water entrained in the bauxite product it receives through the pipeline from Paragominas, totalling 11.5 million m^3 in 2024. 45 percent of this water was reused in the refining process.

Hydro has also implemented water-use efficiency programs in the Extrusion business to reduce water intensity and operational costs.

Hydropower

Hydro monitors and models water levels in its reservoirs to optimize electricity production which, in turn, helps to mitigate consequences of extreme weather events like heavy rainfall and flooding.

Hydro's hydropower operations are covered by concessions, with site specific requirements for upgrades and environmental improvement measures. All impacts on surface water bodies are identified and managed by regional water basin management plans (WBMP). The WBMPs are the main tool for authorities to follow-up improvements in Norwegian water bodies and are established with inputs from different stakeholders, including hydropower producers. Concessions set the requirements for both power production and water flows in the surface water bodies that Hydro regulates.

Hydro has established an overview of all surface water bodies impacted by its operations, as well as ecological and chemical status and mitigation measures, to ensure follow up of the WBMPs and that Hydro is in line with concession requirements. Hydro may be ordered to implement mandatory measures for impacted water bodies within specific deadlines. Current WBMPs were approved by the Norwegian Government in October 2022 and are valid until 2027. There is an ongoing process to establish WBMPs for the period 2027-2032.

Hydro continuously works with voluntary and mandatory rehabilitation and restoration measures in the waterways, and continues to develop its understanding of how to improve the ecological status of water bodies that are impacted by hydropower operations. Hydro also works with initiatives to reduce the risk of erosion and sedimentation around the reservoirs, such as reinforcement of reservoir edges with stones and gravel.

Performance

34	1.2 million m^3	68.9 million m^3
Number of sites in water stressed areas	Freshwater withdrawals in water stressed areas	Water recycled or reused

Initiatives to improve and reduce adverse impacts on water as well as on protected habitats and species directly dependent on water are described in the chapter biodiversity and ecosystems.

Hydro maintains ongoing dialogue with Norwegian authorities, NVE and is involved in discussions of regional WBMPs in areas where Hydro operates. Additionally, Hydro participates in industry initiatives aimed at enhancing understanding and best practices for water stewardship.

Wind and solar projects

During operation, electricity generation from wind and solar sources does not require significant water consumption. Hydro's joint venture, Hydro Rein, is invested in two solar projects and one wind project in areas of medium-high and extremely-high overall water risk in Brazil. Water management plans and monitoring of drainage systems and water resources are part of the basic environmental management plans requested and followed up by authorities.

The operation of solar and wind projects in Brazil are covered by permits with specific environmental constrains. Hydro Rein's projects source water from legally approved water sources and reports on water consumption to local authorities throughout project lifecycle. Additional mitigation measures are always taken as part of the projects' Environmental and Social Management Plans.

E3 Notes on Water

E3.1 Water interaction

Reporting principles

Total water withdrawal by country and water interaction in Hydro consolidated activities.

All operations related to the aluminium value chain maintain a water balance, in line with regulatory requirements and the minimum disclosure requirements dictated by ICMM's Water 2021 Water Reporting: Good practice guide. This includes volumes of withdrawals (by quality and source), discharge (by quality and destination), consumption (by type) and the percentage of the operational water demand met by water reuse and /or recycling, if applicable. Methods for calculating these values are site specific. Where operational sites receive their water supply from third parties, like the municipal water infrastructure, the quantities are based on invoiced volumes across the year. In operations that manage their own water extraction and discharges, the data can be directly measured using flow meters, or inferred from pumping capacity and run times. Hydro does not have instances of "Other Managed Water" (i.e., water that needs to be actively managed by does not enter the operational water system used to supply the operational water demand), so this parameter is not included in Hydro's consolidated reporting.

Hydro monitors water use in the construction and development of new energy projects, including water for construction processes and human consumption. Water consumption in Hydro Rein's projects are not material in volume compared to consumption in other activities. All water use in construction and development of new energy projects is supplied by third parties.

GRI reference: GRI Standards 303-3, 303-4 and 303-5 (2018).

Total water interaction

Million m^3	High quality	Low quality	2024	2023	2022	2021	2020
Number of locations			116	116	111	114	118
Water withdrawal, by source							
Surface water withdrawal	15.1	73.4	88.5	90.0	94.6	100.7	87.3
- River, stream, lake	15.1	50.7	65.8	64.7	68.8	72.0	66.5
- Rainwater capture	0.0	22.7	22.7	25.3	25.8	28.7	20.8
Ground water	11.4	1.4	12.8	13.4	12.4	12.4	12.1
Seawater	165.8	0.0	165.8	164.7	165.6	163.2	173.2
Third-party Supply (e.g. municipal)	11.5	3.8	15.3	15.7	16.1	16.5	14.9
Total water withdrawal	**203.9**	**78.6**	**282.5**	**283.7**	**288.7**	**292.8**	**287.5**
Water discharges, by destination							
Surface water (river, stream, lake)	17.5	39.5	57.0	54.6	64.7	69.0	60.9
Ground water	0.0	0.0	0.0	0.1	0.1	0.0	0.0
Seawater	187.9	9.2	197.0	195.2	198.0	196.4	205.9
Third-party supply (e.g. municipal)	13.8	0.7	14.5	16.6	15.6	16.6	14.5
Total water discharges	**219.2**	**49.4**	**268.6**	**266.6**	**278.3**	**282.0**	**281.3**
Total water consumption			**13.9**	**17.2**	**10.3**	**10.8**	**6.2**
Total Water reused/recycled			**68.9**	**65.4**	**64.7**	**67.2**	**53.0**

The water intensity per revenue was 68.39 m^3 per million NOK in 2024.

See also additional notes to Water in the appendix.

Biodiversity and ecosystems

Why it matters

As a global aluminium and energy company, Hydro recognizes the material impact its global operations and their associated value chain can have on biodiversity and ecosystem services. Hydro's activities are relevant to all five of the main drivers of nature loss:

- Land and water use change
- Direct exploitation of natural resources
- Climate change
- Pollution
- Introduction of invasive, alien species

Hydro's operations are also dependent upon ecosystem services provided by nature, including the provision of water, regulation of climate, and protection from physical hazards, like floods and landslides. Aluminium production is also dependent on the supply of energy, raw materials and other services that can impact biodiversity and ecosystems at the local, regional, and global level. It is Hydro's responsibility to manage the risks associated with these impacts and dependencies where they occur in the company's operations and business activities. Stricter regulations related to impacts on biodiversity and ecosystems could impose new requirements on Hydro's operations and value chain, which in turn could have a financial or reputational effect on Hydro. This could impose capital investments to reduce the impact of the company's activities in the medium and long-term. Expectations from customers, investors, and banks could affect Hydro's financial performance, cost of capital, or access to finance in the medium or long-term. The effects could be both positive and negative for Hydro, depending on the development of stakeholders' expectations and the impact of Hydro's activities to its peers.

Our approach

Hydro has implemented a policy, Global Procedure for Biodiversity and Ecosystem Services, which covers all wholly owned or operated assets and are approved by EVP Chief Financial Officer. The procedure establishes minimum requirements for biodiversity risk management in operations, new project development, and merger and acquisition processes. The requirements include assessments to identify potential impacts on biodiversity and ecosystem services within the operation's area of influence and to assess the materiality of these impacts to the operation, environment, and affected communities. The assessment shall identify and describe priority biodiversity features or ecosystem services that occur within the operation's area of influence, consider the full lifecycle of the operation, including closure, and establish requirements for mitigation actions according to the biodiversity mitigation hierarchy.

Targets and ambitions

No Net Loss

of biodiversity for Hydro's bauxite mine, from a 2020 baseline

1:1

Rehabilitation of mined areas within two hydrological cycles

Performance

3,468 hectares

Total accumulated area undergoing rehabilitation

100 %

Of the mining area released for rehabilitation in 2022 has undergone rehabilitation

Driver of nature loss	Relevance for Hydro	Strategic response
Land/Water use change	Bauxite mining and renewable energy production are both land use intensive activities, and can often impact upon natural habitat or habitats that support threatened and/or endemic species	See Integrating nature in Hydro's strategy and business model.
Direct exploitation of natural resources	Hydro does not directly depend on organisms in its economic activities. However, Hydro does depend on natural resources, including water supply, that should be managed responsibly	See the Resource use and circular economy and Water chapter.
Climate Change	Aluminium production has a high embedded carbon footprint. Renewable energy production can contribute to decarbonizing industries	See the Climate change chapter.
Pollution	Aluminium production has a number of associated non-GHG emissions that can lead to air, water and soil pollution if not responsibly managed.	See the Pollution chapter.
Introduction of invasive, alien species	With a global value chain footprint, there is a risk of invasive species introduction through the movement of supply chain materials and products	Global governance on risk related to invasive species that requires operations to implement effective management to avoid the introduction of invasive species. If an introduction does occur, operations must implement an effective management to remove it.

Identified impacts

Hydro can directly impact upon biodiversity and ecosystem services through its contribution to land use change related to its mining operations and the development of new industrial projects, including renewable energy, as well as the company's water use, greenhouse gas emissions, and other emissions to air and water.

Aluminium value chain

The total land use footprint of Hydro's aluminium value chain operations is ca. 25,000 ha. This footprint intersects with eight terrestrial habitat types, following the IUCN habitat classification system. The majority of the footprint, ca. 23,000 ha, relates to the upstream bauxite and alumina activities, which are located within the habitat type "Forest - Subtropical/Tropical moist lowland."

Within Hydro's aluminium value chain operations, the most material impact on biodiversity through land use change occurs at Hydro's bauxite mine located in the municipality of Paragominas, in the State of Pará, Brazil. This region is located within the Brazilian Amazon, in an area defined as the "Arc of Deforestation," and is characterized by extensive deforestation for cattle ranching and soy production.

Hydro's mine covers an area of ca. 18,700 ha., which, prior to the mine, was a mixture of primary and secondary forest, and agricultural land. The primary forest, although considered natural habitat, has been historically impacted by selective logging to remove the tallest commercially valuable trees from the area. Despite this history of human impacts on the area, the remaining forest is still representative of a specific biome in the Amazon, called the Belem Endemism Centre (BEC), and supports a number of threatened fauna and flora species, some of which are endemic to the region. Hydro takes measures to minimize and restore impacts to these biodiversity features within the mine's environmental management strategy.

Paragominas' expansion of its mining activity beyond the boundary line shown in the land use map was driven by the strategic location of bauxite deposits and the scaling up of activities on Plateau Miltônia 3 (M3). Expansion into these new areas is governed by long-term agreements with landowners and adhere to a rigorous environmental licensing process. They also include areas defined as Legal Reserves (ARLs). As established by Brazilian national legislation, ARLs support sustainable management practices, fostering the coexistence of conservation efforts with responsible land use. The expansion of mining, including those with ARLs (394 ha in 2024), meets the requirements of national legislation and has authorization from the competent environmental agency as well as is underpinned by comprehensive studies on environmental impacts, mitigation, and compensation measures, and a commitment to restoring affected areas in compliance with regulatory requirements and Hydro's own commitments to biodiversity management.

Aside from the direct impact of land use change on nature, it is well documented that climate change, pollution, and extraction of natural resources can also contribute to negative pressures on biodiversity and ecosystems. Information about Hydro's aluminium value chain related GHG emissions, other emissions to air, and interactions with water, including strategy and targets, can be found in the Climate change, Pollution and Water chapters.

		Aluminium Production and Recycling					Renewable Energy	
		Bauxite Mining	Alumina Refining	Primary Aluminium	Aluminium Recycling	Aluminium Extrusion	Hydropower	Wind
Impacts	Land or water use change	■	■				■	■
	Freshwater withdrawal	■	■				■	
	GHG emissions		■	■				
	Non-GHG air emissions		■	■	■			
	Water pollutants		■	■				
	Soil pollutants							
	Solid waste	■	■	■				
Dependencies	Surface water	■	■				■	
	Ground water		■					
	Water flow maintenance	■	■				■	
	Climate regulation	■	■	■			■	■
	Natural hazard protection	■	■	■			■	

The table summarizes of the general nature related impacts and dependencies, relevant for Hydro's value chain activities. The categories are aligned with those presented in Science Based Targets Network's (SBTN) Materiality Screening Tool and ENOCRE's database for sector dependencies.

Hydropower operation and development

Hydropower development and operation can significantly alter both aquatic and terrestrial ecosystems. Impacts from operations are due to hydrological and morphological changes in water bodies, such as varying water levels in reservoirs and rivers, and reduced transport of sediments. Hydropower operations have a larger indirect influence area due to intake of water from the whole catchment area, with impacts to the habitat connectivity of all adjacent landscapes and ecosystems. Upgrades of existing hydropower systems and new projects will require land use for construction of roads, spoil heaps, and laydown areas, which can impact terrestrial biodiversity.

Wind and solar energy operations and development

Hydro operates the wind park Tonstad in Norway, with 51 wind turbines. The operation of the wind turbines has impacts to biodiversity and ecosystems through habitat loss, fragmentation, and degradation and impacts to migratory birds and bats, however, there is a lack of monitoring data to confirm the extent. Construction of the park has impacted the natural flora, with area use for roads, laydown areas, cables and wind turbines. In addition, the construction activities have impacted the natural flora with introduction of invasive (blacklisted) species, drainage and revegetation with non-natural species. In general, noise, lights and onsite vehicles impacts the natural fauna.

Hydro's joint venture, Hydro Rein, develops new wind and solar projects. Large areas of land are needed to accommodate renewable energy infrastructure, and wind and solar farms can pose significant pressure to biodiversity and ecosystems. The significance of impacts will vary depending on the current land use and level of degradation of

the previous habitat and the geographic location. The most important impacts include habitat conversion, degradation and fragmentation. Both onshore wind and ground mounted solar create barrier effects to biodiversity movement. Specific examples of such biodiversity pressures include:

- Collisions of birds, prey, and bats with wind turbines, solar panels, and transmission lines.
- Electrocution of birds and bats on transmission lines.
- Disturbance and displacement of fauna due to noise, dust and vibration from construction activities.
- Fauna road kills due to development of roads and infrastructure.

Integrating nature in Hydro's strategy and business model

Hydro's current business model has several impacts and dependencies on nature and the ecosystem services it provides. Based on the materiality of these impacts and dependencies, and the risks and opportunities that they present for Hydro, the company has developed a nature strategy that seeks to mitigate risks, safeguard its business, and improve its resilience to an evolving regulatory and market framework. Hydro has developed this strategy as part of its transition plan to align with the 2030 objective and targets of the Global Biodiversity Framework agreement and address the main drivers of nature loss most relevant to its business model. By doing so, Hydro aims to contribute meaningfully to the global effort to transition to a nature positive future.

The primary focus of the nature strategy is in relation to Hydro's direct operations and their interface with nature, where the company has the greatest level of control and influence on nature related risks. For specific actions, targets, and commitments related to pollution, climate change, and waste management, please refer to the relevant chapters within the annual report.

Hydro has broadened the scope of this strategy to address indirect nature related risks in its value chain and the wider landscapes where it operates. This includes establishing an inventory and baseline for material air pollutants in Hydro's value chain (see Pollution chapter for more information), and an extensive partnership arrangement, the Corridor Program, with research institutions, NGOs, companies, and communities to identify opportunities for the conservation and restoration of nature along the bauxite pipeline between Paragominas and Barcarena.

Group wide targets and commitments related to biodiversity and ecosystems

To avoid impacts to areas of especially high biodiversity value, Hydro has committed to not develop new projects in UNESCO World Heritage Sites and Legally Protected Areas that are classified as IUCN Protected Area Management Categories I-IV. Hydro will also not develop new projects in other Legally Protected Areas as listed in the World Data if the project will cause irreversible impacts to the biodiversity values for which the legal protection has been assigned.

Hydro has also established a minimum requirement for new projects and major changes to existing operations, that risk impacting natural and critical habitat, to establish a biodiversity action plan that documents a credible No Net Loss strategy for the biodiversity features at risk. This strategy must align with the biodiversity mitigation hierarchy and be designed to deliver the No Net Loss outcome within the project's lifetime or sooner.

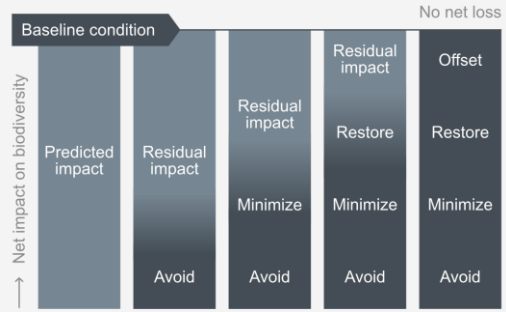
Actions to mitigate and compensate for mining impacts on biodiversity

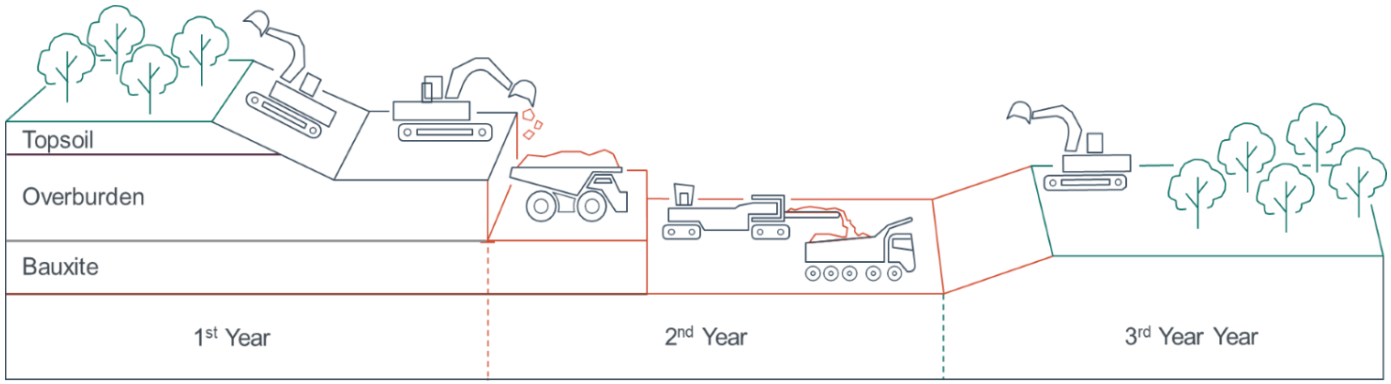
Hydro has developed a strong reforestation program that seeks to mitigate the impact of forest removal through timebound targets to replant and reforest the areas. Currently, Hydro works to progressively rehabilitate mined areas available for reforestation and replant these areas within two complete hydrological seasons, referred to as Hydro's 1:1 rehabilitation target.

In addition to rehabilitating mined areas, there is also a need to eventually rehabilitate long-term infrastructure, like the tailings storage facilities, when no longer required to support operations. Read more information about Hydro's tailings management in the chapter Resource use and circular economy. Due to the clay like nature of the tailings material, a specialized rehabilitation technique must be developed. Hydro has ongoing research into developing this technique, amending tailings with organic material like green manure and decaying wood, with some promising results at pilot scale (Barral das Neves et al. 2024).

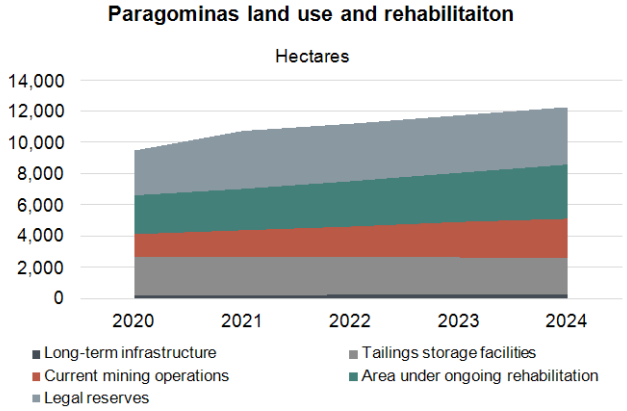
To increase Hydro's knowledge and secure a science based approach to biodiversity management and forest rehabilitation, the Biodiversity Research Consortium Brazil-Norway (BRC) was first established in 2013 and renewed in 2023 for a further five years. BRC consists of the University of Oslo and its Brazilian partners Museu Paraense Emílio Goeldi, Federal University of Pará, and Federal Rural University of the Amazon, in addition to Hydro.

Biodiversity mitigation hierarchy





The scope of the consortium is to create an environmental research program connected to the mining operations. The aim is to strengthen Hydro's ability to preserve natural biodiversity and to better rehabilitate the areas where the company mines bauxite.



Twenty five research projects have been funded to date and a new research program was developed in 2023 to support the renewed BRC agreement.

Announced in 2023, Hydro has also increased its No Net Loss ambition for biodiversity for the bauxite mine. In addition to achieving No Net Loss for the future expansion of the mine, Hydro will also include impacts that have occurred since 2020 for the existing mining footprint as well. As part of delivering on this No Net Loss roadmap, Hydro has established a partnership with a Brazilian Research Institution that is actively engaged in scientific research on biodiversity restoration within the Amazon biome.

Hydro has also entered into partnership with three Brazilian NGOs, Imazon, CEA and IPAM, which are dedicated to the conservation and sustainable development of the Brazilian Amazon. This multistakeholder partnership, called Corridor Program, will explore opportunities to scale biodiversity projects that can also generate sustainable income for local communities. In September 2024, Hydro entered into a Memorandum of Understanding with the Mercedes-Benz Group, which is now an active partner of the program.

For quantitative information on land use and rehabilitation in Paragominas, see Note E4.4. There are specific closure plan requirements for the Paragominas mine including rehabilitation of the mine and tailings ponds. In addition, there is a similar requirement for the bauxite residue disposal areas at Alunorte. Read more about closure management in the Legacy impact chapter and bauxite residue disposal in Resource use and circular economy.

Actions to minimize impacts in hydropower operations

Hydro is an active member of the International Hydropower Association (IHA) and Renewables Norway's sustainability network, working actively together with energy industry associations to address negative impacts on nature for new projects and operations. The company takes a scientific approach to managing its biodiversity impacts through collaboration with other power producers in Norway, as well as supporting and collaborating with research on nature impacts from renewable energy.

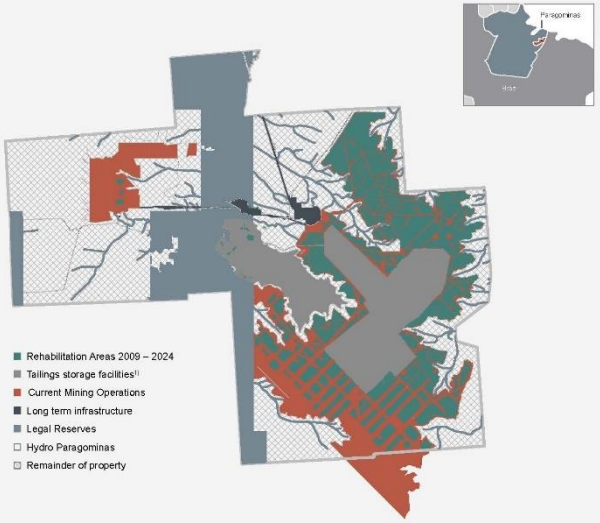
In operations, Hydro always follows the relevant requirements stated within concessions and regulation established by the authorities, including the implementation of mitigation actions where required. In relation to renewal of concessions, rehabilitation projects are carried out in rivers and lakes to improve fish habitats and aesthetic qualities. The company also monitors the impact of its operations on aquatic life in rivers connected to catchment areas.

As per end of 2024, Hydro has two revisions of its hydropower concessions in process, Fortun-Granfasta and Vigelandsfoss. Hydro is awaiting approval from The Norwegian Water Resource and Energy Directorate (NVE). For Fortun-Granfasta, all necessary studies have been carried out and filed with NVE. Hydro has proposed several restoration and improvement activities targeting aquatic biodiversity. For Vigelandsfoss, biodiversity studies on fish have been performed as part of the concession applicatio, and measures to reduce impacts to eel are proposed.

Independently of concession renewals, Hydro is performing biodiversity risk assessments for all its operated hydropower and wind power in Norway. The risk assessments are being carried out by a third party specialist, with the aim of identifying the main risks to priority biodiversity features impacted by these operations. These assessments are planned to be finalized in 2025.

In Hydro's regulated river basins, there is a potential for habitat improvements for fish, and aquatic fauna and flora. Therefore, following the completion of biodiversity risk assessments, the company plans to establish Biodiversity Action Plans by the end of 2025, to be implemented in the operational system, to systematically

Land use at Paragominas



1) Area reserved for new tailings ponds is expected to be reduced because of the new Tailings Dry Backfill technology

perform mitigation activities targeted on biodiversity risks from operations. This will include both mandatory and voluntary measures to reduce risks to biodiversity. As part of Hydro's hydropower operations today, measures are implemented to reduce impacts to biodiversity. The measures are summarized in the table below.

Risks to wild reindeer is also a consideration for Hydro. As part of operation and project execution, there are mitigating measures undertaken to avoid impacts to wild reindeer, such as investigating the reindeer herd position before activities are carried out. However, Hydro recognizes the need to get a better understanding on the impacts from the hydropower production and new projects. Hydro also needs a more systematic approach for reducing the impacts to wild reindeer and their habitats. Hydro has therefore established dialogues with Norsk Villreinsenter Sør, to support the development of a wild reindeer strategy during 2025. According to the Norwegian Whitepaper on wild reindeer (*Stortingsmelding 18 2023-24*), establishment of national action plans to improve the population is ongoing and Hydro is engaging in the discussions for areas where it operates. This includes Hardangervidda and Setesdal-Ryfylke.

Actions to minimize impacts in development of wind and solar power

Hydro's joint venture, Hydro Rein, applies the biodiversity mitigation hierarchy as early as possible in project development to avoid and minimize project impact upon biodiversity and ecosystems as much as is practically and technically feasible. Hydro Rein is developing biodiversity management/action plans to align existing projects to international standards (IFC Performance Standards and Equator Principles), using the projects' fauna and flora monitoring campaigns to enable the identification of significant residual impacts to priority biodiversity features. Additional impacts on biodiversity caused during the construction and operation phase of the project, are addressed and mitigated as part of the construction and operational activities.

To support the company's biodiversity ambitions, the company works with project partners and qualified specialists to perform additional biodiversity studies, such as Collision Risk Modelling, Critical Habitat Assessment and Ecosystem Services Assessments in project areas and surroundings so the company can define its project specific biodiversity strategies.

There has been no vegetation suppression in Hydro Rein's projects during 2024, but there are ongoing reforestation measures related to past vegetation removals in Hydro Rein's Brazilian projects. These measures include continuous monitoring with the support from local qualified specialists in biodiversity management. All Brazilian projects in Hydro Rein's portfolio have explicit vegetation compensation commitments, compliant with local regulation, which can include the operation of seedling nurseries and reforestation actions in project area, surroundings, or even other areas located within the same hydrological basin.

Activity	Main impacts	Impact to	Mitigating measures
New growth projects	Disturbances to terrestrial and aquatic biodiversity	Terrestrial and aquatic fauna and flora	Biodiversity actions plans to work towards No Net Loss of priority biodiversity features
Regulation of water reservoirs/drawdown or artificially varying water levels	Depletion and reduction of the food base for trout and char, desiccation of char eggs	Fish	Release of water to maintain ecological flow, winter and summer Release of fish in reservoirs and rivers, planting fertilized eggs and yolk sac fry, etc.
Regulation of water courses	Reduced water flow that impacts biodiversity: o Reduced spawning, rearing, and hatching conditions for salmonids and aquatic organisms o Loss of habitat in rivers and lakes Creation of physical barriers for the movement of fish along rivers and lakes Loss of moisture dependent vegetation due to insufficient residual flow and lack of minimum flow	Aquatic biodiversity Riparian biodiversity	Release of minimum water flow Salmon ladders and other fish passages both on ponds/thresholds and at natural migration barriers (two way fish passage) Restoration in water bodies Controlled effect power production
Turbine operation	Fish mortality through turbine entrainment	All types of fish, but in particular eel, Atlantic salmon, trout	Salmon ladders and other fish passages both on ponds/thresholds and at natural migration barriers (two way fish passage)
Operation and maintenance in wild reindeer areas, road access for the public	Disturbances of wild reindeer.	Wild reindeer	Site specific measures and involvement of relevant externals before entering into wild reindeer areas
Migration barriers to wild reindeer	Hydropower reservoirs pose a barrier to reindeer migration during winter access roads	Wild reindeer	Participation in relevant fora (action plans per wild reindeer area) Removal or closure of relevant roads, in dialogue with authorities and relevant stakeholders

E4 Notes on Biodiversity and ecosystems

E4.1 Threatened species within Hydro's area of influence

Reporting principles

Table summarizing consolidated Hydro assets within the aluminium value chain that have a significant overlap with threatened and/or endemic species ranges, according to the IUCN Global Red List database. Endemic species and threatened species are not mutually exclusive, and the numbers can therefore not be summed across the columns. The numbers presented include both flora and fauna species

The data presented is not based on direct observation of these species at the assets listed, but on the potential species extent provided by IUCN. The table also excludes the Paragominas bauxite mine, which is covered in table E4.4 Land use and rehabilitation in Paragominas.

GRI reference: GRI Standards 304-2 and 304-4 (2016).

Wholly-owned and/or operated aluminium value chain activities operations with significant overlap with threatened and/or endemic species ranges, according to the IUCN Global Red List

Asset name	Country	Business Area	Primary activity	Owner-ship equity	Proximity used (km)	Area (km2)	# threat-ened species	# endemic species	# unique priority species
Alunorte	Brazil	Bauxite&Alumina	Refinery	62	20	45.28	1	5	6
Albras	Brazil	Aluminium Metal	Smelter	51	20	1.88	-	4	4
Slovalco	Slovakia	Aluminium Metal	Smelter	55	20	0.64	2	2	2
Aielli	Italy	Extrusions	Extrusion	100	5	0.12	1	1	1
Avintes	Portugal	Extrusions	Recycling	100	10	0.02	2	1	2
Drunen	Netherlands	Extrusions	Recycling	100	10	0.11	1	-	1
Feltre	Italy	Extrusions	Recycling	100	10	0.07	2	-	2
Ghlin	Belgium	Extrusions	Recycling	100	10	0.26	1	-	1
Ludenscheid EE	Germany	Extrusions	Recycling	100	10	0.11	1	-	1
Navarra	Spain	Extrusions	Recycling	100	10	0.08	1	2	3
Phoenix	USA	Extrusions	Recycling	100	10	0.04	1	1	1
Phoenix	USA	Extrusions	Fabrication	100	5	0.01	1	-	1
Puget	France	Extrusions	Recycling	100	10	0.05	3	1	4
Spanish Fork	USA	Extrusions	Recycling	100	10	0.11	1	-	1
The Dalles Cast	USA	Extrusions	Recycling	100	10	0.1	1	-	1
Tibshelf	UK	Extrusions	Recycling	100	10	0.04	1	-	1
Utinga	Brazil	Extrusions	Recycling	100	10	0.08	7	5	7
Alumetal	Hungary	Metal Markets	Recycling	100	10	0.11	1	-	1
Azuqueca	Spain	Metal Markets	Recycling	100	10	0.09	1	1	2
Clervaux	Luxembourg	Metal Markets	Recycling	100	10	0.05	1	-	1
Deeside	UK	Metal Markets	Recycling	100	10	0.05	2	1	2
Luce MM	France	Metal Markets	Recycling	100	10	0.09	1	-	1

Threatened species registered within the area of Hydro's mining activities (Paragominas), 2011-2024[1)]

	National/Federal list[2)]		Regional/State list[3)]		IUCN Red list[4)]	
Conservation status	Fauna	Flora	Fauna	Flora	Fauna	Flora
Critically endangered	4	0	2	0	1	2
Endangered	6	5	11	1	3	6
Vulnerable	25	11	12	11	18	11
Total according to each red list classification	**35**	**16**	**25**	**12**	**22**	**19**

1) Some species included in the overview are covered by more than one database and the numbers can therefore not be summed across the columns. In addition, each database is stand alone and they are therefore not comparable.
2) Federal Brazilian red list
3) Pará state red list
4) International Union for Conservation of Nature red list

Threatened species within the influence area of Hydro's mining activities are classified using the federal database updated by ICMBio researchers, the regional database maintained by SEMAS, and the global IUCN Red List database. The conservation status of species registered in the reference databases can change. As a result, the species list is updated and species can be added, removed and/or moved from one status to another. Reported species are cumulative and represent all species observed within the premises of Hydro's mining activities in Paragominas, Brazil since 2011. Some species included in the mining activities overview are covered by more than one database and the numbers can therefore not be summed across the columns. In addition, each database is stand alone and they are therefore not comparable.

Threatened species in relation to hydropower operations

Asset name	# of vulnerable species	# of endangered species	# of critically endangered species	Total # of threatened species
RSK	20	8	2	30
Fortun	31	9	1	41
Tyin and Holsbru	12	7	1	20
Stavanger	44	21	4	69
Telemark	51	17	3	71
Vigelandfoss[1)]	39	3	-	42

1) 2023 numbers

Table summarizing the number of threatened species according to Norwegian red list of threatened species that have been observed to occur within the established area of influence for Hydro's hydropower operations, based on secondary data available in Norway's database for red list species.

Other renewable energy activities operations with significant overlap with threatened and/or endemic species ranges, according to the IUCN Global Red List

Asset name	Country	Primary activity	# endangered species	# critically endangered species	# Vulnerable species
Stor-Skalsjön	Sweeden	Energy production	5	3	40
Ventos de São Zacarias	Brazil	Energy production	1	-	17
Mendubim	Brazil	Energy production	1	-	14
Boa Sorte	Brazil	Energy production	11	1	31

E4.2 Land use and rehabilitation in Paragominas

Reporting principles

The rehabilitation data is reported to the Brazilian National Mining Agency (ANM) and the Secretary of State for Environment and Sustainability in the state of Pará where Paragominas is situated (SEMAS), as part of the suppression permit renewal process.

The suppression, mining and rehabilitation cycles are constantly ongoing and are not synchronized. Suppression and mining are at their peak in the dry season, while rehabilitation happens primarily in the wet season. The three cycles are also influenced by different drivers such as permits for the suppression cycle, land available for rehabilitation, and rainfall for the rehabilitation cycle. As a result, there is no direct link between the area cleared each year and the area mined or rehabilitated that same year.

GRI reference: GRI Standards 304-2 and 304-4 (2016).

Land use - Paragominas

Hectares given per point in time	2024	2023	2022	2021	2020
Total MPSA Property[1)]	**18,763**	**18,763**	**18,764**	**18,764**	**18,764**
- Long-term infrastructure	234	236	236	202	193
- Tailings storage facilities	2,396	2,397	2,450	2,472	2,472
- Current mining operations	2,083	2,119	1,921	1,697	1,455
- Area under ongoing rehabilitation	3,467	3,149	2,905	2,646	2,486
- Legal reserves (ARL and PPA)[2)]	3,680	3,680	3,680	3,714	2,870
- Remainder of property	6,903	7,182	7,572	8,033	9,287
Total mined area, outside of MPSA property	**395**	**150**	**-**	**-**	**-**
- Current mining operations	394	150	-	-	-
- Area under ongoing rehabilitation	1	-	-	-	-
Total affected area[1)]	**8,575**	**8,051**	**7,512**	**7,017**	**6,607**
Total pipeline easement track[3)]	489	489	489	489	489
Total transmission line track[3)]	1,893	1,893	1,893	1,893	1,893
Area suppressed, in reporting year	508	544	507	427	459
Area mined, in reporting year	434	450	411	389	306
Area starting rehabilitation, in reporting year	292	244	259	167	152

1) Total affected area = Long-term infrastructure + tailings storage facilities + Current mining operations + Area under ongoing rehabilitation
2) ARL: Área de reserva legal; PPL: Plano pluriannual Lei No 1070/2021.
3) There is a spatial overlap between the easement tracks of the pipeline and transmission line of ca. 102 ha

Land rehabilitation of mined areas - Paragominas

Hectares given per point in time	2024	2023	2022	2021	2020
Area released from mining operation in reporting year	251.8	249.0	181.7	150.3	150.2
Area undergoing rehabilitation to date	8.66	186.57	181.69	150.3	150.2
Area remaining to complete target	243.1	62.44	0	0.0	0.0
Target year for completion	2026	2025	2024	2023	2022
% complete to-date	**3%**	**75%**	**100%**	**100%**	**100%**

See also additional notes to Biodiversity and ecosystems in the appendix.

Resource use and circular economy

Why it matters

Hydro's aluminium manufacturing processes are resource intensive and depend on non-renewable resources. Hydro's operations also generate significant resource outflows, including different waste streams. Managing resource dependencies and waste streams are key to reduce operational and compliance costs, exposures to price volatility, and supply chain disruptions in material sourcing, as well as the environmental footprint in Hydro's supply chain.

Hydro's integrated value chain, including captive renewable energy generation, traceable, secure material supply, and integrated recycling operations, as well as aluminium's inherent properties of durability, lightweight, and recyclability, position the company for commercial and financial opportunities in the transition to a more circular and less resource intensive economy.

Our approach

Hydro's technology and decarbonization roadmap and strategic focus on metal recycling aims to contribute to a circular economy by supplying the transition to a low-carbon and resource efficient economy with sustainable materials use through partnerships and innovative business models. To enable this transition, Hydro has set up a framework to prioritize sectors, geographies, suppliers, and customers to take a proactive approach to integrate circular economy principles in business development around three main pillars: innovate for circularity, recycling and sorting, and waste to value.

Hydro's Global Procedure for Environmental management define the company's ambition towards a circular economy by promoting efficient use of resources and continuous improvement in waste management. The procedure is approved by the EVP for People and HSE, and all employees are responsible for working in accordance with this procedure. The line management is responsibility to ensure the global procedure is implemented and the required information, training, instruction, supervision, and auditing systems are in place. Hydro is currently updating their sustainability procedures and directives to include more information about circular economy expectations.

Resource inflows

Hydro identifies and measures resource use by calculating resource inflows and outflows from all operations, including energy use and key materials needed for its industrial and commercial processes. Hydro's reporting on resource inflows covers the most material raw materials and inputs used in the industrial processes.

Primary resource use in alumina refining and primary aluminium production is defined as a driver of potential negative impact on resource use, as these industrial processes are energy and material intensive. On the contrary, circular economy is also identified as a material opportunity for Hydro.

Hydro's alumina refining and primary aluminium production depend on a reliable resource inflow of bauxite, lime, caustic soda, sulfuric acid, and flocculants in the alumina refining; coke and pitch for production of carbon anodes; aluminium fluoride and metal alloys in aluminium casting; and sulfuric acid for anodizing aluminium profiles. As Hydro has a relatively concentrated value chain, there are potential risks associated with dependency on raw materials and dependency on the ecosystem services in Hydro's supply chain. High resource dependency increases the exposure to price volatility in material sourcing and supply chain disruptions, which can result in increased operational costs.

Resource outflows

Hydro's material outflows are the alumina and aluminium products, and the waste associated with production. Hydro's bauxite mining operations generate tailings and its alumina refining generates bauxite residue. Hydro's aluminium production process generates waste in the form of spent pot linings (SPL) and anode butts from the electrolysis process, dross from metal casting and other categories of waste.

Increasing recycling of aluminium and developing more circular solutions

Recycling is an important part of Hydro's 2030 strategy to strengthen the company's position in low-carbon aluminium. Aluminium is light, strong, and resistant to corrosion and cracking, and the inherent properties of aluminium make recycling attractive. It can be recycled infinitely without degradation in quality and recycling consumes 95 percent less energy than primary aluminium production.

Hydro is a large remelter and recycler of aluminium. The company remelts its own and external process scrap, and recycles post-consumer scrap from the market.

One of the main challenges related to recycling of post-consumer scrap is to make sure the quality of the metal is preserved in the recycling process, and to identify the alloys and properties of the used metal Hydro purchases. The metal must be collected and properly sorted, before being recycled back to high-quality products. Hydro has developed proprietary technology allowing it to separate different aluminium alloys and continue to develop sorting technology further through the company's R&D efforts. The Hydro CIRCAL product line, offering aluminium with at least 75 percent post-consumer scrap, has among the lowest environmental footprints in the aluminium industry.

Targets and ambitions

850 – 1200 kt	Eliminate	<35 %
post-consumer scrap recycling capacity by 2030	landfill of all recoverable waste by 2040	of SPL to landfill by 2030

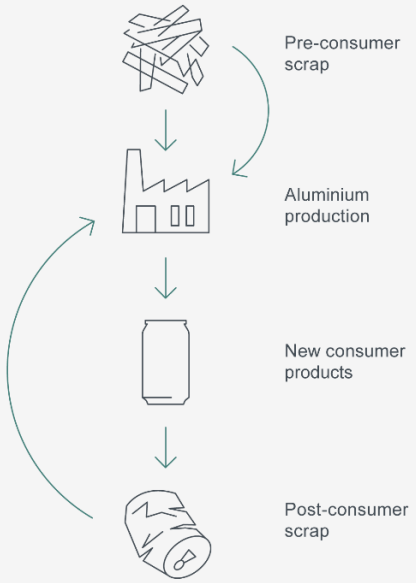
Performance

451 kt	19 %	43 %
Recycled post-consumer scrap	of total waste directed to landfill	SPL to landfill

Hydro's ambition is to increase installed post-consumer scrap recycling capacity from 560,000 tonnes in 2023 to 850,000-1,200,000 tonnes in 2030. To reach its ambitions, Hydro is improving its processes to combine process scrap with post-consumer scrap recycling. The technology is being rolled out to Hydro's remelting and recycling plants as a part of Hydro's recycling improvement program. This is executed through a combination of strategic portfolio changes and improvements in operational processes.

In April 2024, Hydro opened a new recycling facility in Høyanger. The recycled aluminium will be used to lower the carbon footprint of Hydro's products even further. The facility is the first of its kind in Norway with an annual capacity to process 36,000 tonnes of post-consumer aluminium scrap.

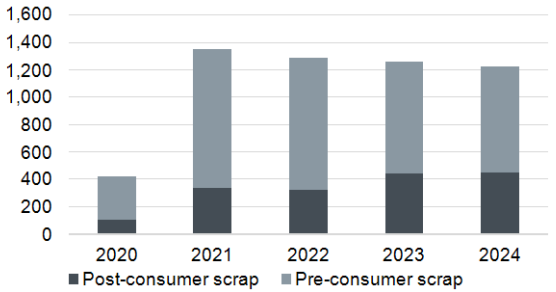
Aluminium lifecycle



Hydro's goal is to increase post-consumer scrap utilization through advanced sorting capabilities combined with multiple product outlets. To realize this goal, Hydro is installing its proprietary HySort sorting technology in several locations. In 2024, Hydro's Alusort JV, established together with Padnos in 2023, started operations in the U.S. Three more HySort machines are under installation in Wrexham, UK and in Alumetal's Nowa Sol plant in Poland.

Hydro has made progress on diversifying its recycled product portfolio to be able to utilize a broader range of scrap types. Hydro acquired a Polish recycled foundry alloy producer, Alumetal, in 2023 and made progress on integrating the company and realizing synergy potential with the existing extrusion ingot portfolio. An upgrade and expansion of Alumetal's Kety plant is currently underway. Operations are ramping up in Hydro's greenfield plants opened in 2023, advanced extrusion ingot recycler in Cassopolis, Michigan, USA and the forge stock plant in Rackwitz, Germany. During 2024, Hydro announced a decision to invest in the state-of-the-art specialty extrusion ingot recycler Torija in Spain with the total capacity of 120,000 tonnes.

Recycled aluminium
Thousand tonnes



2021 is the first year we have consolidated recycling data from Hydro Extrusions, making the 2021 results not directly comparable to previous years' data.

Partnerships for circular economy

Hydro engages a broad set of stakeholders on circular economy issues. Hydro has strategic partnerships with many customers to design and develop more sustainable products. The company engages industry associations, standard setters, and local stakeholders in countries where it has significant operations, as well as with regional structures like the European Union, on topics related to the environmental and social impacts of resource use. Read more about collaboration and eco-design in our Recycling White Paper.

Waste management

Hydro measures and reports on the amount of hazardous and non-hazardous waste generated from its operations, waste treatment methods, and whether the waste is directed to disposal methods like landfilling. Please see Note E5 for more information.

Waste management is part of Hydro's Global Procedure for Environmental management. Hydro's goal is to first minimize the amount of waste produced in its operations, and then reuse or recycle it. When this is not possible, the company shall deposit it in a secure way in compliance with regulatory standards and legal requirements. All targets related to waste is set by Hydro on a voluntary basis and are not imposed by legislation or regulations.

Tailings and bauxite residue

Tailings from bauxite extraction consist of mineral rejects from the extraction process mixed with water and flocculants. Hydro's Tailings Dry Backfill technology at the Paragominas mine allows tailings to dry in shallow areas before being excavated and returned to the mined strip from where they originated. The mined strip is then reshaped and rehabilitation initiated with the ambition of returning it to original conditions. By continuously backfilling the dry tailings, the methodology eliminates the need for new permanent tailings storage facilities (TSFs), including the need to raise existing facilities further. The operating license for this technology was received in December 2020.

Bauxite residue is a waste product of the alumina refining process. Its disposal is challenging due to large volumes and its alkaline nature. The residue is washed with water to lower the alkalinity and to recover caustic soda for reuse. Hydro's state of the art press filter technology allows for storage dry filtered stacks. This is done by pressing the residue through 74 plates of filter fabric membranes, resulting in a more compact residue, thus reducing the relative

environmental footprint. The residual moisture content is reduced to 22 percent.

Hydro has a commercial research partnership with WAVE Aluminium to investigate the possibilities to use bauxite residue as a resource. Using a new combination of innovative technologies, a bauxite residue processing plant will be built at Alunorte, which will initially have the capacity to process 50,000 tonnes per year of bauxite residue to produce pig iron.

Hydro is also engaged in several other R&D projects connected to bauxite residue management and utilization. In Brazil, Hydro cooperates with the national Brazilian entity ISI-TM (Senai innovation institute – Mineral technologies), UFPA (Federal University of Pará) and USP (University of São Paulo). Hydro is also working with other aluminium companies through the International Aluminium Institute to solve this industry challenge. The efforts also create local and international innovation networks that bridge universities, research centers, companies, and regulators.

Other waste and by products

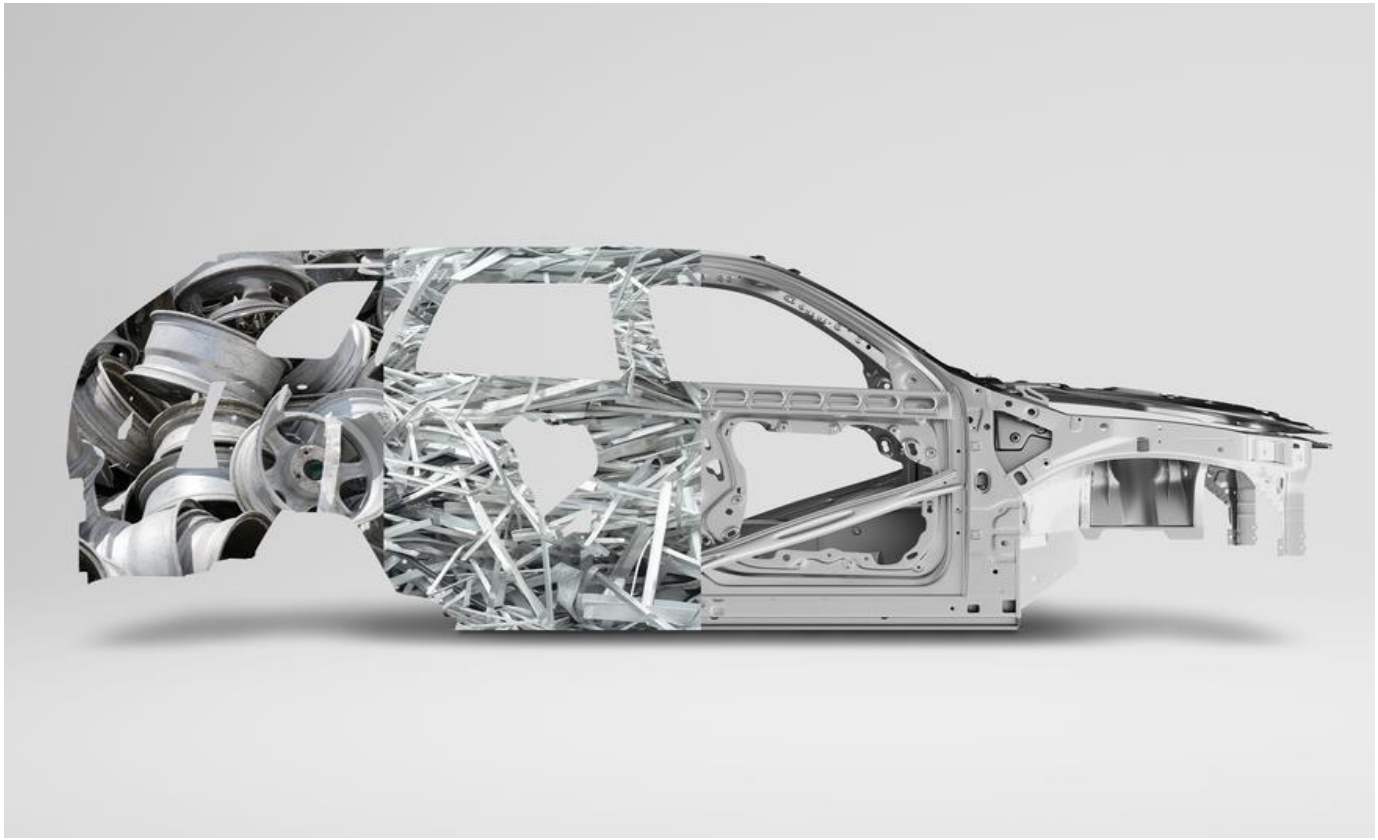
Hydro has set a target to eliminate landfilling of all recoverable waste by 2040. In 2024, approximately 19 percent of the total waste generated by Hydro (excluding bauxite tailings and residue) was landfilled. This is four percent more than in 2023. This negative trend was not driven by worsening performance in how Hydro manages its waste, but by an improvement in waste accounting and management at Alunorte. Alunorte reviewed its waste management systems in 2024 to provide a more complete and accurate accounting of wastes deposited on DRS1 as a basis for its strategy to eliminate waste-to-landfill by 2040. Although this presents itself as a negative development in Hydro's aggregated statistics, the company expects to see continued improvement in real performance in 2025. Each Business Area has developed roadmaps to deliver on this long-term target and a global KPI on reducing waste-to-landfill has been established on the CEO KPI Scorecard.

In addition to this broad target to tackle landfilling of recoverable waste, Hydro has also established a specific target to address spent potlining (SPL). SPL is generated from the electrolysis cells used in primary aluminium production. By 2030, Hydro aims to dispose less than 35 percent of generated SPL to landfill, in the fully owned or operated smelters. In 2024, 43 percent of generated SPL was landfilled, 10 percent more than in 2023. This was not caused by an increase in SPL volume sent to landfill, but a reduction in the amount of SPL recycled due to the stockpile of SPL at Albras being fully depleted in 2023.

In Brazil, the Albras smelter has a zero landfill certification. In Norway, the majority of Hydro’s SPL is landfilled as opportunities for recycling or reusing the waste are limited. Hydro is investigating changes in potline construction that may reduce the generation of hazardous waste and processes for removing fluoride and other contamination from the SPL that may open new material recycling opportunities. In parallel, Hydro is working with other industries on temporary solutions to increase energy recovery through incineration.

Anode butts, the residual material left after anode consumption by the electrolysis process in the aluminium smelters, are almost fully recycled within Hydro’s fully owned and joint venture portfolio of smelters. 94 percent of anode butts produced in Hydro’s fully owned or operated smelters were recycled in 2024. The remainder was incinerated with energy recovery.

Dross is a mixture of metallic aluminium, alloy components and metal oxides that is formed on the surface of liquid aluminium. Hydro’s casthouses have treatment facilities to recover as much aluminium as possible from hot dross and residual dross. 100 percent of the dross produced in Hydro is recycled. Hydro is also involved in a Norwegian research project that is evaluating the recovery of valuable surplus bath components from aluminium electrolysis.



E5 Notes on Resource use and circular economy

E5.1 Resource inflows

Reporting principles

Resource inflows are the key raw materials used in the alumina refining process, the electrolysis process for primary aluminium production and the remelt processes for aluminium recycling in Hydro's consolidated activities.

Virgin material inflows are calculated based on the reported resource use in the business areas. Aluminium inflows include cold metal bought by Aluminium Metal and Hydro Extrusions.

Aluminium scrap inflows are reported based on the amount of pre and post-consumer aluminium scrap used in Recycling and Extrusions' remelters. Hydro uses a definition for recycling agreed on by the European Aluminium Association. The definition was implemented in Hydro in 2013 and divides recycled scrap in two: process scrap, which includes pre-consumer scrap from downstream casthouses, and post-consumer scrap purchased from third parties for recycling into extrusion ingot.

GRI reference: GRI Standards 301-1 and 301-2 (2016).

Resource use per material

1 000 metric tonnes	2024	2023	2022	2021[1)]	2020
Virgin material inflows					
Alumina	2,909	2,897	3,122	3,346	3,048
Aluminium	4,001	3,939	3,927	4,103	3,478
Aluminium fluoride	29	29	28	32	32
Alloying metals	54	54	46	50	44
Lime	44	42	42	45	45
Sodium hydroxide	638	673	615	591	513
Sulphuric acid	16	16	19	22	22
Thickener	6	6	6	6	4
Petroleum coke	389	377	412	441	437
Pitch	84	79	81	93	96
Aluminium scrap inflows					
Post-consumer scrap[2)]	451	444	321	335	104
Pre-consumer scrap	771	812[3)]	963	1,018	317
Total aluminium scrap	**1,222**	**1,256**	**1,285**	**1,353**	**421**

1) 2021 is the first year we have consolidated recycling data from Hydro Extrusions, making the 2021 results not directly comparable to previous years' data

2) 2023 including Alumetal full year

3) The amount is adjusted compared to the 2023 annual report due to a change in calculation methodology. The same method has been used for 2023 and 2024 in this report.

Lime, caustic soda, sulfuric acid and flocculants (thickener) are primarily used in the alumina refining process. Flocculants are also used at Hydro's Bauxite mine in Paragominas. Alumina and aluminium fluoride are primarily used in the electrolysis process. Hydro follows strict procedures and policies related to storing, usage and handling of the materials. Reporting of material use is based on direct measurements through Hydro's internal systems.

E5.2 Resource outflows – Products and materials

Reporting principles

Products and materials include production and sales volumes from Hydro's consolidated activities.

Bauxite production is calculated based on produced bauxite at Hydro's mine in Paragominas, Brazil.

Alumina production is based on production volumes at Hydro's alumina refinery, Alunorte, in Brazil.

Primary aluminium production is calculated based on casthouse products produced in Hydro's primary aluminium plants. The volumes include production based on inputs from Hydro's own primary aluminium production, purchased cold metal and alloying metals, and aluminium scrap inflows at casthouses in Hydro's primary aluminium plants. These volumes are not directly comparable to the volumes reported in the financial statements, which is based on sold volumes.

Recycling casthouse production is casthouse products produced in Hydro's recyclers in the Metal Markets business area and total volumes produced in Hydro's casthouses at remelters in the Extrusions business area. The volumes include production based on aluminium scrap inflows, as well as cold metal and alloying metals. Recycled pre and post-consumer scrap account for more than 80 percent of the reported production.

Hydro REDUXA is calculated based on sales volumes for Hydro's low-carbon aluminium, REDUXA, by using renewable energy sources like hydro and wind power during production, Hydro has reduced the carbon footprint per kg of aluminium to just 4.0 kg (about a quarter of the global average).

Hydro CIRCAL is calculated based on sales volumes for its range of aluminium products made with a minimum of 75 percent recycled, post-consumer scrap aluminium, CIRCAL. By using recycled post-consumer scrap, Hydro drastically reduces energy use and its CO_2 footprint in the production phase, while still offering high quality aluminium.

Extruded products is calculated based on production of extruded and pressed products from the extrusions business area, including pole products, welded tubes and other aluminium components, but excluding output from casting of extrusion ingot production in the Extrusions business area.

Production volumes

1 000 metric tonnes	2024	2023	2022	2021	2020
Bauxite production	10,506	10,897	11,012	10,926	8,640
Alumina production	5,359	5,626	5,586	5,894	5,142
Primary aluminium production	1,729	1,732	1,805	1,915	1,579
Hydro REDUXA	418	349	421	-	-
Recycling casthouse production	1,751	1,787	1,664	-	-
Hydro CIRCAL	57	51	50	-	-
Extruded products	1,024	1116[1)]	1,670	1,687	1,435

1) The amount is adjusted compared to the 2023 annual report due to a change in calculation methodology. The same method has been used for 2023 and 2024 in this report.

E5.3 Resource outflows – Waste

Reporting principles

Waste generated by Hydro's consolidated activities, reported by composition, hazardous category and treatment operation.

Waste is measured and reported according to a harmonized categorization within Hydro, based on the common names of key waste streams relevant to its operations (e.g. bauxite residue, SPL, waste caustic soda). This facilitates aggregation of data at a group level and avoids the use of multiple waste codes for the same waste category. Operations maintain more detailed waste registries that align with local requirements and legislation. Note that a lack of standardized methodologies for classifying, measuring and reporting waste across jurisdictions, industries and waste handling operations is a significant source of measurement uncertainty. Changing methodologies over time also creates challenges in comparing consolidated waste data from one year to another.

Waste treatment operations can occur both onsite and offsite treatment. In many cases, waste is managed by third parties, which are required to adhere to the Hydro Supplier Code of Conduct. All Hydro locations are required to ensure safe transport of hazardous waste in accordance with global and local regulations, and evaluate critical waste receivers and include these in a supplier development system.

GRI reference: GRI Standards 306-3, 306-4 and 306-5 (2020).

Waste directed to disposal, by disposal operation

1 000 metric tonnes	Onsite	Offsite	2024	2023	2022	2021	2020
Hazardous waste							
Incineration with energy recovery	0.3	10.6	11.0	9.7	17.0	16.3	13.1
Incineration without energy recovery	-	0.6	0.6	0.7	1.9	1.8	2.2
Landfilled	4.2	25.1	29.3	31.0	39.5	45.8	51.3
Other disposal operation	-	2.9	2.9	3.2	2.3	2.3	11.0
Total Hazardous waste	**4.5**	**39**	**44**	**45**	**61**	**66**	**78**
Non-Hazardous waste							
Incineration with energy recovery	-	46.1	46.1	43.9	45.6	40.9	37.1
Incineration without energy recovery	-	1.3	1.3	1.4	1.2	0.8	0.8
Landfilled	79.7	24.0	103.7	77.8	87.6	70.5	57.3
Other disposal operation	0.1	0.3	0.4	0.3	1.5	8.2	3.9
Total Non-Hazardous waste	**80**	**72**	**152**	**123**	**136**	**120**	**99**
Total	**84**	**111**	**195**	**168**	**197**	**187**	**177**

Waste diverted from disposal, by recovery operation

1 000 metric tonnes	Onsite	Offsite	2024	2023	2022	2021	2020
Hazardous waste							
Preparation for reuse	-	6	6	2	4	2	2
Recycling	36	112	148	161	147	155	135
Other recovery operation	-	1	1	-	-	-	-
Total Hazardous waste	**36**	**119**	**155**	**163**	**150**	**157**	**137**
Non-Hazardous waste							
Preparation for reuse	-	1	1	5	5	2	2
Recycling	131	234	365	380	353	369	284
Other recovery operation	-	-	-	-	-	-	-
Total Non-Hazardous waste	**131**	**235**	**366**	**384**	**358**	**371**	**287**
Total	**167**	**354**	**521**	**547**	**508**	**528**	**424**

Variations in waste treatment and disposal categories are driven by changes in reporting methodologies, and more robust data capture on certain waste streams.

The amount of generated waste sent to landfill increased in 2024, thereby raising the percentage of waste-to-landfill from 15 percent in 2023 to 19 percent in 2024. This trend was not driven by a worsening in Hydro's waste management performance, but by an improvement in waste accounting and management at Alunorte. In 2024, Alunorte conducted a comprehensive review of its waste management systems to provide a more complete and accurate accounting of wastes deposited on DRS1. This effort serves as a step for its long-term strategy to eliminate waste-to-landfill by 2040. Additionally, several circularity initiatives were implemented to reduce landfill disposal, such as repurposing materials and promoting the reuse and recycling of waste streams. These actions reflect Hydro's commitment to advancing waste circularity and minimizing environmental impacts. Although this adjustment presents itself as a negative development in Hydro's aggregated statistics for 2024, it is a critical step toward long-term improvements. Hydro expects to see continued progress in real performance and further advancements in waste circularity in 2025.

See also additional notes to Resource use and circular economy in the appendix.

Statement on EU taxonomy for sustainable economic activities

Hydro reports on revenue (turnover), capital expenditure and operating expenses associated with taxonomy-eligible and taxonomy-aligned economic activities, in accordance with regulation EU (2020/852) and its delegated acts.

Identifying eligible activities

Hydro has identified five activities that have been assessed for alignment with the criteria for significant contribution to climate change mitigation (CCM). The activities have not been assessed for alignment with the criteria for climate change adaptation (CCA).

Although the taxonomy regulation does not define materiality thresholds for classifying economic activities, Hydro does not report on all non-core economic activities that could be taxonomy eligible. Certain construction, real estate and transport activities in Hydro are not evaluated for taxonomy eligibility.

Manufacture of primary aluminium (CCM 3.8)

The manufacture of primary aluminium in Hydro is an eligible and transitional activity according to the EU taxonomy. The technical screening criteria refer to the production of liquid aluminium through electrolysis of alumina.

Hydro's primary aluminium plants produce liquid and remelted aluminium that is cast to form value added products such as extrusion ingot, primary foundry alloys, sheet ingot and wire rod, in addition to standard ingot. When cast into products, alloying metals and externally purchased cold metal is added. The amount of cold metal added varies with market circumstances and available casthouse capacity. Liquid aluminium is rarely sold to third parties due to logistical challenges.

Hydro has five fully owned primary aluminium production facilities in Norway, an aluminium production facility operated by a part-owned subsidiaries in Brazil, and part-ownership in facilities in Australia and Canada, in the scope of taxonomy reporting. Hydro also has ownership in a primary aluminium producer in Qatar, reported as a joint venture and therefore outside the scope of Hydro's reporting.

To make a substantial contribution to climate change mitigation, primary aluminium production facilities must be based on electricity for the electrolysis that have an average carbon intensity below 100g CO_2e per kWh, and the electricity consumption for the manufacturing process must not exceed 15.5 MWh per tonne aluminium.

Manufacture of secondary aluminium (CCM 3.8)

The manufacture of secondary aluminium is an eligible and transitional activity according to the taxonomy. Process scrap and post-consumer scrap are purchased from third parties for recycling into extrusion ingot. Standard ingot and alloying metal are added to meet customer specifications. Hydro has a portfolio of standalone recyclers, in addition to recyclers located wall to wall alongside its extrusion plants. All manufacturing of secondary aluminium is defined as making a substantial contribution to climate change mitigation.

Electricity generation from hydropower (CCM 4.5)

Operation of facilities that generate electricity from hydropower is an eligible activity under the taxonomy. Hydro operates 40 hydropower plants in Norway, with a combined production of 13.7 TWh in a normal year. The purpose of Hydro's hydropower assets is to secure a stable power supply to its primary aluminium plants located in Norway, which means the hydropower is mainly generated and used for internal consumption.

To make a substantial contribution to climate change mitigation, hydropower production must either be a run of river plant that does not have an artificial reservoir, or be a reservoir based power plant that either has a power density of the electricity generation above 5W per m^2 of the built-up reservoir, or have life-cycle GHG emissions below 100g CO_2 equivalents per kWh.

Manufacture of hydrogen (CCM 3.10)

Manufacture of hydrogen is an eligible activity according to the taxonomy. Hydro has invested in equipment for manufacture hydrogen based on renewable energy sources. To make a substantial contribution to climate change mitigation, hydrogen production must have lifecycle GHG emissions lower than 3 tonnes CO_2 equivalents per tonne hydrogen.

Manufacture of equipment for the production and use of hydrogen (CCM 3.2)

Manufacture of equipment for the production and use of hydrogen is a taxonomy-eligible economic activity. Hydro has invested in equipment for the use of hydrogen at its Høyanger aluminium recycling plant. Manufacture of equipment for production and use of hydrogen is classified as an enabling activity that makes a substantial contribution to climate change mitigation as long as it enables the production or use of hydrogen, or hydrogen based synthetic fuels that meet the criteria for CCM 3.10, described above.

End use contribution from Hydro's activities

Hydro manufactures products that contribute to climate change mitigation as constituent parts of technologies, infrastructure and complex products needed in a low-carbon society. Examples are battery casings used in the manufacture of electric vehicles, and aluminium components for energy efficient buildings and solar panels. The taxonomy does not provide clear guidance on how to define eligibility in the supply chain of taxonomy-eligible activities. Consequently, Hydro reports based on the taxonomy-eligible activities of primary and secondary aluminium production, rather than on end use of the aluminium the company produces.

Reporting boundaries and non-eligible activities

Only assets in consolidated companies and joint operations are considered for eligibility. Hydro's upstream bauxite mining and alumina refining, as well as downstream production of extruded aluminium products, are not eligible under the EU taxonomy. Hydro's investments in electricity generation from wind and solar in non-controlled ventures are also non-eligible.

Determining whether eligible activities are aligned with the taxonomy criteria

Eligible activities are assessed against the criteria. Hydro does not have specific plans to increase alignment of existing activities, but considers the criteria when planning upgrades to existing assets.

Manufacture of primary aluminium and manufacture of secondary aluminium

Hydro's primary aluminium production that is based on renewable electricity will meet the substantial contribution criteria for manufacture of aluminium that relate to the smelters' energy efficiency (below 15.5 MWh/t Al), and the carbon intensity for the electricity used (below 100g CO2e/kWh).

All aluminium remelting activity qualifies for substantial contribution under the taxonomy's manufacture of secondary aluminium activity.

Hydro's operations in Europe meet the DNSH criteria for all environmental objectives as they are within normal, lawful operations, comply with emission permits to air and water, and emissions are within the levels associated with the best available techniques conclusions for the non-ferrous metals industries, have

performed environmental impact assessments and taken necessary action required, and Hydro has performed a climate risk and vulnerability assessment. Hydro's primary aluminium smelters outside of Europe do not meet the BAT ranges, and recyclers without a bag house filter do not meet the DNSH-criteria for pollution prevention and control.

Electricity generation from hydropower

In 2023, Hydro Energy estimated GHG emission from 10 reservoirs within own operation, by using the G-res tool, carried out by an independent third party. The net emissions for the other reservoirs were estimated based on the results from the third party analysis. All electricity generation from Hydro's hydropower operations with a reservoir are below the criteria of 100 g CO_2e per kWh. In addition, Vigelandsfoss is a run of river hydropower facility without an artificial reservoir, which also complies with the alignment criteria.

Hydro's hydropower operations have been included in Hydro's climate risk and vulnerability assessment, and comply with the DNSH criteria for climate change adaptation, and in addition follows operational routines for climate risk identification and mitigation.

By following all concession requirements and meeting the requirements in the Regional Water Basin Management plans, Hydro ensures alignment with the taxonomy's DNSH criteria for water and marine resources. The DNSH criteria for water and marine resources refers to alignment with the EU Water Frame Directive, and in particular article 4. The Directive establishes requirements for how water bodies should be classified based on their ecological potential and thereby receive their own relevant environmental objective. This environmental objective should be achieved within a given deadline, through measures settled by and approved by the authorities. The environmental objectives for each water body are established for a 6-year period of time (with potential extension).

In Norway, implementation of the Water Frame Directive is done through the national regulation (Vannforskriften) through concessions and through additional requirements from sector authority to the hydropower producers (or other economic activities influencing the water body in question). Technically feasible and ecologically relevant mitigation measures in accordance with Vannforskriften are set through regional water basin management plans (regionale vannplaner). The sector authority defines the relevant and required mitigation measures for each water body. Hydro is required to follow these requirements and cannot implement measures beyond those mandated by authorities.

Hydro has carried out a systematic review of all relevant concessions as well as requirements to improvement activities based on appendices in the regional water management plans for all its power locations, to check requirements given in concessions and appendices to regional water basin management plans. All applicable mitigation measures for water bodies related to Hydro's hydropower operations, are implemented according to expectations and schedule. Hydro maintains a complete overview of all water bodies that are impacted by its hydropower operations, their status and environmental objective, as well as water bodies that are exempt from article 4. Hydro regularly reviews and discusses mitigation activities and may propose new initiatives for water bodies to improve ecological conditions to the concessionaire. Once approved by the sector authority, these measures become part of Hydro's mandatory operational requirements. This approach allows Hydro to have a certain influence of the ecological status of the water bodies managed by the company while adhering to authority requirements.

All of Hydro Energy's new projects follow the EIA directive regulations to do no significant harm on biodiversity and ecosystems. For existing power production, the company does not have any open requirements for environmental improvement measures.

Manufacture of hydrogen

Hydro's investments in hydrogen production will employ electrolysis based on renewable electrical power to transform water into oxygen and hydrogen. The life cycle GHG emissions of the hydrogen manufactured using the technology has been estimated by a third-party study. For a direct hydropower scenario, the lifecycle GHG emissions of the hydrogen manufactured will be 22 g CO_2e per kg hydrogen. A scenario employing the Norwegian electricity market mix, the result will be 653 g CO_2e per kg hydrogen. Both scenarios comply with the alignment criteria.

Hydro's hydrogen production will be based on water and electric power and will not consume or discharge pollutants. The investments are therefore considered aligned with the DNSH-criteria for pollution. An environmental impact assessment or screening has not been determined relevant by the competent authority, since the production asset will be sited on an existing industrial site with no impacts on areas other than already modified areas. The hydrogen production will withdraw water from the municipal waterworks during operation, and degradation risks related to preserving water quality and avoiding water stress are therefore very limited without impact on the achieving good water status and good ecological potential in the area. The site of the hydrogen investments is included in Hydro's climate risk and vulnerability assessment.

Manufacture of equipment for the production and use of hydrogen

Hydro's investments to use hydrogen at the Høyanger recycling plant will support the use of green hydrogen manufactured by Hydro Havrand, in line with the alignment criteria for climate change mitigation. The employed technologies include considerations for durability, waste management and substances of concern and meet the other DNSH criteria as described above.

Compliance with minimum safeguards

Hydro's activities are carried out in compliance with the minimum safeguards. Hydro has implemented due diligence processes based on the OECD Guidelines and cover labor rights for own workers and workers in the value chain. Due diligence processes related to bribery, taxation and fair competition are integrated in the compliance system and covered by including Hydro's Code of Conduct applicable to all employees.

In 2024, there were no signs of non-compliance with minimum safeguards, lack of response or collaboration with a National Contact Point, or liability of Hydro companies in respect for breaches of any these topics. See also Hydro's processes and outcomes related to minimum safeguards in Own workforce, Workers in the value chain, Affected communities, Business conduct, the Country-by-country report, as well as Note 10.1 to the consolidated financial statements.

Exposure to nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Row	**Fossil gas related activities**	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Measuring performance

Hydro's activities are linked to the boundaries of the reporting entity as defined by IFRS and described in the group financial statements, See Hydro's consolidation principles in Note 1.1 to the Financial statements.

In combination, the below indicators are intended by the taxonomy to express the company's activities that qualify as environmentally sustainable.

Revenue (turnover)

Revenue represents Hydro's total revenue from contracts with customers as specified in Note 5.1 to the Financial statements. This amount excludes income (loss) from realized and unrealized changes in fair value of derivative instruments which is considered not eligible activities under the taxonomy.

Revenue associated with eligible activities comprises the following elements from external revenues:

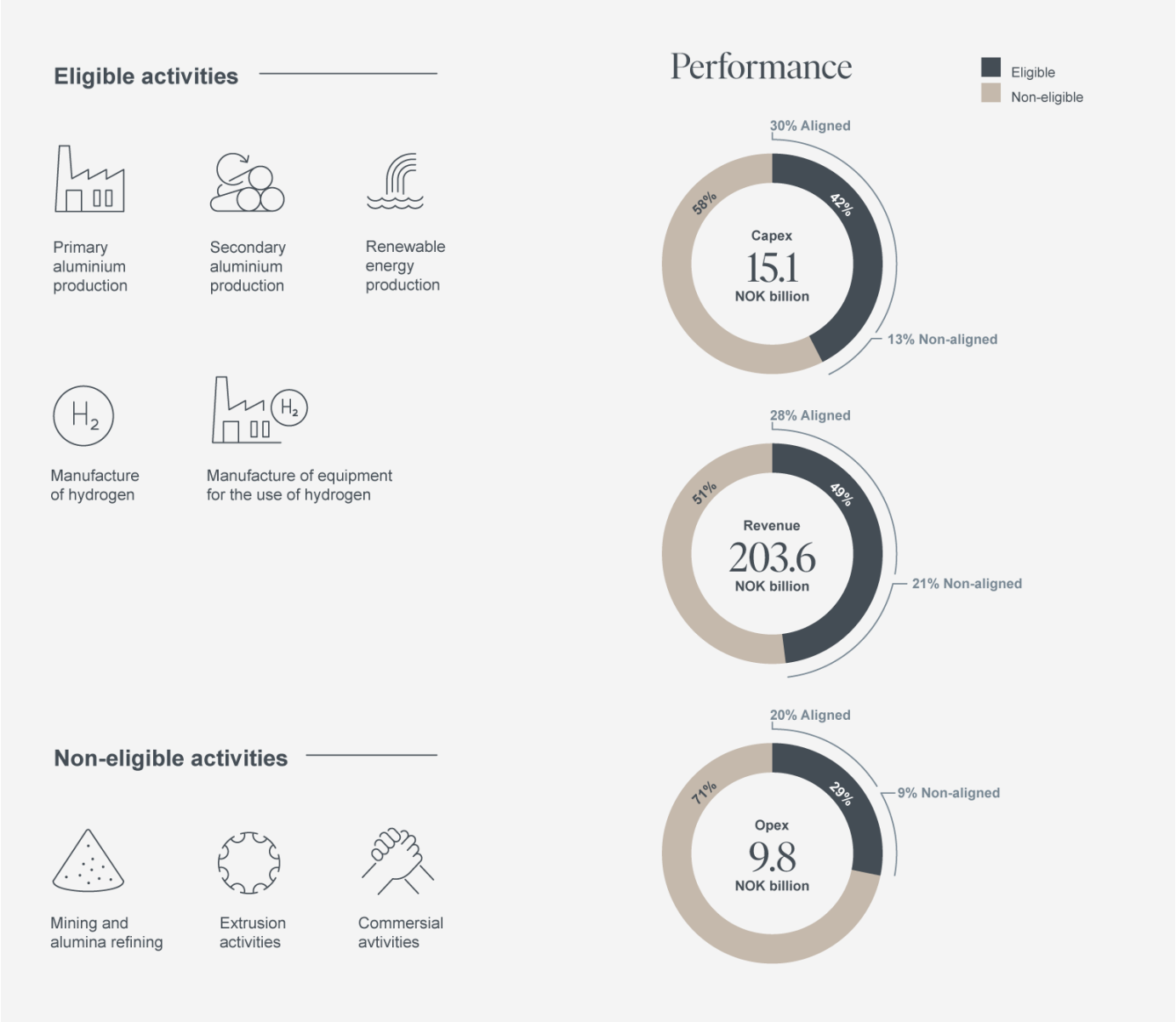
- Revenue from sale of liquid metal
- Revenue from sale of casthouse products to customers
- The metal value of revenue from sale of extruded products
- Revenue from sale of electricity

Hydro's eligible activities are primary aluminium production, secondary aluminium production and production of electricity. The output from these activities is partly sold directly to customers, partly upgraded to more advanced products for sale to customers through further processes not described in the taxonomy, and partly consumed in the production process.

Revenue from sale of liquid metal is the direct output from the production of primary metal. No adjustments are made to the prices agreed with customers. The amount is limited as liquid metal cannot be stored or transported over longer distances.

Revenue from the sale of casthouse products to customers is the most directly associated commercial product resulting from aluminium production, whether primary or secondary. The majority of the value of a casthouse product results from its aluminium content, while most products also contain alloying material to achieve the intended properties for use.

The metal value of revenue from sale of extruded products is included to reflect the similar value as for casthouse products. The metal value is calculated the same way as for casthouse products by



using internal sales data associated with casthouse products sold from Hydro's primary aluminium plants and aluminium recyclers to extrusion plants. These internal sales accounted for 26% of the reported eligible revenues and 23% of aligned revenues associated with manufacture of aluminium, in 2024. If this metal value of the sales of extruded products is excluded from Hydro's eligible activities, eligible revenues would be 37% of total revenues (as compared to the 49% reported), and taxonomy aligned revenues would be 22% (as compared to the 28% reported).

Alloying material varies from less than 1% up to around 11%. The value of alloying materials is considered an integral part of the product and its value thus included in revenue from eligible activities. In production of casthouse products, for recycling of post-consumer scrap, cold metal with a known purity is added to achieve the intended properties of the casthouse product. Purchased standard ingot is the primary source for this purpose. As this element is neither manufacture of primary nor secondary aluminium, the revenue is adjusted for the share of aluminium added on a tonnage basis to exclude the value of the cold metal added. The eligible share of revenue from sale of casthouse products only covers the sale of aluminium produced by Hydro. Cold metal that is sourced internally is also excluded, to avoid double counting of revenues associated with casthouse products that are sold internally. Metal purchased for resale, including metal produced by the joint venture Qatalum, is also excluded.

The value of upgrading the casthouse products through such processes as extruding profiles for customers' application, further fabrication of those profiles, surface treatment and other processes that might apply, is also excluded.

Revenue from sale of electricity consists of revenue from spot sales of daily excess production from Hydro's power plants in Norway above what is consumed in Hydro's own activities. To the extent Hydro sells power purchased from other producers, that revenue is excluded from the eligible share together with any revenue from power trading.

Capital expenditure

CapEx comprises additions to property, plant and equipment, represented by the gross amount of purchase, development or lease as specified in Note 2.1 to the Financial statements. It also includes the gross amount of purchase or development of intangible assets as specified in Note 2.2 Intangible assets.

Any amount of gross additions to property, plant and equipment or intangibles resulting from business combinations is included in CapEx under this metric. Further, any lease capitalized is included with the addition (or reduction) required by IFRS.

Short-term leases and small asset leases as well as variable lease payments are not recognized as fixed assets and are thus not included in this indicator. Any goodwill recognized in a business combination is not included in the indicator. Further, financial investments, including capital injections in associated companies and joint ventures, are excluded from the metric.

Additions to property, plant and equipment and to intangible assets for eligible activities include both sustaining investments in existing plants engaged in eligible activities and expansions or new facilities within such activities. As a starting point, entire plants including associated and supporting functions are included. However, several aluminium smelters have on-site production of anodes, an activity that is not described in the taxonomy. Where a smelter has an associated anode production facility, these are excluded from investments in a smelter. For extrusion plants, the eligible share of CapEx covers the recycling facilities as such including furnaces and casthouse equipment. Extrusion presses, other facilities and support facilities mainly serving the extrusion activities are fully excluded from eligible CapEx.

Investments in activities that are not aligned at the time of investment, and where the activity as such will not become aligned, is not included as an aligned investment. That includes investments with the purpose of reducing the environmental footprint of activities, but not covered by the taxonomy. Such investments may cover significant reductions of CO_2 or other emissions, but are excluded from the taxonomy CapEx indicator because the investments are not related to taxonomy-eligible activities.

Operating expenditure

OpEx comprises Hydro's total expenses from the specified functions and represent a sub-set of expenses presented, primarily in the line items Employee benefit expense and Other expenses in Hydro's income statements. Operating expenditure is described as a share of the expenses included in the sub-total EBIT in the income statement. The regulation requires companies to report expenses that represent direct non-capitalized costs that relate to the following functions:

- Research and development
- Building renovation measures
- Short-term lease
- Maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment that are necessary to ensure the continued and effective functioning of such assets.

Research and development costs cover projects that do not meet the specific criteria for capitalization as intangible assets. Expenses include such items as employee benefits, use of research facilities including operating expenses and depreciation of property, plant and equipment, and external services both for specific services to projects managed internally, for outsourced projects managed by external parties as well as financing of initiatives conducted jointly with other companies or industry associations.

Building renovation measures are currently of limited relevance to Hydro, as there are no significant such projects ongoing.

Short-term leases and leases for low value assets are described in Note 2.6 to the consolidated financial statements.

Maintenance and repair expenses include Hydro's maintenance and repair cost not qualifying for capitalization as part of the relevant asset. The maintenance expenses are only partly captured in Hydro's financial reporting, as Hydro presents its operating expenses by nature of expenses and not by function. Repair and maintenance activities consist of employee expenses, consumables and spare parts, and various services. The total expenses related to these activities have been estimated based on management reporting in units and business areas, which is not necessarily fully consistent. Management considers the amounts to be a reasonable expression of such expenses in Hydro.

Hydro's total estimated expenses from the specified functions represent primarily the maintenance and day to day servicing costs for assets used in the eligible activities. In addition, research and development projects with the aim of improving production methods for primary and secondary aluminium are included as eligible activities.

Research and development activities aiming at improving mining methods, production methods for alumina and improved application of aluminium products, and which may have significant impact on reducing direct and indirect negative environmental impacts, is excluded from the metric as these processes are not currently covered in the taxonomy.

There is no CapEx or OpEx related to the purchase of output from taxonomy-aligned economic activities and to individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions as well as individual building renovation measures included in the numerators of the CapEx or OpEx KPIs.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024 1)

Financial year 2024		2024		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm') (h)									
Economic activities (1)	Code(s) (2)	Turnover (3)	Proportion of turnover year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		MNOK	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of aluminium	CCM 3.8	53,802	26%	Y	N	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	N/A	Y	Y	27%		T
Electricity generation from hydropower	CCM 4.5	3,092	2%	Y	N	N/EL	N/EL	N/EL	N/EL	-	Y	Y	N/A	N/A	Y	Y	2%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**56,894**	**28%**	28%	0%	0%	0%	0%	0%								29%		
Of which Enabling			0%	0%	0%	0%	0%	0%	0%								0%	E	
Of which Transitional			26%	26%													27%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Manufacture of aluminium	CCM 3.8	43,548	21%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								23%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**43,548**	**21%**	21%	0%	0%	0%	0%	0%								23%		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		**100,441**	**49%**	49%	0%	0%	0%	0%	0%								52%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		103,194	51%																
TOTAL		**203,636**	**100%**																

1) If the metal value of sale of extruded products that is associated with Hydro's manufacture of aluminium is excluded, eligible revenues would be 37% of total revenues (as compared to 51% reported), and aligned revenues would be 22% (as compared to 28% reported).

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024

Financial year 2024		2024		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm') (h)									
Economic activities (1)	Code(s) (2)	CapEx (3)	Proportion of CapEx year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		MNOK	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of aluminium	CCM 3.8	3,892	26%	Y	N	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	N/A	Y	Y	33%		T
Electricity generation from hydropower	CCM 4.5	410	3%	Y	N	N/EL	N/EL	N/EL	N/EL	-	Y	Y	N/A	N/A	Y	Y	1%		
Manufacture of hydrogen	CCM 3.10	95	1%	Y	N	N/EL	N/EL	N/EL	N/EL	-	Y	Y	N/A	N/A	Y	Y	0%		
Manufacture of equipment for production and use of hydrogen	CCM 3.2	17	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL	-	Y	Y	N/A	N/A	Y	Y	0%	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**4,413**	**30%**	30%	0%	0%	0%	0%	0%								35%		
Of which Enabling		17	0.1%	0.1%	0%	0%	0%	0%	0%								0%	E	
Of which Transitional			26%	26%													33%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Manufacture of aluminium	CCM 3.8	1,967	13%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								8%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1,967**	**13%**	13%	0%	0%	0%	0%	0%								8%		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		**6,380**	**42%**	42%	0%	0%	0%	0%	0%								43%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		8,693	58%																
TOTAL		**15,074**	**100%**																

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024

Financial year 2024		2024		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm') (h)									
Economic activities (1)	Code(s) (2)	OpEx (3)	Proportion of OpEx year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		MNOK	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of aluminium	CCM 3.8	1,816	18%	Y	N	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	N/A	Y	Y	16%		T
Electricity generation from hydropower	CCM 4.5	182	2%	Y	N	N/EL	N/EL	N/EL	N/EL	-	Y	Y	N/A	N/A	Y	Y	1%		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**1,998**	**20%**	20%	0%	0%	0%	0%	0%								17%		
Of which Enabling			0%	0%	0%	0%	0%	0%	0%								0%	E	
Of which Transitional			18%	18%													16%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Manufacture of aluminium	CCM 3.8	876	9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								10%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**876**	**9%**	9%	0%	0%	0%	0%	0%								10%		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		**2,874**	**29%**	29%	0%	0%	0%	0%	0%								27%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		6,942	71%																
TOTAL		**9,816**	**100%**																

Legacy impact

Why it matters

Operations that are conducted in compliance with regulatory requirements, and in line with best industry practices and available technologies can still have legacies. Examples of legacies are tailings facilities which require continuous management and emergency preparedness, waterbodies and land areas that have been contaminated by past operations, impacted land and vegetation that must be restored, and legacy sites which are sites where the operations have been terminated and measures to comply with closure obligations are being implemented. Legacies typically require management and funding many years after the industrial activity that created them ceased.

Inevitably Hydro's 119 year history of industrial activities has resulted in environmental and social legacies. In addition, legacies have been transferred into Hydro's portfolio through mergers & acquisitions.

The main risk related to legacy management is failure to identify legacy risks and opportunities early enough, which could result in negative impacts on health, safety or the environment, and create unnecessary cost, and reputational damage for the company. Managing legacies is an important responsibility for Hydro to protect the environment and human health.

History has shown that inferior tailings facility management can in the worst case compromise public safety. Over the past decade, several tailings facility failures within the global mining industry have resulted in hundreds of fatalities, severe environmental and social harm, and substantial financial losses.

In countries with a large mining sector, there is an increasing concern that legacies from mining operations represent a financial risk to the society since there have been several cases where mining companies have gone bankrupt prior to fulfilling their remediation or closure obligations. Managing the potential impact of Hydro's industrial legacy on local communities and the environment is therefore key to building trust, and to managing sustainability related risks in Hydro.

There is a high degree of uncertainty related to the financial effects of legacies, because the timing, scope, and cost of remediation and closure obligations is unpredictable. Environmental authorities have a large room for judgement when it comes to enforcing the environmental laws and it is difficult to foresee far in advance what will be required. In general, requirements tend to increase over time as more knowledge about the environmental issues and its impacts becomes available, and as new or improved remediation techniques are being developed. Going forward, the risk of extreme weather events due to climate change is expected to be a driver for increased legacy management requirements. See Note 4.1 to the financial statements for details on uncertain assets and liabilities, including asset retirement obligations.

Our approach

By implementing a proactive approach to legacy management, Hydro aims to identify risks and opportunities at an earlier stage to enable the development and implementation of robust and cost efficient solutions which are in line with stakeholder expectations. Through Hydro's legacy and closure management program, the company aims to avoid or minimize the creation of additional legacies as well as to minimize impacts of legacies from the past. Hydro manages risks and opportunities throughout all phases of an asset's life cycle, including investment (design/construction or acquisition), operation, closure and post-closure.

Failure to identify legacy impacts and costs in the design/construction phase of a new asset or in acquisition processes could lead to future remediation and closure costs which are disproportionate in size to the benefit of the investment. This risk is mitigated through the implementation of corporate governance requirements that mandate financial assessment with respect to legacy aspects during project planning and acquisition evaluations.

Management of legacies

Several decades ago, Hydro's operations at Herøya in Norway caused contamination of the nearby fjord, Gunneklevfjorden. In 2018, the Norwegian Environmental Agency (NEA) ordered Hydro to remediate the fjord by capping the fjord bed with clean geologic materials. After several years of thorough mapping, investigations, testing and planning, the execution of the remediation project started in 2023. The aim of the project is to isolate the environmental toxins to prevent them from spreading and to prevent uptake in the food chain. The project is expected to be completed in 2025.

At Stulln in Germany, Hydro continued to execute a structured remediation and reclamation plan in collaboration with authorities at the former fluorspar mines dated back to the 1920s in Germany. The projects involve securing of underground mining structures, and reshaping and closure of tailings facilities to mitigate potential risk to the public and to the environment. For the Marienschachthalde tailings facility, the execution of the closure plan, including the final inspection by mining authorities, was completed in 2024. A post closure groundwater monitoring program will continue until 2029 or until mining authorities approve the discontinuation.

At the legacy bauxite residue facilities at Schwandorf in Germany, key activities in 2024 included the planning and site preparations for a new water treatment as well as implementation of the Global Industry Standard on Tailings Management (GISTM). Both the water treatment plant and the GISTM implementation is expected to be completed in 2025.

The Aluchemie anode producer, which is a joint operation company owned by Hydro (47 percent) and Rio Tinto (53 percent), located near Rotterdam in the Netherlands, closed its operation at the end of 2021. Demolition of buildings and infrastructure continued, and the implementation of the site wide environmental remediation activities was initiated in 2024, and progresses according to the schedule and in line with the remediation strategy defined with the relevant authorities. The property is owned by the Rotterdam Port Authority and Aluchemie is required to return the site to the same condition existing in 1962, before the plant was constructed. The remediation program is expected to be completed in 2025.

At the Kurri Kurri legacy site in Australia, the construction of an onsite, engineered containment cell and remediation of the site was completed in August 2024. The cell is being managed under a long-term environmental management plan with the completion of the independent audit undertaken by a NSW EPA accredited auditor, consolidating the key site investigations and validation of completed remediation, expected in Q2 2025.

At the Ashtabula, Ohio legacy site in the U.S., the activities in 2024 were focused on developing new site wide wastewater and stormwater management plan. The plan was authorized by the competent authorities and the execution is ongoing. Other minor activities were carried out, including some limited and localized investigations associated with the state certified voluntary action plan (VAP). The execution of limited closure, including material management and demolition activities, continues.

In Brazil, the Albras site, in collaboration with the Secretary of Environment and Sustainability of the state of Pará (Semas), has carried out additional environmental assessment in the former waste disposal area (ADRS). This assessment, conducted in accordance with Brazilian environmental legislation, is a part of a stepwise process aimed at evaluating and managing potentially contaminated land. It reflects the company's commitment to identifying, assessing, and responsibly managing any historical impacts from its operations.

Tailings management

Failure to manage tailings facilities properly could compromise the safety of workers and the local community as well as cause significant environmental, social, and financial damage.

Hydro's definition of tailings facility is an asset that is designed and managed to contain the tailings produced by the mining process or the bauxite residue produced by the alumina refining process. Tailings facilities refer to facilities that contain tailings or bauxite residue in open pit mines or on the surface. Tailings facilities are higher than 2.5 meters measured from the elevation of the crest to the elevation of the toe of the structure or have a combined water and solids volume more than 30,000 m3. Hydro's methodology for tailings dry backfill in Paragominas is not defined as tailings facilities. Hydro owns four tailings facilities at Paragominas and Alunorte in the state of Pará in Brazil and six smaller tailings facilities at legacy sites in Schwandorf and Stulln in Germany.

Hydro's objective for tailings management is zero failures that may lead to loss of life or lifechanging injuries, material negative socioeconomic impact or material environmental damage throughout the tailings facility lifecycle, from design to post closure.

Hydro commits to best practice tailings management to protect the health and safety of people, host communities and the environment. Hydro plans, designs, constructs, operates, maintains, closes, and relinquishes its tailings facilities in accordance with regulatory compliance requirements, internal company standards, the International Council on Mining and Metal (ICMM) framework, and the Aluminium Stewardship Initiative (ASI) practices. Furthermore, Hydro is committed to implement the Global Industry Standard on Tailings Management (GISTM), which requires that tailings facilities operated by Hydro with Extreme or Very high potential consequences[1] conform to the standard by August 5, 2023, while other tailings facilities operated by Hydro not in a state of safe closure, will conform to the standard by August 5, 2025. Hydro is a member of ICMM which is one of the three co-conveners of GISTM alongside UN Environment Program (UNEP) and PRI, an investor initiative in partnership with UNEP Finance Initiative and UN Global Compact.

In alignment with GISTM requirements, Hydro is managing its tailings facilities in line with the corporate Tailings Management Policy.

Hydro's governance structure for tailings management is clearly defined. The governance structure starts at Hydro's Board of Directors. Independent reviews by the Independent Tailings Review Board (ITRB) are carried out twice per year for the tailings facilities at Alunorte and Paragominas and annually for the tailings facilities at Schwandorf.

By August 2023, the conformance of the Alunorte's and Mineração Paragominas' tailings facilities was assessed and confirmed through a self-assessment in line with the ICMM's Conformance Protocol. A third party validation was undertaken in 2024 and attested the conformance of Valley, TDA, DRS1, and DRS2 to GISTM.

GISTM implementation is ongoing at the three closed tailings facilities at the Schwandorf legacy site and is on track to achieve conformance by the August 5, 2025, deadline. The Marienschachthalde tailings facility in Stulln has been classified as safely closed in accordance with the GISTM definition.[2] The remaining two facilities in Stulln (Grube Erna 1 and 2) are expected to reach safe closure status by the second quarter of 2025.

More information, including Hydro's Tailings Management Policy, the GISTM Public Disclosure Report and GISTM conformance status, can be found at Hydro.com.

Implementation of best available technologies and methods is key to reduce impacts and risks further. At Alunorte, Hydro has invested in press filters and are implementing progressive closure (as opposed to end of life closure) to: i) minimize possible negative impacts on the environment, such as dust; ii) demonstrate the closure method early; and iii) avoid that the entire closure burden is shifted to the end of operations. In Paragominas, Hydro is implementing the dry backfilling method. The company also has a comprehensive R&D program aiming to transform the tailings materials into by products such as materials for the construction sector. See also the chapter on Resource use and circular economy, which describes tailings and bauxite residue in more detail, including how Hydro is pursuing reduction, reuse, and remediation technologies and methodologies to minimize impacts from tailings.

1) Consequence classifications are not ratings of the condition of a facility or the likelihood of failure; instead, they rate the potential consequence if they were to fail.

2) The GISTM defines 'safe closure' as a closed tailings facility that does not pose ongoing material risks to people or the environment which has been confirmed by an ITRB (independent technical review board) or senior independent technical reviewer and signed off by the Accountable Executive.

Own workforce – our people and work environment

Why it matters

Hydro has a responsibility to provide a safe and inclusive work environment for all workers, including own employees, temporary employees, agency workers, and contractors. Hydro values human life above all other considerations and will not compromise the health and safety of those working for the company or affected by its activities.

Hydro believes a safe work environment also promotes efficiency and lower operating costs. Hydro relies on a safe, healthy, competent, and engaged workforce to ensure quality and efficiency in all operations. Safeguarding the rights, health, and safety of the workforce, while fostering a culture for learning, equal treatment, and opportunities is essential for attracting and developing talent, ultimately enhancing the company's performance. Hydro's organizational culture, which emphasizes learning and development, innovation, leadership, and belonging aligns with the company's strategic priorities and drives success.

Conversely, an adverse psychosocial work environment or accidents that affect the health and safety of Hydro's workforce can result in disruption of business operations. Such incidents may result in legal proceedings, fines or other financial consequences, and damage to the company's reputation, which can erode trust in both the short, medium and long-term. Failure to comply with applicable regulations for working conditions, equal treatment and/or reporting on workforce related issues could also result in fines and negative reputation.

Hydro positively impacts employees by offering secure employment, learning and development, fair wages, and social protection. However, potential negative impacts can arise from unintended incidents of discrimination, harassment, or accidents resulting in injury, illness, or even fatalities involving employees or contractors.

Hydro's workers are exposed to a variety of safety risks that, if not controlled, could result in accidents leading to injuries or fatalities. The inherent risks of negative impacts on health and safety are higher when performing non-routine work such as building and construction projects, and in work related to energy, work at height, mobile equipment, overhead cranes, confined spaces, molten metal and projects.

Our approach

Hydro identifies and monitors its impact on own employees and contractors according to the same standards, Code of Conduct, and other governing policies and documents, including the HSE Policy and Hydro's people strategy. The EVP People and HSE, the highest ranking official in this area, is responsible for guiding Hydro's approach to health, safety, and workforce engagement concerning impacts and risks. The operationalization of this is delegated to the HSE and People organizations in the Business Areas, respectively. Hydro identifies and measures impacts on its workforce through direct involvement of employees in incident identification and investigation, regular network meetings within Business Areas, employee reviews, and engagement surveys.

As part of Hydro's human rights due diligence, the company maps salient potential and actual human rights impacts across its operations. See the position statement on human rights due diligence for more information about the company's human rights management and due diligence approach. Hydro is committed to, and has a human rights policy based on, the UN Guiding Principles on Business and Human Rights, and other global frameworks that define human rights principles for businesses.

Salient human rights risk in own workforce

	Discrimination and harassment
	Health and safety
	Vulnerable individuals and groups

Health and safety, discrimination and harassment, and vulnerable individuals and groups have been identified as salient human rights risk areas related to own workforce. See the sections on occupational health and safety, and diversity, inclusion and belonging for more information. Hydro's human rights policy explicitly addresses forced or compulsory labor and child labor, but these are not identified as salient risks for Hydro's own workforce. Regarding other potential human rights impacts, see the section on labor rights.

Targets and ambitions

0	25%	78%
fatalities or life changing injuries	women overall and in leadership position by 2025s	score on the Inclusion Index by 2024

Performance

1 / 1	24% / 21%	75%
fatality [1] / life-changing injury in consolidated operations	women overall / in leadership positions	score on the Inclusion Index

1) One contractor fatality in consolidated operations.

Occupational health and safety

Hydro shall be a leading company in its industry in occupational health and safety. This will be achieved through consistent implementation of the management system with committed and visible leadership, and full engagement of all employees and others who work with the company. The CEO HSE Committee is the strategic decision making committee for all main HSE related matters for the Hydro group. The committee is led by the President & CEO, and consists of the members of the Executive Leadership Team (ELT) and the head of global HSE.

Hydro's health and safety activities are governed by the company's HSE policy and the Global HSE Directive, which are owned by the EVP for People and HSE, and applicable for all own employees and contractors. Health and safety standards are aligned with ISO standards. Health and safety are identified as salient human rights with potential adverse impacts on employees and contractors across Hydro's operations. Hydro's ambition is to provide safe and healthy workplaces, promote health and wellbeing, and prevent work related injuries and illness.

Hydro drives safety improvements by systematically reducing risks, training personnel, and regularly following up by line management and safety delegates. All injuries and high risk incidents are investigated to find root causes, and to share lessons learned between Hydro sites. Employees are engaged on health and safety issues through frequent network meetings across the business areas.

Hydro works continuously to avoid damage to property and loss of production. Hydro has developed a comprehensive health and safety management system, and the company's manufacturing sites are certified to internationally recognized health and safety standards. Hydro embraces digital tools where possible and has developed an advanced incident management system, self-assessment tools, risk management processes, e-learning training modules, a digital HSE assistant using Artificial Intelligence etc., all easily accessible to employees. In addition, Hydro has strengthened its behavioral tools using human performance techniques and the consistent use of peer-to-peer job observations. Hydro has developed employee assistance programs at site level to support affected workers. This includes as a minimum psychological support for those needed, but also include other types of support depending on the area they operate in, such as financial advice.

The total recordable injuries rate in 2024 was 2.0 per million hours worked, compared to 2.4 in 2023. An improvement is seen in the number of injuries occurred to own employees. The majority of injuries were relatively minor. However, there was one fatality involving a contractor at the aluminium smelter Albras in Brazil. Action plans and global learning plans have been established and implementation is ongoing. There was also one life changing accident at Albras, when a contractor lost two fingers.

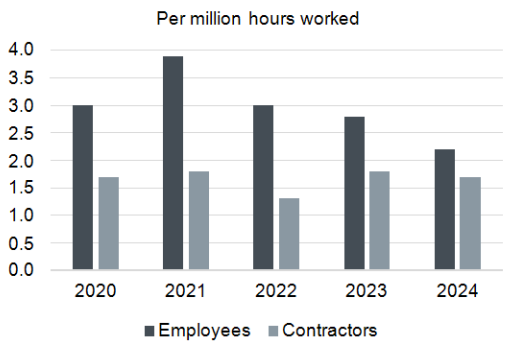
The deployment of fatality prevention procedures, and associated life saving rules and behaviors continued in 2024. This contributed to a continued reduction in the number and rates of high risk incidents with the potential to be life changing, however, there was an increase in the high risk incidents with the potential to be fatal. Key initiatives include a self-assessment process for critical programs, electrical committees reviewing high risk incidents and required controls to be put in place, digitalizing systems and tools with integrated artificial intelligence functionality increasing the quality of the root cause investigations and risk assessments, monthly deep-dive incident data analyzes to support continuous improvement through root cause and use identification, and defining actions to prevent incidents from recurring. Quarterly health, safety, security, and environment network meetings are used to connect specialists from all business areas to discuss findings and actions taken from high risk incidents, and to share best practice and innovative solutions. Hydro also increased its emphasis on installing engineering controls to prevent high risk incidents from occurring.

Hydro's approach to continual improvement of physical and chemical occupational health is based on work environment risk assessments (WERA), and implementation of risk reduction measures followed up through an associated key performance indicator. WERA provides a systematic approach for evaluating the exposure of similar exposure groups, identifying the most exposed work operations and measures can be implemented before ill health occurs, which applies to both own employees and contractors. The group online HSE tool, IMS, provides a WERA module to facilitate the work process and ensure transparency.

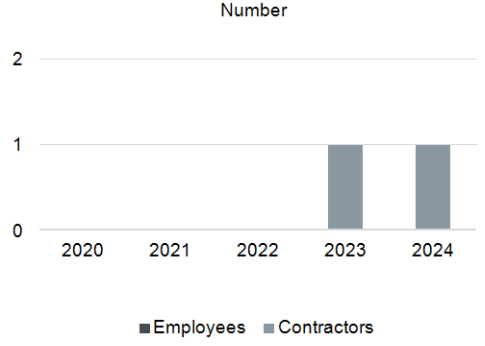
The focus on mental health and wellbeing has continued with numerous initiatives during the year to raise awareness, including mental health webinars, quarterly wellbeing topics addressing stress management, heat stress management, workplace hygiene and lighting. In addition, more workshops were run in different countries together with Human Resources and HSE managers to increase the competence related to stress and wellbeing. Toolkits such as psychological safety training for leaders and burnout prevention training have been developed. To ensure a systematic approach to the psychosocial work environment, Hydro has established a new psychosocial risk indicator (PRI) as part of its employee engagement survey, Hydro Monitor. A process for follow up of the PRI has been developed, including guidelines and tools.

High risk incidents

Total recordable injuries



Fatal accidents



Hydro's people strategy

Hydro's ambitious people strategy towards 2030 focuses on learning and development, innovation, leadership, and belonging. These global strategic priorities are supported by targets and activities that address the specific needs and challenges of the business areas.

We grow

Hydro's purpose is to create a viable organization that empowers people to grow. The company invests in skills development aligned with both business and individual needs to achieve its business strategy and to be an attractive employer. Hydro provides opportunities for personal and professional growth opportunities, aiming to foster a continuous learning culture based on growth mindset among leaders and employees, where learning is integrated into daily work.

Learning and development is offered through a blend of on the job training, social initiatives such as networking, mentoring and peer-to-peer learning, along with formal learning programs. Hydro's learning platform offers content from various learning providers and esteemed universities. In addition, every employee engages in an annual appraisal dialogue with their leader to discuss and document development goals and activities. See Note S1.4 for metrics related to completed training activities in 2024.

We lead

Leadership is a key lever for Hydro's organizational success. Hydro has developed a leadership framework that combines valid research with Hydro's unique needs, enabling leaders to effectively deliver the business strategy and embody Hydro's values. This framework underpins Hydro's leadership processes, development programs and tools. In 2024, Hydro continued to deploy this framework through its people processes, with established leadership criteria supporting the selection, development and succession of leaders.

Leadership development and succession planning for critical positions remain strategic people priorities as Hydro moves towards 2030. To cultivate a strong pipeline of leaders with diverse experience, Hydro aims to rotate leaders across different parts of the organization, and offer development initiatives and programs tailored to the needs of both leaders and specialists.

We innovate

Innovation is the third pillar of the People Strategy, where technology and digital tools serve as enablers for better decision making and help freeing up time for value adding activities.

We belong

Belonging is the final pillar of the new people strategy. The ambition is that together Hydro creates a healthy and inclusive environment where everybody's contributions matter.

Diversity, inclusion, and belonging (DIB)

Hydro aims to increase value creation and foster a culture of belonging in a high performing and sustainable work environment based on the diverse backgrounds and perspective of its employees. Belonging is a key pillar of the People Strategy 2030, strongly supported by a focus on diversity and inclusion.

- **Diversity:** Hydro began its systematic work on diversity in 1997, initially focusing on improving gender balance. Over time, these efforts expanded to include a broader range of diversity factors including age, nationalities, cultural backgrounds, ethnicity, ability and religious beliefs. This comprehensive approach continues to be central to building an inclusive workforce that supports innovation and business growth.
- **Equity:** Hydro is committed to promoting equitable opportunities for all employees, ensuring that everyone has the chance to thrive, contribute and succeed. This means recognizing that individuals come from different starting points, and adjusting support and resources accordingly. By fostering an equitable environment, Hydro aims to create a workplace where every employee can reach their full potential, regardless of their background or circumstances.
- **Inclusion:** Hydro aims to actively seek diverse perspectives and leverage a wide range of competencies to solve tasks and meet customer needs. This approach fosters inclusive leadership and creates a culture where all employees are encouraged and empowered to contribute their full potential.
- **Belonging:** Hydro is committed to creating a work environment where everyone feels safe, respected and cared for, supporting a balance between work and private life.

Hydro's DIB Policy articulates the company's principles and commitment for diversity, inclusion and belonging. Hydro celebrates five diversity days to raise awareness and enhance inclusion: International Women's Day, the International Day for the Elimination of Racial Discrimination, Pride, World Mental Health Day, and the International Day of People with Disabilities, each sponsored by top management. Additionally, employee resource groups, including the Hydro Rainbow LGBTQI+ network and women's networks, have been established across various business areas and headquarters.

The Executive Leadership Team is responsible for overseeing and driving the DIB agenda across the company, ensuring accountability at the highest level. A global DIB core team led by Hydro's DIB Lead and supported by a DIB representative from each Business Area is tasked with executing and advancing this agenda. The team employs a data driven approach to monitor gender balance and other diversity and inclusion metrics in recruitment, turnover and employee engagement. Each Business Area is responsible for developing roadmaps to implement targeted actions based on the reviews.

To survey employee engagement among all permanent employees, Hydro conducts a biannual employee engagement survey, Hydro Monitor, which is complemented with shorter pulse surveys on a more frequent basis. The survey focuses on key engagement drivers and allows employees to provide feedback that is translated into targeted action plans and improvement roadmaps. Hydro Monitor also helps identify and monitor negative impacts on own employees, pinpointing vulnerable groups risk.

Discrimination and harassment are identified as salient human rights risks with potential adverse impact on employees across Hydro's operations. Vulnerable individuals and groups are particularly exposed, including, but not limited to, in this context women, LGBTQ+ and ethnic minorities. Any reported incident is managed according to the global procedure for reporting and managing alerts.

To assess the risk and identify cases of discrimination and harassment, Hydro uses an internal grievance mechanism, AlertLine. Group Internal Audit and Investigation (GIA&I) is responsible for overseeing all alerts that are reported through Hydro's AlertLine. The team assesses the relevance and severity of the Alerts, and is responsible for investigating the ones classified as severe. GIA&I consults a Review Committee comprised of representatives from Legal, HR and Compliance and supports line management and staff functions in their investigations or other follow up activities.

See Note G1.1 for metrics related to cases associated with discrimination and harassment received through AlertLine.

Reward

In 2024, Hydro embarked on the implementation of the global reward strategy, where Hydro's philosophy describes its attitude towards reward. Hydro believes that its people drive the company's success. Hydro recognizes that the value it creates depends on the effort of each and everyone. The company is committed to creating a workplace that is fair and equitable for all, regardless of background and personal characteristics.

Hydro works to ensure equitable compensation for work of equal value, regardless of gender. Hydro's reward strategy includes four principles:

- **Market competitive:** The reward shall be aligned with local market to ensure competitiveness.
- **Performance oriented:** The total reward should enhance and encourage performance oriented behavior, short and long-term, and retention of critical competence and resources.
- **Transparent:** A description of the organization's reward elements should be available to all employees, and each employee and his/her leader should have a clear understanding of the employee's total reward. The reward should be based on clear and consistent criteria with due regard to the basic needs of the worker.
- **Holistic:** Total reward should be holistic and a well balanced mix of monetary and non-monetary compensation elements, including career opportunities and other recognition elements, having the potential for differentiation, immediate and over time.

Hydro analyzed global pay statistics in 2024 and found an unadjusted gender pay gap of six percent. Hydro analyzes equal pay by accounting for factors such as job type, job level and complexity, experience, education, tenure, performance and work location, in addition to gender. The analysis shows an adjusted pay gap of seven percent, due to gender and other potentially unidentified factors. Hydro will address this pay gap and work to ensure equitable compensation for work of equal value. To identify areas for improvement and gain actionable insight, the company conducted a detailed analysis across 42 business units in 21 countries.

The ratio of the highest base salary to the median base salary for all permanent employees was 17.4. For more information, see the Remuneration report. See also note S1.6 for detailed pay gap analysis specific to Norwegian employees, based on the Norwegian Equality and Anti-discrimination Act.

All Hydro employees are covered by the social security systems in their respective countries. At a minimum, all employees receive (in combination with statutory benefits and social security) business travel insurance, benefits covering work related events (accidents and illnesses), and retirement benefit. As part of the global reward strategy, Hydro introduced a global minimum standard of 16 weeks fully paid parental leave for primary caregiver and four weeks fully paid leave for secondary caregiver in 2024.

Living wage

Hydro has an ambition to improve the lives and livelihoods wherever it operates, and to ensure that the company has a transparent compensation with due regard to the basic needs of the worker.

Hydro conducted a wage analysis in 2024 to benchmark against a living wage in the markets where Hydro operates. The result shows that out of 29,564 employees assessed, 396 individuals (1.3 percent) were identified to have an earning below what is considered "decent living" covering the basic needs of the workers. To foster a fair and supporting work environment, Hydro is committing to close the gaps by setting and maintaining wages that reflects both industry standards and the cost of living. Hydro has partnered with FairWage Network to assess compensation in the company, targeting to ensure sustainable compensation for its employees. Hydro has developed a dashboard to track employees earning below the living wage to and will continue to map wages below the living wage and close the wage gap in 2025.

Collaborating with unions and employee representatives

Hydro actively engages with its workers on labor rights through a variety of channels, including meetings with labor unions, work councils, and joint management worker committees. Hydro has maintained a Global Framework Agreement since 2011, and its European Works council agreement was revised in 2022. Discussions with employee representatives cover topics such as Hydro's people strategy, policies and procedures. Key areas of focus include health and safety, standards for decent work, human rights, labor rights, and compliance with applicable regulations in each country of operation. This collaborative approach ensures that employee voices are heard and integrated into decision making processes that impact their working conditions and rights.

Hydro's major sites in Europe and Brazil are unionized. Extrusions has a major presence in North America, and 44 percent of Hydro's employees in North America are covered by collective bargaining agreements. Overall, 67 percent Hydro's global workforce are covered by collective agreements. Collective bargaining takes place at a frequency agreed with the local unions. See Note S1.6 in the appendix, for more details.

In Norway, non-organized workers typically benefit from the same compensation adjustments negotiated at the industry level. In addition, workers on individual agreements may receive adjustments based on company and individual performance, and external benchmarking. In regions where union representation is not permitted, Hydro strives to establish alternative worker management relations to ensure fair treatment.

No strikes exceeding one week and no lock outs took place in 2024. However, Hydro's extrusion plant in Vetlanda, Sweden, was affected after twelve unions in Sweden joined a sympathy strike related to a conflict between the Swedish labor union, IF Metall, and the car manufacturer Tesla. Hydro was not part of the conflict, but the sympathy strike resulted in a temporary production stop at Vetlanda. The sympathy strikes ended in May 2024.

Labor rights

Through the Global Framework Agreement, Hydro is committed to upholding equality of opportunity and treatment in line with International Labour Organization (ILO) Conventions 100 and 111, respectively. These conventions specifically address equal remuneration for men and women performing work of equal value, and the elimination of discrimination in employment and occupation. Hydro's Diversity, Inclusion and Belonging strategy underscores this commitment, and has been communicated through the Business Area communication bodies, ensuring open dialogue between management and union representatives. This approach ensures that equality principles are integrated into daily operations and decision making processes at all levels of the company.

Hydro has operations in countries where the inherent risk of adverse human rights impacts has been assessed as high. Due to the nature of Hydro's operations in the countries and the demographic of its workforce, the company assesses the risk of adverse human rights impacts affecting its workforce to be low.

In 2023, Hydro conducted a human rights assessment of its operations and value chain in China. A risk of adverse impact related to late salary payments for a few contracted workers was identified. This continues to be followed closely.

Based on the general human rights situation in Hungary, Hydro has initiated a human rights assessment of its operations and of selected suppliers in the country. The assessments are conducted by third party experts and the results are expected in 2025.

For information about cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve affected communities in own operations or in the value chain (ref. ESRS S1-17), see Note G1.1 in the Business Conduct chapter.

Just Transition

The green transition will create new employment opportunities as well as changes to existing ones. Innovations in Hydro's production methods and advancement of technologies risks the automation of jobs. Additionally, Hydro's focus on decarbonization must not exacerbate social inequalities or discrimination. Hydro has developed a framework for supporting a just transition, through which the company seeks to contribute to positive development in the societies where it operates, including for its own workforce. The framework is focused around three key outcomes: People have human rights protected and have access to equal opportunities; Local communities are resilient in a changing world; and People have the necessary skills and jobs for the future low-carbon economy.

Hydro contributes towards these outcomes in its own workforce by respecting and promoting human rights, supporting positive local development in the local communities where its employees live and work, and through developing skills and jobs relevant to the future low-carbon economy. In 2024, Hydro continued to develop and deliver learning and skills development for all its employees.

Hydro also works to increase inclusiveness among Hydro employees and tracks the perception of inclusiveness in the Hydro Inclusion Index, which is part of the biannual Hydro Monitor survey. See Note S1.2 for Hydro employee engagement metrics.

Security and emergency preparedness

Hydro is committed to the protection of people, environment, physical assets, data and information. Hydro anticipates and prepares for potentially adverse incidents with crisis potential to maintain business and operational continuity.

To prepare for and respond to intentional, unintentional and/or naturally occurring disasters, and to protect people and critical assets, Hydro adapts and initiates security measures depending on the evolving risk picture. Hydro's emergency preparedness plans enable effective response to high risk incidents and crises, ensuring an effective, cohesive, integrated and timely response to any business disruption, regardless of origin, scale or complexity. Hydro has emergency preparedness plans in place that are regularly exercised against known and identified hazards.

Security in Hydro includes a proactive security risk management process, based on analysis, to enable appropriate mitigating actions and accurate and timely decision making. Security guards are employed on a regular basis to protect Hydro's personnel and assets. No armed personnel are used in Hydro's security operations.

Firearm related incidents and robberies continued to occur in 2024 in relation to Hydro's operations in Paragominas, Alunorte and Mexico. No Hydro personnel were injured in these events and resulting security mitigation measures were employed to further protect personnel and prevent against other incidents.

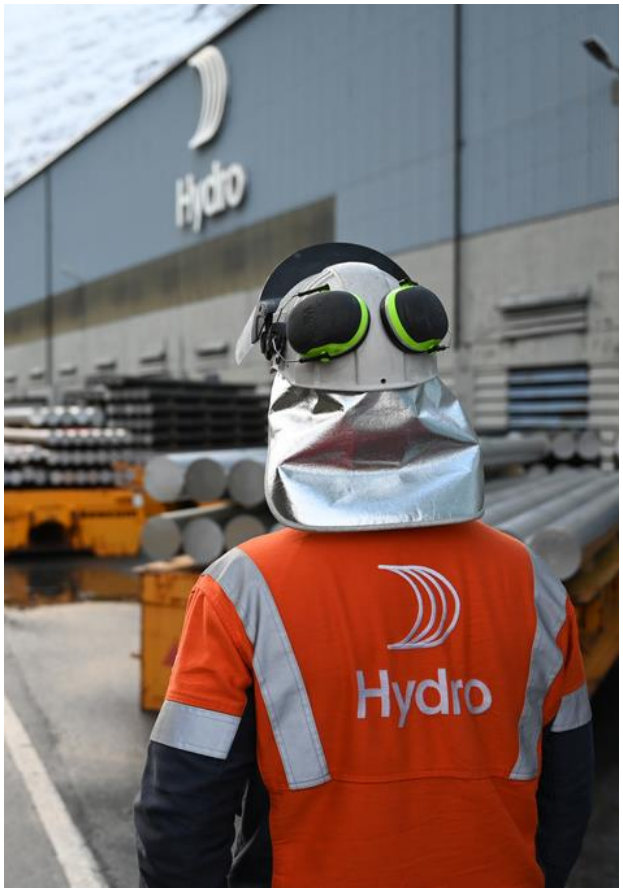
Global conflict, especially the war in Ukraine, continues to put pressure on international relationships increasing political tensions and elevating the potential risk of sabotage. The Israeli-Hamas-Hizbullah conflict has added to international uncertainty surrounding terror related events and possible conflict escalation in the Middle East.

Group Security closely monitors the security risks in Brazil and maintains close contact with both Hydro plants in Mexico with a monthly security call implemented to ensure security mitigation measures are aligned with the developments and threat. Regular security updates are disseminated to all Hydro Business Areas with information and advice provided on any associated travel, security or emergency mitigation measures which may be required due to the war in Ukraine and the escalating conflict in the Middle East. Hydro continues to ensure its security operations conform to the Voluntary Principles on Security and Human Rights, ensuring an ethical approach to the delivery of security services.

Hydro is responsible for infrastructure and functions on local and regional levels that can be critical to society, and the company operates large scale production sites where a crisis could influence community interests and safety in general. Hence, Hydro is subject to control and follow up by relevant national authorities. Hydro has emergency plans in place by site, Business Area and at group level, and the company exercises and validates these plans regularly.

Twenty emergency and crisis management workshops, with risk mapping at their core, were held in 2024, planned and exercised by Group HSE. Based on evolving complex scenarios these workshops were conducted at department, plant, Business Unit, Business Area and Corporate Emergency Team (CET) levels. They help to link the process of security and emergency response, crisis management, and business continuity and recovery from the plant through to business area level and above. In addition, all sites are required to exercise emergency preparedness and response training as a minimum on an annual basis or more frequently based on identified hazards and risks or as stipulated by local laws and regulations

Hydro's strategy to prepare for future pandemics is based on cooperation with local authorities and compliance with rules complemented by a flexible range of Hydro specific responses, robust emergency preparedness and business continuity plans. Where applicable, guidelines and regulations from national authorities such as those pertaining to travel restrictions, social distancing, home office or complete societal lockdowns, have been reflected in Hydro's internal policies and procedures. Hydro evaluates its key pandemic related risks and vulnerabilities through security and business resilience assessments, which support the preparation and review of business-continuity plans. Measures that have been used and could be reinstated include stock level increases for raw materials to reduce Hydro's exposure to supply chain disruptions and cash preservation measures to reduce cost, capital expenditures and ensure adequate liquidity to face the financial impact of potential shutdowns.



S1 Notes on Own workforce

S1.1 Characteristics of Hydro's employees

Reporting principles

Data on employees are retrieved from Hydro's human resources SAP system. Gender data are based on the employees' self-reporting in Hydro's SAP system. Head count per country is based on which country the employees perform their work. Temporary employees include apprentices but exclude contractor employees. Employee turnover covers permanent employees only and includes resignations, retirements and manning reductions, but excludes closures and divestments. Hydro also engages a small number of non-employee workers and consultants that are not included in Hydro's employee data. Data presented represents head count at year end, December 31. See also note 9.2 to the financial statements on the reporting entity.

GRI Reference: GRI 2-7 (2021).

	Number of employees (head count)				
Gender	2024	2023	2022	2021	2020
Male	25,724	26,901	26,805	26,781	29,659
Female	8,073	7,589	7,126	6,282	6,510
Other	1				
Not reported		4			
Total employees	**33,798**	**34,494**	**33,931**	**33,063**	**36,169**

	Number of employees (head count)				
Country	2024	2023	2022	2021	2020
Brazil	7,059	6,915	6,827	6,643	6,070
Norway	4,858	4,683	4,485	4,245	4,048
USA	5,606	5,993	6,164	5,932	5,510
Other	16,275	16,903	16,455	16,243	20,541
Total employees	33,798	34,494	33,931	33,063	36,169

Head count, 2024	Female	Male	Other	N/D	Total
Number of employees	8,073	25,724	1		33,798
Number of permanent employees	7,235	24,829	1		32,065
Number of temporary employees	838	895			1,733
Number of non-guaranteed hour employees					
Number of full-time employees	7,498	25,115	1		32,614
Number of part-time employees	575	609			1,184

	Brazil	Norway	USA	Other	Total
Number of employees	7,059	4,858	5,606	16,275	33,798
Number of permanent employees	6,555	3,981	5,591	15,938	32,065
Number of temporary employees	504	877	15	337	1,733
Number of non-guaranteed hour employees					
Number of full-time employees	7,014	4,291	5,595	15,714	32,614
Number of part-time employees	45	567	11	561	1,184

S1.2 Diversity, inclusion and belonging

Reporting principles

Data on gender distribution in the Board of Directors and the Executive Leadership Team are counted manually at year end. Data on gender distribution at management levels 0-3 and data on employee age distribution are retrieved from Hydro's human resources SAP system. Data on employees' inclusion and other engagement metrics are based on Hydro's biennial employee engagement survey, Hydro Monitor.

GRI Reference: GRI 2-7 (2021), 405-1 (2016)

	Number of persons					Percentage of total				
Gender distribution	2024	2023	2022	2021	2020	2024	2023	2022	2021	2020
Board of Directors, women [1)]	4	4	4	4	4	36%	36%	36%	40%	40%
Board of Directors, men	7	7	7	6	6	64%	64%	64%	60%	60%
Executive Leadership Team, women	5	4	4	4	4	56%	40%	40%	44%	40%
Executive Leadership Team, men	4	6	6	5	6	44%	60%	60%	56%	60%
Women at management levels 0-2	29					35%	37%	37%	35%	31%
Woman at management levels 0-3	179					38%	36%	35%	36%	32%

1) With three women among the seven shareholder-elected members and one woman among the four employee representatives on the Board of Directors, Hydro complies with the Norwegian legal requirements on female representation.

Age distribution of employees	2024	2023	2022	2021	2020
Under 30	17%	14%	14%	12%	14%
30-49	51%	53%	53%	53%	52%
50 +	32%	33%	33%	35%	34%

* Age distribution prior to 2024 only includes permanent employees; 2024 data is based on permanent and temporary employees

Hydro Monitor	2024	2022	2020	2018
Inclusion Index (II)	**75%**	**76%**		
Women	76%	75%		
Men	75%	76%		
Employee Engagement Index (EEI)	**74%**	**76%**	**72%**	**84%**
Women	75%	76%	70%	86%
Men	74%	76%	72%	83%
Psycosocial Risk Index (PRI)	**76%**	**76%**	**75%**	
Women	76%	75%	73%	
Men	76%	76%	75%	
Integrity Culture Index (ICI)	**77%**	**78%**	**76%**	
Women	78%	78%	75%	
Men	77%	78%	76%	

Leavers and employee turnover	2024	2023	2022	2021	2020
Total employees who left	4,141	5,088	5,934	4,573	5,255
Rate of employee turnover	13%	15%	17%	14%	14%

S1.3 Health and safety

Reporting principles

Health and safety data are prepared and reported to management on a monthly basis, based on data registered in Synergi and IMS, the reporting tools for health, safety, security and environmental incidents. The data covers employees and contractors at all consolidated units within Hydro, including sales offices and administrative functions. Reported numbers include incidents in discontinued operations.

Employees are workers under direct supervision of Hydro. For the purpose of recording health and safety statistics, employees include agency workers. Health and safety statistics for employees are included for the period they are employed by or otherwise in service for Hydro.

Contractors are workers who are under contract to execute work for Hydro, who are under the direct supervision of the contractor and operate at Hydro premises under Hydro's indirect supervision. Contractors are included during the period they are employed by or otherwise in service for Hydro.

Total recordable injuries (TRI) is calculated as the sum of lost time injuries (LTI) + restricted work cases (RWC) + medical treatment cases (MTC). LTI is a personal injury at work leading to unfitness for work and absence beyond the day of the accident. RWC is a personal injury at work that does not lead to absence beyond the day of the accident, because of alternative job assignment. MTC is treatment, other than first aid, administered by a physician or registered professional personnel under the standing orders of a physician.

High risk incidents (HRI) include major accidents and incidents with major potential.

TRI, LTI and HRI rates are calculated based on TRI, LTI and HRI per one million hours worked.

Fatal accidents comprise all fatalities resulting from a work-related incident.

Occupational illness rate is calculated as incidents of occupational ill health per million working hours. Actual occupational illnesses are defined by Hydro as either illnesses that have been confirmed by relevant authorities/insurance companies or doctors (depending on the national system); or that have led to any kind of permanent disability, disablement pension, loss of function and/or are a listed occupational disease. Occupational illness rate is calculated based on cases per million working hours.

Sick leave includes all absence due to illness, measured as number of days lost due to sick leave as a percentage of possible working days excluding holidays. Sick leave is recorded based on local definitions which may differ between countries.

GRI reference: GRI Standards 403-9, 403-10 (2018).

Total recordable injuries, lost-time injuries, and fatal accidents

	2024	2023	2022	2021	2020
Total recordable injuries (TRI)	**195**	**237**	**227**	**299**	**224**
Employees	130	174	186	254	188
Contractors	65	63	41	45	36
Total recordable injuries (TRI) rate	**2.0**	**2.4**	**2.4**	**3.3**	**2.7**
Employees	2.1	2.8	3.0	3.9	3.0
Contractors	1.7	1.8	1.3	1.8	1.7
Lost-time injuries (LTI)	**109**	**128**	**115**	**156**	**119**
Employees	74	95	90	126	102
Contractors	35	33	25	30	17
Lost-time injuries (LTI) rate	**1.1**	**1.3**	**1.2**	**1.7**	**1.4**
Employees	1.2	1.5	1.4	2.0	1.6
Contractors	0.9	0.9	0.8	1.2	0.8
Total number of fatal accidents	**1**	**1**	**0**	**0**	**0**
Employees	0	0	0	0	0
Contractors	1	1	0	0	0

High risk incidents (HRI)

	2024	2023	2022	2021	2020
High risk incidents	75	67	75	122	140
HRI rate	0.76	0.69	0.80	1.36	1.66

Occupational illness rate and sick leave	2024	2023	2022	2021	2020
Occupational illness cases	10	12	20		
Occupational illness rate	0.2	0.2	0.3	0.3	0.3 [1)]
Sick leave, percent (global total)	3.3%	3.5 %	4.1 %	3.8 %	4.2 %
Sick leave, Norwegian employees	4.4%	4.5 %	4.7 %	4.9 %	4.5 %
Norwegian female employees	5.2%	5.2 %	5.5 %	6.5 %	5.3 %
Norwegian male employees	4.1%	4.3 %	4.4 %	4.5 %	4.5 %

1) Occupational illness data for 2020 does not include Extrusions

See also additional notes to Own workforce in the appendix.

Workers in the value chain

Why it matters

With a network of over 30,000 suppliers across more than 40 countries and 30,000 customers worldwide, Hydro exerts a substantial impact throughout its value chain. Upholding a responsible value chain is a core component of Hydro's Just Transition framework, which outlines the company's ambition to fostering a future that is both environmentally sustainable and socially equitable.

Hydro may positively influence workers by creating job opportunities. By establishing rigorous standards for suppliers regarding human and labor rights, and by actively engaging, influencing, and collaborating with them to enhance their human rights commitments and management practices, Hydro can contribute to increasing access to decent work for a greater number of individuals, ensuring their rights are upheld.

However, Hydro's procurement includes raw materials, products and services from industries and regions that present inherent risks to workers' rights. Within a complex and extensive supply chain, the potential negative impacts on workers affected by Hydro's operations can be significant. These may include violations of rights, challenges related to decent working conditions, limited access to a safe and healthy working environment, and the risk of accidents or unforeseen incidents leading to injuries, illness, or fatalities. Failure to deliver on requirements and expectations for workers' safety and rights in the value chain can lead to loss of public trust and operational disruptions.

Our approach

The risk of negative impact to workers in the value chain is managed through Hydro's supply chain management, encompassing a detailed selection criteria covering key aspects of human rights due diligence process. The process is described in more detail in the document Human Rights Due Diligence in Hydro available on Hydro's website under Policies and Tools. Through the human rights due diligence process, the company considers workers in the whole value chain, and identifies salient human rights risks that pose the greatest potential impact on workers in its value chain. While these identified risks inform the foundation of Hydro's due diligence approach, they are not exhaustive and subjected to local adjustments and additions.

As part of a broader assessment of Hydro's due diligence system, Deloitte assessed Hydro's sustainability in the supply chain management against the OECD guidelines in early 2024. The feedback has further helped to improve Hydro's approach, and also provided useful input to a broader readiness process to the Corporate Sustainability Due Diligence Directive (CSDDD). Hydro continues the process of implementing and improving the procedure on sustainability in the supply chain to ensure a common approach across Hydro, and several of the Business Areas have strengthened their capacity on this topic.

Through regular assessment, follow up and collaboration with selected high risk suppliers, Hydro seeks to contribute to continuous development. Hydro conducted 215 supplier audits in 2024, including topics related to human rights, working conditions and HSE.

Key findings from the audits relate to lack of management systems, environmental awareness, compliance controls and emergency preparedness. Around 30 percent of the audits led to action plans, and by the end of 2024, almost 100 percent of the corrective actions proposed by Hydro resulted in improved performance.

Hydro is an active member of the Aluminium Stewardship Initiative (ASI) and promotes ASI's certification program to its aluminium suppliers for the sustainable development of their operations. Hydro also cooperates with other external stakeholders, such as unions and industry associations, to develop and implement supplier development programs.

Salient human rights risk for workers in the value chain

Forced labor, modern slavery and child labor abuse
Discrimination and harassment
Vulnerable individuals and groups
Freedom of association and collective bargaining
Access to information and participation in dialogue
Decent working conditions
Health and safety

While there were no group wide quantitative targets for engaging directly with workers in the value chain in 2024, Hydro has set a new target to track the share of suppliers that have a corrective action plan in place for human rights residual risks identified in the due diligence process. Hydro will report performance against the new target in 2025.

Targets and ambitions

Transparency and traceability of key sustainability data for our products by end of 2025

Performance

9,520

Total suppliers screened in 2024

2,878

High and medium sustainability risk suppliers in 2024

Hydro's approach to responsible sourcing is based on the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and can be summarized in three steps:

1. Mapping of risks and due diligence activities

All suppliers are subject to a qualification process, including a screening for risks related to human rights and workers' rights. As part of creating a common and consistent approach to supply chain management, suppliers in Hydro categorized as medium or high inherent risk, are subject to further screening, using either qualified third party ratings or standard self-assessment forms combined with desktop research. If further due diligence is needed, Hydro conducts a comprehensive review or audit of the supplier to assess if it meets Hydro's requirements before any agreements are signed. For suppliers with a high inherent sustainability risk, follow-up assessments shall be conducted regularly during contract period. If any non-compliance with Hydro's requirements is identified, the supplier is subjected to a corrective action plan where mitigative actions are outlined to address the gaps. This plan is designed to ensure that all identified gaps are closed effectively. The mandatory process for due diligence of all suppliers is described in the company wide procedure, Sustainability in the supply chain.

2. Clear expectations

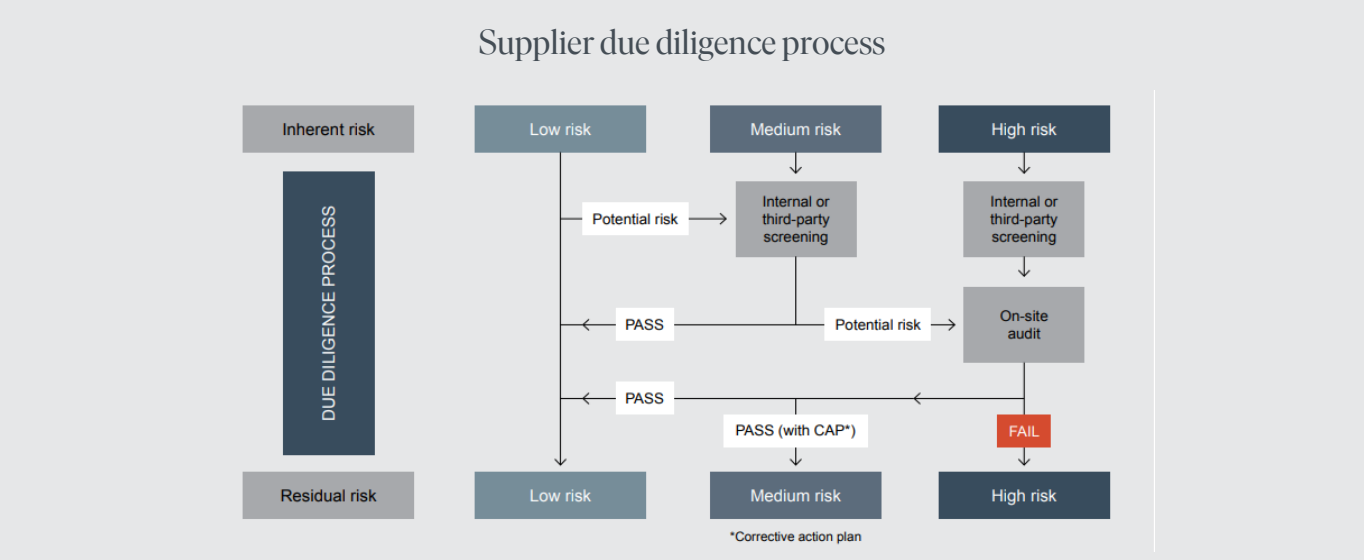
Hydro's Supplier Code of Conduct sets out the minimum sustainability requirements for all its suppliers. The code is based on internationally recognized standards such as the Universal Declaration of Human Rights and the International Labor Organization, ILO Core Conventions.

The principles set out in Hydro's Supplier Code of Conduct are made binding through contractual clauses. Hydro's Supplier Code of Conduct requires suppliers to conduct due diligence in their own supply chain, and sustainable procurement expectations are reflected in Hydro's supplier self-assessments, which is specified in its contracts and assessed in visits and audits.

3. Support and development

Hydro builds its relationship with its suppliers on mutual trust and development. Hydro works to strengthen and improve its suppliers' sustainability performance through efforts such as dialogue, knowledge sharing, innovation processes, incentives, and supplier development programs. Hydro actively discusses and promotes human and workers' rights.

While failure to comply with Hydro's Supplier Code of Conduct may as a last resort result in a termination of the contract, Hydro always seeks to work with its suppliers with intention of continuous improvement as long as it considers this to be in the best interest of the people in its supply chain.



As a part of Hydro's work to strengthen its procurement processes, the company has also incorporated living wage requirements. According to the supplier Code of Conduct, wages and benefits paid for a standard working week shall as a minimum meet national legal or industry standards, whichever is higher. Wages should be sufficient to cover basic needs and provide some discretionary income.

Hydro engages and collaborates with stakeholders internally and externally when relevant, to help inform and evaluate the effectiveness of its approach to responsible sourcing. See the human rights due diligence process and the section on Partnerships for more information.

Due diligence of customers

Hydro follows closely regulations for sanctions or restrictions on countries and specific companies. Hydro regularly screens customers and business partners for any potential sanctions. In addition to this, Hydro conducts a sustainability due diligence process before it enters new sales contracts with partners in countries with identified high human rights risks.

In 2024, several new business opportunities were assessed and discussed to identify any potential adverse human rights impacts related to the projects and country of operation. Hydro continues to engage in several external networks to understand how to efficiently implement human rights due diligence downstream in its value chain.

Supplier and business partner screening

As part of the integrity risk management process, more than 9,000 potential or existing counterparties were screened for human rights violations, corruption, money laundering, politically exposed persons, and violations relating to sanctions using the Moody's Grid integrity risk tool during 2024. New business partners related to most operations are screened before registered in the ERP system. Hydro's operations in North America also use the denied parties risk tool MK Denial to screen suppliers against 16 official sanction lists multiple times a year. In 2024, approximately 13,600 customers and vendors were screened in MK Denial.

All suppliers, customers and other business partners registered in Hydro's main accounting systems are screened on a weekly basis against recognized international sanction lists. Hydro has developed a spend cube to visualize external spend, measure procurement initiatives, and manage supply chain risk. See Note S2.1 for metrics related to supplier screening and due diligence activities.

Inputs with heightened sustainability risks

The figure presents the main inputs to Hydro's operations that are associated with heightened inherent sustainability risk. The countries listed indicates the majority of spend per input category; data on supplier locations can be limited to information about the head office or traders and does not provide a complete picture.

BAUXITE

- Diesel (Brazil)
- Flocculants and other chemicals (Brazil, China, USA)

ALUMINA

- Bauxite (Brazil)
- Caustic soda (USA)
- Coal (Colombia)
- Natural gas (Brazil)
- Oil and diesel (Brazil)
- Sulphuric Acid (Brazil)

PRIMARY ALUMINIUM

- Alumina (Brazil)
- Anodes (Europe, Norway, China)
- Coke (Europe, Norway, USA)
- Pitch (Europe)

CASTING AND RECYCLING

- Alloying materials (China)
- Liquid aluminum (local)
- Natural gas (local)
- Post-consumer scrap (traders, local)
- Primary aluminium (Europe, Americas)

EXTRUSIONS

- Extrusion ingot (Americas, Asia, Europe, Middle East)
- Post-consumer scrap (traders, local)

Labor, transport/logistics, catering, maintenance & security (mainly local) / Project related services, equipment, and materials (local and worldwide)

Hydro's supply chain

Most of Hydro's suppliers are located in the same countries as Hydro's production facilities. This includes bauxite and the majority of the alumina, which both are produced in Hydro's mine and refinery in Brazil. Beyond Hydro's direct suppliers, Hydro's value chain cuts across a number of countries, with the characteristics of the global aluminium value chain informing the company's approach and impact assessments. Mines, refineries and smelters are located only in fixed geographically areas, making selection opportunities limited, which again influence the risk situation.

Salient human rights risks affecting workers in the value chain

In the aluminium value chain several stages present heightened human rights risks, particularly in the sourcing of raw materials and metals. While all the identified salient risks may be relevant across the value chain, each process step, from bauxite mining to smelting and the use of traders as intermediaries, carries specific concerns. To mitigate these risks, Hydro places significant emphasis on ensuring suppliers achieve ASI (Aluminium Stewardship Initiative) certification, as this provides a comprehensive framework for responsible production, sourcing, and governance for the bauxite, alumina and aluminium flow. For the other supply chains, Hydro focuses on engagement with tier one suppliers and progressively aim to deepen our understanding and oversight further upstream where we see additional risks. Initial screenings guide the adaptation of our due diligence checklists, which are further strengthened by third party assessments, such as those provided by EcoVadis. This risk-based approach supports targeted interventions at critical points in the value chain, addressing specific concerns at each stage.

1. Sourcing of Bauxite

Direct sourcing to the Alunorte refinery in Barcarena, Brazil, comes from two mines: Hydro's own mine Paragominas (70%) and the MRN mine in Trombetas (30%). Both mines are ASI certified. These bauxite sources provide close to 100 percent of the supply to the alumina production going to Hydro's Norwegian smelters and 100 percent to the Albras smelter.

Hydro also has an indirect link to bauxite sources through metal procured to its smelters, casthouses and extruders. In total for both direct and indirect sourcing in 2024, more than 80 percent of the bauxite can be traced back to mines in Brazil and Australia, where Hydro has a good overview of the risks. The third biggest bauxite source, at approximately 8 percent, is indirectly sourced from Guinea. Most of this comes from two mines in Guinea, both of which are ASI certified. However, given the challenging situation in Guinea, Hydro monitors the situation continuously. The remaining 10 percent of the indirectly sourced bauxite are spread on small volumes from different mines across the world.

Risks that receive special considerations include land conflicts, labor rights issues such as decent working conditions and health and safety, as well as environmental impacts, which can infringe on human rights.

2. Alumina refining

In addition to the bauxite from Paragominas and MRN, the refining process at Alunorte requires electric energy, coal, caustic soda, fuel oil and lime. Coal is sourced from suppliers with mines located in Colombia. As the combination of product category and country is consider a high risk, the suppliers are continuously monitored, through desktop screening and engagement with the suppliers, depending on the findings identified, at regular intervals. Suppliers in high-risk categories are also subjected to on-site assessments. Caustic soda is sourced from the U.S., while the energy, fuel oil and lime come from Brazil. They are subjected to continuous standard due diligence processes that has not identified any material issues in 2024.

Situated in the upstream part of the value chain with, Hydro sees similar heightened risks for workers in the value chain as for the bauxite part related to decent working conditions and environmental impacts.

3. Smelting

For Hydro's smelters, the key risk commodities outside of alumina have been identified as alloys, anodes and external aluminium used to accelerate the casting process. Key risks in smelting include forced or exploitative labor in alloy and anode production, particularly in China, and the difficulty in tracing materials traded through intermediaries.

Close to 100 percent of the alumina used by Hydro's smelters in Norway comes from the company's Alunorte refinery. If additional alumina is needed for balancing, the sources are either ASI certified or subject to Hydro audits.

The aluminium Hydro produces typically contains between one and 11 percent alloys. Most of the alloys are sourced from China, either through traders or directly from refineries. These are mostly long-term and strategic contracts lasting for many years. Hydro conducts regular audits of the refineries for a range of topics including sustainability issues. When Hydro has negative findings or observations, the company establishes improvement plans with the suppliers.

Hydro also sources around 40 percent of the anodes for its Norwegian smelters, directly from producers in China on annual or multi-annual contracts. The rest is produced by Hydro either in Norway or Slovakia, and the suppliers are subjected to the same processes as for alloys sourcing.

The metal Hydro sources to its smelters are traded through the London Metal Exchange, which requires the brands to verify compliance with OECD due diligence requirements, reducing the need for Hydro to run independent assessment of these supplies.

4. Casting and extrusions

Since Hydro's casting capacity exceeds its own smelting production, cold metal is also acquired from external sources and traders.

Sourcing metal from traders introduces extra challenges related to human rights due diligence due to more complex traceability of the materials. Without full transparency into the origin of the metal, there is a heightened risk of being linked to suppliers who may engage in unethical labor practices. In 2024, Hydro started to map the flow of metals beyond external smelters to better understand where the alumina and bauxite originates. As described above under Sourcing of Bauxite, the vast majority of the bauxite comes from a handful of countries and from mines that are either ASI certified, or that Hydro has supplier-specific data on. Hydro will continue to develop a better understanding of this flow and the mines that are linked to the company, also for smaller volumes, and then assess whether further due diligence may be needed.

5. Recycling

As production of recycled aluminium increases, so does Hydro's demand for scrap. The nature of scrap sourcing is local, and the vast majority of scrap suppliers will be in the immediate vicinity of Hydro's recyclers. In 2024, approximately 80 percent of externally sourced scrap was supplied by vendors in the same country as Hydro's recyclers, with close to 92 percent of the scrap suppliers residing in Europe, Canada or the U.S. In addition, Hydro sources some volumes of process scrap from the Middle East. Hydro has a bespoke due diligence process for smaller and local scrap suppliers based on the in-depth knowledge from the scrap sourcing teams. For the larger suppliers, including the ones in the Middle East, Hydro categorizes scrap suppliers as high sustainability risk and assesses them accordingly.

Recycling introduces risks such as informal labor arrangements among smaller local suppliers, which may lead to exploitative practices like poor working conditions. There are also challenges in ensuring full supply chain transparency, particularly with process scrap from the Middle East. Additionally, improper handling of scrap materials can create occupational health hazards.

6. Construction, maintenance and logistics

Hydro prioritizes human rights due diligence across logistics, construction, and maintenance services to ensure that these workflows are conducted responsibly. Logistics services and transportation carry risks related to excessive working hours, unsafe conditions, and the exploitation of migrant workers. Construction and maintenance on Hydro's sites may present risks related to hazardous work environments and the potential for unfair labor practices, including wage theft and elements of forced labor. Maintenance services, which are essential for safe operations, also pose occupational risks if safety measures are not strictly followed. To address these risks, Hydro requires that its standards are implemented and conduct audits to verify compliance.

7. Renewable energy production value chain

Hydro's energy production sourcing share risks with those found throughout the raw materials supply chains for aluminium. This includes an indirect risk associated with mining and refining processes in the lower tiers for products and equipment needed for power generation. Components such as generators and turbines require a range of input materials, such as copper, steel and nickel, that have concentrated supply chains associated with upstream social and environmental risks.

Hydro will continue to develop a better understanding of the material flows related to energy production sourcing activities with a special focus on souring activities for electromechanical equipment in 2025.

Hydro Energy has a selection of investments in the battery value chain, which can be exposed to human rights risks in relation to the extraction and processing of minerals. This includes a 24.1 percent ownership in the maritime energy storage systems company Corvus, which has around 150 suppliers globally, including battery manufacturers. Corvus is sourcing battery cells from Chinese suppliers, which means there are known sector level risks as well as raw material sourcing risks.

Hydro Energy has actively supported Corvus's work with supply chain sustainability and included Corvus' in a human rights risk assessment on China in early 2024. Corvus also publishes its own transparency act statement in accordance with the Norwegian Transparency Act, where further information can be found. Hydro Energy also owns 0.6 percent of Swedish cell manufacturer Northvolt, which has similar risks in their supply chains.

Findings and impacts

Hydro's risk-based approach directs in-depth due diligence efforts towards critical upstream suppliers within the aluminium value chain, especially in countries with weaker environmental regulations and identified risk of forced labour like conditions. These assessments are supplemented with reviews of suppliers where both sector and country risk may be lower but still well known, for example within logistic services and for larger maintenance and construction projects on our sites.

Through Hydro's audits and reviews in 2024, it has identified three cases of adverse impacts:

- In pre-screening of potential supplier, one case of document retention for its sub-supplier was identified.
- In pre-screening of potential supplier, lack of overtime payment for its sub-supplier was identified.
- In standard supplier audit, one case of insufficient management systems had led to unhygienic working conditions.

Hydro takes these issues very seriously and have established corrective action plans in dialogue with the supplier to address the issues and help close the gaps.

Of the material issues identified in 2024, all were closed or in the process of being so, by year-end.

Hydro recognizes that access to accurate information can be a challenge, and where the company does not have specific findings, risk factors may still be confirmed with subsequent discussions both on the supplier site as well as in Hydro forums.

Hydro has long-term relations with many of its high risk and critical suppliers. This allows Hydro to better assess the trends over time and provides useful context to understand the impact of various initiatives towards these suppliers. Since the economic situation in many of the major sourcing regions has improved significantly, there is a general trend towards both better working conditions at suppliers as well as increased emphasis on environmental risks. While this development is independent of Hydro's efforts, the company welcomes the tangible improvements for many of the workers in our value chain.

For information about cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve affected communities in own operations or in the value chain (ref. ESRS S2-1), please see note G1.1 in the Business Conduct chapter.

Disclosures related to specific countries

Brazil

In Brazil, potential risks for the Hydro Bauxite and Alumina supply chain include business integrity and human rights, particularly related to working conditions. To identify and address risks, existing and potential suppliers undergo a thorough supplier diagnosis process.

Human rights risks are assessed by procurement category and country. The category assessment considers 54 categories, covering 95 percent material spend and 100 percent of services. The country risk assessment considers forced labor, freedom of association, child labor, rule of law, living standards, civil and political rights.

In addition to human rights risk, suppliers undergo scrutiny against the national Labor Compliance List maintained by the Federal Labor Ministry. This list identifies companies in Brazil accused of subjecting workers to conditions analogous to slavery.

To maintain a high standard, existing suppliers undergo continuous monitoring and may be subject to human rights audits when deemed necessary. Suppliers may also apply to participate in a comprehensive supplier development program. In 2024, 30 supplier companies were invited to participate in the fourth edition of the program, which this year had a deep dive on human rights and ethics in business.

Wind and solar projects in Brazil
EPC (Engineering, Procurement and Construction) services related to the Hydro Rein wind and solar projects carry risks related to inadequate and unfair working conditions, discrimination and harassment. To address these risks, Hydro Rein works with its business partners to ensure the implementation of IFC Performance Standards. In addition, Hydro Rein and project partners aims to facilitate effective communication between the project and its workers during induction, training sessions and open dialogue.

Furthermore, development of renewable energy infrastructure carries risks related to potential adverse impacts to local communities that is described in the Affected communities chapter.

China

Due to the limited state protection of human rights as well as restrictions on access to information, Hydro assesses the inherent risk of human rights impacts in China to be high.

The serious government sanctioned human rights violations in and outside Xinjiang against Uyghurs and other Muslim minorities is a particularly severe risk that Hydro monitors closely. While Hydro does not source material and alloys from the Xinjiang region, the company still has a number of suppliers elsewhere in the country.

Hydro's 2023 externally led human rights assessment of its operations and value chain in China continues to inform Hydro's approach towards its suppliers.

The review did not identify any indications of forced labor at supplier sites. However, certain risk factors were identified and has been followed closely through 2024, with some of the suppliers re-visited for verification of positive change.

The issue of forced labor in the solar sector, particularly related to polysilicon production in the Xinjiang region, continues to be a focal point for Hydro Rein through its participation in large-scale solar projects.

A taskforce established in 2023 works to implement good practice and continues its extensive supply chain mapping and collaboration with industry associations, including through the Solar Stewardship Initiative (SSI). Hydro Rein will continue to promote responsible sourcing and material stewardship across the supply chain, and adopt good practices and mitigation measures together with the industry as a whole.

Qatar

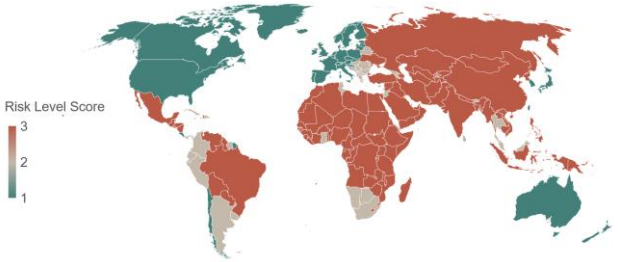
At the primary aluminium producer Qatalum, a joint venture where Hydro holds 50 percent, close to 75 percent of the roughly 1,350 workers are employed directly by Qatalum. The remaining 25 percent are temporary workers that are supervised by a Qatalum employed manager. Qatalum strives to secure good working conditions for all employees, and works continuously to assess, safeguard, and improve the conditions of contracted workers.

Qatalum became a member of the Aluminium Stewardship Initiative (ASI) in 2021 and in 2022, Qatalum received its Performance and Chain of Custody standard certificates, a recognition that it is aligned with globally accepted standards on ESG. In 2024 Qatalum was certified by DNV against the new version of the Performance standard, which includes several updates to the standard's human rights requirements. As a joint venture partner in Qatalum, Hydro actively oversees and promotes the company's CSR program. This includes conducting audits and inspections of contractors' housing facilities to ensure they meet Hydro's standards, including board visits to contractor camps.

In 2024, Hydro continued its discussions with local stakeholders and organizations present in Qatar to address and discuss common challenges related to the recruitment of migrant workers, as well as sharing knowledge and good practice related to working conditions in Qatar. Qatalum published its Sustainability Report 2023 in October 2024, which is available on their webpages. See the audit report for findings on ASI's webpages here.

Human rights country risk map

The map illustrates country-specific risk level scores, which are used by Hydro to assess the inherent sustainability risk of suppliers. The input data for this map is provided by EcoVadis. One means low risk, two means medium risk and three means high risk.



S2 Notes on Workers in the value chain

2.1 Supplier metrics

Reporting principles

The data for the supplier metrics are retrieved from Hydro Spend Cube, which covers most of Hydro's spend on suppliers.

Total number of suppliers is based on vendor identity. A single supplier to Hydro may constitute multiple vendors if Hydro has purchased from multiple locations by the same supplier. Hydro estimates that the number total unique suppliers is approximately 30,000.

Local suppliers are defined as suppliers situated in the same country as the site making the purchase. Selection of local partners and suppliers/contractors shall be based on competitive bidding to the extent feasible, and in compliance with competition laws and regulations as well as Hydro's requirements.

Supplier metrics	2024	2023
Total number of suppliers	43,138	41,589
Total spend on suppliers (NOK million)	157,078	142,833
% spent on local suppliers	66%	65%

S2.2 Supplier due diligence

Reporting principles

Data on supplier screenings is collected from each procurement team.

Suppliers screened is based on the number of screenings done using different screening tools, including Moody's Grid integrity risk tool, the MK Denial sanctions screening tool, screenings using supplier self-assessment questionnaires, EcoVadis ESG screenings, and desktop assessments. The reported number is based on the total screenings performed using Moody's Grid, which is the most frequently used screening tool. The total number of screenings conducted is higher, as a single supplier is often screened multiple times using different screening tools.

Supplier audits is based on onsite audits conducted by either Hydro, or onsite audits conducted by a third party on behalf of Hydro.

GRI reference: GRI Standards 308-2 (2016) and 414-2 (2016).

Supplier due diligence	2024	2023
Total suppliers screened	9,520	10,446
Total number of medium and high sustainability risk suppliers [1)]	2,878	1,095
Supplier audits conducted	215	141
Supplier audits that lead to a corrective action plan for the supplier	107	50
Supplier contracts terminated due to sustainability risks	2	3

1) 2024 includes medium and high sustainability risk suppliers, 2023 only includes high sustainability risk suppliers.

Affected communities

Why it matters

As a global aluminium and energy company with mining interests, Hydro's operations impact communities in association with its own operations and operations in Hydro's value chain. Hydro's business activities impact a large number of people in local communities positively through job creation and local value creation. Hydro contributes to the societies to which it belongs by offering decent jobs and by paying taxes and fees. In some communities, Hydro also establishes and maintains infrastructure and supports social programs and investments.

Hydro's business also has the potential to adversely impact local communities. The company's approach to identifying and addressing such impacts is described in this chapter.

Hydro can only succeed as a company if the communities around its operations also succeed. The company depends on local institutions and infrastructure, and trust and good relationships with local communities are of key importance to Hydro's operations. Failure to deliver on local communities' requirements and expectations towards Hydro's environmental and social responsibilities can lead to loss of public trust and operational disruptions.

Our approach

Hydro has established a framework through which the company seeks to contribute to a transition that leaves no one behind, in line with the UN's 2030 Agenda ("Just Transition Framework"). The framework and Hydro's approach to managing positive and adverse impacts on affected communities is organized around three pillars. The first pillar, "Respecting and promoting human rights," is at the heart of the framework. While Hydro's ambition of improving lives and livelihoods wherever it operates goes beyond respecting human rights, this is the foundation of all of Hydro's social impact initiatives in local communities. Hydro's human rights due diligence process is at the core of this pillar, and potential and actual adverse human rights impacts that affect communities near Hydro's operations or along Hydro's value chain are identified and managed through this process.

The two other pillars, "Supporting local development" and "Investing in education and providing decent jobs," are reflected in Hydro's approach to preventing and mitigating any potential or actual adverse impacts on affected communities as well as in Hydro's approach to contributing positively, going beyond mitigation.

Hydro's Just Transition Framework is an example of how the company adjusts its role in affected communities as a result of the company's deeper understanding of what the transition towards a net-zero world means. The need for rapid development of renewable energy coupled with digitalization has a profound impact on a wide range of the communities Hydro is located in, and the Just Transition Framework has been developed in response to these impacts.

Policy commitments

Hydro's commitment to respect the human rights of affected communities associated with our operations and value chain, and to manage any potential or actual adverse impacts is set out in the company's Human Rights Policy, which is approved by the Executive Leadership Team (ELT). The operational responsibility for ensuring that engagement with affected communities is conducted as set out in the policy is delegated to the business areas.

The policy is aligned with the UN Guiding Principles on Business and Human Rights and Hydro's commitment to respect human rights is guided by internationally recognized human rights and labor standards, including those contained in the International Bill of Human Rights. The policy provides reference to the UN Declaration on the Rights of Indigenous Peoples and the Indigenous and Tribal Peoples Convention (International Labor Organization, ILO, Convention 169) and other conventions relevant to affected communities.

All affected communities are covered by the policy. The policy includes Hydro's commitment to be particularly attentive to the rights of indigenous and tribal peoples, as well as traditional communities, in particular with regards to their rights to self-determination, to lands which they traditionally occupy, to their customs, traditions and institutions, and to their free, prior and informed consent (FPIC). In the policy, Hydro also commits to be particularly attentive to the rights of human rights defenders, considering in particular their rights to freedom of expression, association, peaceful assembly and to protest against Hydro's business and operations.

Hydro's approach to human rights due diligence in relation to the rights of communities and indigenous peoples specifically is also set out in Hydro's Human Rights Policy, and detailed further in the Position Statement on Human Rights Due Diligence. Potential or actual adverse impacts on local communities are managed through this process. If Hydro identifies adverse human rights impact that the company has caused or contributed to, Hydro works to cooperate in, promote access to and/or provide remediation.

Targets and ambitions

Improve lives and livelihoods wherever Hydro operates by contributing to

Protection of human rights and access to equal opportunities	Resilient local communities in a changing world	Skills and jobs for the future low-carbon economy

Performance

NOK 300 million

Community investments, charitable donations and sponsorships, including TerPaz (local community centers)

44,000

People reached

Stakeholder engagement

Hydro has committed to engage in regular dialogue with communities in line with the risk based approach established through its human rights due diligence process, including having more frequent and structured dialogue in communities with higher risk of adverse human rights impacts. Hydro's approach to stakeholder dialogue is summarized in three levels of engagement based on a global, regional and local approach.

Hydro's general approach to stakeholder engagement is set out in the Human Rights Policy. Specific processes for stakeholder engagement exist in areas of the business where the potential impacts on affected communities have been considered salient.

Potential and actual adverse impacts

As part of Hydro's human rights due diligence process, the company identifies the risk of salient human rights impacts on affected communities. The risks are identified through Hydro's annual human rights risk assessment process, and additional processes for new projects and investments, drawing on internal and third-party human rights assessments, internal and external expertise, and other relevant sources. Any actual adverse impacts and specific risks are identified through the ongoing human rights due diligence process.

In cases where mitigating actions are implemented, these are documented as part of Hydro's annual human rights risk assessments and human rights data collection, and effects are monitored to the extent possible.

For information about cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve affected communities in own operations or in the value chain (ref. ESRS S3-1), see note G1.1 in the Business Conduct chapter.

Salient human rights risk for affected communities

	Health and safety
	Discrimination and harassment
	Access to information and participation in dialogue
	Land rights and resettlement
	Vulnerable individuals and groups

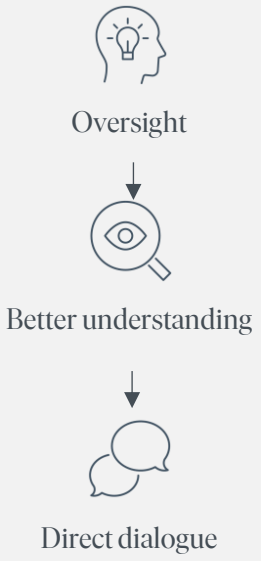
Affected communities in own operations

Hydro uses human rights risk levels per country to help guide its human rights management. The risk levels are based on a range of independent human rights sources, such as the UN Human Development Index and the TI Corruption Perception Index. Hydro's assessments are also based on Hydro's internal risk evaluation and, for the aluminium production and sourcing, drawing on materiality assessments conducted by the International Aluminium Institute (IAI), on the severity and likelihood of potential impacts on people at the different stages of aluminium production.

Hydro has identified salient risks of adverse impacts on affected communities for some parts of the aluminium production process. Hydro has not identified salient risk of adverse impacts on affected communities in the extrusions and recycling part of its aluminium business. Hydro's fully owned primary metal plants are located in Norway, which has been assessed as a low-risk country related to adverse impacts on human rights in affected communities associated with Hydro's aluminium production. In addition to Hydro's Norwegian production, Hydro is the main indirect shareholder of Albras primary metal and the alumina refinery Alunorte in Barcarena, Brazil. Hydro also owns the bauxite mine Paragominas. Hydro has identified the inherent risks related to communities in Northern Brazil as the most salient due to the combination of the country and regional risk and the industrial processes conducted in this part of the production process.

The industrial processes within aluminium production carry an inherent risk of pollution, linked to process emissions to air and water, and the potential for accidental spills or leakages. Such emissions can have a negative impact on the local environment and local communities if not managed correctly. Hydro's business activities are subject to emissions regulations, including local

Stakeholder dialogue approach



Global organizations

- International Aluminium Institute - IAI
- Int. Council for Mining & Metal - ICMM
- Aluminimum Stewardship Initiative - ASI
- Amnesty International
- UNICEF
- International Labor Organization - ILO

Regional expertise

- Nordic Business Network for Human Rights - DIHR
- Regional human rights experts
- European Aluminium
- Eurometaux
- Regional NGOs
- Academia
- Unions

Local stakeholders

- Local communities
- Municipalities
- Local NGOs
- Customers
- Suppliers

emission permits, as well as regional and international regulation of emissions. Hydro's approach to environmental management is covered in the chapter Pollution. This is closely linked to the health and safety of local communities, which has been identified as a salient human rights risk across Hydro's business. Hydro has not identified the risk of adverse impacts on affected communities to be salient in its own operations in Hydro's energy business. Please see the section "Affected communities in value chain including joint ventures and joint operations" for information about other identified salient human rights risks and impact in relation to joint ventures and the value chain in Hydro's energy business.

Context specific salient human rights risks are described in the section "Affected communities in value chain including joint ventures and joint operations" and in the section "Joint ventures and value chain," where applicable.

Affected communities in Northern Brazil

Alunorte, Albras and Paragominas' activities are located in the Amazon, in the state of Pará. This region presents socio-economic challenges similar to other areas in the Amazon, affecting the well being of its residents. Paragominas, the location of the mine, and Barcarena, where the refinery and a smelter are situated, experience low to middle income rates. The cities along the bauxite pipeline Tome-Açú, Moju, Abaetetuba, Acará, and Ipixuna do Pará, experience lower income generation. Pará's water and sanitation services, for example, are below par when compared to other regions in Brazil. These structural challenges particularly affect vulnerable groups, including women, children, the elderly and small farmers.

The operations are neighbor to 28 Quilombola communities. According to an assessment by the competent Brazilian agency (FUNAI)[1], there is no demarcated indigenous land within a 10km radius of the pipeline and transmission line. However, Hydro engages in dialogue with self-declared indigenous communities in the region to support their socio-territorial development as part of a broader territorial program.

Given the regional history and the current socio-economic context, both Quilombola and non-Quilombola communities in Barcarena, Paragominas and along the bauxite pipeline are at risk of discrimination and economic exclusion. In response to this industry wide and regional context, Hydro has developed several initiatives to increase employment opportunities for these communities, including affirmative action for underrepresented groups, internship and trainee programs aimed at increasing diversity in the workforce, training and professional development programs and targeted support to educational institutions.

As part of the licensing process in Brazil, environmental and social impact assessments are required to propose mitigation for projects with significant impacts. The licenses issued contain the mitigating actions.

The municipalities of Tomé-Açu and Acará along the pipeline between Paragominas and Alunorte have had historical land conflicts, which more recently have been driven by disputes over the ownership of oil palm monocultures, involving different groups, such as traditional communities, indigenous people, landowners and companies in the region. In recent years, the conflict has been aggravated by various violent events which have led to physical violence and damage on property. Although Hydro is not a party to the conflicts related to oil palm monocultures, the pipeline crosses this region. This has caused some challenges, which Hydro has sought to mitigate through dialogue, engagement and proposed cooperation initiatives with the groups concerned.

Within the Baracarena Industrial District, a group of individuals have illegally occupied an area owned by Alunorte and Albras, which is regulated for industrial purposes. Alunorte and Albras have filed a repossession lawsuit. The Court has recognized the irregularity of the occupation and granted the repossession plea. Currently, the companies are engaging ina mediation process in accordance with relevant legislation to support dialogue and the peaceful enforcement of the repossession order.

See also the Business Conduct chapter for information about the lawsuits filed by Cainquiama and developments in on going legal cases.

Grievance mechanism
Canal Direto is Hydro's operational level grievance mechanism open to all external stakeholders in Brazil and targeted specifically at affected communities. The mechanism allows community members to raise their concerns anonymously. Grievances are assessed according to the criticality of each case. The process follows the criteria for effective grievance mechanisms set out in the UN Guiding Principles on Business and Human Rights. The effectiveness of the grievance mechanism is monitored through dialogue with the affected communities, monitoring of the type and volume of cases received, as well as through a satisfaction survey for users.

In 2024, the Canal Direto registered 633 grievances via telephone, online form and email. Of the registrations, 92 percent were identified and eight percent anonymous. 84 percent were related to requests for information and the most frequently registered topics were sponsorships, job and career opportunities at Hydro, visits to operations, donations, commercial matters, auctions and interest in research, innovation and new technologies. See also note G1.1 for further details about grievances received through Canal Direto in 2024.

Human Rights Impact Assessment
Alunorte, Albras and Paragominas began the implementation of a Human Rights Action Plan to mitigate risks in the operations in 2020. A new Human Rights Impact Assessment of Hydro's operations in the state of Pará is currently underway, conducted by an external consultancy. As part of this process, a baseline study has been conducted, and the findings and recommendations are expected in 2025.

Community dialogue
Alunorte, Albras and Paragominas have implemented a structured approach to effective and inclusive engagement with diverse communities in the region. Hydro engages in dialogue with community groups, traditional groups and civil society organizations which represent women, children, human rights defenders or other underrepresented and at risk groups in the local communities.

Hydro Sustainability Fund initiatives
Since 2018 Hydro has supported, by Hydro Sustainability Fund initiatives, the Sustainable Barcarena Initiative (SBI) to enhance community dialogue. This is an independent forum to support sustainable development in Barcarena. The overall aim is to bring local stakeholders together to discuss challenges and opportunities, strengthen capabilities and decide about the main social investments supported by the Hydro Sustainability Fund (HSF). In 2024, about 178 community leaders participated in meetings, dialogues, or programs organized by the initiative.

SBI also plays an important role coordinating the financing rounds of Hydro Sustainability Fund (HSF) to ensure Hydro's social investments meet the local community's needs. In 2024, HSF supported 36 community based projects.

In November 2024, Hydro launched the Corridor Program with Mercedes-Benz. This is a strategic partnership and initiative to promote the social and economic development in the pipeline area, expanding the collaboration to create positive social and environmental impact in the Amazon. Working together with the Brazilian NGOs IPAM, Imazon, and CEA and other partners, Hydro aims to strengthen territorial development by fostering economic

[1] National Indigenous People Foundation (FUNAI) a Brazilian governmental protection agency for indigenous interests and their culture.

opportunities and biodiversity conservation in the communities where it operates, and promoting human rights. The program is aimed at generating social positive impact in the region along the pipeline. The program is in an initial phase and projects, activities and targets are still to be developed.

In addition, Alunorte, Albras and Paragominas have a volunteering program for employees to increase internal engagement and address community needs. In 2024, over 3,700 employees participated in the volunteer programs in Brazil. The volunteers organized over 290 different actions, including food basket donations, fundraising, seed planting and training for community leaders. The activities reached approximately 27 000 people.

Affected communities in value chain including joint ventures and joint operations

Aluminium production

Based on an assessment of country and regional risk, the industrial processes and affected communities in the surrounding areas, Hydro has not identified significant risks of adverse human rights impacts for affected communities linked to Hydro's joint venture operations outside Brazil. This includes one joint asset, Alouette (Canada), and one joint operation, Tomago (Australia), which are in the vicinity of indigenous or traditional communities.

Potential and actual impacts identified in the external aluminium value chain are covered in the chapter Workers in the value chain.

Energy

This section describes potential and actual adverse impacts on affected communities in Hydro's renewable energy value chain and joint venture operations. The projects mentioned below are the ones where Hydro assesses the inherent risk to affected communities to be the highest.

Solar and wind projects in Brazil
Hydro Rein is a joint venture owned by Hydro and Macquarie Asset Management and an important supplier of renewable energy to Hydro. Hydro Rein has a minority stake in two solar plant complexes in Brazil, Mendubim and Boa Sorte, that started operations during 2024. Hydro Rein also has a minority stake in the wind park Ventos de São Zacarias, which is currently under construction. Alunorte, Albras and Paragominas own 98 percent of the voting rights and 10 percent of the equity in these projects.

In 2024, six families were resettled due to the construction of Ventos de São Zacarias. Two families were resettled due to the construction of Mendubim. The families were engaged in a participatory consultation process on the resettlement process and the definition of appropriate mitigation measures. A Resettlement Action Plan has been developed in accordance with IFC Performance Standards and mitigation is monitored in line with this. To address the impact on the families' livelihood, a "Livelihood Restoration Plan" has been established and will be monitored. Follow up with some of the resettled families show that they are satisfied, follow up is still to be conducted with some of the families.

There are two self-identified Quilombola communities in the vicinity of the Ventos de São Zacarias project. The project is engaging in FPIC consultations with the communities in accordance with ILO Convention 169 and the IFC Performance Standards.

Compensation actions agreed upon by the stakeholders in FPIC consultation are either ongoing or completed.

Wind project in Sweden
Hydro Rein is a joint venture partner of Stor-Skjälsjön, a wind farm in the northern part of Sweden which entered into full operation at the end of 2024. Four nearby Sami communities were initially consulted about their land use, and only Ohredahke sameby reported use of the northern area of the project for occasional reindeer winter grazing. Oherdahke Sami community acts as the focal point for the overall Sami community dialogue.

During development, the project engaged in dialogue with the nearby Sami communities as a part of the regular public consultation process and during the Environmental Impact Assessment (EIA) process. The dialogue was facilitated by a project representative speaking the Sami language, with the objective of gathering input on the use of the project area to minimize the impacts from construction and operation on their livelihoods and cultural practices of reindeer husbandry.

Based on the dialogue, the parties agreed on mitigation measures that were included as permit conditions. The measures include minimizing project activities during winter grazing period, unless otherwise agreed upon by the affected community. The project annually, and as needed during construction and operation, informs the nearby Sámi communities about construction, maintenance, services, repair, and potential ice-related risks at the wind farm to minimize disturbances to reindeer husbandry and support their planning. The support also extends to relocating reindeer if needed. In addition, the project has previously provided support to affected Sámi communities for reindeer infrastructure.

The agreed mitigation measures with the Sami Communities have been followed and the implementation of these permit conditions are reported to the supervisory authority on an annual basis.

Power purchase agreement in Norway
In Norway, Hydro has an offtake agreement with Nordic Wind Power DA for delivery of power from the Fosen wind power installation. Nordic Wind Power is a minority owner of Fosen Vind DA. The projects on the Fosen peninsula are located within Sami reindeer grazing land. Agreements on mitigating measures and compensation for extra costs during the construction phase were previously entered into with the two affected reindeer herding groups.

In October 2021, the Norwegian supreme court determined that the construction of the wind park had not sufficiently taken into account the rights of the Sami population. In December 2023, the Sør-Fosen Sijte reindeer herding district and Fosen Vind entered into an agreement. In March 2024, an agreement was reached between Nord-Fosen Siida and Fosen Vind. Hydro has been and will continue to monitor the situation.

Power purchase agreements in Brazil
Hydro has several offtake agreements in Brazil. In general, Hydro assesses the human rights risks to be high in relation to the construction of hydropower dams in the country. Environmental impacts with a resulting impact on local communities, land issues and gaps in FPIC processes have been assessed as the most significant risks. Please see the chapter Workers in the value chain for information about Hydro's processes for managing supply chain risks.

Input material for hydropower and clean energy systems
Hydro is procuring a wide range of products and equipment needed for power production. Copper, cobalt, lithium and nickel are key transition minerals and input material for several components needed for energy production and the infrastructure development of clean energy systems.

These minerals are key inputs in electromechanical components for hydropower operations, such as generators, turbines and cables, as well as energy storage systems (BESS), solar and wind. Although these minerals are important enablers of the green transition, their extraction and associated supply chains can cause harm to the environment and may negatively impact the land rights of local community members, including indigenous communities. Hydro will continue to map and assess impacts from mining, processing and refining of materials used in key products and components for power production.

Resilient local communities in a changing world

A key element in Hydro's Just Transition framework is to strengthen the societies and communities where it operates. The way Hydro does this differs from country to country and between communities. The main contribution is generated from the company's operations through production and purchase of goods and services, direct and indirect job creation, and tax payments.

While Hydro's approach to supporting resilience varies depending on the local context, a common factor is the partnership approach, working with local partners with strong knowledge of the local context, as well as strong engagement with local community representatives.

Hydro has a number of social programs aimed at building local community resilience. Some of its community investments and programs are linked to for example mining license requirements in Brazil and regulated watersheds in Norway, while others are voluntary commitments. The programs target education, economic growth, decent work, entrepreneurship, capacity building and the strengthening of institutions.

In 2024, Hydro spent around NOK 300 million in total on community investments, investments through Hydro Sustainability Fund, charitable donations, sponsorships and TerPaz (local community centres). Excluding TerPaz, there is a 30 percent increase compared to the prior year, mainly due to the increased community efforts in Brazil and an increase in the Hydro Sustainability Fund. Please see the Note S3.1 for more information.

In 2024, Hydro piloted a program to increase funding to projects aligned with the company's Just Transition Framework in the communities where it operates. The project invited employees to apply for support for external partners, such as community organizations, to conduct projects supporting a just transition in the local community. 36 projects were selected for support in the pilot phase.

Hydro also supports local communities through the transfer of competence that takes place through the company's cooperation with universities and research institutions. This includes the cooperation with three academic institutions in Pará, Brazil, and the University of Oslo through the Biodiversity Research Consortium Brazil-Norway. In addition, Hydro provides scholarships to selected PhD candidates doing research relevant for its business areas. Hydro is also the sponsor of a professorship in Norway and has several adjunct professors among its own employees. See the section on partnerships in the Business Conduct chapter for more information.

Skills and jobs for the future low-carbon economy

A risk associated with decarbonization efforts is that social inequalities increase as new technologies introduce the need for a different type of skillset or bring other changes to the labor market. To address this, Hydro's Just Transition framework includes a focus on ensuring that people have the necessary skills and jobs for the future low-carbon economy.

Hydro's ambition is to equip 500,000 people with essential skills for the future economy by 2030. The insight from measuring the people reached and the impact of its initiatives make Hydro better equipped to select and execute future initiatives with a positive impact. In 2024, Hydro reached more than 44,000 people, which makes the total number reached since 2018 to 241,000 people. Hydro is still on track to reach the target of 500,000 by year end 2030. Continuous improvement of current initiatives and the development of new high impact initiatives are important focus areas.

S3 Notes on Affected communities

S3.1 Community investments, donations, and sponsorships

Reporting principles

Community investments include monetary amounts and time spent to benefit the company as well as the communities. Community investments relate to long-term strategic involvement in, and partnership with, community organizations to address a limited range of social issues chosen by Hydro to protect its long-term shareholder and stakeholder interests.

Charitable donations include one-off or occasional support to good causes in response to the needs and appeals of charitable and community organizations, requests from employees or in reaction to external events such as emergency relief situations.

Sponsorships include business related activities in the community to directly support the success of the company, promoting its corporate and brand identities and other policies, in partnership with charities and community-based organizations.

TerPaz (local community centers) include Hydro's contributions to public initiatives in the state of Pará, Brazil, focusing on the social development of the local communities. The initiatives include construction of social centers or peace houses that provide residents with access to services such as medical and legal services, training and professional courses.

All Hydro sites report annually on all community investments, charitable donations, sponsorships, and other related initiatives.

Community investments, charitable donations and sponsorships paid during the year[1)]

NOK million	2024	2023	2022	2021	2020
Community investments [2)]	75	48	50	30	42
Charitable donations and Sponsorships [2)]	50	48	25	25	14
TerPaz (local community centers)	175	27	179		
Total	**300**	**123**	**254**	**55**	**56**

1) The values reported are based on the amounts spent associated with projects implemented in the reporting year, and are not directly comparable to the periodization of related costs in the financial statements. The numbers are not directly comparable to historical figures due to different practices in collecting the information.
2) In 2021 we included Hydro Extrusions in the reported numbers for the first time.

The increase in community investments in 2024 is driven by increased investments in Brazil which includes Hydro Sustainability Fund of 15 MNOK in 2024. Hydro also increased the investments to TerPaz, which includes the construction of local community centers. In addition to the numbers above, Hydro spent 317,000 NOK on the technical school in Barcarena in 2024, which was completed in 2022.

In addition to amounts spent in 2024, Hydro made a provision in December 2024 of NOK 300 million to support communities along the pipeline between the Paragominas mine and Alunorte refinery in Brazil. The provisioned funds will support infrastructure like roads, community centers and water systems, as well as production facilities for local farmers and skills development in the upcoming years.

S3.2 Social responsibility target

Reporting principles

Education refers to initiatives within the formal educational system, from elementary school to university. Examples of initiatives include training of teachers and external scholarships.

Capacity, or competence building refer to all training and competence building outside formal educational systems. Examples include trainees and Hydro's supplier development program established in Brazil.

Hydro has developed a framework and methodology for counting people impacted by our programs and initiatives to ensure consistency in how we measure progress across the company. The methodology covers initiatives related to education and capacity building and can be accessed on our webpage.

Social responsibility target

1,000 people reached	Accumulated since 2018	2024	2023	2022	2021	2020
Education and capacity building	**241**	**44**	**40**	**25**	**21**	**60**

All business areas are contributing in line with the original ambition setting of reaching 500,000 people with our education and capacity building programs.

Note that the 2020 results were significantly higher due to one particular initiative in India, reaching close to 30,000 people.

Business conduct

Why it matters

As a global aluminium and renewable energy company with operations in more than 40 countries and interaction with a large number of business partners including more than 30,000 suppliers, Hydro depends on transparency, trust, ethical conduct and compliance throughout its organization and value chain.

Compliance with applicable laws, regulations and Hydro's policies, procedures and guidelines can help mitigate a range of risks, including those associated with corruption, competition, economic sanctions, human rights, security, health, safety, environment, data privacy, and corporate reporting requirements.

Failure to comply with applicable regulations and expectations for responsible business conduct can result in loss of license to operate and could expose Hydro to investigations, administrative, criminal and civil sanctions such as fines and penalties, materially impacting financial results. In addition, there could be adverse consequences for individuals and reputational damage for the company.

Our approach

Hydro is committed to applying ethical business practices and compliance throughout its organization and supply chain. Hydro's board approved Code of Conduct creates the foundation that supports its efforts to do the right things, and to always act with integrity throughout its global organization, wherever it operates and conducts business, on behalf of Hydro.

In Hydro, compliance is defined as adherence to applicable laws and regulations as well as Hydro's governance documents. Specific policies and procedures as well as guidelines have been established to assist line management to adhere to Hydro's compliance requirements. Special emphasis is made on reducing the risk of non-compliance within financial reporting, anti-corruption, competition, data privacy, economic sanctions, human rights, security, health, safety and environment.

Hydro's compliance system is based on a clear governance structure defining roles and responsibilities regarding compliance and all compliance related activities undertaken throughout the company. Compliance risk governance owners define group wide policies and procedures and are responsible for a establishing a training and awareness plans. For legal entities where Hydro holds less than 100 percent of the voting rights, Hydro is working through their boards of directors to promote the principles in Hydro's Code of Conduct and its governance documents. In 2024, Hydro continued to strengthen the compliance program through various updates and improvements.

The management of compliance risks are integrated in Hydro's business planning, enterprise risk management and follow up process, including relevant risk-mitigating actions and relevant key performance indicators. The progress of actions as well as any non-compliance matters are addressed in the quarterly internal board meetings that each business area has with the CEO, and an annual compliance report is submitted to the Board of Directors. The chief compliance officer reports to the Board of Directors through the Board Audit Committee at his own discretion. In addition, he participates in all Board Audit Committee meetings and provides quarterly compliance updates to the audit committee. He also meets with the Board of Directors periodically

Hydro monitors business conduct incidents through cases reported to line management, supporting staff functions, Hydro's grievance mechanism, AlertLine, quarterly and year-end compliance reporting from its business areas, and information collected from Hydro's legal and compliance departments.

Hydro's employee engagement survey, Hydro Monitor, benchmarks employee perception of Hydro's integrity culture. The score is measured against external benchmarks and is part of the KPIs of the CEO scorecard. In 2024, the integrity culture index was measured again and the scores showed a positive trend since 2020.

Hydro is committed to building a culture of trust where employees are comfortable to ask questions, seek guidance, raise concerns, and report suspected violations to the Code of Conduct, applicable laws or regulations or Hydro's obligations. Concerns and complaints can be raised with local management, but employees may also raise the issue directly with Human Resources, HSE, union representatives, Compliance or Legal. Employees, on-site contractors, and others may also use Hydro's confidential reporting channel, the AlertLine, where concerns can be reported to Group Internal Audit & Investigation.

The AlertLine allows anonymous reporting and is available in several languages. Reports can be made online or via toll-free phone numbers listed at Hydro's intranet and on Hydro.com. Hydro does 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. For further information about the use of Hydro's global reporting channel and the AlertLine, see Note G1.

The Chief Audit Executive (CAE) is independent from the line organization and reports to Hydro's Board of Directors and the Board Audit Committee. The CAE participates in all Board Audit Committee meetings and provides quarterly updates to the Committee and Corporate Management on matters reported through the AlertLine and internal audit activities. Hydro's Group Internal Audit & Investigation has resources in Norway, Brazil, and North America.

Targets and ambitions

Commitment to building a culture of integrity and trust

Performance

703	51,216	77 %
Cases reported through AlertLine	Compliance awareness and training modules completed	Integrity culture index

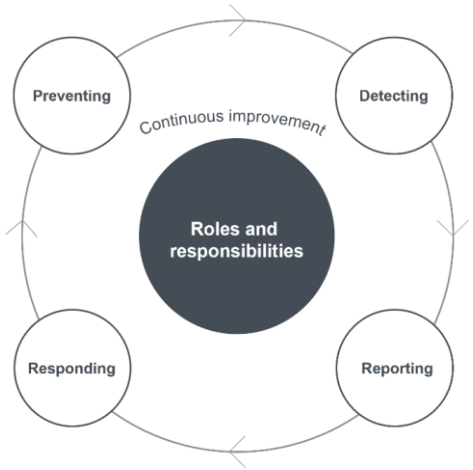
Anti-corruption

Acting with integrity and combating corruption is an essential part of what Hydro considers responsible business conduct. Hydro does not tolerate any forms of bribery or corruption, including facilitation payments and kickbacks. Further, Hydro is committed to complying with all applicable laws and regulations to fight corruption and bribery, including the UN Convention against corruption.

Through Hydro's comprehensive compliance framework, the company works systematically to combat corruption and ensure compliant behavior throughout its global organization. Hydro's Anti-Corruption Program provides an overview of the main elements in Hydro's anti-corruption efforts, which includes risk assessments, tone from the top, policies and procedures, training and communication, third party risk management, reporting and investigation, and disciplinary measures. The key pillars of the compliance framework are illustrated in the figure, below.

Functions involved in commercial activities and interactions with government officials, especially in regions with heightened inherent corruption risk, are most at risk and hence targeted for compliance training.

Integrity and compliance



Data protection and cybersecurity

Hydro's global data protection constitutes the company's binding corporate rules for data protection (BCR) and ensures compliance with the EU General Data Protection Regulation (GDPR). Designated data privacy coordinators for all business areas and staff functions form part of the data privacy network chaired by the head of data privacy. Hydro is continuously working on the robustness of the data privacy network, which is seen as a key point for a well functioning data privacy program. With a program established in 2018, Hydro has also worked on several data privacy program improvements in procedures and supporting processes to ensure continuous fit to the business.

Cybercrime is increasing globally, exposing Hydro to a range of threats to the integrity, availability and confidentiality of its systems. Threats may include attempts to access information, ransomware attacks, destructive installation of viruses, denial of service and other digital security breaches.

A breach of cyber security could result in a broad range of impacts including HSE events, financial and reputational, operational disruptions and the leakage of private or confidential data.

Hydro's CFO is the executive sponsor and owner of Hydro's group wide multiyear cyber security improvement program following the cyber attack on Hydro in 2019. Further, the Board Audit Committee exercises oversight over Hydro's aggregated risk profile, where cyber security risk is regularly assessed.

Cyber security risk assessment is an integrated part of Hydro's enterprise risk management system, in order to facilitate the business areas' awareness on cyber security risk to their critical assets and operations. Critical assets both in plants and in the enterprise IT platform are subject to security monitoring as well as internal and external requirements to security. All personnel with access to sensitive information are bound to secrecy and required to handle information according to corporate guidelines and requirements.

Hydro's enterprise IT platform provides services as digital collaboration, enterprise resource planning, personnel databases and systems for external reporting. This platform is being modernized to withstand the developing cyber security threats and also segregated from plant industrial control systems. Offensive security testing of the enterprise IT platform as well as critical assets in the plants is also executed on a regular basis.

Employee's personal awareness and behavior is important to mitigate cyber risk. Cyber security training for all 13,000 IT users and role specific training for Industrial Control System users are conducted yearly. Training of crisis management relating to cyber security incident scenarios is also conducted at regular intervals on group level.

Compliance training

In Hydro, compliance awareness training is provided on a range of topics and consists of classroom-training, workshops, town hall meetings and various e-learning modules. The Code of Conduct states that all employees are expected to participate in required training. In 2024, training was provided on topics in anti-corruption, Hydro's code of Conduct, competition law, data privacy, trade sanctions, human rights, integrity and market regulations. Company-wide campaigns on the revised Code of Conduct and on data privacy were run 2024. Hydro also provides anti-corruption training to selected third parties, including suppliers. Compliance training is mainly carried out by Group Compliance and Group Legal, but other group functions and compliance professionals in the business areas also carry out compliance training. See Note G1.3 in appendix for metrics on compliance training and Note S1.4 in appendix for metrics on training activities completed by Hydro's employees in 2024.

There is a yearly compliance deep dive session for the board Audit Committee.

Management of relationships with suppliers

Combating corruption and respecting human rights are integral to Hydro's supplier requirements. See the Workers in the value chain chapter for information about Hydro's supply chain and how the company screens its suppliers and business partners.

Hydro tracks on-time payment statistics to prevent late payments to suppliers, with automatic dashboards to track performance on a daily basis for approx. 80 percent of Hydro's units globally. Payment terms vary between categories of purchase, between regions, and by type of business. In 2024 for upstream units, the average payment term days were 33, while for downstream units it was 45 days. 92 percent of invoices were paid on time in line with agreed-upon terms.

Product quality and liabilities

Product quality comprises quality specifications in the use phase of Hydro's products as well as criteria for carbon footprint and environmental impact of products. To meet customer expectations for product quality and responsible value chain, Hydro is working to certify its production sites according to the Aluminium Stewardship Initiative (ASI). Hydro is an active ASI member, and 79 of its production sites have been certified, covering Hydro's value chain

from bauxite to finished products. Hydro's certifications are summarized in Note G1.5 on certifications.

Transparency

Transparency is key to creating a global level playing field as well as to safeguard the company's reputation. In line with its membership commitments to the International Council on Mining and Metals (ICMM), Hydro reports in accordance with the GRI Standards, the Extractive Industries Transparency Initiative (EITI), and additional ICMM specific requirements.

For an overview of statutory reporting requirements, see the General information chapter.

Partnerships and third parties

Hydro can contribute to responsible business conduct through its regular engagement with suppliers, customers, and business partners. By being vocal about compliance and ESG topics, consistently acting with integrity, following ethical standards, and requiring counterparts to adhere to the same standards, Hydro can have a positive impact on business conduct more broadly.

Hydro also aims to have a positive impact on the fight against bribery, corruption, and human rights breaches through participation in partnerships and industry associations, and by actively engaging with public authorities and other stakeholders on these issues.

Hydro works through industry and aluminium associations to improve the ESG standards within its industry and to establish a level playing field for global aluminium production. Hydro is a member of the International Council on Mining and Metals (ICMM), which gives the company the opportunity to participate in the development of industry practices on the environmental and social issues and to share best practices. Hydro is also a founding member of the Aluminium Stewardship Initiative (ASI). To increase Hydro's knowledge and secure a science-based approach to rehabilitation, the Biodiversity Research Consortium Brazil-Norway (BRC) was established in 2013. Please see the chapter on Biodiversity and ecosystems for more information on BRC

Joining forces in collective action is critical in the fight against corruption. Hydro has had a partnership with Transparency International Norway for many years. Hydro is also a member of the Maritime Anti-Corruption Network (MACN), which provides valuable insight into the maritime industry – an important part of Hydro's supply chain. Through Alunorte, Albras, Paragominas and Norsk Hydro Brasil, Hydro has been a signatory of the Business Pact for Integrity and Against Corruption since 2018. The Pact is developed by the Ethos Institute in partnership with global organizations such as the United Nations and the World Economic Forum, seeking to unite companies with the objective of promoting a more ethical market and to eradicate bribery and corruption in Brazil. Hydro companies in Brazil had improvements in their integrity results reported in the Integrity Ethos Indicators.

In Norway, Hydro participates in numerous research, development and innovation projects and centers supported financially by public Norwegian or EU agencies. These include The Research Council of Norway, Enova, Innovation Norway, SIVA and EU Horizon. Financial support from The Research Council of Norway is mainly paid to reimburse R&D costs in projects where Hydro is partnering with academia and research institutes such as the Norwegian University of Science and Technology (NTNU) and the research institute SINTEF. These projects are also often done in partnership with other industrial actors and technology developers in the process industry and energy field. Financial support from Enova is mainly received for projects in Hydro seeking to demonstrate new technologies in small industrial scale. Hydro was in 2024 also partner in 11 research and innovation centers partly funded by the Research Council of Norway under the Centers for Environment-friendly Energy Research:

- HighEFF - Centre for an Energy Efficient and Competitive Industry for the Future
- InterPlay - Integrated Hub for Energy System Analyses
- ZeMe - Zero Emission Metal Production,
- NTRANS - Norwegian Centre for Energy Transition Strategies
- HydroCen - Norwegian Research Centre for Hydropower Technology
- HYDROGENi – Norwegian centre for hydrogen and ammonia research innovation
- MoZEES - Mobility Zero Emission Energy Systems
- NorthWind - Norwegian Research Centre on Wind Energy
- BLUES - Floating structures for the next generation ocean industries
- NORCICS - Norwegian Center for Cybersecurity in Critical Sectors
- PhysMet - Centre for sustainable and competitive metallurgical and manufacturing industry.

The research centers engage in cross disciplinary activities with a time frame of up to eight years, and with a wide range of partners from industry, technology and academia.

Hydro also participates in other national and EU-funded R&D projects on post-consumer scrap recycling technology, following market demand for products with a low-carbon footprint. Hydro's R&D program includes joint projects with external research institutes such as SINTEF, NTNU, IFE and the University of Oslo in Norway and the University of Auckland in New Zealand.

Hydro has had a long standing partnership with Amnesty International Norway since 2002. The partnership is based on human rights education and dialogue meetings on relevant human rights dilemmas. Hydro is also an active member of the Nordic Business Network for Human Rights coordinated by the Danish Institute for Human Rights. To contribute to the development and strengthening of the human rights management and procedures, Hydro participates in other relevant forums, such as ICMM, ASI and UN Forum on Business and Human Rights.

For information about Hydro's community investments and social programs, see the Community investments and social programs in Note S3.

In addition, Hydro cooperates with global and local industry organizations, NGOs and other organizations. See Note G1.6 in the appendix and Hydro.com more information on partnerships.

Public affairs and lobbying

Hydro recognizes the value of engaging with public authorities and other stakeholders in relation to the development of various policy initiatives that impact its industry. Hydro interacts primarily with decision makers in countries where it has significant operations, such as Norway, Brazil and the U.S., as well as with regional structures like the European Union institutions and the relevant EU Member States. These interactions are mainly related to securing competitive, stable and predictable industry framework conditions, taxes and legislation that affect Hydro's activities. Hydro's public affairs activities are generally focused on issues related to energy, industry policy, climate, sustainability, and trade.

Hydro promotes its views on issues of importance either through direct interaction with public authorities and other stakeholders, or through various industry associations. See GRI Standards 2-29 in the GRI Index at Hydro.com/gri.

In addition, Hydro participates in think tanks, especially in Brussels and Washington D.C., and engage regularly in discussions with various NGOs.

Most resources are dedicated to advocacy activities within the EU, Brazil, the U.S. and Norway, through business associations, and to direct dialogue with authorities and decision makers. When relevant, Hydro is in dialogue with applicable tax authorities in Norway, the EU

and Brazil. Hydro may also discuss fundamental tax developments and issues with other enterprises.

Hydro supports the principles of free and fair trade, and efforts to create a global level playing field. In advocacy, Hydro also supports the climate targets set in the Paris Agreement.

Hydro supports market-based solutions for pricing of carbon emissions, like the EU Emissions Trading System (ETS). A decisive part of the EU regulation is the ability to compensate for the extra cost occurring within the EU, in order to maintain competitiveness for global industries like aluminium. Pricing of emissions from imported products through the Carbon Border Adjustment Mechanism (CBAM) is scheduled to be phased-in starting in 2026. The reporting period started on October 1, 2023. Hydro believes it is important for the aluminium industry that CBAM is reviewed and tested both before final implementation and continuously during the live phase, that loopholes in the mechanism are closed and that indirect cost compensation remains as an important carbon leakage instrument.

The European Green Deal is a roadmap on policies to achieve carbon neutrality in the EU by 2050 and includes policies to develop markets for low-carbon and circular products, in combination with stricter targets for emission reduction. Hydro sees interesting opportunities in both this roadmap, and the Critical Raw Materials Act and Net Zero Industry Act.

The political agenda of the EU is shifting. Hydro assumes that the EU Green Deal will be a major building block for the new European Commission, but expects a stronger emphasis on competitiveness, resilience, and defense. The Commission has announced that it will launch a Clean Industrial Deal and Circular Economy Act, including an Industrial Decarbonization Accelerator Act. The initiatives are expected to contain elements that supports Hydro's strategic direction and 2050 roadmap on decarbonization.

Hydro's position on EU energy policy is that Europe first and foremost needs more renewable energy production capacity, and that market interventions should be temporary and targeted at alleviating costs for vulnerable consumers. In the long term, electricity markets should be allowed to function to provide the right pricing signals for investments in renewable energy production.

In Norway Hydro works to ensure long-term predictable frame-conditions for industry, particularly relating to access to renewable power at competitive prices and effective measures to mitigate against carbon leakage.

In 2024 the Norwegian government entered into an agreement with the main trade unions and industry associations on a framework for the CO_2-compensation scheme toward 2030. The agreement included the removal of the CO_2-price floor, the introduction of a funding cap at 7 BNOK, and a climate and energy-connection where the companies eligible for compensation is required to spend 40 percent of the compensation on climate and energy-measures. Details on the climate and energy-connection, including what measures that the companies can include, will be set in the Norwegian CO_2-compensation scheme.

In July 2023 onshore wind-development in Norway was included in the plan and buildings-act, providing local municipalities with effective veto-power. Following the changes in regulation, Hydro has worked to build understanding for the need for more renewable power in municipalities and regions.

Hydro has established an office in Washington D.C. with the objective to support Hydro's leading position in recycling and extrusion business in the U.S. market. Norway signed an MoU with the U.S. government on trade of critical minerals. Hydro supports collaboration on high-standard, market-oriented trade. Hydro is supportive to increased trade between Norway and the U.S., and Hydro will continue to work towards predictable and competitive framework conditions for the aluminium sector in the U.S.

In 2024, a total of 16 full-time equivalents (FTE) were dedicated to public affairs and lobbying. This includes persons in Norway, EU, Brazil and the U.S. Within the EU, lobbying activities are publicly reported through the EU Transparency Register. In the U.S., Hydro is registered and complying with the Lobby Disclosure Act. To get an overview of Hydro's memberships in different industry associations see Hydro.com.

According to Hydro's global directives, Hydro may not make financial contributions to political parties. Hydro has no indications that such contributions took place in 2024.

Non-compliance with business conduct standards

Non-compliance cases are normally reported to line management and/or supporting staff functions including Group Compliance, Group Internal Audit and Investigations, Human Resources, Legal, HSE, Finance and Accounting. Non-compliances can also be reported through Hydro's AlertLine, which offers the possibility of anonymous reporting, unless otherwise prohibited by local law, or Canal Direto, the grievance channel designed for external stakeholders in Brazil. See Note G1.1 for further information.

Potential non-compliance cases being reported, shall go through an initial assessment. If an investigation is launched, it is often let by Group Internal Audit & Investigations. In some cases, when deemed appropriate, external third parties carry out the investigation. A group wide procedure defines the process and approach for investigations. Group Internal Audit & Investigations ensures an independent and objective investigation and reporting of the results.

Non-compliances with laws and regulations

Significant non-compliance cases are defined as all material pending or threatened litigation and claims to which a consolidated Hydro company is party. Instances of non-compliance with laws or regulations that have resulted in a fine of NOK 1 million being issued by a public authority, as well as relevant developments in cases that could have a material reputational or financial impact, are reported below.

No new non-compliances with laws and regulations that resulted in significant fines were registered in 2024. See Note G1.2 for more information.

The remaining aspects of the previously reported case involving environmental compliance issues in Hydro's casthouse The Dalles, Oregon, U.S. were resolved On December 11, 2023, Hydro Extrusion USA, LLC was sentenced in accordance with a negotiated plea agreement. Under the plea agreement, the company admitted to a federal misdemeanor violation of the Clean Air Act. In parallel, the company entered into a three-year Administrative Agreement with the U.S. Environmental Protection Agency Suspension and Debarment Division with respect to this matter. The company timely submitted its first annual report on September 26, 2024 and is in material compliance with its obligations under the Administrative Agreement.

No material incidents of non-compliance with regulations and voluntary codes concerning the impacts of products and services on children's health and safety, were reported in 2024.

Lawsuits related to the 2018 Alunorte rainfall event

The cases below are developments in 2024 related to lawsuits filed after the 2018 Alunorte Rainfall event by associations or public entities. For an overview of the Alunorte rainfall event, please see Hydro's Annual Report 2018.

On August 1, 2019: About 100 Individuals from Abaetetuba and Barcarena (State of Pará) filed a lawsuit against Alunorte. The case relates to the 2018 rainfall event and claims for compensation for alleged environmental damage. Currently there are 142 lawsuits filed by these individuals with the same allegations and requests. Of these 142 cases, in 102 cases the Court issued a decision to stay the cases until a final decision under another collective lawsuit related to the 2018 event related to the same facts and allegations is rendered. The remaining 40 cases are ongoing and pending a decision on the request to stay the cases by the lower Court.

Other collective lawsuits were previously filed by Cainquiama and other associations in Brazil after the 2018 rainfall event alleging pollution from Alunorte, Albras and Paragominas, as well as impact on the communities located in Barcarena and surroundings. All these lawsuits are pending a decision at the lower court level.

On February 5, 2021, Cainquiama and nine Brazilian individuals filed a lawsuit with the Rotterdam District Court, in the Netherlands, against Hydro's Dutch entities and Norsk Hydro ASA (Hydro) seeking compensation for alleged financial damages and personal injuries suffered as a result of Alunorte and Albras activities in the municipality of Barcarena, Brazil. According to the plaintiffs, Hydro's Dutch entities and Hydro are part of Alunorte and Albras' corporate group and therefore should be liable for alleged environmental violations caused in the municipality of Barcarena throughout the years. An interim judgement on certain procedural aspects of the lawsuit was rendered by the Rotterdam court in May 2024, and the case will proceed to a hearing on the merits scheduled for March 2025.

Other cases

In 2019, Cainquiama filed a lawsuit claiming compensation for alleged delay in the implementation of the fuel switch project at Alunorte. In a court decision issued by the Pará lower court in May 2024, the companies were ordered to pay BRL 50 million in moral damage. The defending companies do not agree with the decision as the fuel switch was timely implemented and have appealed the decision.

Following an overflow of storm water from the bauxite residue deposits at Alunorte in 2009, there are still legal issues pending. In 2012, more than 5,400 lawsuits related to the overflow were filed by individuals with the local court. Of the 5,400 lawsuits, only two are still ongoing pending final decision. All the other lawsuits were closed with favorable decision to Alunorte.

Besides these cases, there are also two class actions filed by local associations under which unfavorable decisions were issued against Alunorte. The decisions understood that Alunorte was liable for damages and, therefore, compensation should be paid. One of the cases is pending a decision by the Court of Appeal and for the other case the Superior Court of Justice denied Alunorte's appeal based on procedural rules. This case is pending an enforcement decision and in Alunorte's view there are severe legal errors in the decision that must be addressed.

In addition, a criminal lawsuit was also filed by the Federal Public Prosecutor Office (MPF) on this same event. In July 2024, the Federal lower Court understood that Alunorte was liable for alleged environmental damages and, therefore, should pay a penalty of BRL 100 million. Alunorte disagree with the decision and has appealed.

G1 Notes on Business conduct

G1.1 Non-compliance with business conduct standards

Reporting principles

Non-compliance cases are normally reported to line management and/or supporting staff functions including Group Compliance, Group Internal Audit and Investigations, Human Resources, Legal, HSE, Finance and Accounting. Non-compliances can also be reported through Hydro's confidential reporting channel, the AlertLine. Every report made through the AlertLine is classified as a case, meaning that several cases could be related to the same issue. The number of dismissals due to breach of Hydro policy is limited to cases reported to Hydro's Internal Audit.

The number of dismissals due to breach of Hydro policy is limited to cases reported to Hydro's Internal Audit.

Cases reported regarding breaches of Hydro policy

	2024	2023	2022	2021	2020
Number of cases reported through AlertLine (or similar)[1)]					
Total cases reported	**703**	**651**	**433**	**273**	**224**
Alerts	404	N/A	N/A	N/A	N/A
Non-Alerts	299	N/A	N/A	N/A	N/A
Dismissals due to breaches of policy [2)]	18	8	17	5	4
Alleged cases of harassment	47	63	56	51	57
Alleged cases of discrimination	52	43	41	13	14
Alleged cases of discrimination and/or harassment					
Total cases	**99**	**106**	**97**	**64**	**71**
Confirmed cases of discrimination and/or harassment					
Total cases	**10**	**37**	**35**	**16**	**23**
Confirmed cases of harassment	7	19	25	12	18
Confirmed cases of discrimination	3	18	10	4	5
Alleged cases of corruption, fraud, corruption and/or conflict of interest					
Total cases	**39**	**36**	**22**	**26**	**24**
Confirmed cases of corruption, fraud, corruption and/or conflict of interest					
Total cases	**19**	**2**	**5**	**3**	**5**
Confirmed cases of corruption	1	0	0	0	1
Confirmed cases of fraud	4	0	2	2	4
Confirmed cases of conflict of interest	14	2	3	1	0

1) From 2024, we have made a distinction between Alerts and so-called Non-Alerts, wherein the latter are minor complaints related to personal grievances, disputes over terms and conditions, individual preferences or professional disagreements.

2) Total number of dismissals due to breaches of Hydro policy of which Hydro's Internal Audit is informed.

Since 2022, Hydro have had several awareness raising campaigns about AlertLine, which might be a reason for the significant increase in total number of cases reported in the following years.

In addition to the confirmed cases listed above, one confirmed case related to working time was identified through AlertLine in 2024. All confirmed cases are isolated incidents and have not been considered as structural in nature. Hydro takes these issues very seriously and have addressed and put in place corrective actions for all cases in 2024.

With reference to ESRS criteria S1-17, S2-1 and S3-1, Hydro has identified one case of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. This is the case of Fosen Wind in Norway, which involves affected communities in the value chain. Please see the Affected communities chapter for more information.

In addition to AlertLine, the grievance mechanism Canal Direto in Brazil registered 633 reports, of which 84 percent were related to requests for information and the most frequently registered topics were sponsorships, job and career opportunities at Hydro, visits to operations, donations, commercial matters, auctions and interest in research, innovation and new technologies.

G1.2 Non-compliance with laws and regulations

Reporting principles

Significant non-compliance cases are defined as all material pending or threatened litigation and claims to which a consolidated Hydro company is party. Instances of non-compliance with laws or regulations that have resulted in a fine of NOK 1 million being issued by a public authority, as well as relevant cases that could have a material reputational or financial impact, are reported below.

Cases are reported by the compliance and legal functions in each business area.

Total fines received are calculated based on the monetary value of fines issued in the reporting year. Fines issued in the reporting year may be paid in full or may be subject to further consideration by a court or other legal body.

Non-compliance with laws and regulations

	2024	2023[1)]	2022	2021	2020
Number of significant non-compliances with laws and regulations					
Number of non-compliance cases	**0**	**3**	**0**	**2**	**0**
Number of fines received	0	2	0	2	0
Non-monetary sanctions	0	1	0	0	0
Total fines received in the reporting year for non-compliance with laws and regulations (NOK 1000)					
Fines for non-compliance	0	4,178	0	0	0

1) Hydro introduced a lower threshold for what is considered a significant non-compliance case for the annual report in 2023.

See also additional notes to Business Conduct in the appendix.

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To the General Meeting of Norsk Hydro ASA

Independent sustainability auditor's limited assurance report

Limited assurance conclusion

Conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of Norsk Hydro ASA (the "Group"), included in section 5 Sustainability Statements of the 2024 integrated annual report (the "Sustainability Statements"), for the financial year 1 January to 31 December 2024.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statements are not prepared, in all material respects, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Group to identify the information reported in the Sustainability Statements (the "Process") are in accordance with the description set out in section General Information subsection Materiality assessment; and
- compliance of the disclosures in section EU taxonomy of the Sustainability Statements with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statements are not prepared, in all material respects, in accordance with the Global Reporting Initiative ("GRI") Standards and the reporting criteria as described in section General information in the Sustainability Statements.

Basis for Conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("ISAE 3000 (Revised)"), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the *Sustainability auditor's responsibilities* section of our report.

Our independence and quality management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities for the Sustainability Statements

The Board of Directors and the President and CEO (management) are responsible for designing and implementing a process to identify the information reported in the Sustainability Statements in accordance with the ESRS and for disclosing this Process in section General Information subsection Materiality assessment of the Sustainability Statements. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the

Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;

- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statements, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the ESRS;
- preparing the disclosures in section EU taxonomy of the Sustainability Statements, in compliance with the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the Sustainability Statements that are free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Management is also responsible for preparing the information and assertions contained within the Sustainability Statements in accordance with the GRI Standards and the reporting criteria as described in the section General information in the Sustainability Statements.

Inherent limitations in preparing the Sustainability Statements

In reporting forward-looking information in accordance with ESRS, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Sustainability auditor's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statements are free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statements as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Statements, in relation to the Process, include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process set out in section General Information subsection Materiality assessment.

Our other responsibilities in respect of the Sustainability Statements include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability Statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statements. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability Statements, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
    - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
    - reviewing the Group's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Group was consistent with the description of the Process set out in section General Information subsection Materiality assessment.

In conducting our limited assurance engagement, with respect to the Sustainability Statements, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statements by
    - obtaining an understanding of the Group's control environment, processes, control activities and information system relevant to the preparation of the Sustainability Statements, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control, and
    - obtaining an understanding of the Group's risk assessment process.
- Evaluated whether the information identified by the Process is included in the Sustainability Statements;
- Evaluated whether the structure and the presentation of the Sustainability Statements are in accordance with the ESRS;
- Performed inquires of relevant personnel and analytical procedures on selected information in the Sustainability Statements;
- Performed substantive assurance procedures on selected information in the Sustainability Statements, including visit to one production site in Norway to review source data and the design and implementation of controls and validation procedures at local level;
- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and other sections of the integrated annual report;
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- Assessment of Hydro's self-declared commitment to the Aluminium Stewardship Initiative's ("ASI") 11 principles and underlying criteria;
- Validation of Hydro's self-assessments on the International Council on Mining and Metals ("ICMM") Performance Expectations for all sites prioritized for third party validation on the ICMM indicators not covered by ASI indicators;
- Comparing the information presented in the Sustainability Statements to the GRI Standards including an assessment of the GRI index as provided on Hydro's webpages;
- Obtained an understanding of the Group's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statements; and
- Performed inquiries of relevant personnel, analytical procedures and substantive procedures on selected taxonomy disclosures included in the Sustainability Statements.

Oslo, 13 February 2025
KPMG AS

Monica Hansen
State Authorised Public Accountant – Sustainability Auditor

Note: This translation from Norwegian has been prepared for information purposes only.

Financial Statements

Responsibility statement

We confirm to the best of our knowledge that the consolidated financial statements for 2024 have been prepared in accordance with IFRS as adopted by the European Union, as well as additional information requirements in accordance with the Norwegian Accounting Act, that the financial statements for the parent company for 2024 have been prepared in accordance with the Norwegian Accounting Act the regulation on simplified application of international accounting standards (FOR-2008-01-21-57), and that the information presented in the financial statements gives a true and fair view of the assets, liabilities, financial position and result of Norsk Hydro ASA and the Hydro Group for the period.

We also confirm to the best of our knowledge that the integrated annual report includes a true and fair view of the development, performance and financial position of Norsk Hydro ASA and the Hydro Group, together with a description of the principal risks and uncertainties that they face, that the integrated annual report 2024 report meets the information requirements of the Norwegian accounting act with regard to the Report of the Board of Directors and statements on corporate governance and corporate social responsibility and that the country by country report for 2024 has been prepared in accordance with the Norwegian Accounting Act.

We further confirm to the best of our knowledge that the 2024 sustainability statements included in chapter 5 and sustainability notes in chapter 7 have been prepared in accordance with and meets the information requirements of the Norwegian Accounting Act, European Sustainability Reporting Standards (ESRS), EU taxonomy (Article 8 of EU Regulation 2020/852), International Council on Mining and Metals (ICMM) and Global Reporting Initiative (GRI).

Oslo, February 13, 2025

Rune Bjerke
Chair

Kristin F. Kragseth
Deputy chair

Margunn Sundve
Board member

Arve Baade
Board member

Marianne Wiinholt
Board member

Torleif Sand
Board member

Espen Gundersen
Board member

Peter Kukielski
Board member

Bjørn Petter Moxnes
Board member

Phillip Graham New
Board member

Jane Toogood
Board member

Eivind Kallevik
President and CEO

Consolidated financial statements

Consolidated income statements

Amounts in NOK million (except per share amounts). Years ended December 31	Notes	2024	2023
Revenue	1.4, 5.1	203,636	193,619
Share of the profit (loss) in equity accounted investments	1.4, 3.1	(516)	492
Other income, net	5.2	5,543	4,152
Total revenue and income		208,663	198,263
Raw material and energy expense	5.3	129,349	123,538
Employee benefit expense	9.2	26,946	25,931
Depreciation and amortization expense	2.4	10,131	9,394
Impairment of non-current assets	2.5	39	4,421
Other expenses		25,712	25,387
Total expenses		192,176	188,671
Earnings before financial items and tax		16,487	9,592
Interest and other finance income	7.5	1,601	1,302
Foreign currency exchange gain (loss)	7.5	(5,646)	(2,084)
Interest and other finance expense	7.5	(3,580)	(2,264)
Finance income (expense), net		(7,625)	(3,046)
Income (loss) before tax		8,862	6,546
Income taxes	10.1	(3,822)	(3,742)
Net income (loss)		5,040	2,804
Net income (loss) attributable to non-controlling interests		(750)	(778)
Net income (loss) attributable to Hydro shareholders		5,790	3,583
Basic and diluted earnings per share attributable to Hydro shareholders	7.6	2.90	1.77

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statement of other comprehensive income

Amounts in NOK million. Years ended December 31	Notes	2024	2023
Net income (loss)		5,040	2,804
Other comprehensive income			
Items that will not be reclassified to income statement			
Remeasurement post-employment benefits, net of tax	7.6	1,048	(805)
Unrealized gain (loss) on securities, net of tax	7.6, 8.2	(404)	(135)
Total		644	(940)
Items that will be reclassified to income statement			
Currency translation differences, net of tax	7.6	2,130	5,138
Currency translation differences, net of tax, divestment of foreign operation	7.6	(51)	(4)
Cash flow hedges, net of tax	7.6, 8.3	(1,440)	272
Share of other comprehensive income that will be reclassified to income statement of equity accounted investments, net of tax	7.6	(9)	(3)
Total		630	5,403
Other comprehensive income		1,275	4,463
Total comprehensive income		6,314	7,267
Total comprehensive income attributable to non-controlling interests		(1,821)	(311)
Total comprehensive income attributable to Hydro shareholders		8,135	7,578

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated balance sheets

Amounts in NOK million, December 31	Notes	2024	2023
Assets			
Cash and cash equivalents	7.2	15,049	24,618
Short-term investments	7.3	3,467	2,641
Trade and other receivables	6.2	28,510	25,404
Inventories	6.1	28,187	25,449
Other current financial assets	8.2	412	1,900
Total current assets		75,625	80,012
Assets held for sale	1.5	-	3,685
Property, plant and equipment	2.1	77,937	74,981
Intangible assets	2.2, 2.3	8,436	8,447
Investments accounted for using the equity method	3.1	25,054	21,228
Other non-current assets	2.7, 8.2	5,971	6,389
Prepaid pension	9.3	10,115	8,664
Deferred tax assets	10.1	4,233	3,055
Total non-current assets		131,747	122,764
Total assets		**207,371**	**206,462**

Amounts in NOK million, December 31	Notes	2024	2023
Liabilities and equity			
Bank loans and other interest-bearing short-term debt	7.4	11,601	7,111
Trade and other payables	6.3	26,976	26,232
Provisions	4.1	3,605	4,000
Taxes payable		3,905	3,822
Other current financial liabilities	8.2	3,324	2,727
Total current liabilities		49,411	43,892
Liabilities in disposal group	1.5	-	141
Long-term debt	7.4	23,147	28,978
Provisions	4.1	5,203	5,867
Pension liabilities	9.3	9,226	9,222
Other non-current financial liabilities	8.2	6,162	4,045
Other liabilities		2,009	2,417
Deferred tax liabilities	10.1	4,761	4,717
Total non-current liabilities		50,508	55,245
Total liabilities		99,919	99,279
Share capital	7.6	2,206	2,241
Additional paid-in capital	7.6	29,319	29,283
Treasury shares	7.6	(1,667)	(1,381)
Retained earnings		59,749	60,877
Other components of equity	7.6	11,854	9,559
Equity attributable to Hydro shareholders		101,461	100,579
Non-controlling interests		5,991	6,604
Total equity		107,452	107,182
Total liabilities and equity		**207,371**	**206,462**

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statements of cash flows

Amounts in NOK million. Years ended December 31	Notes	2024	2023
Operating activities			
Net income (loss)		5,040	2,804
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation, amortization and impairment	2.4, 2.5	10,170	13,815
Share of (profit) loss in equity accounted investments		516	(492)
Dividends received from equity accounted investments	3.1	910	1,044
Deferred taxes		(948)	(1,048)
Loss (gain) on sale of non-current assets		(127)	6
Net foreign exchange loss	7.5	5,646	2,084
Net sales (purchases) of trading securities		33	(39)
Changes in assets and liabilities that provided (used) cash			
Trade and other receivables		(1,768)	1,017
Inventories		(2,263)	7,155
Trade and other payables		(162)	(1,293)
Derivatives		446	(2,105)
Collateral for derivatives and other liabilities		(588)	1,617
Other items		(1,549)	(2,345)
Net cash provided by operating activities	10.3	**15,356**	**22,220**

Amounts in NOK million. Years ended December 31	Notes	2024	2023
Investing activities			
Purchases of property, plant and equipment		(13,555)	(13,638)
Purchases of other long-term investments		(1,622)	(7,535)
Purchases of short-term investments		(3,148)	(659)
Proceeds from sales of property, plant and equipment		139	139
Investment grants received		99	105
Proceeds from sales of other long-term investments		1,872	76
Proceeds from sales of short-term investments		3,299	753
Net cash used in investing activities		**(12,916)**	**(20,759)**
Financing activities			
Loan proceeds	7.4	4,727	9,242
Loan repayments	7.4	(8,714)	(9,750)
Net decrease in other short-term debt	7.4	(2,242)	(393)
Repurchases of shares		(2,272)	(2,157)
Proceeds from shares issued		964	568
Dividends paid		(5,015)	(12,574)
Other cash transfers (to) from non-controlling interests		(5)	8,364
Net cash used in financing activities		**(12,557)**	**(6,700)**
Foreign currency effects on cash		699	240
Net decrease in cash and cash equivalents		(9,418)	(4,999)
Cash and cash equivalents classified as Assets held for sale		(151)	(188)
Cash and cash equivalents at beginning of year		24,618	29,805
Cash and cash equivalents at end of year		**15,049**	**24,618**

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statements of changes in equity

Amounts in NOK million	Notes	Share capital	Additional paid-in capital	Treasury shares	Retained earnings	Other components of equity	Equity attributable to Hydro share-holders	Non-control-ling interests	Total equity
December 31, 2022		2,272	29,217	(1,229)	70,360	1,835	102,455	5,343	107,798
Treasury shares issued to employees	7.6		66	45			111		111
Treasury shares acquired	7.6			(1,512)			(1,512)		(1,512)
Cancellation treasury shares	7.6	(20)		1,315	(1,295)		-		-
Redeemed shares	7.6	(10)			(637)		(648)		(648)
Dividends	7.7				(11,501)		(11,501)	(1,073)	(12,574)
Capital contribution in subsidiaries					(131)	147	15	503	519
Sale of shares in subsidiary to non-controlling shareholder	1.5				1,787	2,293	4,080	2,141	6,221
Disposal of equity securities at fair value through other comprehensive income					(1,288)	1,288	-		-
Total comprehensive income for the year					3,583	3,996	7,578	(311)	7,267
December 31, 2023		2,241	29,283	(1,381)	60,877	9,559	100,579	6,604	107,182
Treasury shares issued to employees	7.6		37	34			70		70
Treasury shares acquired	7.6			(1,640)			(1,640)		(1,640)
Cancellation treasury shares	7.6	(23)		1,320	(1,297)		-		-
Redeemed shares	7.6	(12)			(669)		(681)		(681)
Dividends	7.7				(5,015)		(5,015)		(5,015)
Acquisition of Non-controlling interest					1	12	14	(14)	-
Companies acquired								79	79
Capital contribution in subsidiaries							-	1,141	1,141
Subsidiaries sold, items not reclassified to income statement and non-controlling interests					(1)	1	-	2	2
Disposal of equity securities at fair value through other comprehensive income					64	(64)	-		-
Total comprehensive income for the year					5,790	2,345	8,135	(1,821)	6,314
December 31, 2024		**2,206**	**29,319**	**(1,667)**	**59,749**	**11,854**	**101,461**	**5,991**	**107,452**

The accompanying notes are an integral part of the consolidated statements.

Oslo, February 13, 2025

Rune Bjerke
Chair

Kristin F. Kragseth
Deputy chair

Margunn Sundve
Board member

Arve Baade
Board member

Marianne Wiinholt
Board member

Torleif Sand
Board member

Espen Gundersen
Board member

Peter Kukielski
Board member

Bjørn Petter Moxnes
Board member

Phillip Graham New
Board member

Jane Toogood
Board member

Eivind Kallevik
President and CEO

Notes to the consolidated financial statements

Section 1 – General information

Note 1.1 Reporting entity, basis of presentation, significant accounting estimates and judgment

The reporting entity reflected in these financial statements comprises Norsk Hydro ASA and consolidated subsidiaries (Hydro). Hydro incorporated in Norway, and is headquartered in Drammensveien 264, Oslo, Norway. The group employs around 32,000 people in about 40 countries. Hydro is a global supplier of aluminium with operations throughout the industry value chain and engages in development and production of renewable energy. Operations include power production, bauxite extraction, alumina refining, aluminium smelting, recycling, and extruded solutions. The Board of Directors and the President and CEO authorized these financial statements for issue on February 13, 2025. Hydro is listed on the Euronext Oslo Børs.

Basis of presentation
The consolidated financial statements of Norsk Hydro ASA and its subsidiaries are prepared in accordance with IFRS ® Accounting Standards as adopted by the European Union (EU) and Norwegian authorities, effective as of December 31, 2024. Hydro also provides the disclosures as specified under the Norwegian Accounting Act (Regnskapsloven).

The financial statements have been prepared on a historical cost basis except for certain assets, liabilities and financial instruments, which are measured at fair value. Preparation of financial statements including note disclosures requires management to make estimates and assumptions that affect amounts reported. Actual results may differ.

The functional currency of Norsk Hydro ASA is the Norwegian krone (NOK). The Hydro group financial statements are presented in NOK.

As a result of rounding adjustments, the figures in one or more columns included in the financial statements may not add up to the total of that column.

Interest rates used for calculating net present values are rounded to the nearest 10 basis points for post-employment benefits, and to the nearest 25 basis points for other non-financial assets and liabilities.

Significant judgment and estimates

Judgment is applied in assessing how to account for some business transactions and events. The more judgmental accounting policies include:

- New business models for developing projects or businesses in co-operation with others are applied for such business activities as renewable energy projects and technology development. Contracts used in such projects may introduce complexity related to how to assess control and influence for part-owned companies, including whether Hydro has control, joint control or significant influence over such companies as further discussed in note 3.1 Investments in joint arrangements and associates.
- Renewable energy projects introduce complex accounting judgment related to contract structures including which of these contracts that represent financial instruments to be recognized at fair value and how to measure such contracts with entity specific features as further discussed in note 8.2 Financial instruments.

Estimation risks in determining the amounts to recognize or disclose are associated with different phases of operation and sources of uncertainty. We have identified the following important sources of estimation risks, which impacts accounting estimates in different ways:

- Changing business environment, including changes driven by the green shift and physical climate changes already present or expected in the near future, impacting such estimates as remaining useful life for existing assets and whether assets are impaired due to shorter useful life, higher cost, or regulatory constraints of operations. These aspects of estimation are further discussed below and in note 2.4 Depreciation and amortization expense and note 2.5 Impairment of non-current assets.
- Exiting and remediating sites used for historic activities represent both risks of costs and liabilities, and opportunity for value creation, and involves estimation of extent and cost of remediation effort as well as assessment of the value of land, building and other assets historically used for industrial purposes.

The following areas of accounting involve a significant degree of estimation uncertainty and complexity and may result in significant variation in amounts. Estimation uncertainty in these areas is partly related to the sources of uncertainty identified above and partly related to other sources of uncertainty discussed in the individual notes.

- Impairment of non-current assets, discussed in note 2.5 Impairment of non-current assets
- Uncertain assets and liabilities, discussed in section 4 Uncertain assets and liabilities
- Uncertain tax positions, discussed in note 10.1 Income taxes
- Business combinations and transactions with non-controlling shareholders, impacting such items as long-lived assets and uncertain assets and liabilities, discussed in note 1.5 Significant subsidiaries and changes to the consolidated group
- Financial instruments, discussed in section 8 Financial risk and financial instruments

Climate risk and opportunities
Aluminium is widely acknowledged as an enabler for the transition away from fossil fuels and other activities that generate greenhouse gases, to which companies, states and society at large are committed, among other through the Paris agreement. However, production of aluminium is resource intensive and requires significant quantities of energy. The production process itself also results in direct emission of CO_2.

Hydro is well positioned to benefit from the transition to net zero GHG emissions. Hydro generates significantly lower GHG emissions than the industry average, and the average carbon intensity of Hydro's aluminium production is below the 2030 and 2035 targets in the 1.5 degree scenario that the International Aluminium Institute has defined for the aluminium industry. The carbon footprint of aluminium production is highly dependent on the source of energy used to produce the metal. Hydro's footprint reflects the fact that the majority of our primary production facilities use electricity from renewable sources.

In the near term, Hydro is expected to benefit from increased demand for low carbon aluminium, as our customers aim to decarbonize their value chains. The demand for low carbon aluminium is expected to grow at a greater pace than the overall demand for aluminium.

However, Hydro is still exposed to significant transition risks to achieve net zero emissions by 2050, including technology risks, regulatory risks, and market risks.

Sufficient renewable energy must be available for our production sites at a cost that is achievable for use in production of alumina and aluminium, for recycling of aluminium and for production of aluminium products.

As the aluminium and alumina markets are global markets, relative competition between countries and regions influences which production sites that will be viable in the future. In general, Hydro will benefit from globally aligned initiatives placing a price on CO_2 emissions and/or regulatory or market-based incentives to use low emission, and eventually zero emission, energy. Hydro will also benefit from regulatory initiatives whereby emission free or low emission energy is made available in sufficient quantities at places where our existing production facilities are situated, at prices competitive to energy cost in other regions of the world where competing production is or may be placed.

In the opposite scenario, Hydro will have a disadvantage if significant carbon taxes are placed on emissions in countries or regions where Hydro’s production is placed while similar regulation is not introduced in competing regions. Situations with severe limitations in availability of emission free energy in areas where our production facilities are situated will be a disadvantage for our aluminium related assets.

New technology must be developed and implemented for production of primary aluminium. Hydro is aiming to develop new, emission free technology for use in new aluminium production facilities referred to as HalZero. To achieve near zero emission production and preserve the value of our existing aluminium smelters, we are assessing carbon capture solutions. For Hydro to retain the strategic benefit of a lower carbon emission, developing technology that can be fitted to existing production facilities at an affordable price is important. Similar issues exist in other parts of our value chain, however, as the emissions from production of aluminium and energy production and consumption represent the majority of our total GHG footprint, these elements will be the most influential to achieving our targets and retaining the value of our assets.

In parallel, demand for low carbon aluminium could strengthen as aluminium substitutes steel, copper or other metals, in sectors such as production of renewable energy and thermal technologies, transport, construction and real estate.

In an opposite scenario, the demand for aluminium could decline if we do not succeed with the decarbonization of our value chain in line with our technology roadmap for net zero GHG emissions by 2050. If we fail to develop and implement HalZero or other electrolysis technology while competing industries succeed in their decarbonization efforts, this could result in decreased demand for aluminium as steel or other metals substitute aluminium. Similar risks apply if we do not succeed with carbon capture at existing facilities, which could impact the value of our exiting aluminium smelters and alumina refinery.

Hydro’s energy producing assets are renewable only, with the majority being hydro power in Norway. Hydro is also engaged in production of power from solar and wind resources, currently mainly in partnership with others and where the majority of the projects are in development or start-up phase. These assets will benefit from the tighter politics on CO_2 emissions, however, specific regulations might impact competitiveness and value of individual facilities.

Significant accounting policies

The following description of accounting principles relevant for presentation and consolidation applies to Hydro's 2024 financial reporting, including comparative figures. The accounting policies for items covered by specific note disclosures are described in the relevant notes in this set of financial statements.

Income statements and statements of comprehensive income

Hydro has elected to present a separate income statement and a separate statement of comprehensive income, rather than a combined statement. Further, Hydro presents an analysis of expenses based on their nature as a common analysis of expenses through Hydro's value chain.

Hydro has elected to present a sub-total Earnings before financial items and tax (EBIT). This measure is also used as a segment profit measure. The share of the profit (loss) in equity accounted investments is included in this sub-total because a significant share of such investments are operationally integrated with Hydro's businesses. Results from such investments are managed as part of Hydro's operating activities with significant transactions between the majority of these investments and Hydro. Return on other equity investments is not as closely related to the business activities in Hydro, and hence classification as finance income better reflects the way such investments are managed.

Gains and losses on disposal of non-current assets are presented net, as well as expenditures related to provisions that are reimbursed by a third party. However, insurance compensation and government grants are reported on a gross basis.

Statements of cash flows

Hydro uses the indirect method to present cash flows from operating activities. Interest and dividends received as well as interest paid are included in cash flows from operating activities. Dividends paid are included in cash flows from financing activities.

Note 1.2 Measurement of fair value

Hydro measures certain assets and liabilities at fair value for the purpose of recognition or disclosure. Recurring fair value measurement is used primarily for financial instruments, see section 8 Financial risk and financial instruments. Non-recurring fair value measurement is used for transactions, such as business combinations, divestments with non-cash consideration and certain other non-routine transactions. Fair value is estimated using inputs which are to varying degree objectively observable. Certain items are valued on the basis of quoted prices in active markets for identical assets or liabilities (level 1 valuations), others are valued on the basis of inputs that are derived from observable prices (level 2 valuations), while certain positions are valued on the basis of judgmental assumptions that are to a limited degree or not at all based on observable market data (level 3 valuations).

Financial instruments

The estimated fair value of Hydro's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data. Extrapolations and other accepted valuation techniques are employed in periods with few or no transactions, such as for long-term commodity contracts in markets with few observations beyond the short or mid-term period, and for contracts with variability or contingencies which are not present in observable markets.

Hydro's estimated credit spread for similar liabilities is used when determining the fair value of financial instruments where Hydro is net liable. Hydro determines the appropriate discount factor and credit spread for financial assets based on both an individual and on a portfolio assessment.

Equity securities

Fair value for unlisted shares is based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow-based models. When there are transactions in such shares, the transaction price is assessed and, to the extent comparable to rights embodied in the investment held by Hydro, used for reference. For investments where share holdings are associated with offtake rights and/or obligations or other specific clauses, those rights and obligations are included in the valuation of the equity securities. Fair value for listed shares or regularly traded shares is based on quoted market prices as of the balance sheet date.

Debt instruments

Fair value for unlisted debt instruments is estimated primarily through cash flow models using contractual cash flow where relevant, and discount rates reflecting the perceived credit risk and other relevant risks associated with the instrument. Fair value for listed instruments is based on quoted market prices as of the balance sheet date.

Derivatives

Fair value of financial derivatives with a currency or interest rate as underlying is estimated as the present value of future cash flows, calculated by reference to quoted swap price curves and exchange rates as of the balance sheet date. For derivatives covering a period beyond the liquid period of price curves, the curves are extrapolated using unobservable data. Fair value of financial derivatives with equity instruments as underlying is estimated using valuation techniques as described for equity securities as input to an option pricing model, which also utilizes other inputs which to varying degree are observable.

Fair value of commodity derivatives is measured as the present value of future cash flows, calculated using forward curves and exchange rates as of the balance sheet date. Estimates from brokers and extrapolation techniques are applied for non-quoted products and periods to achieve the most relevant forward curve. For electricity contracts linked to specific production facilities, variability in production profile and price patterns are included in the valuation models. In addition, when deemed appropriate, correlation techniques between commodities are applied. Options are revalued using option pricing models, and credit spreads are applied where deemed to be significant.

Markets are assessed to determine whether they are active for the relevant instruments. Currency and interest markets are considered liquid for the periods used for price references, and thus applied unadjusted. For aluminium contracts priced to observations at the London Metal Exchange (LME), liquidity is considered good for the first few years, with fewer transactions for longer durations. For electricity contracts priced to the electricity exchange Nasdaq OMX, liquidity is considered good for the first two years. For longer durations there are fewer transactions and higher uncertainty. Similar assessment is made for other markets used for price references. For less liquid periods, adjustments to remove outliers and extrapolation techniques are applied.

Embedded derivatives

Hydro measures embedded forward contracts that are separated from the host contract by comparing the forward curve at contract inception to the forward curve as of the balance sheet date. Forward curves are established as described above under Derivatives.

Note 1.3 Significant events

The following significant events have impacted Hydro in 2024, or are expected to impact Hydro in 2025:

During 2024, economic growth continued to be weak in most of Hydro's markets, while commodity prices increased for key products such as alumina and aluminium. However, demand for aluminium declined further, with uneven development between market segments and regions. Hydro has reduced production at various sites to adjust to market demand, while continuing planned investment programs.

In November Hydro announced that battery materials and green hydrogen will no longer be strategic growth areas for Hydro and that no further capital will be allocated. Following this decision, Hydro has reviewed the value of its investments in the batteries business and written down the investment in some associates where it is uncertain whether the companies will be able to develop the early-phase activities to viable businesses without continued capital injections from Hydro, and, for some of the associates, other owners.

In June 2024 the agreement with Macquarie Asset Management to acquire 49.9 percent of Hydro's renewable energy company, Hydro Rein was completed. The agreed governance structure gave Hydro and Macquarie Asset Management joint control over Hydro Rein. Based on this, Hydro Rein's assets and liabilities were reported separately as Assets held for sale and Liabilities in disposal group in the balance sheet as of December 31, 2023. As of June 2024, the activity in Hydro Rein is reported using the equity method.

In December 2023, Hydro sold 30 percent of the Brazilian subsidiary owning the alumina refinery Alunorte to Glencore, including the right to purchase a proportional share of the alumina produced at Alunorte. The transaction was completed on December 1, 2023. Hydro's reduced share of alumina produced at Alunorte impacted the available alumina for sale to external customers and the sourcing cost for alumina to satisfy some existing sales contracts for deliveries during 2024 and 2025.

Note 1.4 Operating and geographic segment information

Hydro identifies its reportable segments and discloses segment information under IFRS 8 Operating Segments, which requires Hydro to identify its segments according to the organization and reporting structure used by management. Operating segments are components of a business that are evaluated regularly by the chief operating decision maker for the purpose of assessing performance and allocating resources. Hydro's chief operating decision maker is the President and CEO. Generally, financial information is required to be disclosed on the same basis that is used by the CEO.

Hydro's operating segments represent separately managed business areas with products serving different markets, or distinct elements of the business separately followed up and reported to the chief operating decision maker. Hydro's reportable segments are the business areas Hydro Bauxite & Alumina, Hydro Energy, Hydro Aluminium Metal and Hydro Extrusions, as well as the Hydro Metal Markets activities which are managed combined with Hydro Aluminium Metal.

Hydro Bauxite & Alumina activities includes bauxite mining activities, production of alumina and related commercial activities, primarily the sale of alumina. Alumina purchased and produced is both used internally for production of aluminium and sold to external customers, including other shareholders in the refinery Alunorte.

Hydro Energy includes operating and commercial responsibility for Hydro's power stations in Norway, a trading and wholesale business in Brazil, and energy sourcing for Hydro's world-wide operations. Energy is also responsible for Hydro’s hydrogen initiatives managed by Hydro Havrand and the battery initiatives, both with reduced attention from November 2024. Hydro’s initiatives within other renewable energy production such as wind and solar managed by Hydro Rein, is also part of Energy. The Hydro Rein activities are held in a 50.1 percent owned joint venture accounted for using the equity method from June 2024, and was held for sale prior to completion of the agreement to establish a joint venture in June 2024.

Hydro Aluminium Metal includes primary aluminium production and casting activities. The main products are comprised of extrusion ingots, foundry alloys, sheet ingot and standard ingot.

Hydro Metal Markets includes all sales activities relating to products from our primary metal plants in Aluminium Metal and operational responsibility for stand-alone recyclers as well as limited volumes of physical and financial metal trading activities. Aluminium produced by Aluminium Metal and Metal Markets is both used internally for production of extruded products and sold to external customers.

Hydro Extrusions delivers products within extrusion profiles, building systems and precision tubing, and is operating several recycling facilities, both integrated with its extrusion plants and separate plants. Hydro Extrusions is present in about 40 countries. The products are delivered to such sectors as construction, automotive and heating, ventilation and air conditioning.

Other consist of Hydro's captive insurance company Industriforsikring, internal service providers, and certain other activities. Unallocated corporate activities are reported as part of Other.

Operating segment information

Hydro uses two measures of segment results, Earnings before financial items and tax – EBIT, and EBITDA. EBIT is consistent with the same measure for the group, considering the principles for measuring certain intersegment transactions and contracts described below. Hydro defines EBITDA as EBIT plus depreciation, amortization and impairment of tangible and intangible fixed assets, less investment grants received. Hydro's definition of EBITDA may be different from other companies. The two measures represent results with and without the charge for historic investments in production capacity and other fixed assets and are considered complementary.

Because Hydro manages long-term debt and taxes on a group basis, Income before tax and Net income is presented only for the group as a whole.

Intersegment sales and transfers reflect our estimate of arm's length prices as if sold or transferred to third parties at the time of inception of the internal contract, which may cover several years. Sale of aluminium from Aluminium Metal to Metal Markets for resale to internal and external customers of casthouse products is priced at the average price in the month prior to delivery, reflecting predominant pricing practice in the product market. Sale of alumina from Bauxite & Alumina to Aluminium Metal for use in the aluminium production is priced with reference to an alumina spot price index, with a time delay of one month prior to delivery. For a portion of about 25 percent of the expected consumption, a fixed price is agreed 2-3 years prior to delivery to align the pricing with the derivatives managing price and currency risks for the nearest three years, referred to as the *Integrated hedge program*. From 2025, the internal alumina price for this portion also has a link to the price for caustic soda, a significant input factor in production of alumina. Electricity prices are agreed longer term in contracts with duration up to 25 years.

Premiums for lower carbon footprints were introduced in the product price for aluminium for 2023, and increasing into 2024 reflecting pricing strategies to customers. From 2024, premiums for lower carbon footprints were also introduced for alumina. Transfers of businesses or fixed assets within or between Hydro's segments are reported without recognizing gains or losses. Results of activities not considered part of Hydro's main operations as well as unallocated revenues, expenses, liabilities and assets are reported together with Other under the caption Other and eliminations.

The accounting policies used for segment reporting reflect those used for the group. The following exceptions apply for intersegment transactions:

- Internal commodity contracts may meet the definition of a financial instrument in IFRS 9 Financial Instruments or contain embedded derivatives that are required to be reported separately and valued at fair value under IFRS 9. However, Hydro considers these contracts as sourcing of raw materials or sale of own production, and accounts for such internal contracts as executory contracts.
- Certain other internal contracts may contain a lease arrangement. However, the segment reporting reflects the responsibility allocated by Hydro's management for those assets, and no internal lease arrangement is identified.

The following tables include information about Hydro's operating segments.

	External revenue		Internal revenue		Share of the profit (loss) in equity accounted investments	
Amounts in NOK million	2024	2023	2024	2023	2024	2023
Hydro Bauxite & Alumina	37,611	23,069	16,608	12,452	(153)	-
Hydro Energy	3,690	4,564	6,899	6,993	(1,413)	(293)
Hydro Aluminium Metal	15,331	12,649	40,155	45,726	1,020	733
Hydro Metal Markets	71,942	70,690	9,449	10,625	(3)	-
Hydro Extrusions	75,046	82,635	87	10	-	5
Other and eliminations	15	13	(73,197)	(75,806)	32	47
Total	**203,636**	**193,619**	**-**	**-**	**(516)**	**492**

	Depreciation, amortization and impairment [1]		EBIT [2]		EBITDA	
Amounts in NOK million	2024	2023	2024	2023	2024	2023
Hydro Bauxite & Alumina	2,938	6,614	7,911	(5,222)	10,849	1,392
Hydro Energy	232	196	2,886	2,406	3,118	2,602
Hydro Aluminium Metal	2,862	3,353	6,963	9,125	9,733	12,386
Hydro Metal Markets	698	368	750	835	1,443	1,198
Hydro Extrusions	3,320	3,171	532	3,206	3,836	6,359
Other and eliminations	120	113	(2,556)	(758)	(2,436)	(645)
Total	**10,170**	**13,815**	**16,487**	**9,592**	**26,543**	**23,291**

1) Depreciation, amortization and impairment. Amounts include impairment, see note 2.5 Impairment of non-current assets.
2) Total segment Earnings before financial items and tax is the same as Hydro group's total Earnings before financial items and tax. Financial income and financial expenses are not allocated to the segments. There are no reconciling items between segment Earnings before financial items and tax to Hydro Earnings before financial items and tax. Therefore, a separate reconciling table is not presented.

	Non-current assets		Total assets [3] [4]		Investments [5]	
Amounts in NOK million	2024	2023	2024	2023	2024	2023
Hydro Bauxite & Alumina	29,147	32,246	42,452	41,868	4,322	8,345
Hydro Energy	16,883	13,377	19,386	20,529	5,973	3,351
Hydro Aluminium Metal	39,866	36,117	64,122	58,856	5,401	4,413
Hydro Metal Markets	7,883	7,075	22,639	19,550	1,138	4,451
Hydro Extrusions	30,713	28,041	50,875	47,076	4,125	5,011
Other and eliminations	7,254	5,907	7,897	18,583	75	78
Total	**131,747**	**122,764**	**207,371**	**206,462**	**21,034**	**25,647**

3) Total assets exclude internal cash pool accounts and accounts receivable related to group relief.
4) In 2023, total assets in Hydro Energy includes NOK 3,685 million classified as Assets held for sale.
5) Additions to property, plant and equipment (capital expenditures) plus long-term securities, intangible assets, long-term advances and investments in equity accounted investments, including amounts recognized in business combinations. The table includes investments in continuing operations only.

Amounts in NOK million	EBIT	Depreciation, amortization and impairment	Investment grants	EBITDA
EBIT - EBITDA 2024				
Hydro Bauxite & Alumina	7,911	2,938	-	10,849
Hydro Energy	2,886	232	-	3,118
Hydro Aluminium Metal	6,963	2,862	(92)	9,733
Hydro Metal Markets	750	698	(6)	1,443
Hydro Extrusions	532	3,320	(16)	3,836
Other and eliminations	(2,556)	120	-	(2,436)
Total	**16,487**	**10,170**	**(114)**	**26,543**

Amounts in NOK million	EBIT	Depreciation, amortization and impairment	Investment grants	EBITDA
EBIT - EBITDA 2023				
Hydro Bauxite & Alumina	(5,222)	6,614	-	1,392
Hydro Energy	2,406	196	-	2,602
Hydro Aluminium Metal	9,125	3,353	(93)	12,386
Hydro Metal Markets	835	368	(5)	1,198
Hydro Extrusions	3,206	3,171	(19)	6,359
Other and eliminations	(758)	113	-	(645)
Total	**9,592**	**13,815**	**(116)**	**23,291**

The identification of assets, non-current assets and investments is based on location of operation. Included in non-current assets are investments in equity accounted investments; property, plant and equipment (net of accumulated depreciation) and non-current financial assets.

Operating revenues are identified by customer location.

	Revenue		Non-current assets		Investments [1]	
Amounts in NOK million	2024	2023	2024	2023	2024	2023
Norway	7,831	7,363	41,632	32,555	8,514	3,694
Germany	20,121	21,038	3,949	4,005	242	834
France	8,129	9,042	2,471	2,332	229	222
Poland	8,103	7,316	3,541	3,413	320	2,587
Spain	7,996	7,787	1,297	1,172	403	64
Italy	6,147	5,972	690	632	114	124
Sweden	3,858	4,149	740	1,735	150	617
Austria	3,605	4,060	772	786	44	339
Czech Republic	2,443	2,425	2	2	1	2
Belgium	2,363	1,970	771	780	80	92
The Netherlands	2,206	2,414	801	796	51	217
Portugal	1,851	1,935	158	136	26	22
Denmark	1,383	1,434	1,095	805	410	125
Slovenia	939	1,173	-	-	-	-
Finland	915	891	3	4	1	3
Slovakia	883	881	389	381	53	76
Hungary	684	1,079	3,038	2,212	953	1,185
Other EU	2,383	1,780	181	235	28	34
Total EU	**74,009**	**75,346**	**19,899**	**19,424**	**3,105**	**6,544**
United Kingdom	6,467	5,063	970	927	62	126
Switzerland	15,771	8,461	155	81	146	11
Turkey	2,526	3,358	4	2	2	2
Other Europe	675	498	-	-	-	-
Total Europe	**107,278**	**100,090**	**62,661**	**52,990**	**11,829**	**10,377**
USA	41,457	44,088	14,307	12,449	1,867	3,015
Canada	8,324	6,943	2,908	2,237	551	413
Brazil	9,768	10,407	35,835	40,961	6,543	11,440
Mexico	2,584	2,917	192	207	18	46
Other America	516	575	55	30	16	28
Japan	7,069	5,955	2	4	-	-
China	5,551	5,746	979	938	95	208
Bahrain	3,233	2,527	419	422	2	12
Singapore	2,546	1,602	15	11	7	11
South Korea	2,297	2,054	-	-	-	-
Hong Kong	1,651	343	-	-	-	-
United Arab Emirates	1,520	482	-	-	-	-
India	1,598	1,632	20	12	6	2
Thailand	1,426	1,030	-	-	-	-
Qatar	1,162	2,277	14,169	12,448	-	-
Taiwan	1,094	884	-	-	-	-
Other Asia	1,965	1,588	1	-	-	-
Australia and New Zealand	1,373	1,449	183	56	99	97
Africa	1,224	1,032	-	-	-	-
Total outside Europe	**96,357**	**93,530**	**69,086**	**69,774**	**9,206**	**15,270**
Total	**203,636**	**193,619**	**131,747**	**122,764**	**21,034**	**25,647**

1) Additions to property, plant and equipment (capital expenditures) plus long-term securities, intangible assets, long-term advances and investments in equity accounted investments, including amounts recognized in business combinations. The table includes investments in continuing operations only.

Note 1.5 Significant subsidiaries and changes to the group

Significant accounting policies

Consolidation
The consolidated financial statements include Norsk Hydro ASA and subsidiaries, which are entities in which Hydro has the power to govern the financial and operating policies of the entity (control). Control is normally achieved through ownership, directly or indirectly, of more than 50 percent of the voting power. Currently, Hydro has more than 50 percent of the voting power in close to all subsidiaries. Subsidiaries are included from the date control commences until the date control ceases.

Intercompany transactions and balances have been eliminated. Profit and loss resulting from intercompany transactions have been eliminated.

Non-controlling interests
Non-controlling interests represent equity interests in subsidiaries held by other owners than Hydro. Non-controlling interests are reported as a separate section of the Group's equity in accordance with IFRS 10 Consolidated Financial Statements. Results attributed to non-controlling interests are based on ownership interest, or other method of allocation if required by contract.

Transactions between non-controlling shareholders and the group
Sales and purchases of equity interests and equity contributions not resulting in Hydro gaining or losing control of a subsidiary are reported as equity transactions in accordance with IFRS 10. No gain, loss or remeasurement of values of recognized assets, liabilities or goodwill are recognized as a result of such transactions.

Foreign currency translation
For consolidation purposes, the financial statements of subsidiaries with a functional currency other than Norwegian kroner (NOK) are translated into NOK. Assets and liabilities, including investment in associates, joint ventures and goodwill, are translated using the rate of exchange as of the balance sheet date. Income, expenses and cash flows are translated using the average exchange rate on a monthly basis. Goodwill is recognized in the predominant functional currencies in the acquired businesses. Translation adjustments are recognized in Other comprehensive income and accumulated in Currency translation differences in Other components of equity. On disposal of such subsidiary, joint venture or associate, the cumulative translation adjustment of the disposed entity is recognized in the income statement as part of the gain or loss on disposal.

Business combinations
Business combinations are accounted for using the acquisition method in accordance with IFRS 3 Business Combinations. Consideration is the sum of the fair values, as of the date of exchange, of the assets transferred, liabilities incurred or assumed, and equity instruments issued in exchange for control of the acquiree. The fair value of Hydro's pre-existing ownership interest in an acquiree is included in the consideration, with any gain or loss recognized in Other income, net.

The acquiree's identifiable assets, liabilities and contingent liabilities are recognized separately at the acquisition date at their fair value irrespective of any non-controlling interest, and goodwill recognized to the extent the consideration exceeds identified net assets.

The interest of non-controlling shareholders in the acquiree is initially measured as the non-controlling interests' proportion of the fair value of the net assets recognized (partial goodwill method, see note 2.3 Goodwill). Non-controlling interests are subsequently adjusted for changes in equity of the subsidiary after the acquisition date.

Assets held for sale and Income from discontinued operations
Assets held for sale are reported separately in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, provided that the sale is highly probable, which includes the criteria that management is committed to the sale, and that the sale will be completed within one year. Assets held for sale are not depreciated but are measured at the lower of carrying value and the fair value less costs to sell for the asset group. Assets are not reclassified in prior period balance sheets. Immaterial disposal groups are not reclassified.

A discontinued operation is a component of Hydro that is held for sale or has been disposed of. A discontinued operation is a separate major line of business or geographical area of operations. Related cash flows, results of operations and gain or loss from disposal are reported separately as Income (loss) from discontinued operations.

Assets held for sale, liabilities in disposal groups and income and expense from discontinued operations are excluded from specifications presented in the notes unless otherwise stated.

Significant judgment in determining whether an entity is a controlled subsidiary or not

Control is derived from rights. The majority of Hydro's subsidiaries are clearly controlled through ownership of all, or a significant majority of, the voting shares. For some companies, control is analyzed through understanding the rights derived from the combination of voting shares held by Hydro and other shareholders, and agreements influencing how business decisions are made, mainly in the form of *shareholder agreements*. Hydro has no significant subsidiaries where Hydro does not hold the majority of voting shares. In some subsidiaries, non-controlling interests holds significant decision rights through the combination of significant, though not majority, of ownership interests, and requirements for affirmative vote set out in shareholder agreements. For all of these subsidiaries, Hydro has carefully analyzed the decision-making process and concluded that the rights allocated to Hydro are sufficient to direct the activities most important for the entities' return, and thus supports the conclusion that those entities are subsidiaries. Assessment related to the more significant such subsidiaries are discussed below.

Significant judgment in accounting for business combinations

In a business combination, consideration, assets and liabilities are recognized at estimated fair value, and any excess purchase price included in goodwill. Where Hydro had an existing ownership interest in the acquiree, that interest is also reassessed to determine its acquisition date estimated fair value, resulting in an acquisition date gain or loss. In the businesses Hydro operates, fair values of individual assets and liabilities are normally not readily observable in active markets. Estimation of fair values requires the use of valuation models for acquired assets and liabilities as well as ownership interests. Such valuations are subject to numerous assumptions and are thus uncertain. The quality of fair value estimates may impact periodic depreciation and amortization of fixed assets, and assessment of possible impairment of assets and/or goodwill in future periods.

Subsidiaries with significant non-controlling interests

The Hydro group consists of about 140 companies in about 40 countries. Most subsidiaries, including the large operating units in Norway, are 100 percent owned, directly or indirectly, by Norsk Hydro ASA. A list of significant subsidiaries is included in note 7 Shares in subsidiaries to the separate accounts of Norsk Hydro ASA later in this report. Restrictions in the ability to transfer dividend based on reported results and/or equity in the relevant subsidiaries exist in most countries where we operate. In some countries, including Brazil, there are also legal restrictions in our ability to integrate cash holdings in subsidiaries in the group's cash pool. There are non-controlling interests in some subsidiaries. The more significant ones are described below.

Alunorte

As of the end of 2024, Hydro holds 62 percent of the shares in the Brazilian alumina refinery Alumina do Norte do Brasil S.A. (Alunorte), which is part of Hydro Bauxite & Alumina. Non-controlling owners have significant influence on certain decisions in the entity, including operational and investment budgets. The non-controlling interests in Alunorte amounted to NOK 2,367 million as of December 31, 2024 and NOK 2,620 million as of December 31, 2023. Funds held by the entity are not available to the group through cash pool arrangements. Dividends need to be approved by the shareholders jointly. The shareholder agreement supports transfer of dividend to the extent possible under statutory regulations. The refinery produces alumina, which is sold to its shareholders in proportion to ownership interest at a price based on prevailing alumina prices.

In December 2023, Hydro sold 30 percent of the shares in Alunorte to Glencore, reducing its ownership share to 62 percent. Alunorte remained a consolidated subsidiary following the transaction. No assets or liabilities were remeasured, and no gain or loss was recognized as result of this transaction.

Albras

Hydro holds 51 percent of the shares in the Brazilian aluminium smelter Alumínio Brasileiro S.A. (Albras), which is part of Hydro Aluminium Metal. The non-controlling owner has significant influence on certain decisions in the entity, including operational and investment budgets. The non-controlling interests in Albras amounted to NOK 2,354 million as of December 31, 2024 and NOK 2,918 million as of December 31, 2023. Funds held by the entity are not available to the group through cash pool arrangements. Dividends need to be approved by the shareholders jointly. The shareholder agreement supports transfer of dividend to the extent possible under statutory regulations. The smelter produces standard ingots, which are sold to its shareholders, or the entities appointed by the shareholders, in proportion to ownership interest at a price based on prevailing aluminium prices at the London Metal Exchange.

Slovalco

Hydro holds 55 percent of the total shares and 60 percent of the voting interest in the Slovac aluminium plant Slovalco a.s, which is part of Hydro Aluminium Metal. The non-controlling owner has significant influence on certain decisions in the entity, including operational and investment budgets. The plant is previously written down as impaired. The non-controlling interests in Slovalco amounted to NOK 1,223 million as of December 31, 2024 and NOK 1,060 million as of December 31, 2023. Funds held by the entity are not available to the group through cash pool arrangements. Dividends need to be approved by the shareholders jointly. The shareholder agreement supports transfer of dividend to the extent possible under statutory regulations. The plant currently produces casthouse products and anodes.

The table below summarizes key figures for Alunorte and Albras as included in the group financial statements. Fair value adjustments from Hydro's acquisition of the subsidiaries are included. Intercompany transactions and balances are included, and any internal profit and loss in inventory and fixed assets purchased from group companies are not eliminated in the numbers below.

	Alunorte		Albras	
Amounts in NOK million	2024	2023	2024	2023
Revenue	29,827	22,073	12,125	11,834
Earnings before financial items and tax	6,767	(4,932)	(1,348)	(820)
Net income	1,598	(4,677)	(1,860)	(585)
Other comprehensive income	(1,574)	903	(1,123)	690
Total comprehensive income	24	(3,774)	(2,983)	105
Net cash flows from operating activities	5,724	(513)	(381)	617
Net cash flows from investing activities	(2,263)	(5,528)	(1,495)	(1,515)
Net cash flows from financing activities	(1,806)	5,454	1,849	1,394
Cash and cash equivalents	2,616	961	743	769
Other current assets	4,552	4,481	3,724	3,331
Non-current assets	19,041	22,422	7,214	7,540
Current liabilities	(8,762)	(8,759)	(4,081)	(3,632)
Non-current liabilities	(9,905)	(12,212)	(2,754)	(2,048)
Equity attributable to Hydro	(4,692)	(4,281)	(2,589)	(3,039)
Equity attributable to non-controlling interests	(2,850)	(2,612)	(2,257)	(2,921)
Share of net income attributable to non-controlling interest	601	(383)	(904)	(287)
Dividends paid to non-controlling interests	-	-	-	-

Assets held for sale

In October 2023, Hydro entered into an agreement with Macquarie Asset Management to sell 49.9 percent of Hydro's renewable energy company, Hydro Rein. Hydro own 50.1 percent of the company, and Hydro Rein has been established as a joint venture based on the governance structure. Closing of the transaction took place on June 24, 2024. The gross value of Hydro's ownership interest was valued at NOK 3.8 billion, resulting in a gross gain of NOK 570 million. According to Hydro's accounting policy, the relative share of ownership retained by Hydro was eliminated as an unrealized gain. The recognized gain was thus NOK 321 million, including recycling of currency translation effects previously recognized in Other Comprehensive Income of NOK 36 million. The gain is included in Other Income, net, and is included in Hydro Energy. Loans from Hydro to Hydro Rein of NOK 1.8 billion was repaid as part of the transaction.

Assets held for sale

NOK million	Notes	2024	2023
Current assets		-	263
Investments accounted for using the equity method	3.1	-	3,089
Other non-current assets		-	333
Assets held for sale		-	3,685
Liabilities in disposal group		-	(141)
Other components of equity associated with assets held for sale		-	28

Section 2 – Long-lived assets

Note 2.1 Property, plant and equipment

Accounting policies for property, plant and equipment

Property, plant and equipment (PP&E) is recognized at acquisition cost. The carrying value of PP&E is comprised of the historical cost less accumulated depreciation and any accumulated impairment losses. The carrying value also includes the estimated value of the asset retirement obligation upon initial recognition of the liability. Hydro uses the cost model for PP&E.

Capitalized maintenance

Expenditures for maintenance and repairs applicable to production facilities are capitalized in accordance with IAS 16 Property, Plant and Equipment when such costs are incurred on a scheduled basis with a time interval of greater than one year. Expenditures that regularly occur at shorter intervals are expensed as incurred. Major replacements and renewals are capitalized and any assets replaced are retired.

Stripping cost

Stripping costs incurred during the mining production phase are allocated between cost of inventory produced and the existing mine asset. Stripping costs are allocated as a component of the mine asset in the event they represent significantly improved access to ore. Stripping costs include such activities as removal of vegetation as well as digging the actual pit for mining the ore.

Capitalized interest

Hydro capitalizes borrowing costs on qualifying assets in accordance with IAS 23 Borrowing Costs. Currency gains or losses related to Hydro's foreign currency denominated borrowings are not capitalized.

Hydro's property, plant and equipment

The main components of Hydro's property, plant and equipment is production related machinery and buildings in Hydro's more than 100 operating plants. PP&E includes leased assets, see note 2.6 Leases.

Amounts in NOK million	Land and buildings	Machinery and equipment	Plant under construction	Total
Cost				
December 31, 2022	33,598	90,082	8,296	131,976
Additions	1,333	5,234	11,688	18,255
Acquisitions through business combinations	922	1,110	57	2,089
Disposals	(429)	(4,209)	(3)	(4,641)
Transfers	1,744	4,427	(6,170)	-
Reclassified to Assets held for sale	(3)	(11)	(94)	(109)
Foreign currency translation effect	1,464	4,610	342	6,416
December 31, 2023	38,628	101,242	14,116	153,986
Additions	817	1,976	11,737	14,531
Acquisitions through business combinations	7	103	94	204
Disposals	(383)	(2,805)	4	(3,183)
Companies sold	(80)	(62)	(2)	(144)
Transfers	2,135	9,188	(11,323)	-
Changes to Assets held for sale	(5)	-	(21)	(27)
Foreign currency translation effect	(330)	(2,107)	(377)	(2,815)
December 31, 2024	**40,789**	**107,536**	**14,227**	**162,552**
Accumulated depreciation and impairment				
December 31, 2022	(16,415)	(52,854)	(51)	(69,319)
Depreciation for the year	(1,528)	(7,352)	-	(8,880)
Impairment losses	(367)	(1,488)	(349)	(2,204)
Disposals	396	4,053	24	4,473
Transfers	(13)	(16)	30	-
Reclassified to Assets held for sale	1	1	-	2
Foreign currency translation effect	(651)	(2,434)	4	(3,081)
December 31, 2023	(18,576)	(60,087)	(342)	(79,005)
Depreciation for the year	(1,594)	(7,958)	-	(9,552)
Impairment losses	-	(25)	(14)	(39)
Disposals	284	2,533	-	2,817
Companies sold	38	71	-	109
Transfers	(29)	(237)	265	-
Changes to Assets held for sale	-	3	14	17
Foreign currency translation effect	160	858	19	1,038
December 31, 2024	**(19,717)**	**(64,841)**	**(57)**	**(84,615)**
Carrying value				
December 31, 2023	20,052	41,155	13,774	74,981
December 31, 2024	**21,072**	**42,695**	**14,170**	**77,937**

Note 2.2 Intangible assets

Accounting policies for intangible assets
Intangible assets acquired individually or as a group are recognized at cost when acquired. Intangible assets acquired in a business combination are recognized at fair value separately from goodwill when they arise from contractual or legal rights or can be separated from the acquired entity and sold or transferred.

Emission rights
Government granted and purchased CO_2 emission allowances expected to be used towards Hydro's own emissions are recognized as intangible assets at nominal value (cost). The amounts are not amortized but are tested for impairment. Actual CO_2 emissions which exceed the level covered by emission rights are recognized as a liability. Any sale of excess emission rights is recognized at the time of sale at the transaction price. CO_2 emission allowances purchased for trading are measured and classified as inventory.

Research and development
Research expenditures are expensed as incurred. Development costs are capitalized as intangible assets at cost in accordance with IAS 38 Intangible Assets when the recognition criteria are met, including probable future economic benefit and that the cost can be measured reliably.

To the extent development costs are directly contributing to the construction of a fixed asset, the development costs are capitalized as part of the asset provided all criteria for capitalizing the cost are met. Costs incurred during the preliminary project stage, as well as maintenance costs, are expensed as incurred.

Exploration cost
Exploration cost for mineral resources are expensed as incurred. Costs related to acquired exploration rights are allocated to the relevant areas and capitalized. An area represents a unit that may be utilized based on shared infrastructure and may include several licenses. Mineral rights are transferred to mine development cost when development starts. Amortization of transferred mineral rights starts when extraction of the resources starts. Exploration rights related to undeveloped areas remain on the balance sheet as intangible assets (mineral rights) until a development is decided or a decision not to develop the area is made.

Significant judgment in accounting for research and development

In assessing whether activities should be accounted for as research expenditures or capitalized as development costs, significant judgment is applied in evaluating the technical feasibility of completing the intangible asset and how the intangible asset will generate probable future economic benefits.

Hydro's intangible assets

Hydro holds intangible assets mainly as complementary resources to its physical assets. Waterfall rights are fundamental for production of hydroelectrical power, however, a significant share of such rights was granted to Hydro rather than purchased. A significant share of acquired waterfall rights have indefinite life and are thus not amortized. Mineral rights are undeveloped rights related to Hydro's mining operations in Brazil. Technology includes technology identified in acquisitions and internally developed proprietary technology. Other intangible assets include customer relations and other intangible assets identified in acquisitions as well as emission rights expected to be retired against Hydro's own emissions.

See note 10.2 Research and development for information regarding expensed research expenditures.

Amounts in NOK million	Intangible assets under development	Mineral and waterfall rights	Software	Technology	Acquired sourcing contracts	Other intangible assets	Total
Cost							
December 31, 2022	67	999	1,230	2,162	874	2,096	7,427
Additions	77	1	29	-	-	164	271
Acquisitions through business combinations	16	-	28	17	-	1,104	1,165
Disposals	-	-	(2)	-	-	(73)	(76)
Transfers	(70)	5	65	-	-	-	-
Reclassified to Assets held for sale	(8)	-	(4)	-	-	-	(12)
Foreign currency translation effect	2	73	59	114	88	76	413
December 31, 2023	85	1,079	1,404	2,293	962	3,367	9,190
Additions	69	12	5	-	-	123	210
Acquisitions through business combinations	-	-	-	35	-	78	113
Disposals	-	(122)	(85)	-	(842)	(103)	(1,152)
Transfers	(72)	-	44	3	-	25	-
Changes in Assets held for sale	(2)	-	-	-	-	-	(2)
Foreign currency translation effect	-	(101)	12	91	(118)	244	129
December 31, 2024	**80**	**868**	**1,381**	**2,421**	**2**	**3,734**	**8,487**
Accumulated amortization and impairment							
December 31, 2022	-	(152)	(907)	(1,087)	(729)	(830)	(3,705)
Amortization for the year[1)]	-	(4)	(99)	(206)	(74)	(205)	(588)
Disposals	-	-	10	-	-	6	16
Reclassified to Assets held for sale	-	-	1	-	-	-	1
Foreign currency translation effect	-	(17)	(45)	(50)	(72)	(32)	(217)
December 31, 2023	-	(173)	(1,041)	(1,343)	(875)	(1,061)	(4,493)
Amortization for the year[1)]	-	(4)	(92)	(216)	(81)	(267)	(660)
Disposals	-	122	86	-	842	(8)	1,042
Transfers	-	-	2	-	-	-	-
Foreign currency translation effect	-	17	(2)	(75)	114	(93)	(38)
December 31, 2024	**-**	**(38)**	**(1,046)**	**(1,635)**	**-**	**(1,430)**	**(4,149)**
Carrying value							
December 31, 2023	85	906	364	950	86	2,306	4,697
December 31, 2024	**80**	**830**	**336**	**786**	**2**	**2,305**	**4,338**

1) Amortization of a sourcing contract is reported as Raw material and energy expense in the income statement.

Note 2.3 Goodwill

Accounting policies for goodwill

Goodwill is recognized as a part of business combinations. Goodwill is initially measured either as the excess of the consideration over Hydro's interest in the fair value of the acquiree's identifiable net assets (partial goodwill), or as the fair value of 100 percent of the acquiree in excess of the acquiree's identifiable net assets (full goodwill). The method is elected on a transaction-by-transaction basis. Hydro has applied the partial goodwill method for all business combinations completed prior to December 31, 2024. Goodwill is not amortized, but is tested for impairment annually, and more frequently if indicators of possible impairment are observed, in accordance with IAS 36 Impairment of Assets. Goodwill is allocated to the cash generating units or groups of cash generating units expected to benefit from the synergies of the combination and that are monitored for internal management purposes. Impairment losses relating to goodwill cannot be reversed in future periods. Historic cost and accumulated impairment loss is derecognized when the goodwill is fully impaired.

Hydro's goodwill

Goodwill allocated to Hydro Extrusions was recognized in the acquisition of Sapa AS in 2017. Goodwill allocated to Hydro Metal Markets was recognized in acquisitions undertaken more than 20 years ago. Goodwill allocated to Hydro Bauxite & Alumina was fully impaired in 2023 and cannot be reversed.

Amounts in NOK million	Hydro Extrusions	Hydro Bauxite & Alumina	Hydro Metal Markets	Other	Total
Cost					
December 31, 2022	4,315	1,963	453	-	6,730
Foreign currency translation effect	169	197	16	-	381
December 31, 2023	**4,484**	**2,159**	**469**	**-**	**7,112**
Acquisitions through business combinations	-	-	-	16	16
Derecognition of fully impared Goodwill	-	(2,190)	-	-	(2,190)
Foreign currency translation effect	424	31	49	-	504
December 31, 2024	**4,908**	**-**	**518**	**16**	**5,441**
Accumulated impairment					
December 31, 2022	(1,173)	-	-	-	(1,173)
Impairment losses	-	(2,220)	-	-	(2,220)
Foreign currency translation effect	(29)	60	-	-	32
December 31, 2023	(1,202)	(2,159)	-	-	(3,361)
Derecognition of fully impared Goodwill	-	2,190	-	-	2,190
Foreign currency translation effect	(142)	(31)	-	-	(173)
December 31, 2024	**(1,343)**	**-**	**-**	**-**	**(1,343)**
Carrying value					
December 31, 2023	3,282	-	469	-	3,751
December 31, 2024	**3,564**	**-**	**518**	**16**	**4,098**

Note 2.4 Depreciation and amortization expense

Accounting policies for depreciation and amortization

Depreciation and amortization expenses are measured on a straight-line basis over the estimated useful life of the asset, commencing when the asset is ready for its intended use. Mine property and development costs in extractive activities are depreciated using the unit-of-production method, using proved and probable reserves. Tangible and intangible assets with an indefinite useful life are not depreciated. Estimated useful life by category is as follows:

- Machinery and equipment, initial investment 4-30 years, for power plants up to 75 years
- Machinery and equipment, capitalized maintenance 1-15 years
- Buildings 20-50 years
- Intangible assets with finite lives 3-10 years, for rights related to hydroelectric power production up to 50 years

A component of an item of property, plant and equipment with a significantly differing useful life and a cost that is significant in relation to the item is depreciated separately. At each financial year-end Hydro reviews the residual value and useful life of its assets, with any estimate changes accounted for prospectively over the remaining useful life of the asset.

Significant judgment in accounting for depreciation and amortization expense

Significant judgment is applied in the assessment of the useful life of the assets in Hydro's operations. Useful life may be shorter than technical remaining life. Expected life is influenced by technology development, including when new technology with lower or zero emissions becomes available and when such technologies may make existing assets obsolete. Our estimate is that phasing in of new technology will not significantly impact producing assets until after 2030, when we expect lower emission technologies to become available at industrial scale.

Physical climate risk such as changes to weather patterns and severity of rain, wind, flooding, and other events may impact our assessment. Hydro has not identified material assets expected to have a significantly shorter life due to climate-related risks.

Specification of depreciation and amortization by asset category

Amounts in NOK million	2024	2023
Buildings	1,594	1,528
Machinery and equipment	7,958	7,352
Intangible assets	580	514
Depreciation and amortization expense	**10,131**	**9,394**

Note 2.5 Impairment of non-current assets

Accounting policies for impairment of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, in accordance with IAS 36 Impairment of Assets. Goodwill and intangible assets with indefinite life are required to be tested for impairment annually, in addition to any tests required when impairment indicators are determined to be present. Hydro has elected to do the annual impairment test of goodwill in the fourth quarter. Exploration cost for undeveloped mining areas is assessed for impairment under IFRS 6 Exploration for and Evaluation of Mineral Resources.

When a Cash Generating Unit (CGU) or an asset is tested for impairment, the recoverable amount is estimated as the higher of the CGU's fair value less cost of disposal, or its value in use. The carrying amount is not recoverable if it exceeds the recoverable amount. An impairment loss is recognized in the amount that the carrying value exceeds its recoverable amount. Losses are reversed in the event of a subsequent increase in the recoverable amount of an impaired asset, however, impairment of goodwill is not reversed.

Significant judgment in accounting for impairment of non-current assets

IAS 36 requires that Hydro assess conditions that could cause an asset or a CGU to become impaired. The identification of CGUs involves judgment, including assessment of where active markets exist, and the level of interdependency of cash inflows. For Hydro, the CGU is either the individual plant, a group of plants that forms an integrated value chain where no independent prices for the intermediate products exist, a group of plants that are combined and managed to serve a common market, or a group of assets where circumstances otherwise indicate significant interdependencies. Assessing which indicators that may cause a CGU to be impaired includes such conditions as the macroeconomic environment impacting prices, supply and demand, significant changes in Hydro's planned use of the assets or expected changes to technology, regulations, or other frame conditions. All of these changes may impact the combination of product prices, raw material cost and energy cost, resulting in changes to the production margin to cover the carrying value of net assets in the CGU. Expected or reasonably possible climate and environmental changes as well as regulatory changes responding to such changes, impacts the assessment of financial viability and remaining useful life. Such factors are assessed in the same way as uncertain market prices for input factors and products, impacting cash flow estimates used for the tests.

Directly observable market prices rarely exist for our assets. However, fair value may be estimated based on recent transactions on comparable assets, internal models used by Hydro for transactions involving the same type of assets or other relevant information. Calculation of value in use is a discounted cash flow calculation based on continued use of the assets in their present condition, excluding potential exploitation of improvement or expansion potential, and including certain entity specific synergies or other positions.

Determination of the recoverable amount involves management estimates on highly uncertain matters, such as commodity prices and their impact on markets and prices for upgraded products, development in demand, inflation, operating expenses and tax and legal systems. We use internal business plans, quoted market prices, external market and industry analysis and our best estimate of long-term development in commodity prices and production margins, currency rates, discount rates and other relevant information. Hydro's long-term assumptions for key prices and rates, such as prices on aluminium, alumina and key energy carriers, macroeconomic development and certain other key factors for our production facilities is important input to the analysis. This set of assumptions reflects megatrends such as the green transition and Hydro's view on relative strength of our products compared to alternative materials, development in prices and cost, growth expectations and other relevant factors. These planning assumptions are consistent with Hydro's strategy and the aim to limit global warming to 1.5 degrees Celsius as expressed in the Paris agreement. Our assumptions are one set of possible financial effect of achieving this goal. Other alternative paths may be more or less beneficial to Hydro's businesses.

A detailed forecast of net cash flows is developed for a period of five to ten years with projections thereafter, reflecting our view of the business cycle. Certain replacement investments are specifically modelled based on individual assets' expected useful life. Hydro does not include a general growth factor to volumes for the purpose of impairment tests, however, cash flows are generally increased by expected inflation and, where market conditions are depressed, we consider whether full or partial market recovery towards previously observed volumes is justified. Estimated cash flows are discounted with a nominal risk adjusted discount rate specific for the business activity and country. Uncertainty related to world economic development, inflation rates, interest rates, and competitiveness of Hydro's products are impacting demand and prices for Hydro's key products and input factors, for which assumptions are incorporated in the estimated cash flows for assets and CGUs tested for impairment.

Tests performed in 2024 and 2023

Tests for impairment have been performed for all CGUs with mandatory annual tests and the CGUs where impairment indicators have been identified. The recoverable amounts for these units have been determined estimating the Value in Use (VIU) of the asset and/or, if appropriate, its fair value less cost of disposal (FV), and comparing the highest of the two against the carrying value of the CGUs. The calculation of VIU has been based on management's best estimate, reflecting Hydro's business planning process. The discount rates are derived as the weighted average cost of capital (WACC) for a similar business in the same business environment, on an over-the-business-cycle view, using 10 years government bond rates, a US equity risk premium, credit spreads and country risk premiums. Beta estimates are reviewed from time to time, considering actual Hydro share observations versus different market indices, analysis of selected peers and external views. Credit spreads are based on Hydro's credit spreads, while country risk is based on the premiums published by the Swedish Export Credit Agency EKN. The post-tax rates are converted to pre-tax rates using the nominal tax rates in the relevant countries. For Hydro's businesses the pre-tax nominal discount rate is estimated at between 8.5 percent and 11 percent (2023: 9.0-16.5 percent). The higher rates in 2024 were applicable for assets within Precision Tubing in Extrusions, in 2023 the higher rates were related to activities in Brazil which were not tested for impairment in 2024. The lower rates are applicable for assets within Extrusions in Europe.

Hydro has incurred the following impairment losses during 2024 and 2023:

Amounts in NOK million	2024	2023
Classification by asset category		
Impairment losses		
Property, plant and equipment	39	2,201
Goodwill	-	2,220
Total impairment of non-current assets	**39**	**4,421**
Classification by segment		
Impairment losses		
Hydro Bauxite & Alumina	-	3,773
Hydro Aluminium Metal	-	625
Hydro Extrusions	22	23
Hydro Energy	17	-
Total impairment of non-current assets	**39**	**4,421**

Goodwill is allocated to CGUs or groups of CGUs as shown in the following table:

Amounts in NOK million	2024	2023
Extrusion North America (Hydro Extrusions)	1,840	1,646
Extrusion Europe (Hydro Extrusions)	925	881
Building Systems (Hydro Extrusions)	620	589
Precision Tubing (Hydro Extrusions)	179	165
Recycling (Hydro Metal Markets)	518	469
Other	16	-
Total goodwill	**4,098**	**3,751**

Annual mandatory impairment tests

Hydro Extrusions
Goodwill in Hydro Extrusions is allocated to four groups of CGUs reflecting the way the business is managed to serve the relevant markets. The groups of CGUs are as follows:

Extrusion North America covers production plants, marketing and product development in the US and Canada. The operation consists of 21 production plants, recognized intangible assets and goodwill from Hydro's acquisition.

Extrusion Europe covers production plants, marketing and product development in Europe, mainly within the EU. The operation consists of 33 production plants, recognized intangible assets and goodwill from Hydro's acquisition.

Building Systems covers production plants, product warehouses, marketing and product development facilities, mainly in Europe, and sales and marketing offices covering a wider presence. The operation is present at 59 locations in 26 countries. The asset base consists of a limited number of production plants, several warehouses of differing size and complexity, three brands, other intangible assets and goodwill from Hydro's acquisition.

Precision Tubing covers production plants, marketing and product development on four continents. The operation consists of 10 production plants in South America, Asia, Europe and North America, recognized intangible assets and goodwill from Hydro's acquisition.

The impairment tests for all of the groups of CGUs described above are cash flow models expressed in nominal terms using forecasts for the first five years based on internal business plans approved by management. Margins, volumes and investments are considered highly correlated, as high margin above the metal value is achieved through production of more complex products, requiring higher cost and/or more expensive equipment. We have thus not considered development in margins, cost and volume separately. Cash flows have been projected as terminal values beyond the five-year forecast period with a zero nominal growth assumed. Key assumptions are development in annual net cash flows, comprising volume and cost development in relevant market segments, as well as the discount rate.

The main assumptions and sensitivities are shown in the tables below. The sensitivities represent a stress test, identifying changes in each parameter which would result in a recoverable amount equal to the carrying amount of the CGU, while keeping all other parameters unchanged. The changed parameter is applied for the entire period, including the terminal value. The decrease in annual cash flows does not represent a reasonably possible scenario developed by Hydro, as changes in the market resulting in significantly reduced cash flows for individual plants or the whole business unit is likely to be mitigated with measures to reduce costs, including sale or closure of production lines or plants similar to what is currently ongoing.

Amounts in NOK million	Extrusion North America	Extrusion Europe	Building Systems	Precision Tubing
Carrying value of goodwill	1,840	925	620	179
Carrying value of other assets	9,384	9,477	2,844	2,640
Carrying value of CGU	11,224	10,402	3,464	2,818
Recoverable amount	14,908	18,536	9,452	4,321
Recoverable amount in excess of carrying value	33%	78%	173%	53%
Key assumptions:				
Terminal value growth	0.0%	0.0%	0.0%	0.0%
Discount rate	10.50%	8.50%	8.50%	11.00%
Stress test				
Discount rate - % change	25%	68%	155%	49%
Discount rate - % point	13.1 %	14.2 %	21.7 %	16.4 %
Annual reduction in net cash flow all years	23%	43%	63%	35%

For Hydro Metal Markets the impairment test on goodwill has been based on approved business plan for the next year, management's best estimate of cash flows for the following four years and extrapolated to a 15 years cash flow estimate, providing a VIU significantly exceeding the carrying value.

Hydro also has indefinite life intangible assets of NOK 139 million related to the Vigeland power plant in Norway. This CGU is tested for impairment using a FV approach based on observed transaction values for power production assets in the Nordic region. The recoverable amount, estimated as a post-tax fair value, exceeds the carrying amount significantly.

Other impairment tests

Hydro Aluminium Metal.

During 2023, an impairment loss of NOK 625 million was recognized for the primary aluminium plant Tomago due to uncertainty regarding future power prices beyond current power price agreements expiring in 2028.

Hydro Bauxite & Alumina

During 2023, an impairment loss of NOK 3.8 billion was recognized for the CGU due to the annual impairment test resulting in a recoverable amount lower than the carrying amount. In 2024, production interruptions at other alumina refineries have led to a significant increase in the alumina sales price, which has positively impacted the profitability at Alunorte current year, and positive effect is also expected for 2025. However, the price increase was caused by a short-term supply shock and the market is expected to eventually return to similar conditions as was expected in the 2023 impairment test. The short-term price increase is therefore not considered a trigger for impairment reversal.

Note 2.6 Leases

Accounting policies for leases

At inception of a contract, Hydro assesses whether a contract is, or contains, a lease. Leased assets with a remaining lease period of less than 12 months at inception are excluded from lease accounting. Further, leases of assets of a low value (small asset leases), mainly such items as PCs, office equipment and similar, are excluded from lease accounting. When measuring leases, Hydro includes fixed lease payments for extension periods reasonably certain to be used. As a practical expedient, non-lease components are not separated from lease contracts for most asset classes. For production facilities and transportation assets, such as vessels used for transportation of material, the operating cost is a significant non-lease component, and is excluded from lease accounting. Variable lease payments, including service elements related to leases which are fully variable amounts, are recognized as operating expenses in the periods incurred.

Right-of-use assets are included in property, plant and equipment, see note 2.1 Property, plant and equipment. Lease liabilities are included in debt, see note 7.4 Short and long-term debt.

Significant judgment in accounting for leasing

Significant judgment is required to determine whether some service contracts conveys the right to control an asset to Hydro, and thus is, or contains, a lease. Hydro has a limited number of such contracts; however, they do exist in some arrangements with service providers for maintenance services, transportation services, and some operational subcontractors. In assessing whether such contracts are leases, Hydro assesses both the share of the supplier's capacity for relevant assets that is available for Hydro as well as how decisions are made.

Judgment is also applied in assessing whether renewal options are reasonably certain to be utilized. In assessing such issues, Hydro considers such factors as the level of operational integration and dependency as well as historic practices for renewals.

For some contracts where all, or close to all, produced products are purchased by Hydro with no or very limited fixed payments, the contract may be deemed a lease with fully variable payments. Currently, Hydro has no significant such contracts.

Hydro's leases

Hydro uses lease contracts primarily where lease or rental contracts provide operational benefits or flexibility compared to owning assets. Leased land and buildings are used for warehouses, office space and certain other arrangements where the need for such space is of a temporary nature or where land and/or buildings are not available for purchase. This is the case in some countries, and also in co-locations with certain other businesses such as in port areas. Further, Hydro has a lease arrangement for its head office in Oslo, Norway, and certain other office locations where the location is independent of production facilities. Production equipment is leased or rented where the access to the specific assets is combined with significant services, for instance seaborn transport operated by the supplier/lessor. Operational services in combination with leasing of assets is also used for such services as maintenance activities, earth-moving

operations, and certain other non-core services. Leasing or rental is in some instances also used for equipment operated by Hydro, often under contracts significantly shorter than the assets' useful life.

Hydro determines its incremental borrowing rate by obtaining interest rates from various external financing sources, and makes adjustments for currency and duration to reflect the terms of the lease.

Right-of-use assets

Amount in NOK million	Machinery and equipment	Buildings and land	Total
December 31, 2022	1,641	1,081	2,722
Depreciations and impairment loss	(969)	(309)	(1,278)
Additions	2,240	225	2,465
Disposals	(9)	(9)	(19)
Acquisitions through business combinations	12	23	35
Foreign currency translation effect	199	45	244
Reclassified to Assets held for sale	-	(3)	-
December 31, 2023	3,114	1,053	4,167
Depreciations and impairment loss	(1,041)	(360)	(1,401)
Additions	746	378	1,124
Disposals	(20)	(69)	(89)
Companies sold	-	(6)	(6)
Foreign currency translation effect	(204)	56	(148)
December 31, 2024	**2,595**	**1,052**	**3,648**

Total cash outflows for leases in 2024 was NOK 2,215 million (2023: NOK 1,970 million).

Interest expense relating to lease recognized in the income statement for 2024 was NOK 414 million (2023: NOK 440 million).

Leases expensed in the period amounts to NOK 372 million (2023: NOK 357 million) and refers to leases of short term, low value or leases with variable payments.

Hydro has a limited amount of lease contracts not accounted for as right-of-use assets and lease liabilities at the balance sheet because they are exempted as small asset leases or short-term leases. Future minimum lease payments due under non-cancellable leases are NOK 79 million (2023: NOK 125 million).

Note 2.7 Other non-current assets

Other non-current assets includes financial instruments, see note 8.2 Financial instruments.

Amounts in NOK million	2024	2023
Derivative instruments	606	684
Long-term collateral for liabilities	256	638
Equity securities at fair value through other comprehensive income	773	955
Securities at fair value through profit or loss	848	88
Income taxes, VAT and other sales taxes	2,765	3,344
Employee loans	9	9
Other receivables	713	672
Other non-current assets	**5,971**	**6,389**

Section 3 – Investments in other companies

Note 3.1 Investments in joint arrangements and associates

Accounting policies for investments in joint arrangements and associates

Investments in associates and joint ventures
A joint arrangement is an entity, asset or operation that is subject to contractually established joint control. Special voting rights may extend control beyond what is conveyed through the owners' proportional ownership interest. Such rights may take the form of a specified number of board representatives, the right of refusal for important decisions, or the requirement of a qualified majority for important decisions which effectively results in joint control with the specific ownership situation. Joint ventures are joint arrangement which represents a residual interest in the arrangement rather than an interest in assets and responsibility for liabilities.

An associate is an equity investment in which Hydro has the ability to exercise significant influence, which is the power to participate in the financial and operating policy decisions of the entity. Significant influence is assumed to exist when Hydro owns between 20 and 50 percent of the voting rights unless other terms and conditions affect Hydro's influence.

Hydro accounts for investments in associates and participation in joint ventures using the equity method. This involves recognizing Hydro's interest based on its proportional share of the entity's equity, including any excess values and goodwill. Hydro recognizes its share of net income, including depreciation and amortization of excess values and any impairment losses, in Share of the profit (loss) in equity accounted investments. Other comprehensive income derived from associates and joint ventures is included in Hydro's Other comprehensive income. Hydro's proportional share of unrealized profits resulting from transactions with associates and joint ventures, including transfer of businesses, is eliminated. Accounting policies used by associates and joint ventures may differ from the accounting policies adopted by Hydro. Differences in recognition or measurement are adjusted for prior to equity accounting.

Investments in associates and joint ventures are tested for impairment when there are indications of a possible loss in value. An impairment loss is recognized if the recoverable amount, estimated as the higher of fair value less cost of disposal or value in use, is below Hydro's carrying value. Impairment losses are reversed if circumstances change and the impairment situation is no longer deemed to exist.

Hydro is involved in one associate for which the results of operations is taxable profit or loss for the owners rather than the associate, a tax transparent company. Hydro provides for deferred tax on temporary differences in the associate to the extent such temporary differences are expected to reverse within the foreseeable future, or such reversal is not controlled by Hydro. Deferred tax on other temporary differences is not recognized.

Loans to associates and joint ventures are measured under IFRS 9 Financial instruments. Loans where contractual cash flows are only payments of principal and interest on specific dates are measured at amortized cost with expected credit losses provided for. Other loan arrangements are measured at fair value. Loans and receivables to associates and joint ventures are presented as part of other similar loans to unrelated parties. Income and expenses related to loans are included in finance income and expense.

Investments in joint operations and jointly owned assets
Joint operations are arrangements under contractually joint control where the joint operators have an interest in the assets; or benefits from the service potential of the assets; as well as have a direct obligation for the liabilities of the joint arrangement. Joint operations can result from the legal form of the arrangement or other facts and circumstances resulting in an interest in the service potential of the asset and obligation for liabilities. Jointly owned assets are arrangements where Hydro and the other partners have a direct ownership in specifically identified assets, but where joint control is not established. Currently, Hydro has one significant jointly owned asset group, the 20 percent ownership in the aluminium smelter Alouette in Canada. Hydro recognizes its share of assets, liabilities, revenues, if any, and expenses of joint operations and jointly owned assets on a line-by-line basis in the group financial statements.

Significant judgment in accounting for joint arrangements and associates

Hydro is engaged in various arrangements on a joint basis with other companies. In assessing whether joint control exists for these arrangements we evaluate the legal framework and contracts governing the arrangement combined with an assessment of which decisions that significantly influence the return from the arrangement. Arrangements owned on a 50/50 basis and/or governed by unanimous decisions constitute the majority of our joint arrangements.

Most of our joint arrangements are joint production facilities supplying metal and other products for Hydro’s value chain. Hydro assesses whether joint arrangements are joint operations where Hydro has a direct interest in the assets and direct liability to settle obligations, directly or indirectly, or a joint venture where we have an interest in the net assets of the joint arrangement. In this assessment we evaluate the contracts governing the arrangement and the legal framework for the type of entity in which the arrangement is operated. Hydro is engaged in both joint arrangements that are considered joint ventures, and arrangements that are concluded to be joint operations.

Some investments have complex ownership and voting rights structures. When assessing Hydro’s influence, several elements are considered, including board representation, influence over relevant business activities through business planning and operating budgets, election of executives, as well as the influence over dividend payments. Some of our associates are owned by more than one Hydro shareholder, including more than one reporting segment. Assessment of whether Hydro has significant influence is made for the combined investment from a group perspective, while investments held through associates or joint ventures are not considered as Hydro does not control those shareholders. The equity method is applied for Hydro’s total investment when Hydro determines that it has significant influence.

Hydro’s joint operations

Of our joint operations, two are classified as joint operations based on the legal form of the operations. These are Tomago, an aluminium smelter in Australia, and Skafså Kraftverk ANS, a power producer in Norway. The anode producer Aluminium & Chemie Rotterdam B.V., Aluchemie, in the Netherlands, is classified as a joint operation based on contractual arrangements. The operation was closed at the end of 2021 and closure and remediation of the site is ongoing.

Tomago and Aluchemie is part of Hydro Aluminium Metal, while Skafså Kraftverk ANS is part of Hydro Energy.

Hydro's joint ventures

The following joint venture is considered material for Hydro:

Qatar Aluminium Ltd. (Qatalum) is a primary aluminium smelter with a dedicated power plant located in Qatar. Qatalum has an annual production capacity of about 600,000 mt of liquid metal. Qatalum is owned by Hydro and Qatar Aluminium Manufacturing Company Q.P.S.C. (50 percent each). Qatar Energy, previously Qatar Petroleum, controls Qatar Aluminium Manufacturing Company, which is listed on the Qatar Stock Exchange. Qatalum was at the outset granted a ten-year income tax holiday, expiring in 2020. There has been a long period of uncertainty with regards to the applicable tax rate for Qatalum after the expiry of the tax holiday in 2020. It has been Hydro's consistent position that the generally applicable tax rate, currently at 10 percent, should apply to Qatalum after the expiry of the tax holiday. However, the joint venture partners have not been able to agree on a common interpretation of the applicable tax law, and Qatalum filed its 2020 tax return applying a 35 percent tax rate on June 30, 2021. Hydro is pursuing alternative measures to protect its financial interest in this matter.

Hydro is committed to sell fixed quantities of alumina and purchase all products from Qatalum at market prices. Purchases of metal from Qatalum amounted to NOK 18,637 million in 2024 and NOK 17,675 million in 2023. Related payables amounted to NOK 1,854 million in 2024 and NOK 1,609 million at the end of 2023. Sales from Hydro to Qatalum amounted to NOK 2,815 million in 2024 and NOK 2,472 million in 2023, primarily alumina. Related receivables amounted to NOK 0 million and NOK 69 million at the end of the periods.

Qatalum is part of Hydro Aluminium Metal.

Hydro Rein is a provider of renewable energy solutions for industry, headquartered in Norway. The joint venture consists of a portfolio of assets in Brazil, Denmark, and Sweden, as well as energy solutions projects. The portfolio of assets Hydro Rein is engaged in have signed long-term power purchase agreements totaling 5.3 TWh annually. This includes offtake agreements with Hydro's alumina refinery Alunorte, primary aluminium plant Albras and the bauxite mine Paragominas. Hydro owns 50.1 percent and Macquarie 49.9 percent of the joint venture, established in 2024. Deliveries under these offtake agreements will commence the coming years.

In 2023, associates in Hydro Rein were presented as Assets held for sale.

Hydro Rein is part of Hydro Energy.

Hydro's associates

The following associate is considered material for Hydro:

Lyse Kraft DA, a power producer headquartered in Stavanger, operates power plants in the southwest of Norway and holds ownership interests in two arrangements in nearby areas. Hydro owns 25.6 percent of the company, while Lyse AS holds a controlling ownership share of 74.4 percent.

The annual production of Lyse Kraft DA amounts to about 9.5 TWh, which is contributed in kind to the owners corresponding to ownership share. The owners are responsible for paying all costs in the partnership, both for operating costs and future investments, which for Hydro amounted to expenses of NOK 135 million and related accounts payable of NOK 0 million for the year 2024. Hydro sells or consumes the received power in accordance with its operating needs for power. Hydro is also the operator of the power plants and is compensated for all costs incurred in this respect. Sales of services from Hydro amounted to NOK 433 million and related receivables amounted to NOK 54 million.

Recognized deferred tax liability in the consolidated statements was NOK 1,188 million as of December 31, 2024 and NOK 1,185 million as of December 31, 2023, related to temporary differences for which reversal of the differences are not controlled by Hydro.

Lyse Kraft DA is part of Hydro Energy.

Key information about significant investments

The table below summarizes key figures for the joint venture Qatalum for 2024 and 2023. The figures are on the same basis as used for inclusion in the group financial statements, reflecting Hydro's accounting policies. Fair value adjustments from Hydro's contribution of assets to the joint venture are included. Intercompany transactions and balances are included, and internal profit and loss in inventory and fixed assets purchased from group companies are not eliminated in the numbers below. All amounts are for the joint venture on 100 percent basis. Balance sheet amounts are at the end of the years 2024 and 2023.

	Qatalum	
	Year/year ended	
Amounts in NOK million	2024	2023
Revenue	19,491	18,327
Depreciation, amortization and impairment	2,649	2,624
Earnings before financial items and tax	4,016	3,000
Financial income (expense), net [1)]	(703)	(665)
Income tax expense	(1,136)	(884)
Net income (loss)	2,170	1,450
Other comprehensive income	2,972	626
Total comprehensive income	5,142	2,076
Cash and cash equivalents	2,499	4,378
Other current assets	7,228	5,992
Non-current assets	31,959	30,094
Current financial liabilities	911	584
Non-current financial liabilities	9,402	13,373
Other liabilities	3,182	1,638
Net assets	28,192	24,870
Hydro's share of net assets	14,095	12,435
Accumulated elimination of internal gain in inventory	73	13
Carrying value of Hydro's equity investment	14,169	12,448

1) Financial income (expense), net includes interest expense for Qatalum with NOK 824 million and NOK 848 million for 2024 and 2023, respectively.

The batteries business unit in Hydro Energy will no longer be a strategic growth area for Hydro. Impairments have been recognized for the carrying amounts not expected to be recovered.

For 2024, Hydro has delivered services to other associates and joint ventures amounting to NOK 7 million with a corresponding accounts receivable of NOK 0 million. Hydro Long-term loans to other associates and joint ventures amount to NOK 59 million.

The following table provides a summary of changes in carrying value for Hydro's joint ventures and associates.

Amounts in NOK million	Qatalum	Hydro Rein	Other JVs	Lyse Kraft DA	Other associates	Total
December 31, 2022	12,438		363	6,842	1,578	21,222
Hydro's share of net income (loss)	772		(118)	(79)	(83)	492
Foreign currency translation and other thorugh OCI	313		-	-	23	336
Changes elimination of internal gain in inventory downstream sales	(38)		-	-	-	(38)
Dividends	(1,038)		(6)	-	-	(1,044)
Companies acquired/(sold), net	-		11	-	(4)	7
Reclassified to Assets held for sale	-		-	-	(3,089)	(3,089)
Capital increase	-		428	103	2,809	3,341
December 31, 2023	12,448	-	679	6,866	1,234	21,228
Hydro's share of net income (loss)	1,118	(333)	(150)	(78)	(415)	142
Hydro's impairment of investments	-	-	(581)	-	(77)	(658)
Foreign currency translation and other through OCI	1,485	108	(2)	-	1	1,592
Changes elimination of internal gain in inventory downstream sales	28	-	-	-	-	28
Dividends	(910)	-	-	-	-	(910)
Companies acquired	-	3,325	-	-	772	4,097
Disposals	-	-	(26)	-	(716)	(742)
Change in Assets held for sale	-	-	-	-	57	57
Capital increase	-	-	108	113	-	221
December 31, 2024	**14,169**	**3,100**	**28**	**6,901**	**857**	**25,054**

Section 4 – Uncertain assets and liabilities

Note 4.1 Uncertain assets and liabilities

Accounting policies for uncertain liabilities resulting in provisions or contingent liabilities

Provisions are recognized when Hydro has a present obligation (legal or constructive) as a result of a past event and it is probable (more likely than not) that Hydro will be required to settle the obligation. Uncertain outcomes are measured as the expected value of reasonably possible outcomes. Provisions are based on the current legal framework and remediation standards. The provision is measured as the present value of the cash flows estimated to settle the obligation. Expected cash flows are discounted with a risk-free interest rate, usually a government bond rate for the duration to expected settlement.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Contingent liabilities are not recognized on the balance sheet, rather, the existence of such contingent liabilities and, if estimable the approximate size, are disclosed unless the possibility of an outflow of economic resources is remote.

Asset retirement obligations

Hydro recognizes liabilities for the estimated fair value of asset retirement obligations (ARO) relating to assets where such obligations exists, in the period incurred in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The provision is estimated as the present value of costs relating to the restoration or rehabilitation of industrial or mining sites and/or dismantlement or removal of buildings or other assets. Cash flows are estimated based on known obligations and estimated cost levels, inflated to the time of expected retirement and discounted using a risk-free interest rate. The liability is recognized when an asset is constructed and ready for use or when the obligation is incurred if imposed at a later date. Related asset retirement costs are capitalized and depreciated over the useful life of the asset. Accretion expense is recognized for the change in the present value of the liability and classified as part of Financial expense. Other changes to estimated fair value of ARO are recognized when identified. The increase or reduction to the liability is recognized as an increase or reduction of the value of the asset unless the asset is no longer in use, in which case the change is recognized in operating expenses. Liabilities that are conditional on a future event (e.g. the timing or method of settlement) are recognized when the value of the liability can be reasonably estimated.

Exit and disposal costs

Hydro recognizes a provision in the amount of the direct costs associated with an exit and/or disposal activity when a formal commitment to a detailed exit plan is made and communicated to those affected. A provision for termination benefits to employees is recognized as of the date of notification to individual employees or their representatives.

Uncertain assets

Assets where the existence of an asset or Hydro’s control with the resources is less than virtually certain are contingent assets. Contingent assets are not recognized.

Uncertain cash flows in settlement of financial assets or liabilities are incorporated in the measurement of those instruments, and not included here. See disclosures in Section 8 Financial risk and financial instruments for information about variability in financial instruments, including derivative instruments.

Significant judgment in accounting for contingent liabilities, uncertain assets and liabilities

Evaluation of uncertain liabilities and contingent liabilities and assets requires judgment and assumptions regarding the probability of realization and the timing and amount, or range of amounts, that may ultimately be incurred. Such estimates may vary from the ultimate outcome as a result of differing interpretations of laws and facts.

The main judgmental assessments falls into two categories; whether a liability exists, and the amount of a possible liability. The existence or non-existence of a liability is a legal and/or factual assessment. The measurement of a possible liability is more challenging for requirements to remediate or rectify alleged wrong-doing than for monetary claims of compensation. In relation to perceived non-compliance with laws and regulations, authorities, non-governmental organizations, or others may claim that Hydro is responsible for mitigating actions and compensation. The legal basis for such claims as well as cost calculation and other aspects can be difficult to assess.

Hydro's industrial and mining activities are subject to a wide range of environmental laws and regulations, including end-of-life remediation regulations. The extent of site and off-site contamination, the remediation methods, and requirements that relevant environmental authorities may impose, are uncertain. The long-term use of sites, with increasing awareness of effects of contamination in society, and generally lower acceptance of contamination in communities over time impacts the content of legal standards and the responsibility of companies involved in such activities. Further, changes in remediation methods and requirements and the uncertainty of cost levels for actions to be performed years and decades into the future contribute to the uncertainty in assessing and measuring such obligations. Remediation and closure activities expected to be conducted far into the future are less accurately measured than near-term planned activities. Consequently, there is significant uncertainty inherent in the estimates.

Indirect tax regimes are complex in many jurisdictions and cross-border. Basis for such taxes may differ from actual transaction prices. Tax authorities may challenge Hydro's calculation of taxes and credits from prior periods. Such processes may lead to changes to prior periods' operating or financial expenses to be recognized in the period of change.

Provisions

Amounts in NOK million	2024 Short-term	2024 Long-term	2024 Total	2023 Short-term	2023 Long-term	2023 Total
Environmental clean-up and asset retirement obligations (ARO)	1,223	3,487	4,710	1,144	4,168	5,312
Employee benefits	1,540	561	2,100	1,613	513	2,126
Indirect taxes	103	455	558	65	242	307
Rationalization and closure cost	216	56	272	236	65	301
Other	523	644	1,167	942	879	1,821
Total provisions	**3,605**	**5,203**	**8,807**	**4,000**	**5,867**	**9,867**

The following table includes a specification of changes to provisions for the year ending December 31, 2024.

Amounts in NOK million	Environ-mental clean-up and ARO	Employee benefits	Indirect taxes	Rationalization and closure cost	Other	Total
Specification of change in provisions						
December 31, 2023	5,312	2,126	307	301	1,821	9,867
Additions	300	1,825	559	268	493	3,445
Used during the year	(585)	(1,390)	(43)	(298)	(957)	(3,273)
Reversal of unused provisions	(48)	(533)	(229)	(12)	(154)	(977)
Effect of change in discount rate	(382)	-	-	-	(15)	(398)
Accretion expense	278	8	6	-	93	386
Change in Assets held for sale	-	14	-	-	-	14
Foreign currency translation	(164)	49	(42)	14	(113)	(257)
December 31, 2024	**4,710**	**2,100**	**558**	**272**	**1,167**	**8,807**

Provisions for environmental clean-up and asset retirement obligations relate to production facilities currently in operation and facilities that are closed. The obligations relate to such actions as remediation, restoration or rehabilitation of industrial or mining sites, disposal of contaminated material and related activities. Hydro has provided for demolition of buildings and installations only where there is a legal or contractual obligation, or a specific decision to demolish, which is the case for few sites. For many of our industrial sites, in particular sites where operation is expected to continue indefinitely, remediation costs are difficult to assess. The precise need for remediation actions, their method, timing and cost has not yet been planned, and hence the cost is uncertain. The provision represents the present value of expected outflows at the times of expected payments. The timing and amount of these remediation actions are linked to future business decisions as well as decisions and approval by authorities in the jurisdictions we operate. Provisions are based on the current legal framework and standards. Hydro is implementing the voluntary Globaol Industry Standard on Tailings Management (GISTM), issued by ICMM[1)], PRI[2)] and UNEP[3)], and continues to assess the extent of additional effort and cost that its implementation may require. Currently, no significant additional obligations have been identified.

The most significant provisions relate to the following sites and issues. For Hydro Bauxite & Alumina's mine in Brazil, in line with local legislation, we have obligations to remediate the tailing areas and mining sites, including reforestation of the area and monitoring and maintenance of the site after initial remediation. For Hydro Bauxite & Alumina's alumina refinery in Brazil, based on plans approved by the authorities, we have obligations to remediate bauxite residue deposits, including monitoring the contamination levels and other aspects after initial remediation. Some activities related to these obligations are currently performed as integrated processes with ongoing deposit of residues produced in the alumina production. For Hydro Aluminium Metal we have provisions related to contaminated material in use in aluminium smelters such as pot lining. Hydro has provided for various remediation obligations in Hydro Extrusions related to both closed sites, whether previously operated or not, and for some currently active sites. Hydro also has obligations for remediation of contamination on site and in areas related to historic industrial activities, mainly in Germany and Norway, reported in Other and eliminations. The more significant of these sites are the sites in Schwandorf in Germany and the Grenland area in Norway. Project for remediation of the Gunneklev fjord in Grenland started in 2023 and is being executed according to the approved project. For many of these provisions, there are no standard remediation methods available and cost is therefore uncertain. Hydro also has provisions for certain environmental issues related to Norwegian smelters. The provision also includes remediation of spent pot lining and certain other process related waste in all active smelters, remediation of certain known landfills and removal of limited contaminated material as well as site clearance for certain leased land. Provisions also exist for certain liabilities related to Norwegian power plant concessions to be reverted to the Norwegian Government.

Provisions for employee benefits relate to expected short-term performance bonus payments and short and long-term provisions for expected bonus payments that are based on the number of years of service, primarily for our European operations. Such bonuses are expected to be paid in periods between 10 to 50 years of service, or upon termination of employment.

Indirect taxes include taxes not related to taxable income, such as value added taxes, duties and property taxes. Provision for indirect taxes is mainly related to operations in Brazil.

Rationalization and closure cost include provisions in Hydro Extrusions for costs related to plant closures and employee reductions to reduce their footprint in response to challenging market conditions. The provision also includes costs related to the closure of Hydro's joint operation Aluchemie.

Other includes insurance provisions related to insurance contracts issued by Hydro's captive insurance company, Industriforsikring AS, to external parties including associates and joint arrangements, provisions for legal and other disputes, community donations and other contributions committed, certain liabilities related to representation and warranty provisions related to sale of businesses.

Hydro has entered into several agreements with authorities at local and state levels in Pará, Brazil, requiring Hydro to improve operational security and to make additional efforts and investments related to local societies close to the plants and to the social development of communities in Pará. In 2023, provisions were made related to the TerPaz (local community centers) program in Brazil. Hydro has made a commitment to build community centers to promote opportunities in cultural, educational, economic and human rights areas. In 2024, provisions were made to support communities along the pipeline between the Paragominas mine and Alunorte alumina refinery in Brazil with infrastructure, local production facilities, and skill development.

Contingent liabilities and contingent assets

Hydro is involved in or threatened with various legal and tax matters arising in the ordinary course of business. Where Hydro considers an obligation to be possible, i.e. not probable yet not remote, it is disclosed as a contingent liability.

Hydro is involved in a significant number of tax cases related to various types of taxes. Hydro's businesses in Brazil have a large portfolio of cases disputed by tax authorities, of which the majority relates to indirect taxes. Disputes include cases in the administrative and legal dispute systems with various background and risk of loss. In total known cases amount to about NOK 4.1 billion, of which losses are considered possible in cases amounting to about NOK 3.5 billion. A significant share of those amounts is covered by tax indemnifications from acquisition. The final outcome of these cases is not expected until several years into the future, and is highly uncertain. Additional cases may be raised by tax authorities based on tax declarations for periods not yet assessed, or when interpretation of tax regulations change. Hydro has

1) International Council on Mining and Metals
2) Principles for Responsible Investment
3) UN environment programme

provided for individual tax cases where the risk of loss is considered above 50 percent. Provisions for indirect taxes are included in provisions disclosed above, while provisions for income tax expenses are included in Taxes payable.

Hydro has environmental liabilities related to several sites and issues. Hydro may be deemed liable for remediation that is not acknowledged as Hydro's responsibility, and therefore not provided for. For some impacted areas it is not yet known whether remediation will be required. This may depend on the pace of any natural attenuation, and development in what the environmental authorities judge to be reasonable remediation requirements. For some areas, the exact extent of pollution may be uncertain. If an environmental risk assessment has concluded that the current risk is acceptable, a detailed sampling program may not have been carried out. Obligations for historic contamination of sites and surrounding areas in addition to areas provided for may be identified and deemed Hydro's responsibility in the future, whether related to currently owned or used sites, or sites we previously have owned and/or used. The cost of remediation of any additional contamination deemed Hydro's responsibility is uncertain.

Authorities and non-governmental organizations have filed several lawsuits related to the Alunorte incident, claiming a combination of mitigating actions and financial compensation. The argumentation, cost calculation and legal basis for these claims is still highly uncertain. Further claims may still be received. Given the limited information about claimed physical and moral damages to be compensated, and the extent and cost of mitigating actions claimed, or the extent or content of other potential claims and lawsuits, it is not possible at this time to provide a range of possible outcomes or a reliable estimate of potential future exposure for Hydro. It is further not possible to estimate the timing of when such claims may be determined or when any payments may arise.

Hydro is also exposed to increased product warranty and product liability responsibilities, both as result of contractual commitments and caused by liability under background law. Product warranty and product liability may impose significant costs depending amongst other things on the application of the product sold. Similarly, disputes over whether failure to deliver products under contract are related to force majeure or not occur from time to time, both for Hydro’s delivery obligations and rights. Such disputes may involve significant amounts and outcomes may be difficult to assess.

Hydro is exposed to legal cases based on contractual or other basis, including related to contract delivery or purchase obligations or warranties and representations given in relation to sale of businesses. Where a payment is probable, a provision for the likely amount is recognized.

Section 5 - Income and expenses

Note 5.1 Revenue from contracts with customers

Accounting policies for revenue recognition

Hydro accounts for revenue in accordance with IFRS 15 Revenue from Contracts with Customers.

IFRS 15 requires us to, for each contract with a customer, identify the performance obligations, determine the transaction price, allocate the transaction price to performance obligations to the extent the contract covers more than one performance obligation, determine whether revenue should be recognized over time or at a point in time, and, finally, recognize revenue when or as performance obligations are satisfied.

A performance obligation is satisfied when or as the customer obtains control with the goods or services delivered.

Revenue from sale of physical products are recognized when control is transferred to the customer, which usually occurs at delivery.

A contract for sale of electricity is considered one performance obligation and recognized as electricity is delivered to customers through the relevant grid.

Margins related to the trading of derivative commodity instruments, including instruments used for risk management purposes, purchase or delivery of physical commodities on a commodity exchange, and physical commodity purchases and sales agreed in combination with a single counterpart, are presented on a net basis in the income statement with trading margins included in revenues.

Significant judgment in accounting for revenue

The significant judgment in applying IFRS 15 for Hydro is related to which contracts that qualify for recognition over time, versus recognition at a point in time; at delivery to customer.

Hydro's main performance obligations can be described as follows:

- sale of products, produced independent of customer orders
- sale of products, produced to customer order
- sale of products made to customer specifications and order
- sale of electricity

For products which are not made to the customer's specification, performance obligations are either the individual product, the delivery in total, or an agreed volume of products delivered in more than one delivery. Contracts covering a fixed, committed volume at fixed or determinable prices are relevant for this assessment. Delivery period for such contracts can cover a period of a few weeks, and up to one year. Some few contracts cover more than one year. Prices are usually a combination of fixed elements and market references such as the aluminium price at the London Metal Exchange or other market references, at, or prior to, delivery. Revenue related to products that are not made to the customers' specification is recognized at delivery of products to customers. Such contracts accounts for the majority of sales in the segments Hydro Bauxite & Alumina, Hydro Aluminium Metal and Hydro Metal Markets, and a significant share of sales in Hydro Extrusions. Some of these contracts include an element of freight services, which is considered a separate performance obligation under IFRS 15, and related revenue is recognized over the time of journey.

For products made to customer specifications and orders, we have assessed whether the finished product has an alternative use to Hydro, and whether Hydro at all times has an enforceable right to payment for performance completed to date. For contracts where both of these conditions are fulfilled, revenue shall be recognized over time from commencement of production of the specialized product until completion of delivery to the customer. For Hydro's products, the alternative use of customer designed products would, in most cases, be as an input to the production of other products rather than for sale of the product unchanged. We have assessed whether Hydro has an enforceable right to payment for performance completed to date, including a reasonable margin, throughout the production period. The assessment is primarily related to the segment Hydro Extrusions. The main assessment is related to which compensation Hydro would be entitled to in a situation where firm orders are canceled or amended by the customer. Our conclusion is that for close to all contracts we do not have an enforceable right to payment as described in IFRS 15, and revenue is thus recognized at a point in time. However, as our conclusions depends both on legal assessment of a large number of contracts in many countries, and on the understanding of what constitutes an enforceable right to payment under IFRS 15, we might reach a different conclusion in the future for some contracts, or for new contracts covering similar products and customer segments entered into in the future. Also for these contracts, prices are fixed at the time of delivery.

Payment and warranty terms

Payment terms for products vary between customer segments and regions. The predominant terms vary between 30 to 90 days, and up to 210 days in some markets.

Hydro's warranty terms vary by product and business segment. Generally, Hydro provides warranty that product complies with specification, and offer repair, replacement or refund of consideration paid for breaches. Such warranties are limited in time, for most products not exceeding 12 months. Individual contracts may include more extensive warranty clauses where Hydro takes responsibility also for some consequential damages, mainly related to more complex products such as certain automotive parts. Warranty liability is to some degree influenced by legal requirements, which may extend the time period for Hydro's liability.

Other information

Sale of electricity, primarily from the Hydro Energy segment, is recognized as revenue as electricity is delivered to customers through the relevant grid. Sale of energy from other segments represent excess energy purchased under contracts exceeding the operational needs, and relate to periodic maintenance stops or curtailment. Revenue from sale of energy includes the revenue from sale of concession power, a legal requirement to deliver a certain part of volume produced in Norway to local authorities at a reduced price. Revenue from concession power amounted to NOK 65 million and NOK 59 million in 2024 and 2023, respectively.

Realized and unrealized changes in fair value of commodity derivatives are also presented as part of revenue. These amounts are measured at fair value as required by IFRS 9 Financial Instruments. The instruments are mainly aluminium and power contracts used for risk management purposes, and are included in Other revenue in the table below.

Hydro's revenue divided by segment and geographic location of the customer is shown in note 1.4 Operating and geographic segment information. Revenue divided by product type for the main product groups sold are as follows:

Amounts in NOK million	2024	2023
Standard ingots[1)]	20,042	21,716
Extrusion ingots	30,632	30,691
Foundry alloys	21,757	16,214
Sheet ingots	8,165	7,471
Other casthouse products	6,918	5,872
Extruded profiles	56,173	62,469
Building system products	10,979	11,383
Precision tubing products	5,213	5,711
Alumina	36,664	21,601
Power	3,126	4,089
Other goods and services[2)]	4,439	5,214
Total revenue from contracts with customers	204,108	192,430
Other revenue[3)]	(473)	1,189
Total revenue	**203,636**	**193,619**

1) Standard ingots are sold in the segments Hydro Metal Markets and Hydro Aluminium Metal.
2) Includes sale of conversion services for customers' scrap, revenue from allocated freight, sale of operational services to hydropower plants and sale of bauxite.
3) Other revenue includes realized and unrealized changes in the fair value of derivative instruments, including aluminum contracts used for risk management purposes with a loss of NOK 813 million in 2024 and a gain of NOK 466 million in 2023. In addition, other revenue includes realized effects from hedge accounting, with a gain of NOK 531 million in 2024, and NOK 723 million in 2023.

Note 5.2 Other income

Accounting policies for Other income, net

Transactions resulting in income from activities other than normal production and sales operations are classified as Other income, net. This includes gains and losses resulting from the disposal of PP&E and intangible assets, investments in subsidiaries, associates or joint ventures as well as government grants, insurance compensation, and rental revenue.

Government grants

Government grants are recognized in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. Grants are recognized when there is a reasonable assurance that Hydro will comply with relevant conditions and that the grants will be received. Government grants are deferred in Other non-current liabilities until the associated activity is performed or expenses recognized. Investment grants are recognized over the period the associated asset is depreciated. All government grants are recognized in Other income, net. Investment grants are included in Investing activities in the statement of cash flows.

Significant judgment in accounting for government grants

Government grants are to varying degree governed by objectively determinable terms. For some government grants, such as the CO_2 compensation scheme in Norway, the framework for receiving grants is determined in firm regulations, while the actual aid intensity is politically determined as part of the state budget for the year of payment, which is determined at the end of the year of earning. Further, Hydro's share of the allocated amount for this program depends on production level for all participants in the program, including Hydro. Hydro estimates the grant to be received for interim periods and the full year with updates to the estimates as new information becomes available. Similar mechanisms exist for other grants, for some not concluded at the end of the year of earning. None of these other grant programs are material to Hydro for 2024 or 2023.

Compensation received in other than cash, and claims for future compensation may be difficult to assess for when such items are recognizable, and for valuation. Compensation is generally recognized when virtually certain, for which we normally expect to have an acknowledged obligation by the liable party, or a claim confirmed by a court of law or another relevant instance. For claims in the form of a future uncertain amount, the asset is recognized at its estimated fair value. See note 1.2 Measurement of fair value for information about how such items are valued.

Amounts in NOK million	2024	2023
Gain on sale of property, plant and equipment and intangible assets	133	106
Net gain (loss) on sale of subsidiaries, associates and joint ventures[1)]	378	(2)
Government grants[2)]	3,686	3,672
Other[3)]	1,346	376
Other income, net	**5,543**	**4,152**

1) Includes gain on Hydro's reduced ownership share in Hydro Rein with NOK 321 million.

2) Government grants includes CO2 compensation and investment grants related to Hydro's pilot facility on Karmøy.

3) Other includes reimbursement of duties paid related to the divested Rolling activity and reduced provision for selling costs of NOK 225 million, and a compensation for settlement of supply contract.

CO_2 compensation regime in Norway

Hydro is entitled to apply for compensation for indirect costs associated with CO_2 emittance. The compensation scheme in Norway for the period 2021 to 2030 has undergone changes during 2024. The amended regulation applies for the period 2024 to 2030. The main changes compared to the regulation governing the period 2021 to 2023 are a cap on the total cost for the government and a requirement to spend the equivalent of 40 percent of the grant for purposes aimed at reducing CO_2 emission and/or improving energy efficiency. Complying with the additional condition can be achieved over multiple years, not exceeding 2034. Application and payment of compensation for 2024 is to be done during the first four months of 2025, the year following the year of consumption of electricity

The compensation level is approved by the Parliament in the annual state budget for the year of payment. Hydro earns compensation during the year through consumption of electricity to produce aluminium. The precise amount is approved and paid in the following year. Hydro recognizes estimated entitled CO_2 compensation as earned based on the approved regulation and expected compensation level in relation to energy consumed. Receivable CO_2 compensation impacts the cost of inventory produced. For 2023, Hydro accrued about NOK 2,900 million of expected, not approved CO_2 compensation for aluminium produced in 2023, of which NOK 212 million was subject to approval in the revised state budget during 2024. In addition, Hydro recognized about NOK 115 million for aluminium produced and sold in 2022. For 2024, Hydro accrued NOK 3,220 million of expected, not approved CO_2 compensation for aluminium produced in 2024. In addition, NOK 32 million related to aluminium produced and sold in 2023 was recognized in 2024 when the 2023 compensation was approved and paid.

A total amount of NOK 1,288 million of the accrued compensation for 2024 is contingent upon use of the equivalent amount for measures to reduce CO_2 compensation and/or improve energy efficiency. Hydro estimates that a spend for such measures at a cost of approximately 35 percent of the 2024 contingent compensation executed during 2024 will be approved as compliant, while the remaining amount will be spent in future years. Hydro's planned and initiated projects significantly exceed the amount accrued for 2024, and convers the amount expected to be receivable over the program period 2024 to 2030. As the future measures are not allocated to internally approved project, and the agency's practice for approval of measures is not yet established, an updated assessment of whether the contingency will be fully complied with is done at least annually.

Compensation for settlement of supply contract

A supplier of wind power, Markbygden Ett AB, ceased delivery of power to Hydro in February 2023. The company has been reorganized during 2024. As part of the reorganization plan, Hydro has agreed to a settlement for the long-term power purchase agreement (PPA) with the company. In the settlement, Hydro is entitled to a compensation of up to EUR 248 million. The compensation is dependent on the value of the production facility in a future sale, and therefore with significant value uncertainty. The claim has been recognized to an estimated fair value of NOK 770 million.

Note 5.3 Raw material and energy expense

Amounts in NOK million	2024	2023
Raw material expense and production related cost	128,634	122,261
Change in inventories own production	715	1,277
Raw material and energy expense	**129,349**	**123,538**

Raw material expense and production related cost include effect of commodity derivative instruments. See note 8.3 Derivative instruments and hedge accounting.

Section 6 - Specification of operating capital elements

Note 6.1 Inventories

Accounting policies for inventories

Inventories are valued at the lower of cost, using the first-in, first-out method (FIFO), or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and selling costs. Inventory cost includes direct materials, direct labor and a portion of production overhead (manufactured goods) or the purchase price of the inventory. Abnormal amounts of idle facility expense, freight, handling costs, and wasted materials are recognized as expense in the current period. Inventory write-downs to net realizable value occurs when the cost of the inventory is not recoverable, and is reversed in later periods if there is clear evidence of an increase in the net realizable value.

Amounts in NOK million	2024	2023
Aluminium standard ingot	2,375	1,957
Aluminium casthouse products	5,749	5,608
Fabricated aluminium products	3,397	3,028
Alumina	2,900	1,936
Aluminium scrap	2,208	1,445
Work in progress	3,483	3,430
Other raw materials	4,960	5,145
Spare parts	3,115	2,899
Inventories	**28,187**	**25,449**

Raw materials include purchased raw materials such as bauxite, caustic soda, oil, coal and other input factors used in the production; however, excluding alumina and aluminium intended for use in Hydro's production of other products. All amounts are net of any write-downs.

Note 6.2 Trade and other receivables

Accounting policies for trade receivables

Trade receivables are initially recognized at transaction price, subsequently accounted for at amortized cost and are reviewed for impairment on an ongoing basis. Individual accounts are assessed for impairment taking into consideration indicators of financial difficulty and management assessment. Portfolios of trade receivables where expected losses are more than insignificant are reduced for those expected losses. Discounting generally does not have a material effect on trade receivables, however, in special cases discounting may be applied. Hydro's business model for most trade receivable is to hold the receivables to collect the contractual cash flows. For some portfolios of trade receivables, factoring is applied.

Significant judgment in accounting for receivables

In some jurisdictions, including Brazil, significant tax credit amounts are generated for use against future indirect and/or income tax payments. Repayment in cash is made subject to a set of conditions, including availability of funds at the tax authorities, and cannot be expected on a regular basis. The value of such credits depends on future generation of taxes. Economic conditions and tax regulations may change and lead to a different conclusion regarding recoverability.

Amounts in NOK million	2024	2023
Trade receivables	20,854	16,797
VAT and other sales taxes	2,017	2,287
Other current receivables	6,097	6,735
Allowance for credit losses	(458)	(415)
Trade and other receivables	**28,510**	**25,404**

Of total trade receivables at year end 2024, about 10 percent were past due, with the majority within 30 days. The Hydro Extrusions and Hydro Metal Markets segments have the majority of overdue receivables.

Note 6.3 Trade and other payables

Amounts in NOK million	2024	2023
Accounts payable	19,690	18,680
Payroll and value added taxes	3,892	3,966
Accrued liabilities and other payables	3,394	3,586
Trade and other payables	**26,976**	**26,232**

Section 7 - Capital management and cash management

Note 7.1 Capital management

Hydro's capital management policy is to maximize value creation over time, while maintaining a strong financial position, an investment grade credit rating, and strong liquidity. During 2024 net cash provided by operating activities exceeded net cash used in investing activities.

Credit rating

To secure access to capital markets at attractive terms and remain financially solid, Hydro aims to maintain an investment grade credit rating from the leading agencies, S&P Global (current rating BBB, stable outlook) and Moody's (current rating Baa2, stable outlook). Hydro's key targets for financial solidity are described below.

Funding and liquidity

Hydro manages its funding requirements centrally to cover group operating requirements and long-term capital needs. Hydro has an ambition to access national and international capital markets as primary sources for external long-term funding.

As of December 31, 2024, Hydro held NOK 15.0 billion in cash and cash equivalents. In addition, NOK 0.4 billion were held as time deposits, classified as short-term investments. These instruments are managed as part of Hydro's liquidity management, aiming to optimize the return on cash positions. Hydro's policy is that the maturity of such positions shall be shorter than 12 months. Time deposits are normally available at shorter notice, subject to bank approval and potential break costs. Hydro has a syndicated USD 1,600 million revolving credit facility maturing in December 2026, including a USD 1,500 million swingline as a sub-facility to cover short-term liquidity needs. An additional syndicated revolving credit facility of USD 1,000 million to support potential short-term liquidity needs maturing in February 2026. Both facilities were undrawn per year-end 2024. In addition, Hydro has access to overdraft facilities and liquidity lines which provide additional short-term liquidity.

Funding of subsidiaries, associates and jointly controlled entities

Normally the parent company, Norsk Hydro ASA, extends loans or equity to fully-owned subsidiaries to fund capital requirements. All financing is executed on an arm's length basis. To the extent Hydro offers loans to part-owned subsidiaries and investments in associates and joint arrangements, the policy is to participate according to Hydro's ownership share, on equal terms with the other owners. Project financing is used for certain funding requirements mainly to mitigate risk while also considering partnership and other relevant factors.

Trade finance products such as factoring and reverse factoring are used to some extent by subsidiaries, mainly to facilitate risk mitigation in specific trade relations or markets. Hydro has internal guidelines limiting the use of such instruments to where it adds commercial value, as these instruments should not be used as a source for funding. Hydro has set a total limit for such arrangements including any type of sales of receivables. The limit is currently NOK 5.5 billion but was not fully utilized at year-end.

Shareholder return

Long-term return to shareholders should reflect the value created by Hydro, and consists of dividends and share price development. Hydro aims to provide its shareholders with a competitive return benchmarked against alternative investments in comparable companies. Hydro's ambition is to pay out, on average, a minimum 50 percent of adjusted net income from continuing operations attributable to Hydro shareholders[1] as ordinary dividend over the cycle, with a dividend floor of NOK 1.25 per share. Dividends for a particular year are based on that year's performance, Hydro's targeted capital structure, expected future earnings and cash flow, future investment opportunities and the outlook for world markets. Share buybacks or extraordinary dividends may be used to supplement ordinary dividends.

Hydro's capital management measures

Hydro's management uses the Adjusted net debt to adjusted EBITDA ratio to assess the group's financial solidity and ability to absorb volatility in the markets. Hydro targets, over the business cycle, a ratio of average Adjusted net debt to adjusted EBITDA below 2 supported by a target for Adjusted net debt of around NOK 25 billion. At year-end, the Adjusted net debt level will normally be below this target in anticipation of coming dividend payment. Hydro continuously evaluates the efficiency of the capital structure and takes this into account when proposing shareholder distribution.

Net debt is defined as Hydro's cash and cash equivalents plus short-term investments and cash collateral for long-term liabilities, less short- and long-term interest-bearing debt. Adjusted net debt excludes cash positions regarded as unavailable for servicing debt, and adds other obligations which are considered debt-like in nature.

Hydro considers the definition of Net debt to be a relevant metric for valuation purposes, while the Adjusted net debt definition is a better indicator of Hydro's financial position at the balance sheet date.

The tables below present the calculation of Net debt, Adjusted net debt and the Adjusted net debt to adjusted EBITDA ratio.

1) See the Alternative Performance Measures section later in this report for more information.

Adjusted net debt

Amounts in NOK million	Dec 31 2024	Sep 30 2024	Jun 30 2024	Mar 31 2024	Dec 31 2023	Sep 30 2023	Jun 30 2023	Mar 31 2023
Cash and cash equivalents	15,049	18,875	18,886	19,622	24,618	19,105	22,453	30,873
Short-term investments [1]	3,467	3,928	3,760	4,968	2,641	2,101	1,158	2,696
Short-term debt	(11,601)	(13,935)	(16,249)	(8,169)	(7,111)	(5,764)	(5,271)	(5,899)
Long-term debt	(23,147)	(23,864)	(22,867)	(30,996)	(28,978)	(29,944)	(29,756)	(29,615)
Collateral for long-term liabilities	256	249	228	682	638	660	122	195
Net debt	**(15,976)**	**(14,747)**	**(16,243)**	**(13,893)**	**(8,191)**	**(13,843)**	**(11,294)**	**(1,749)**
Collateral for short-term and long-term liabilities [2]	(2,162)	(2,588)	(2,410)	(1,911)	(1,610)	(1,642)	(209)	(1,892)
Cash and cash equivalents and short-term investments in captive insurance company [3]	(1,214)	(1,280)	(1,221)	(1,233)	(1,142)	(1,107)	(1,090)	(1,073)
Net pension obligation at fair value, net of expected income tax benefit [4]	310	(346)	(69)	32	(884)	333	828	(116)
Short- and long-term provisions net of expected income tax benefit, and other liabilites [5]	(5,025)	(6,025)	(6,191)	(5,641)	(6,344)	(4,133)	(4,125)	(3,671)
Adjusted net debt in assets held for sale and liabilities in disposal groups [6]	-	-	-	158	149	-	-	-
Adjusted net debt	**(24,066)**	**(24,985)**	**(26,133)**	**(22,488)**	**(18,022)**	**(20,391)**	**(15,890)**	**(8,501)**

1) Hydro's policy is that the maximum maturity for cash deposits is 12 months. Bank deposits with original maturities beyond three months are classified as investing activities and included in short-term investments on the balance sheet.
2) Collateral provided as cash, mainly related to derivatives used for risk management.
3) Cash and cash equivalents and short-term investments in Hydro's captive insurance company Industriforsikring AS are assumed to not be available to service or repay future Hydro debt, and are therefore excluded from the measure Adjusted net debt.
4) The expected income tax liability related to the net pension liability is NOK 579 million and NOK 325 million, respectively for 2024 and 2023.
5) Consists of Hydro's short and long-term provisions related to asset retirement obligations, net of an expected tax benefit estimated at 30 percent, and other non-current financial liabilities.
6) Adjustment to include Adjusted net debt related to Hydro Rein which was classified as held for sale.

Average Adjusted debt / adjusted EBITDA

Amounts in NOK million, except ratio	2024	2023
Average Adjusted net debt	(24,418)	(15,701)
Adjusted EBITDA	26,318	22,258
Average Adjusted net debt / adjusted EBITDA	**0.93**	**0.71**

Note 7.2 Cash and cash equivalents

Accounting policies for cash and cash equivalents

Cash and cash equivalents in the balance sheet includes cash, bank deposits and all other monetary instruments with a maturity of less than three months from the date of acquisition and are measured at nominal value. Hydro recognizes cash received when amounts are available on Hydro's bank account. Similarly, Hydro recognizes cash payments to settle liabilities when the payment is initiated by Hydro and the amount paid is no longer available.

Liquidity management

Hydro manages its liquidity requirements centrally to cover group operating requirements. Hydro operates cash pools in several currencies where wholly owned subsidiaries participate, to the extent permitted by country legislation. Such cash pool arrangements facilitate netting of cash positions within the group, thereby reducing the requirement for external financing, and centralizing management of aggregated positions. At the end of 2024, NOK 5.6 billion of Hydro's cash position of NOK 15.0 billion was outside such group arrangements, mainly in Brazil.

Note 7.3 Short-term investments

Amounts in NOK million	2024	2023
Equity securities	376	357
Debt securities	752	733
Time deposits [1)]	448	586
Collateral accounts and other	1,891	965
Total short-term investments	**3,467**	**2,641**

1) Time deposits in banks with a maturity of three months or more at inception. Short-term bank deposits are normally available at short notice.

Note 7.4 Short and long-term debt

Amounts in NOK million	2024	2023
Bank loans and overdraft facilities	11	954
Current portion of long-term debt	11,591	6,156
Bank loans and other interest-bearing short-term debt	**11,601**	**7,111**

Amounts in NOK million	2024	2023
Unsecured loans	30,069	30,018
Lease liabilities	4,669	5,117
Outstanding debt	34,738	35,134
Less: Current portion	(11,591)	(6,156)
Total long-term debt	**23,147**	**28,978**

The majority of long-term loans are held by the parent company. There are no financial covenants for those loans. Some loans held by part-owned subsidiaries have financial covenants as part of the terms.

As of December 31, 2024, long-term debt includes five bonds in NOK listed on the Oslo Stock Exchange (Euronext Oslo) and two bonds in EUR listed on the Irish Stock Exchange (Euronext Dublin). As of December 31, 2024, the market value of these bonds is approximately equal to the carrying value which is the amortized cost.

Information about payment schedule for long-term debt is included in note 8.1 Financial and commercial risk management under Liquidity risk.

Reconciliation of liabilities arising from financing activities

Amounts in NOK million	Long-term debt	Bank loans and other interest-bearing short-term debt	Other	Total liabilities from financing activities
December 31, 2022	26,029	6,746	45	32,819
Cash flows	8,368	(9,270)	2	(900)
Non-cash changes:				
Net change in current balance	(8,430)	8,430	-	-
New leases	2,457	-	-	2,457
Lease debt cancellations	(34)	-	-	(34)
New financial liabilities for non-cash investments and financing activities	-	-	2,323	2,323
Business combinations	24	832	-	856
Amortizations and other	27	(1)	(6)	21
Foreign currency effects	537	374	(81)	830
December 31, 2023	28,978	7,111	2,284	38,372
Cash flows	4,125	(8,636)	(1,718)	(6,229)
Non-cash changes:				
Net change in current balance	(13,951)	13,951	-	-
New leases	1,123	-	-	1,123
Lease debt cancellations	(98)	-	-	(98)
Business combinations	73	40	-	113
Divestments	(3)	(3)	421	415
Term extension	349	(349)	-	-
Amortizations and other	38	-	-	38
Foreign currency effects	2,513	(512)	184	2,185
December 31, 2024	**23,147**	**11,601**	**1,171**	**35,920**

Note 7.5 Finance income and expense

Significant accounting policies

Foreign currency transactions
Transactions in foreign currencies are initially recorded in the functional currency of the transacting entity by applying the rate of exchange as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange at the balance sheet date. Currency gains or losses are included in Finance expense.

Amounts in NOK million	2024	2023
Interest income (amortized cost)	1,542	1,267
Dividends received and net gain (loss) on securities	59	35
Interest and other finance income	**1,601**	**1,302**
Foreign currency exchange gain (loss)	**(5,646)**	**(2,084)**
Interest expense (amortized cost)	(2,734)	(2,054)
Accretion	(460)	(280)
Other	(386)	71
Interest and other finance expense	**(3,580)**	**(2,264)**
Finance income (expense), net	**(7,625)**	**(3,046)**

Accretion represent the period's interest component for pension assets and obligations, asset retirement obligations and other liabilities measured as present value of future expected payments.

Note 7.6 Shareholders' equity

Share capital

Number of shares	Ordinary shares issued	Treasury shares	Ordinary shares outstanding
December 31, 2022	2,068,998,276	(26,593,403)	2,042,404,873
Treasury shares issued to employees		1,355,525	1,355,525
Treasury shares acquired		(22,191,847)	(22,191,847)
Shares cancelled	(27,789,655)	18,268,564	(9,521,091)
December 31, 2023	2,041,208,621	(29,161,161)	2,012,047,460
Treasury shares issued to employees		1,014,373	1,014,373
Treasury shares acquired		(25,317,621)	(25,317,621)
Shares cancelled	(32,192,623)	21,163,019	(11,029,604)
December 31, 2024	**2,009,015,998**	**(32,301,390)**	**1,976,714,608**

The share capital as of December 31, 2024 was NOK 2,205,899,566 consisting of 2,009,015,998 ordinary shares at par value of NOK 1.098 per share, all fully paid. The share capital of Norsk Hydro ASA as of December 31, 2023 was NOK 2,241,247,066 consisting of 2,041,208,621 ordinary shares at par value of NOK 1.098 per share, all fully paid. All shares have equal rights and are freely transferable.

Treasury shares

On May 10, 2023, Annual General Meeting authorized buyback of shares in the market in the price interval of NOK 20 to NOK 150 per share, with the intention to cancel the shares. The authorization applied until June 30, 2024. In total, 100 million shares could be cancelled, including redemption of shares held by the Ministry of Trade, Industry and Fisheries, retaining the relative ownership share of the Ministry at 34.26 percent. A total of 21,163,019 shares were bought back under the program at a total cost, including transaction costs, of NOK 1,320 million. The cancellation of these shares, the redemption of shares held by the Norwegian state, and closure of the program was approved by the Annual General Meeting on May 7, 2024. On June 25, all shares acquired under this program were cancelled. In addition, 11,029,604 shares representing the Ministry of Trade, Industry and Fisheries' relative ownership were redeemed in the amount of NOK 681 million and cancelled.

On May 7, 2024, Hydro's General Meeting granted the Board of Directors authorization for a similar program to acquire shares in Norsk Hydro ASA with the intention to cancel the shares. The shares can be purchased in the price interval of NOK 20 to NOK 150 per share. The authorization applies until Jun 30, 2025. In total, the Board of Directors can purchase up to 100 million shares, including redemption of shares held by the Ministry of Trade, Industry and Fisheries, retaining the relative ownership share of the Ministry at 34.26 percent. Total number of shares purchased in 2024 under this program was 18,218,885. Buyback of shares under the program was completed on January 7, 2025.

The remaining 14,082,505 treasury shares may, pursuant to the decision of the General Meeting at the time these shares were acquired, be used as consideration in connection with commercial transactions or share schemes for the employees and representatives of the Board of Directors.

Per December 31, 2024, treasury shares amounted to NOK 1,667 million, comprised of NOK 35 million share capital and NOK 1,632 million retained earnings.

Change in Other components of equity

The table below specifies the changes in Other components of equity for 2024 and 2023.

Amounts in NOK million	2024	2023
Items that will not be reclassified to income statement:		
Remeasurement postemployment benefits		
January 1	2,676	3,481
Remeasurement postemployment benefits during the year	1,341	(989)
Reclassified to Retained earnings on sale of subsidiaries	3	-
Deferred tax offset	(293)	184
December 31	3.727	2.676
Unrealized gain (loss) on assets measured at FVOCI		
January 1	414	(740)
Period unrealized gain (loss) on FVOCI securities	(404)	(135)
Disposal of equity securities at FVOCI	(141)	1,288
December 31	(132)	414
Other components of equity in Associates/Joint Ventures not to be reclassified to the income statement		
January 1	-	-
Reclassified to Retained earnings on sale of subsidiaries	(1)	-
December 31	(1)	-
Items that will be reclassified to income statement:		
Currency translation differences		
January 1	2,444	(2,690)
Currency translation differences during the year	2,130	7,542
Reclassified to Net income on divestment of foreign operation	(51)	(4)
Reclassified to Other components of equity in equity accounted investments on divestment of foreign operation	(38)	-
Reallocation of equity upon sale of shares to non-controlling interest	-	(2,405)
December 31	4.485	2.444
Cash flow hedges - See note 8.3 Derivative instruments and hedge accounting		
January 1	612	340
Period gain (loss) recognized in Other comprehensive income	(1,667)	1,120
Reclassification of hedging gain (loss) to Net income	(531)	(723)
Tax expense	758	(125)
December 31	(828)	612
Other components of equity in equity accounted investments		
January 1	2	6
Period gain (loss) recognized in Other comprehensive income	(9)	(3)
Currency translation differences reclassified to Other components of equity in equity accounted investments on divestment of foreign operation	38	-
December 31	31	2
Total other components of equity attributable to Hydro shareholders as of December 31	11,854	9,559
Total other components of equity attributable to non-controlling interests as of December 31	(4,572)	(3,411)

Earnings per share

Basic and diluted earnings per share is computed using Net income attributable to Hydro shareholders and the weighted average number of outstanding shares in each year. There are no significant diluting elements. The weighted average number of outstanding shares used for calculating basic and diluted earnings per share was 1,997,800,202 for 2024 and 2,029,080,722 for 2023.

Hydro's outstanding founder certificates and subscription certificates entitle the holders to participate in any share capital increase, provided that the capital increase is not made in order to allot shares to third parties

as compensation for their transfer of assets to Hydro. These certificates represent dilutive elements for the earnings per share computation.

Note 7.7 Dividends

Hydro's Board of Directors proposes a dividend per share in connection with the approval of the annual result in February. The Annual General Meeting considers this proposal, normally in May, and the approved dividend is then paid to the shareholders. Dividends are usually paid once each calendar year, generally occurring in May. For non-Norwegian shareholders, Norwegian withholding tax will be deducted at source in accordance with the applicable Norwegian tax regulations.

For fiscal year 2024 the Board of Directors has proposed a dividend of NOK 2.25 per share to be paid in May 2025. The Annual General Meeting, scheduled to be held May 9, 2025, will consider this dividend proposal. If approved, this would be a total dividend of approximately NOK 4,448 million. In accordance with IFRS, the fiscal year 2024 proposed dividend is not recognized as a liability in the 2024 financial statements.

Dividends declared and paid in 2024 and 2023 for the prior fiscal year, respectively, are as follows:

	Paid in 2024 for fiscal year 2023	Paid in 2023 for fiscal year 2022
Dividend per share paid, NOK	2.50	5.65
Total dividends paid, NOK million	5,015	11,501
Date proposed	February 13, 2024	February 13, 2023
Date approved	May 7, 2024	May 10, 2023
Dividend payment date	May 21, 2024	May 23, 2023

Dividends to non-controlling shareholders in Hydro's subsidiaries are reported as dividends in Consolidated statements of changes in equity.

Section 8 - Financial risk and financial instruments

Note 8.1 Financial and commercial risk management

Hydro is exposed to market risks related to the prices of products produced and sold, and the input factors purchased and used, as well as currency risk. Risks may differ short-term and long-term. Short-term risks are to a large extent related to global and regional market volatility. Longer term risks are also impacted by megatrends such as the green shift and relative competition strength for countries and regions.

Hydro's products, both aluminium and renewable energy, are important for the green shift. With CO_2 intensity well below the industry average and aluminium products with low emissions attracting a premium above generic metal prices we believe we have a competitive advantage, see also discussion in note 1.1 Reporting entity, basis of presentation, significant accounting estimates and judgment. To retain and improve this advantage, we are dependent on succeeding in planned initiatives to further reduce CO_2 intensity in our products, such as developing new technology and sourcing sufficient renewable energy. Further, continued market preference for low carbon aluminium will benefit Hydro. Changes in regulatory conditions, such as global or regional carbon prices will impact the competitive landscape. Depending on how and where such carbon prices are introduced, Hydro may benefit from changes, while it is also a risk that some of the plants will experience cost disadvantages during the transition period.

Short- and medium-term price risks are managed based on the margin between sales prices and cost of raw materials and energy cost. Margin risks are managed partly at segment level and partly combined for the group.

Hydro's main strategy for managing volatility in the markets is to maintain strong liquidity, a strong balance sheet and an investment grade credit rating. In addition, a combination of financial and physical contracts, including derivatives, is used to manage margin risk.

Hydro's sales contracts mainly cover periods for up to one year, supplemented with frame arrangements that can cover several years. Prices are usually determined with reference to observed market prices or fixed, negotiated prices determined no more than one year prior to delivery. Raw materials are purchased with prices fixed for periods varying between a few months up to three years. Some key raw materials, including bauxite and alumina, is purchased under long-term contracts with prices linked to observable market prices on the same or related products. Energy, in particular electricity for use in aluminium smelters, is purchased at long-term contracts with duration up to 20 years, mainly at fixed prices. Energy for other production facilities, including natural gas, fuel oil and coal, is purchased under contracts where prices are fixed for shorter intervals. Hydro secures access to most key input factors through contracts covering at least four months, for many raw materials longer periods. Price risks for raw materials and energy are managed mainly through price clauses in the relevant contracts, supplemented with derivatives where considered beneficial. The main purpose is to manage risks related to market volatility in a period of up to four years. Hydro is also exposed to risks related to availability of products. These risks are managed by monitoring the operational and financial performance of key suppliers in order to reduce the risk of default on operations and key projects, and by keeping in constructive dialogue with relevant contract parties.

Prices for products sold and raw material and energy are denominated in various currencies which exposes Hydro to currency risk. Where production margin is subject to significant currency risks, and such risks are not offset across the group, currency derivatives are to some extent used to mitigate unwanted risks.

Commodity price risk exposure

Aluminium
Regional market places for aluminium sold as standard ingot exists several places. London Metal Exchange (LME) is the most important to Hydro, and is the point of reference in many contracts, both for sale and purchase of products and for derivatives. Hydro produces and recycles aluminium, which is partly sold as casthouse products and partly consumed in production of upgraded industrial products in Hydro Extrusions. Hydro also purchases aluminium for use in Extrusions, casthouses and for recycling. Hydro engages in limited trading activities to optimize capacity utilization, reduce logistical costs and strengthen the market positions, in addition to some speculative trading activities within strict volume and risk limits.

Short-term price risk for aluminium relates to time difference in pricing of purchases of aluminium for use in production of upgraded product or for resale, compared to sale of aluminium. Hydro enters into aluminium future contracts on LME with a maturity of mainly one to three months to mitigate unwanted price risk short term. The main purpose is to achieve an average LME aluminium price on smelter production and manage aluminium price risk in Hydro Extrusions and other parts of the portfolio. In addition, Hydro seeks to mitigate timing risk in the pricing patterns for sale of upgraded products, purchase of aluminium for recycling, and purchase of third-party products (back-to-back hedging). Hydro manages these exposures on a portfolio basis, taking derivative positions based upon net exposures.

Long-term price risk for aluminium is managed with the aim to achieve a reasonable production margin measured as the difference between the aluminium price and the prices of key raw materials alumina, pitch, petroleum coke, anodes, and energy. Prices for raw materials and energy are to a limited extent linked to, or correlated with, the aluminium price. Hydro enters into derivative forward sale contracts both on the LME and with banks to secure prices on parts of the planned aluminium production as part of securing a margin level for periods up to about three years combined with locking in prices for a part of raw materials through fixed-price sourcing contracts or derivatives when considered beneficial, whether based on the market situation or to secure cash flow for specific projects.

Hydro's sales of primary aluminium and aluminium casthouse products include a premium above the quoted price on LME. The pricing of these premiums can be volatile, and is related to physical demand and supply, with regional and product-related differences. There are limited possibilities for hedging future premiums, except for standard ingot premiums, for which a forward market exists. Hydro has from time to time entered into contracts for standard ingot premiums to mitigate risk in sales contracts.

Bauxite and alumina
Hydro's production of alumina normally exceeds the alumina consumption in its primary aluminium production. In addition, Hydro has long-term agreements to purchase alumina from third parties. The majority of purchase and sale contracts are priced with reference to alumina spot price indexes, however, some long-term contracts with links to the aluminium price on LME exists. Prices for aluminium and alumina have historically been correlated over longer periods, however, price development may differ significantly short term. Alumina forward markets are considered to have limited liquidity.

Hydro is a producer and consumer of bauxite. Hydro's need for bauxite is secured through own production as well as by long-term contracts. The purchasing contracts have links to the LME aluminium price and to the alumina spot price development with a certain time-lag.

Energy
Hydro is a large consumer of energy in several countries. Energy is consumed as electrical power, natural gas, fuel oil and coal, with power as the main energy carrier. Hydro also has significant power production in Norway. Hydro's power consumption is mainly secured through long-term contracts with power suppliers, including project companies with a limited production portfolio, and through Hydro's own production. Energy production and prices are to an increasing degree volatile, both from the increased volume of renewable energy from solar and wind for which available volume fluctuates with weather conditions, from initiatives to reduce CO_2 emissions through market mechanisms such as cap-and-trade schemes and other regulatory initiatives, as well as the energy shortage in Europe caused by geopolitical uncertainty.

Transition to net zero GHG emissions represents both potential advantages and risks to Hydro, see discussion in note 1.1 Reporting entity, basis of presentation, significant accounting estimates and judgment.

Hydro's own electricity production is influenced by hydrological conditions which can vary significantly, and where production short-term is managed to match physical need and market prices. The net power position in Norway is balanced out in the Nordic power market through hourly sales and purchases.

Hydro is engaged in development projects for new renewable energy, mainly solar and wind power projects in Brazil and Scandinavia. The majority of these projects are through the joint venture Hydro Rein.

Hydro also uses fossil energy carriers, mainly coal in the alumina refinery Alunorte and natural gas for casthouses and other industrial processes.

In order to manage risks related to price and volume fluctuations, Hydro utilizes mainly physical contracts securing purchase of power at fixed prices or with relevant price links, for some contracts to the aluminium price. Fossil fuels are mainly purchased on contracts with a duration of up to four years or contracts priced to observable market prices. Physical sourcing contracts are supplemented with derivatives such as future contracts, forwards and options. Hydro also participates in trading activities within strict volume and risk limits.

Foreign currency risk exposure

The sales prices of Hydro's upstream products bauxite, alumina, and primary aluminium, are mainly denominated in US dollars, while sales of mid- and downstream products are mainly priced in US dollars and Euro. Further, the prices of major raw materials used in Hydro's production processes are quoted in US dollars in the international commodity markets, while power is predominantly priced in Euro in Europe, including Norway. Hydro also incurs significant local costs related to the production, distribution and marketing of products in several different currencies, mainly Norwegian Krone, Brazilian Real, Euro and US dollars. Hydro's primary operational foreign currency risk is consequently linked to fluctuations in the value of the US dollar and Euro, and in these currencies versus the currencies in which significant costs are incurred. In addition, Hydro's results and equity are influenced by appreciation and depreciation of local functional currencies and the Norwegian Krone as the Group's presentation currency.

To mitigate some of the impact of exchange rate fluctuations, Hydro uses foreign currency swaps and forward contracts and maintains long-term debt in currencies reflecting the operational exposures.

Foreign currency risk exposure in receivables, payables and loans
Short-term receivables and payables are often held in currencies other than the functional currency of the unit, predominantly in US dollars and Euro. Borrowings and deposits are mainly held in currencies that contribute to taking down the overall currency exposure. Most of the exposure in financing arrangements exists in the parent company in Norway and in the part-owned subsidiaries, mainly in Brazil.

Embedded currency derivatives in non-financial contracts, including the Euro priced electricity contracts in Norway, contains a currency exposure which is separately recognized.

Interest rate risk exposure

Hydro is exposed to changes in interest rates, primarily as a result of financing its business operations with debt and managing its liquidity in different currencies. Hydro's financial instruments are also exposed to changes in interest rates in connection with valuation. While cash reserves earn short-term interest, the bonds pay a mix of floating short-term interest and long-term fixed interest. The strategy is to keep a mix of floating and fixed interest exposures on the debt.

Financial instruments and provisions are also exposed to changes in interest rates in connection with valuation and discounting of positions to present value.

Credit risk exposure

Hydro manages credit risk by setting counterparty risk limits and establishing procedures for monitoring exposures and timely settlement of customer accounts and contracts. Credit risk is further limited through the use of credit insurance, and, in some markets, the sale of receivables to banks. Prepayments or guarantees are required where credit risk is outside the limits set for the relevant counterpart. Hydro is also monitoring the financial performance of key counterparties in order to reduce both operational and financial risk. Our overall credit risk exposure is reduced due to a diversified customer base representing various industries and geographic areas. Enforceable netting agreements, guarantees, and credit insurance, also contribute to a lower credit risk.

Credit risk arising from derivatives is generally limited to net exposures. Exposure limits are established for financial institutions relating to current accounts, deposits and other obligations. Credit risk related to commodity derivatives is limited by settlement through commodity exchanges such as the London Metal Exchange, Nasdaq OMX and banks, and through margin arrangements. Current counterparty risk related to the use of derivative instruments and financial operations is considered moderate.

Liquidity risk exposure

Volatile commodity prices and exchange rates as well as fluctuating business volumes and inventory levels can have a substantial effect on Hydro's cash positions and borrowing requirements.

Liquidity risk deriving from margin calls on derivative contracts varies with positions. Long-term positions associated with strategic risk management are mostly covered by CSAs (credit facilities), while short-term operational risk management and trading is exposed to liquidity risk. The risk is managed to balance the commodity price risk and liquidity risk.

Short-term liquidity requirements are managed by drawing on cash reserves and committed credit facilities. Long-term funding requirements are met primarily by issuing long-term bonds, bank debt, or ultimately raising new equity in available markets as described in note 7.1 Capital management. Some suppliers have access to supply chain finance facilities, which allows those suppliers to benefit from Hydro's credit profile. The use of such products is limited and does not extend Hydro's credit period beyond normal commercial terms. Further, all other financial liabilities, such as trade payables, with the exception of derivatives, have a final maturity date within one year.

A summary of Hydro's total contractual obligations and commercial commitments to make future payments is presented below:

Amounts in NOK million	Long-term debt incl. interest[1)]	Unconditional purchase obligations[2)]	Contractual commitments	Short-term and long-term provisions[3)]	Total obligations, undiscounted
2025	13,382	53,684	3,372	3,605	74,042
2026	9,713	43,456	101	1,401	54,670
2027	5,005	42,099	2	601	47,708
2028	5,315	40,512	1	477	46,305
2029	4,850	38,325	-	396	43,570
Thereafter	1,287	205,071	-	3,635	209,992
Total	**39,552**	**423,147**	**3,476**	**10,114**	**476,288**

1) See note 7.4 Short and long-term debt.

2) Unconditional purchase obligations include long-term contracts with equity accounted investees.

3) See note 4.1 Uncertain assets and liabilities.

Hydro has long-term contractual commitments for the purchase of aluminium, raw materials, electricity, and transportation. The future non-cancellable fixed and determinable obligations under purchase commitments as of December 31, 2024 are shown in the following table:

Amounts in NOK million	Bauxite, alumina and aluminium	Energy related	Other	Total
2025	35,692	10,159	7,833	53,684
2026	29,291	10,477	3,688	43,456
2027	28,828	10,718	2,553	42,099
2028	28,201	10,357	1,955	40,512
2029	27,928	9,196	1,201	38,325
Thereafter	122,268	76,935	5,868	205,071
Total	**272,209**	**127,841**	**23,097**	**423,147**

Amounts relating to contracts which are entirely or partly linked to market prices such as LME are based on the spot price at the balance sheet date.

The following table specifies Hydro's payment obligations related to investments:

Amounts in NOK million	Total
Contract commitments for investments in property, plant and equipment	3,471
Additional authorized future investments in property, plant and equipment	5,035
Venturer's share of capital commitments of the joint ventures themselves	-
Contract commitments for other future investments	5
Total	**8,511**

Additional authorized future investments include projects formally approved for development by the Board of Directors or management. General investment frames are excluded from these amounts.

An overview of estimated gross cash flows from derivatives accounted for as liabilities and assets is presented below. Many of these assets and liabilities are offset by cash flows from contracts not accounted for as derivatives.

Risk of significant cash payments or margin calls related to derivative instruments is managed within set volume limits, value-at-risk and tenor limits for relevant activities.

Expected gross cash flows from derivatives accounted for as financial liabilities and financial assets, respectively, as of end of year:

	2024		2023	
Amounts in NOK million	Liabilities	Assets	Liabilities	Assets
2024			(2,866)	3,786
2025	(2,478)	339	(1,896)	1,608
2026	(1,204)	206	(92)	29
2027	(113)	44	(80)	74
Thereafter	(383)	529	(247)	406
Total	**(4,178)**	**1,118**	**(5,181)**	**5,903**

The cash flows above are to a large extent subject to enforceable netting agreements reducing Hydro's exposure substantially.

For additional information on contracts accounted for at fair value, see note 8.3 Derivative instruments and hedge accounting.

Note 8.2 Financial instruments

Accounting policies for financial instruments

Financial assets

Financial assets represent a contractual right by Hydro to receive cash or another financial asset in the future. Financial assets include financial derivatives and commodity derivative contracts, receivables and equity interests, as well as financial instruments used for cash-flow hedges.

Financial assets are recognized in accordance with IFRS 9 Financial Instruments. On initial recognition, a financial asset is classified as measured at amortized cost, at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss (FVTPL). Classification depends on the contractual terms, the business model and, for some instruments, the company's choice. Financial assets are derecognized when the rights to receive cash from the asset have expired or when Hydro has transferred the asset.

Trade receivables
Trade receivables are initially recognized at transaction price, subsequently accounted for at amortized cost and are reviewed for impairment on an ongoing basis. Individual accounts are assessed for impairment taking into consideration indicators of financial difficulty and management assessment. Portfolios of trade receivable where expected losses are more than insignificant are reduced for those expected losses. Discounting generally does not have a material effect on accounts receivable, however, in special cases discounting may be applied. Hydro's business model for most trade receivable is to hold the receivables to collect the contractual cash flows. For some portfolios of trade receivables, factoring is applied.

Debt instruments
Debt instruments other than trade receivables include bank deposits and all other monetary instruments with a maturity above three months at the date of purchase, investments in debt securities, and certain other receivables. These instruments are measured at amortized cost, with the exception of instruments where cash flows are not contractually fixed and/or consists of other elements in addition to interest and repayments; and thus required to be measured at FVTPL.

Short-term debt instruments are included in Short-term investments. Long-term debt instruments are included in Other non-current assets.

Equity instruments
Hydro's portfolio of trading securities is measured at FVTPL and included in Short-term investments. Other equity investments in companies that are not consolidated or accounted for using the equity method are classified as either FVTPL or FVOCI on an individual investment basis. Hydro classifies investments in other entities with strategic or operational purposes, such as getting access to raw materials or in other ways cooperating with those entities, primarily as FVOCI, as Hydro considers this classification to be more relevant. Any dividend received from such investment is recognized in Finance income. On disposal of these investments, no gain or loss will be recognized in the income statement, however, any related accumulated value change will be reclassified from Other components of equity to Retained earnings.

Financial liabilities

Financial liabilities represent a contractual obligation by Hydro to deliver cash in the future and are classified as either short- or long-term. Financial liabilities include financial derivatives, commodity derivative contracts and other financial liabilities as well as financial instruments used for cash-flow hedges. Financial liabilities, with the exception of derivatives, are initially recognized at fair value, including transaction costs directly attributable to the transaction, and are subsequently measured at amortized cost. Financial liabilities are derecognized when the obligation is discharged through payment, when Hydro has irrevocably initiated payment, or when Hydro is legally released from the primary responsibility for the liability.

Derivative instruments

Derivative instruments are measured at fair value through profit and loss, except when the instruments meet the criteria for cash flow hedge accounting and are designated as hedge instruments. Derivatives, including hedging instruments and embedded derivatives, with expected cash flows within twelve months from the balance sheet date, or held solely for trading, are classified as short-term. Instruments with expected cash flows more than 12 months after the balance sheet date are classified as short and long-term based on the timing of the estimated cash flows.

Derivative contracts are presented gross on the balance sheet unless contract terms include the possibility to settle the contracts on a net basis and Hydro has the intention and ability to do so. The ability to settle net is conditional on simultaneous offsetting cash-flows.

Physical contracts for commodities that are readily convertible to cash are evaluated on a portfolio basis. Portfolios are defined based on business purpose, internal mandates and internal responsibilities. If a portfolio of contracts contains contracts of a similar nature that are settled net in cash, or the underlying products are not intended for own use, the entire portfolio of contracts is recognized at fair value and classified as derivatives. Physical commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of the commodity in accordance with Hydro's expected purchase, sale or usage requirements (own use) are not accounted for at fair value.

Power Purchase Agreements (PPAs) are carefully considered. Hydro purchases significant quantities of power, the majority purchased on baseload contacts where the same quantity is delivered and received each hour during the contract period. These contracts are well aligned with Hydro's need for production facilities such as aluminium smelters running on an ongoing basis throughout the year with no planned shutdown periods. Some contracts are for energy sources such as wind and solar power. For these sources, where production quantities vary with weather and other non-controlled conditions, contracts whereby a relative share of the actual produced quantity is delivered is more frequent. Hydro is exposed to such contracts in sourcing for the smelter portfolio in Norway. For Hydro's activity in Norway, the variability is absorbed in combination with the hydropower production facilities owned and managed by Hydro. Purchased power is considered for own use assuming that Hydro's consumption of power exceeds the quantities purchased. Net spot sales balancing out excess power is derived from Hydro's production of power.

Hydro considers the Nordic power market an integrated market. Power purchase at one point in the grid is considered physically received and used for own consumption needs even though the consumption may be from a different point in the integrated grid, and power is being transported between the connection points by the grid operator.

Commodity purchase contracts are generally considered to be the primary source for usage requirements. Hydro's own production of such commodities, for instance electricity, alumina and primary

aluminium, is considered to be available for use or sale at Hydro's discretion unless relevant concessions contain restrictions for use.

For commodity contracts with certain contingencies such as dependence on a planned production facility, the contracts are evaluated to determine at which time the arrangement represents a firm commitment and thus potentially is a contract in scope of IFRS 9. Generally, Hydro consider arrangements relying on production in a specific facility not yet existing and for which the final construction decision is not made, not to represent a derivative under IFRS 9.

Derivative commodity instruments are marked-to-market with their fair value recorded in the balance sheet as either assets or liabilities. Valuation models take into consideration uncertainties and variability in volumes to be delivered or received where not contractually fixed. Changes in the fair value of the instruments are reflected in revenue and/or raw material cost. Forward currency contracts and currency options are recognized in the balance sheet and measured at fair value at each balance sheet date with the resulting gain or loss recorded in Finance expense. Interest income and expense relating to swaps are netted and recognized as income or expense over the life of the contract.

Hedge accounting is applied when specific hedge criteria are met, including documentation of the hedge relationship. The changes in fair value of the hedging instruments are offset in part or in full by the corresponding changes in the fair value or cash flows of the underlying hedged exposures. Gains and losses on cash flow hedging instruments are recognized in Other comprehensive income and deferred in the Hedging reserve in Other components of equity until the underlying transaction is recognized in the income statement. Deferred gains and losses relating to forecasted hedged transactions that are no longer expected to occur are immediately recognized in the income statement. Any amounts resulting from hedge ineffectiveness are recognized in the current period's income statement.

An embedded derivative is accounted for as a separate financial instrument, provided that the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the host contract is not accounted for at fair value. Embedded derivatives are classified both in the income statement and on the balance sheet based on the risks in the derivatives' underlying.

Financial instruments, and contracts accounted for as such, are in the balance sheet included in several line items and classified in categories for accounting treatment.

Significant judgment in accounting for financial instruments

Determining whether contracts qualify as financial instruments at fair value or as contracts for own use involves evaluation of markets, Hydro's use of similar contracts and historic or planned use of physically delivered products under such contracts. The assessment includes considerations of production volume, sales volumes and the need for raw materials and energy over the period covered by the contract. Determining whether embedded derivatives are required to be separated and accounted for at fair value involves assessing price correlations and normal market pricing mechanisms for relevant products and marketplaces.

Where no directly observable market prices exist, fair value is estimated through valuation models which rely on internal assumptions as well as observable market information such as forward curves, yield curves and interest rates. Market stability and liquidity impacts the reliability of observed prices and other market information, and consequently, the extent of judgment necessary to estimate appropriate market prices for valuation purposes. Volatility also impacts the magnitude of changes in estimated fair value, which can be substantial, in particular on long-term contracts. Historically, financial and commodity markets have been highly volatile.

The below specification relates to financial statement line items containing financial instruments. Information is classified and measured in accordance with IFRS 9.

Amounts in NOK million	Derivatives at FVTPL [1]	Derivatives identified as hedging instruments	Debt instruments at amortized cost	Financial instruments at FVTPL [2]	Equity instruments at FVOCI [1]	Financial liabilities at amortized cost	Non-financial assets and liabilities [3]	Total
2024								
Assets - current								
Cash and cash equivalents	-	-	15,049	-	-	-	-	15,049
Short-term investments	-	-	2,341	1,126	-	-	-	3,467
Trade and other receivables	-	-	24,269	-	-	-	4,241	28,510
Other current financial assets	268	-	-	-	-	-	144	412
Assets - non-current								
Investments accounted for using the equity method	-	-	-	-	-	-	25,054	25,054
Other non-current assets	606	-	979	848	773	-	2,766	5,972
Liabilities - current								
Bank loans and other interest-bearing short-term debt	-	-	-	-	-	11,601	-	11,601
Trade and other payables	-	-	-	-	-	14,078	12,898	26,976
Other current financial liabilities	2,302	555	-	-	-	366	100	3,323
Liabilities - non-current								
Long-term debt	-	-	-	-	-	23,147	-	23,147
Other non-current financial liabilities	4,300	691	-	1,036	-	136	-	6,163
2023								
Assets - current								
Cash and cash equivalents	-	-	24,618	-	-	-	-	24,618
Short-term investments	-	-	1,551	1,090	-	-	-	2,641
Trade and other receivables	-	-	20,077	-	-	-	5,327	25,404
Other current financial assets	890	825	-	-	-	-	185	1,900
Assets - non-current								
Investments accounted for using the equity method	-	-	-	-	-	-	21,228	21,228
Other non-current assets	574	110	1,319	88	955	-	3,343	6,389
Liabilities - current								
Bank loans and other interest-bearing short-term debt	-	-	-	-	-	7,111	-	7,111
Trade and other payables	-	-	-	-	-	12,513	13,719	26,232
Other current financial liabilities	1,424	2	-	817	-	484	-	2,727
Liabilities - non-current								
Long-term debt	-	-	-	-	-	28,978	-	28,978
Other non-current financial liabilities	2,932	-	-	1,062	-	51	-	4,045

1) FVTPL is financial instruments at fair value through profit or loss. FVOCI is financial instruments at fair value through other comprehensive income.

2) Financial Instruments at Fair Value Through Profit or Loss (FVTPL) are instruments required by IFRS 9 to be at FVTPL.

3) Includes items that are excluded from the scope of IFRS 7 Financial Instruments: Disclosures, such as investments accounted for using the equity method, except loans to such entities.

Financial assets, classified as current and non-current, represent the maximum exposure Hydro has towards credit risk as at the reporting date.

Collateral or margin calls are required for some financial liabilities, primarily related to derivative transactions. Such collaterals for financial instruments are made in the form of cash deposits, and reported as part of Short-term investments and Other non-current assets. As of December 31, 2024, short-term collateral was NOK 1.9 billion while long-term collateral was NOK 257 million. Corresponding amounts as of December 31, 2023 were NOK 1 billion and NOK 638 million, respectively.

Impairment of receivables are disclosed in note 6.2 Trade and other receivables. No other financial assets are currently impaired based on credit losses.

Gains and losses

Realized and unrealized gains and losses from financial instruments and contracts accounted for as financial instruments are included in several line items in the income statement. Below is a reconciliation of the effects from Hydro's financial instruments in the income statements:

Amounts in NOK million	Derivatives at FVTPL	Derivatives identified as hedging instruments	Debt instruments at amortized cost	Financial instruments at FVTPL	Equity instruments at FVOCI	Financial liabilities at amortized cost	Non-financial assets and liabilities	Total [1]
2024								
Income statement line item								
Revenue	1,014	(531)	-	-	-	-	-	483
Raw material and energy expense	(196)	-	-	-	-	-	-	(196)
Financial income	-	-	-	(60)	-	-	-	(60)
Financial expense	(57)	-	-	-	-	-	-	(57)
Currency effects	2,309	-	-	-	-	-	-	2,309
Gain/loss in Other comprehensive income								
Recognized in Other comprehensive income (before tax)					403			403
Removed from Other components of equity and recognized in the income statement								
2023								
Income statement line item								
Revenue	(566)	(723)	-	-	-	-	-	(1,289)
Raw material and energy expense	236	-	-	-	-	-	-	236
Financial income	55	-	-	(93)	-	-	-	(38)
Financial expense	(13)	-	-	-	-	-	-	(13)
Currency effects	2,203	-	-	-	-	-	-	2,203
Gain/loss in Other comprehensive income								
Recognized in Other comprehensive income (before tax)					135			135
Removed from Other components of equity and recognized in the income statement								

1) Amounts indicates the total gains and losses to financial instruments for each specific income statement line.

Currency effects, with the exception of currency derivatives, are not included above. Negative amounts indicate a gain.

Sensitivity analysis

In accordance with IFRS, Hydro has chosen to provide information about market risk and potential exposure to hypothetical loss from its use of derivative financial instruments and other financial instruments and derivative commodity instruments through sensitivity analysis disclosures. The sensitivity analysis depicted in the tables below reflects the hypothetical gain/loss in fair values that would occur assuming a 10 percent increase in rates or prices and no changes in the portfolio of instruments held in Hydro's continuing operations as of December 31, 2024 and December 31, 2023. Effects shown below are largely also representative of reductions in rates or prices by 10 percent, but with the opposite sign convention. Only effects that would ultimately be accounted for in the income statement, or equity, as a result of a change in rates or prices, are included. All changes are before tax.

		Gain (loss) from 10 percent increase in						
		Foreign currency exchange rates			Commodity prices			
Amounts in NOK million	Fair value as of December 31 [1]	USD	EUR	Other	Aluminium	Other	Interest-rates	Other
2024								
Derivative financial instruments [2]	(3,713)	(510)	(2,123)	-	-	-	101	-
Other financial instruments [3]	(5,752)	(939)	(359)	136	-	-	7	38
Derivative commodity instruments [4]	(2,015)	(24)	(187)	-	(3,619)	152	10	-
Financial instruments at FVOCI [5]	(473)	(1,342)	-	1	-	-	25	5
2023								
Derivative financial instruments [2]	(2,015)	(305)	(1,924)	-	-	-	85	-
Other financial instruments [3]	(2,288)	(224)	(389)	149	-	-	7	36
Derivative commodity instruments [4]	(877)	(37)	(156)	19	(2,556)	115	11	3
Financial instruments at FVOCI [5]	1,902	(895)	-	1	-	-	2	65

1) The change in fair value due to price changes is calculated based on pricing formulas for certain derivatives, the Black-Scholes/Turnbull-Wakeman models for options and the net present value of cash flows for certain financial instruments or derivatives. Discount rates vary as appropriate for the individual instruments.
2) Includes forward currency contracts and embedded currency derivatives.
3) Includes cash and cash equivalents, investments in securities, bank loans and other interest-bearing short-term debt and long-term debt. Trade payables and trade receivables are also included.
4) Includes all contracts with commodities as underlying, both financial and physical contracts, such as LME contracts and NASDAQ Nordic Power contracts, which are accounted for at fair value.
5) Includes hedging derivatives.

The above sensitivity analysis reflects sensitivities for the instruments held at the balance sheet dates only. Related offsetting physical positions, contracts, and anticipated transactions are not reflected. The calculations do not take into consideration any adjustments for potential correlations between the risk exposure categories, such as the effect of a change in a foreign exchange rate on a commodity price.

The above discussion about Hydro's risk management policies and the estimated amounts included in the sensitivity analysis relates to the balance sheet position as of December 31. Outcomes at other dates could differ materially based on actual developments in the global markets and Hydro's positions. The methods used by Hydro to analyze risks discussed above should not be considered as projections of future events, gains or losses.

The following is an overview of fair value measurements categorized on the basis of observability of significant measurement inputs. Certain items are valued on the basis of quoted prices in active markets for identical assets or liabilities (level 1 inputs), others are valued on the basis of inputs that are derived from observable prices (level 2 inputs), while certain positions are valued on the basis of judgmental assumptions that are to a limited degree or not at all based on observable market data (level 3 inputs). Bilateral contracts with reference to observable prices are considered to be level 2 inputs. The level in this fair value hierarchy within which measurements are categorized is determined on the basis of the lowest level input that is significant to the fair value measurement.

Amounts in NOK million	2024	Level 1	Level 2	Level 3	2023	Level 1	Level 2	Level 3
Assets								
Commodity derivatives	713	177	306	231	1,247	346	561	339
Currency derivatives	1	-	1	-	48	-	48	-
Cash flow hedges	-	-	-	-	935	-	935	-
Financial assets at FVTPL	1,974	398	737	839	1,178	370	733	74
Financial assets at FVOCI	773	-	-	773	955	-	-	955
Other	159	-	159	-	169	-	169	-
Total	**3,621**	**574**	**1,204**	**1,843**	**4,532**	**717**	**2,447**	**1,368**
Liabilities								
Commodity derivatives	(2,729)	(368)	(1,523)	(837)	(2,124)	(488)	(812)	(824)
Currency derivatives	(3,873)	-	(3,873)	-	(2,232)	-	(2,232)	-
Other financial liabilities	(1,035)	-	-	(1,035)	(1,879)	-	-	(1,879)
Cash flow hedges	(1,246)	-	(1,246)	-	(2)	-	(2)	-
Total	**(8,884)**	**(368)**	**(6,643)**	**(1,873)**	**(6,237)**	**(488)**	**(3,046)**	**(2,703)**

Gains or losses relating to level 3 commodity derivatives are included in the income statement in Raw material and energy expense. Changes in fair value for embedded derivatives are reported as gains or losses for the period. Changes in fair value for hedge instruments are reported in Other comprehensive income. Dividends received for equity instruments at fair value through other comprehensive income are included in Financial income.

Exposure to level 3 commodity derivatives is decreasing and the sensitivities relating to commodity derivatives are insignificant as of December 31, 2024.

Note 8.3 Derivative instruments and hedge accounting

Accounting policies for classification of embedded derivatives

Embedded derivatives are classified based on the underlying in the contract feature constituting a separable embedded derivative in the table below. Where there is more than one embedded derivative in the same host contract, those embedded derivatives are offset in settlement and thus presented net on the balance sheet.

Changes in the fair value of commodity derivatives are included in operating revenues or cost of goods sold based on classification of underlying risk for embedded derivatives and on the purpose of the instrument for freestanding derivatives. Currency derivatives, whether embedded derivatives or separate instruments, are classified as Finance expense

Significant judgment for embedded derivatives

Some non-financial contracts contain pricing links that affect cash flows in a manner different than the underlying commodity or other product in the contract. For accounting purposes, these embedded derivatives are separated from the host contract and recognized at fair value for links not closely related to the product in the host contract. Which price links that are closely related requires judgment, assessing common pricing patterns and market development over time. Hydro has separated and recognized at fair value embedded derivatives related to currency and aluminium links from the underlying contracts, mainly in energy contracts.

Commodity derivatives

The following types of commodity derivatives, including embedded derivatives, were recorded at fair value on the balance sheet as of December 31, 2024 and December 31, 2023. Contracts that are designated as hedge instruments in cash flow hedges are not included. Hydro's risk management, including use of derivative instruments, is discussed in note 8.1 Financial and commercial risk management.

Fair values for derivative instruments in the table below includes traditional derivative instruments such as futures, forwards and swaps, physical contracts accounted for at fair value, as well as embedded derivatives.

Amounts in NOK million	2024	2023
Assets		
Electricity contracts	394	425
Aluminium futures, forwards and options	309	756
Other	11	66
Total	**714**	**1,247**
Liabilities		
Electricity contracts	(725)	(699)
Aluminium futures, forwards and options	(1,925)	(1,165)
Other	(79)	(260)
Total	**(2,729)**	**(2,124)**

Cash flow hedges

Hydro has to a limited extent used cash flow hedge accounting for its risk management positions. Gains and losses on the hedge derivatives are recognized in Other comprehensive income, and accumulated in the hedging reserve in equity and reclassified into operating revenues or cost when the corresponding forecasted sale or consumption is recognized. Hydro has continued its hedge arrangements for currency in the Alunorte plant and the Albras plant, both in Brazil, to secure the exchange rate between Brazilian Real and US dollar. As of 31 December 2024, an amount of USD 1,040 million is sold forward for 2025-2026 at an average rate of 5.52 Brazilian Real to US dollar.

No ineffectiveness was recognized in the income statement in 2024 or 2023.

The table below gives aggregated numbers related to the cash flow hedges for 2024 and 2023.

Amounts in NOK million	2025	2024	2023
Expected to be reclassified to the income statement during the year (NOK million)	(555)	826	264
Reclassified to the income statement from Other components of equity (NOK million) [1)]		531	723

1) Deviates from expected reclassifications due to change in market prices throughout the year. Negative amounts indicate a loss.

A liability of NOK 1.247 million and an asset of NOK 934 million were recognized as the fair value of cash flow hedging instruments for December 31, 2024 and 2023, respectively.

Hydro performs trading operations to reduce currency exposures on commodity positions. The effect of such operations is recognized as a part of Financial expense in the income statement.

For the after tax movement in Hydro's equity relating to cash-flow hedges for 2024 and 2023, please see note 7.6 Shareholders' equity.

Fair Value of Derivative Instruments

The fair value of derivative financial instruments such as currency forwards and swaps are based on quoted market prices. The fair market value of aluminium and electricity futures/forwards and option contracts is based on quoted market prices obtained from the London Metals Exchange and NASDAQ Nordic Power/EEX (European Energy Exchange), respectively. The fair value of other commodity over-the-counter contracts and swaps is based on quoted market prices, estimates obtained from brokers and other appropriate valuation techniques. Where long-term physical delivery commodity contracts are recognized at fair value in accordance with IFRS 9, such fair market values are based on quoted forward prices in the market, and assumptions of forward prices and margins where market prices are not available. Where volumes, delivery profile or other elements are uncertain or contingent on variables outside the parties' control, management's best estimate of such factors and the range of reasonably possible outcomes is reflected in the valuation. Hydro takes credit-spread into consideration when valuating positions when necessary.

For further information on fair values, see note 1.2 Measurement of fair value. See note 8.2 Financial instruments for a specification of the classification of derivative positions according to a fair value hierarchy.

Section 9 – Related parties and remuneration

Note 9.1 Related party information

As of December 31, 2024, The Norwegian state had ownership interests of 34.8 percent of total shares outstanding (2023: 34.8 percent) in Hydro through the Ministry of Trade, Industry and Fisheries. In addition, Folketrygdfondet, which manages the Government Pension Fund – Norway[1)] held 7.0 percent (2023: 6.3 percent). There are no preferential voting rights associated with the shares held by the Norwegian State. Hydro has concluded that the Norwegian state's shareholding represents a significant interest in Hydro, and that the State thus is a related party.

Hydro's share buyback program authorized at the extraordinary general meeting in September 2023 had as a prerequisite for buybacks and subsequent cancellation of shares that these transactions would not result in a change to the ownership interest of 34.26 percent of issued shares of the Ministry of Trade, Industry and Fisheries. Share redemptions from the Norwegian state was carried out at the same price terms as for the buybacks via the stock exchange. The share buyback program authorized at the ordinary general meeting in May 2024 has the same prerequisite for buybacks and subsequent cancellation of shares that these transactions do not result in a change to the ownership interest of 34.26 percent of issued shares of the Ministry of Trade, Industry and Fisheries. Share redemptions from the Norwegian state will be carried out at the same price terms as for the buybacks via the stock exchange.

The Norwegian state has ownership interests in a substantial number of companies. The ownership interests in 69 companies are managed by the ministries and covered by public information from the Ministry of Trade, Industry and Fisheries[2)]. We have not assessed which of these companies that are controlled by the State. Hydro has business transactions with a number of these companies, including purchase of power from Statkraft and bank services from DNB. Generally, transactions are agreed independently of the possible control exercised by the State.

A significant share of Hydro's defined benefit post-employment plans is managed by the independent pension trust, Norsk Hydros Pensjonskasse. Employees managing and operating the pension trust are employees of Norsk Hydro ASA. Their salaries and other benefits are reimbursed by the pension trust on a monthly basis, in total NOK 12 million for 2024 and NOK 12 million for 2023. Further, the pension trust is located in Hydro's head office. Office costs, including heating and administrative services, are charged with a total of NOK 1 million for both 2024 and 2023. The pension trust provides services to Hydro for administration of unfunded pension plans with NOK 6 million for 2024 and NOK 5 million for 2023.

The pension trust owns some of the office space rented by Hydro. The current rental arrangement was entered into in 2015 representing a partial continuation of a rental agreement from 2006, and priced based on market price benchmarks at the time of the agreement in 2006. Hydro has paid a rental of NOK 94 million and NOK 86 million for 2024 and 2023, respectively. The current term of the rental contract expires in February 2027. A new contract for premises in the same office complex covering a ten-year period with options for two additional five-year periods from 2026 was entered into during 2023. Hydro also sold electricity to the pension trust for its operational needs at the same office site for a total amount of NOK 5 million in 2024 and NOK 8 million in 2023. As of the end of 2024, Hydro's outstanding receivables on Norsk Hydros Pensjonskasse were NOK 2 million, while Hydro's payable to Norsk Hydros Pensjonskasse amounted to NOK 34 million, all settled in early 2025.

Hydro's significant joint arrangements and associates; and transactions with those entities are described in note 3.1 Investments in joint arrangements and associates. Hydro's relationship with partners in joint arrangements are generally limited to a combined effort within a limited area. Hydro considers the joint venture partners as competitors in other business transactions, and do not see these relationships as related party relationships. Entities that are associates or joint ventures of Hydro's joint venture Hydro Rein are also considered related parties of Hydro. Hydro has transactions with some of those entities. The main transaction type is purchase of electrical power under long-term power purchase agreements, for the majority of the agreements at fixed prices subject to inflation adjustment. Such purchases will, for the wind project Stor-Skälsjön in Northern Sweden, and the solar and wind projects in Brazil start during 2025. In 2024, some power volumes have been purchased on spot terms at prevailing prices in the relevant markets. Hydro Rein also provided construction services to the Stor-Skälsjön project with a revenue of NOK 101 million in the period prior to Hydro's sale of the controlling interest in Hydro Rein in June 2024.

Some of the board members or their close members of family serve as board members or executive directors in other companies. In addition, some members of Hydro's executive leadership team or their close members of family serve as board members in other companies. Hydro has transactions with some of those companies; however, have not identified any transactions where the relationship is known to have influenced the transaction. Some close family members of members of Hydro's management are employed in non-executive positions in Hydro.

Transactions with related parties are at arm's length principles.

Executive management remuneration is disclosed in the table below. The members of Hydro's executive leadership team and the members of Hydro's board of directors during 2024 and 2023 and their individual remuneration is reported in *Norsk Hydro ASA Report on executive remuneration 2024*.

Amounts in NOK thousand	2024	2023
Salary paid	52,754	52,484
Other short-term benefits	18,803	18,226
Pension benefits	13,540	9,650
Long-term incentive	10,350	13,692
Total Executive Leadership Team	**95,447**	**94,052**
Fees Board of Directors	7,370	6,780
Total	**102,817**	**100,832**

1) Shareholding is based on information from the Norwegian Central Securities Depositary (VPS) as of December 31, 2024 and 2023. Due to lending of shares, an investor's holdings registered in its VPS account may vary.

2) According to information on the Government web site www.regjeringen.no, state ownership.

Note 9.2 Employee remuneration

Accounting policies for employee remuneration

Share-based compensation

Hydro accounts for share-based compensation in accordance with IFRS 2 Share-based Payment. Share-based compensation expense is measured at fair value over the service period and includes social security taxes that will be paid by Hydro at the settlement date. All changes in fair value are recognized in the income statement.

Employee benefits

Payments to employees, such as wages, salaries, social security contributions, paid annual leave and bonus agreements are accrued in the period in which the associated services are rendered by the employee.

Employee share purchase plan

Hydro has established a share purchase plan for employees in Norway. The plan payout is based on whether the share price (adjusted for dividend paid) increases with at least 12 percent or not during the performance period. Eligible employees are invited to purchase shares with a rebate of 50 percent for a value of NOK 15,000 or NOK 30,000, depending on shareholder return. Details related to the employee share purchase plan are provided in the table below.

Performance measurement period

	2024	2023	2022
Total shareholder return performance target achieved	<12%	<12%	≥12%
Employee rebate offered, NOK	7,500	7,500	15,000

Share purchase plan compensation

	2024	2023
Award share price, NOK	71.14	81.94
Number of shares issued, per employee	265	388
Total number of shares issued to employees	898,615	1,277,684
Compensation expense related to the award, NOK thousand	38,551	55,349

Employee benefit expense

The average number of employees in Hydro for 2024 and 2023 was 32,257 and 32,580, respectively. As of year-end 2024 and 2023, Hydro employed 32,031 and 32,724 people, respectively. Employees in joint operations are not included. The specification of employee benefit expenses, including employee benefits in joint operations, is given in the table below.

Amounts in NOK million	2024	2023
Salary	20,899	20,254
Social security costs	3,101	3,065
Other benefits	1,782	1,483
Pension expense (note 9.3)	1,164	1,130
Total	**26,946**	**25,931**

Note 9.3 Employee retirement plans

Accounting policies for post-employment benefits

Post-employment benefits are recognized in accordance with IAS 19 Employee Benefits. The cost of providing pension benefits under a defined benefit plan is determined separately for each plan using the projected unit credit method. Past service costs are recognized immediately in the income statement. The interest component of the periodic cost is included in Finance expense. Remeasurement gains and losses are recognized in Other comprehensive income.

Contributions to defined contribution plans are recognized in the income statement in the period in which they accrue. Multiemployer defined benefit plans where available information is insufficient to use defined benefit accounting are accounted for as if the plan were a defined contribution plan

Significant judgment in accounting for post-employment benefits

Measurement of pension expense and obligations under defined benefit plans requires numerous assumptions and estimates that can have a significant impact on the recognized pension cost and obligation, such as discount rates, mortality, and future pension increases and salary levels.

Employee retirement plans in Hydro

Hydro provides post-employment benefits covering a substantial portion of employees. Plans and benefit levels vary between companies and countries. In recent years, there has been a shift from traditional final salary defined benefit plans to defined contribution and contribution-oriented plans. Many defined benefit plans have been closed to new entrants, and in some defined benefit plans, large groups of employees have converted to defined contribution arrangements. Still, a declining number of employees continues to earn benefits under defined benefit plans.

Pension expense

	2024			2023		
Amounts in NOK million	Norway	Other	Total	Norway	Other	Total
Defined benefit plans	68	64	132	71	66	137
Defined contribution plans	285	509	794	257	488	745
Multiemployer plans	64	-	64	60	-	60
Termination benefits and other	39	44	83	52	53	105
Social security cost	63	28	91	52	30	82
Pension expense	**519**	**645**	**1,164**	**493**	**637**	**1,130**
Interest expense (income)	(100)	114	14	(110)	101	(9)
Remeasurement (gain) loss in other comprehensive income	(1,484)	143	(1,341)	528	461	989

Recognized defined benefit asset and liability

	2024			2023		
Amounts in NOK million	Norway	Other	Total	Norway	Other	Total
Defined benefit obligation major plans	(12,130)	(6,526)	(18,657)	(12,706)	(6,309)	(19,016)
Plan assets	17,075	3,649	20,724	16,078	3,556	19,634
Reimbursement rights	261	-	261	280	-	280
Liability other plans	(54)	(695)	(749)	(53)	(714)	(767)
Social security cost	(666)	(24)	(690)	(680)	(10)	(689)
Net defined benefit asset (liability)	**4,485**	**(3,596)**	**889**	**2,919**	**(3,478)**	**(558)**
Recognized prepaid pension	9,867	248	10,115	8,416	248	8,664
Recognized pension liability	(5,382)	(3,844)	(9,226)	(5,497)	(3,725)	(9,222)
Net amount recognized	**4,485**	**(3,596)**	**889**	**2,919**	**(3,478)**	**(558)**

Other plans include some minor plans in various entities and countries. These plans may be funded or unfunded. None of these plans are considered material, neither individually nor combined.

Change in defined benefit obligation (DBO)

	2024			2023		
Amounts in NOK million	Norway	Other	Total	Norway	Other	Total
Opening Balance	(12,706)	(6,309)	(19,016)	(11,556)	(5,814)	(17,370)
Current service cost	(63)	(30)	(93)	(70)	(35)	(105)
Interest expense	(408)	(265)	(673)	(359)	(269)	(627)
Actuarial gain (loss) demographic	-	7	7	-	78	78
Actuarial gain (loss) economic	454	205	659	(817)	(146)	(963)
Experience gain (loss)	(112)	(72)	(184)	(558)	(133)	(691)
Benefit payments	737	423	1,160	704	432	1,136
Termination benefits	(33)	-	(33)	(77)	-	(77)
Reclassified to Assets held for	-	-	-	26	-	26
Foreign currency translation	-	(484)	(484)	-	(422)	(422)
Closing Balance	**(12,130)**	**(6,526)**	**(18,657)**	**(12,706)**	**(6,309)**	**(19,016)**

Change in pension plan assets

	2024			2023		
Amounts in NOK million	Norway	Other	Total	Norway	Other	Total
Opening Balance	16,078	3,556	19,634	15,142	3,497	18,639
Interest income	521	177	698	479	194	673
Return on plan assets above (below) interest income	1,127	(277)	850	897	(265)	632
Company contributions	74	37	111	23	71	94
Refund of surplus to company	(250)	-	(250)	-	-	-
Benefit payments	(475)	(215)	(690)	(463)	(222)	(685)
Foreign currency translation	-	372	372	-	281	281
Closing Balance	**17,075**	**3,649**	**20,724**	**16,078**	**3,556**	**19,634**

Analysis of the defined benefit obligation (DBO)

	2024			2023		
Amounts in NOK million	Norway	Other	Total	Norway	Other	Total
Active members	(1,710)	(852)	(2,562)	(1,977)	(780)	(2,757)
Deferred members	(875)	(1,532)	(2,407)	(898)	(1,472)	(2,370)
Pensioners	(9,546)	(4,142)	(13,688)	(9,831)	(4,058)	(13,889)
Defined benefit obligation	**(12,130)**	**(6,526)**	**(18,657)**	**(12,706)**	**(6,309)**	**(19,016)**
Weighted average duration (years)	10.6			11.3		

Contributions to pension plans, benefit payments from unfunded pension plans, and social security tax imposed on such contributions and payments, amounted to a cash outflow of about NOK 1,700 million for 2024 and about 1,550 million for 2023. Hydro's cash impact is expected to increase along a similar trend pattern in the coming year. In 2024, refund of surplus through a dividend payment from Norsk Hydros Pensjonskasse to Norsk Hydro ASA amounting to NOK 250 million reduced the net cash impact to about NOK 1,450 million.

Hydro's main pension plans are offered in Norway. The plans are described below:

Norway

Hydro has closed the main defined benefit plans for new members, and most employees are now covered by defined contribution plans. The defined benefit plans are both funded and unfunded. The main funded plan is managed by Norsk Hydros Pensjonskasse, a separate, regulated legal entity. Hydro's pension plans complement the public pension schemes in Norway.

Hydro participates in a tariff-based pension plan that entitles the majority of its Norwegian employees life-long supplementary benefits. The benefits are financed through a pooled arrangement by private sector employers (avtalefestet pensjon, AFP), in which the Norwegian state also contributes. The plan is a defined benefit plan with limited funding and where plan assets are not segregated. The information required to calculate the share of the plan and account for the plan as a defined benefit plan is not available from the plan administrator. Hydro therefore accounts for the plan as if it were a defined contribution plan. The employer contributions are included in Multiemployer plans.

Significant actuarial assumptions for the main Norwegian defined benefit plans include:

Assumptions	Benefit obligation 2024	Benefit expense 2024	Benefit obligation 2023	Benefit expense 2023
Discount rate	3.90%	3.30%	3.30%	3.20%
Expected pension increase	2.75%	2.50%	2.50%	1.75%
Mortality basis	K2013	K2013	K2013	K2013

The discount rate is based on the yield on covered bonds (debt securities backed by cash flows from mortgages) issued in Norway. The market for covered bonds has developed in size and liquidity, and we deem this market to be sufficiently deep to serve as reference for the discount rate for our post-employment benefit plans in Norway.

The sensitivities shown in the table below have been calculated for the main Norwegian plans illustrating the effects of changing one assumption while keeping the other assumptions unchanged. Possible correlation between assumptions is not reflected in the calculations.

Sensitivities decrease (increase) benefit obligation year end

Amounts in NOK million, except percent	2024	2024
Discount rate increase 0.5% point	5.1%	617
Pension increase 0.5% point	(5.4%)	(652)
One year longer life all members	(4.6%)	(553)

The plan assets in the funded plans provided through Norsk Hydros Pensjonskasse were invested as follows at the end of 2024 and 2023:

Amounts in NOK million, except percent	2024	2024	2023	2023
Cash and cash equivalents	2.8%	467	3.6%	565
Equity instruments Norway	16.9%	2,861	18.5%	2,941
Equity instruments other countries	23.5%	3,976	21.5%	3,412
Debt instruments	24.9%	4,201	25.1%	3,985
Investment funds	14.5%	2,441	14.1%	2,241
Real estate	17.4%	2,939	17.2%	2,731
Total	**100.0%**	**16,886**	**100.0%**	**15,875**

Real estate consists of office buildings in the Oslo area. A share of the buildings are leased and occupied by Hydro. Investment funds are primarily private equity funds investing in unlisted companies across various industries in Europe, the US and Asia, and infrastructure funds investing in Europe (EEA, Switzerland, and in the UK). Equity instruments are held through liquid funds invested in listed companies in Norway and globally**.** Debt instruments are mainly bond issues with maturities up to 10 years and investment grade rating.

Other

Other includes Hydro's post-employment benefits outside Norway. Most employees affected are covered by defined contribution plans. Defined benefit plans relate largely to Germany, the UK and the US. In Germany, most of the defined benefit plans are unfunded. In the UK and the US, most of the defined benefit plans are financed and administered through independent pension trusts.

Section 10 - Other information

Note 10.1 Income taxes

Accounting policies for income taxes, current and deferred

Taxes payable is based on taxable profit for the year, which excludes items of income or expense that are taxable or deductible in other years. Taxable profit also excludes items that are never taxable or deductible. Hydro's liability for current tax is calculated using tax rates that have been enacted or substantively enacted as of the balance sheet date.

Deferred income tax expense is calculated using the liability method in accordance with IAS 12 Income Taxes. Deferred tax assets and liabilities are classified as non-current in the balance sheet and are measured based on the difference between the carrying value of assets and liabilities for financial reporting and their tax basis when such differences are considered temporary in nature. For items recognized as an asset and a liability at inception, such as an asset retirement obligation or a lease, temporary differences related to the asset and liability are considered in combination, and deferred tax assets and liabilities are recognized on changes to the temporary differences through the life of the items. Temporary differences related to intercompany profits are deferred using the buyer's tax rate. Deferred tax assets are reviewed for recoverability every balance sheet date, and the amount probable of recovery is recognized.

Deferred income tax expense represents the change in deferred tax asset and liability balances during the year, except for the deferred tax related to items recognized in Other comprehensive income or resulting from a business combination or disposal. Changes resulting from amendments and revisions in tax laws and tax rates are recognized when the new tax laws or rates become effective or are substantively enacted. Uncertain tax positions are recognized in the financial statements based on management's expectations.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority, and when the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred taxes are not provided on undistributed earnings of subsidiaries when the timing of the reversal of this temporary difference is controlled by Hydro and is not expected to happen in the foreseeable future. This is applicable for the majority of Hydro's subsidiaries.

Significant judgment in accounting for income taxes

Hydro is involved in a significant number of tax cases related to various types of taxes. Hydro’s widespread business operations expose us to several tax regimes and their interaction. We see that tax authorities challenge transfer prices to an increasing degree. Although Hydro currently has no significant transfer price disputes with tax authorities, the long value chain with a large number of internal transactions and business operations covering multiple tax jurisdictions expose us to such disputes, both related to prior and future transactions.

Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimizing measures, all of which may be uncertain. Economic conditions may change and lead to a different conclusion regarding recoverability. Tax authorities in different jurisdictions may challenge Hydro's calculation of taxes payable from prior periods. Such processes may lead to changes to prior periods' taxable income, resulting in changes to income tax expense in the period of change, as well as interest and fines.

Amounts in NOK million	2024	2023
Income (loss) before tax	8,862	6,546
Current income tax expense	4,771	4,790
Deferred tax expense (benefit)	(948)	(1,048)
Total income tax expense (benefit)	**3,822**	**3,742**

Components of deferred taxes

Amounts in NOK million	2024	2023
Origination and reversal of temporary differences	(1,612)	(1,011)
Change in deferred tax asset from tax loss carryforwards	(404)	(968)
Effect of tax rate changes	-	(40)
Net change in unrecognized deferred tax assets	603	912
Tax (expense) benefit allocated to Other comprehensive income	466	59
Deferred tax expense (benefit)	**(948)**	**(1,048)**

Reconciliation of tax expense to Norwegian nominal statutory tax rate

Amounts in NOK million	2024	2023
Expected income taxes at statutory tax rate [1]	1,950	1,440
Hydro-electric power surtax [2]	1,289	1,514
Equity accounted investments	120	(98)
Foreign tax rate differences [3]	237	(336)
Deferred tax asset not recognized and expired tax loss carryforwards [3]	597	615
Tax effect of impairment of goodwill	-	479
Prior year adjustments [4]	(248)	(4)
Other tax effects	(122)	130
Income tax expense (benefit)	**3,822**	**3,742**

1) Norwegian nominal statutory tax rate is 22 percent. The table is based on this tax rate.

2) A surtax of a certain percentage is applied to taxable income, with certain adjustments, for Norwegian hydro-electric power plants. The effective tax rate is 45%. The surtax comes in addition to the normal corporate taxation.

3) Deferred tax assets are not fully recognized for losses in certain subsidiaries, mainly in Brazil, Spain and Germany. In 2024, the unrecognized deferred tax asset has increased in these countries. In 2023, the unrecognized deferred tax asset increased in Brazil, but decreased in Spain and Germany. The effect is included with 22 percent of the loss in the line Deferred tax asset not recognized, while the difference between the units' tax rates and 22 percent is included in the line Foreign tax rate differences.

4) Prior year adjustments in 2024 include effects of recognized tax refunds in Spain amounting to NOK 108 million and Poland amounting to NOK 48 million.

Tax effects of temporary differences and tax loss carryforwards giving rise to deferred tax assets and liabilities

Amounts in NOK million	Assets 2024	Liabilities 2024	Assets 2023	Liabilities 2023
Inventory valuation	1,272	(338)	566	(284)
Accrued expenses	2,056	(215)	2,381	(194)
Property, plant and equipment	10,250	(13,903)	9,695	(13,874)
Intangible assets	838	(1,628)	1,054	(1,903)
Pensions	1,592	(2,171)	1,638	(1,963)
Derivatives	1,898	(215)	971	(689)
Other	1,714	(3,458)	1,682	(2,834)
Tax loss carryforwards	7,492		7,571	
Subtotal	27,112	(21,929)	25,558	(21,741)
Of which not recognized as tax asset	(5,711)		(5,479)	
Gross deferred tax assets (liabilities)	**21,401**	**(21,929)**	**20,079**	**(21,741)**
Net deferred tax assets (liabilities)		**(528)**		**(1,662)**
Reconciliation to balance sheets				
Deferred tax assets		4,233		3,055
Deferred tax liabilities		4,761		4,717
Net deferred tax assets (liabilities)		**(528)**		**(1,662)**

Recognition of net deferred tax asset is based on expected taxable income in the future.

At the end of 2024, Hydro had tax loss carryforwards of NOK 24,296 million, mainly in Brazil, Spain, Australia and Germany. Of the total, NOK 23,008 million is without expiration. The majority of the tax loss carryforwards with an expiry date expire after 2029. Tax assets are recognized for about 30 percent of the tax losses. Total reported deferred tax asset is NOK 4,233 million, mainly in Brazil, Norway, Germany, Poland and Spain. The deferred tax assets are recognized based on individual assessments of expected utilization for the taxable company or tax group. For our businesses in Brazil there are no tax consolidation possibilities or transfer of taxable income or losses available, which impact the possibility to utilize tax losses.

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions where Hydro operates. The legislation is effective for Hydro from January 1, 2024. Hydro has performed an assessment of the potential exposure to Pillar Two income taxes.

The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting to the tax authorities, and financial statements for the entities in the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which Hydro operates are above 15 percent. However, there are a limited number of jurisdictions where the transitional safe harbor relief does not apply, and the Pillar Two effective tax rate is close to 15 percent. The Group has expensed an estimated NOK 24 million for expected Pillar Two income taxes in these jurisdictions in 2024, which is included as other tax effects in the reconciliation of tax expense.

IFRS has introduced a mandatory temporary exception to the requirements of IAS 12 under which a company does not recognize or disclose information about deferred tax assets and liabilities related to the Base Erosion and Profit Shifting (BEPS) Pillar Two model rules, which Hydro applies.

Note 10.2 Research and development

Accounting principles for research and development

Research expenditures are expensed as incurred. Development costs are capitalized as intangible assets at cost in accordance with IAS 38 Intangible Assets when the recognition criteria are met, including probable future economic benefit and that the cost can be measured reliably. See note 2.2 Intangible assets for further information.

Research and development in 2024 and 2023

Hydro carries out its main research and development activities through research centres in the business areas. Total expensed research and development cost was NOK 980 million in 2024 and NOK 786 million in 2023. The greater part of the expensed research and development costs relates to in-house research and application development organizations, while the remainder represents work carried out by external institutions. Government grants have been received on basis of some of the projects, recognized as other income, i.e. are not deducted in the amounts mentioned above.

Hydro undertakes research and development activities to deliver on its strategic direction, including meeting its sustainability ambitions. Hydro is committed to achieving net-zero emissions in terms of Scope 1 and 2 by 2050 and expects to have initiatives in place for cutting own carbon emissions by 30 percent by 2030. To deliver on this commitment, new technologies enabling the delivery of net zero products and net zero operations are needed, to which research and development activities have been initiated. The activities are carried out throughout the value chain of Hydro.

Alumina
Bauxite residue is a leftover material from the process of refining bauxite into alumina at the Alunorte refinery. Hydro and Senai Institute of Innovation in Mineral technologies (ISI-TM) have continued their partnership to develop methods and processes for the reuse of bauxite residues, including industrial application and extraction of other minerals from the residues, and opportunities for applying the residue as a soil conditioner in local agriculture.

Primary aluminium production
Hydro is pursuing technology pathways toward near zero aluminium. To secure the value of existing primary aluminium plants, Hydro is developing carbon capture and storage (CCS) solutions that can be retrofitted into the existing plants. Hydro is planning to test and pilot the most promising CCS technology, up to industrial scale pilot by 2030. Furthermore, Hydro and Rio Tinto have agreed to partner in developing carbon capture technologies for the aluminium electrolysis process. Both will also continue independent decarbonization efforts.

Another pathway more suited for greenfield aluminium plants is Hydro's proprietary HalZero technology. This technology converts alumina to aluminium chloride prior to electrolysis in a process where chlorine and carbon are kept in closed loops, resulting in a fully decarbonized process. Hydro has been working over some years on lab-scale development of this technology. In late 2023, construction of a HalZero test facility was approved, moving the project from lab-scale test phase to small-scale industrial testing, with first metal planned in 2025.

Aluminium recycling

Recycling 100 percent post-consumer aluminium scrap by using zero emission energy sources such as green hydrogen is the fastest way to produce net-zero aluminium. In 2024, Hydro decided to continue the project with a three-year pilot for green hydrogen at the recycling plant at Hydro Høyanger. In the pilot, Hydro will partly replace natural gas with green hydrogen in one remelting furnace and develop solutions and technology with global potential. Hydro has patented aluminium sorting technology, and regularly seek to improve and further develop technology and processes, including sorting technology for post-consumer scrap.

Hydro is working towards implementing casthouse decarbonization technology for the recycling and primary plants to reach net-zero, including the construction of a pilot to test green hydrogen in one of the remelting furnaces. In addition, Hydro will be testing plasma technology, which will enable electrification and decarbonization of the remelting process in casthouses, using the same renewable energy that powers Hydro's primary smelters.

Extrusion
Hydro Extrusions is engaged in development projects in close cooperation with its customers, applying material science competence and modelling capabilities for the solution offering. Many projects aim at improving the design and usability of the products, and reducing their carbon footprint, targeting markets like automotive, building and construction and renewables. The technology and production processes are also regularly improved through development projects involving both the research and development centres and the production plants.

Note 10.3 Cash flow information

Cash disbursements and receipts included in cash from operations

Amounts in NOK million	2024	2023
Income taxes paid	4,719	7,177
Interest paid	2,661	1,959
Interest received	1,542	1,267

In 2024, non-cash investing activities for asset retirement costs amounted to negative NOK 327 million, compared to positive NOK 727 million in 2023. In 2024 and 2023, non-cash investing activities for leased assets amounted to NOK 1,123 million and NOK 2,457 million, respectively.

Note 10.4 Auditor's remuneration

KPMG is the Group auditor of Norsk Hydro ASA. The following table shows fees to the appointed auditors for 2024 and 2023. For all categories the reported fee is the recognized expense for the year.

Amounts in NOK million	Audit [1]	Audit related services [2]	Other services	Tax related services	Total
2024					
Norway	14	4	-	-	18
Outside Norway	48	1	-	4	53
Total	**62**	**6**	**-**	**4**	**72**
2023					
Norway	14	3	3	-	20
Outside Norway	42	1	1	3	47
Total	**56**	**3**	**4**	**3**	**67**

1) Audit fees of NOK 62 million (2023: NOK 56 million) reflect audit fees from KPMG in the amount of NOK 57 million (2023: NOK 50 million)

2) Audit related fees of NOK 6 million in 2024, where fees to KPMG include limited assurance regarding Hydro's sustainability statement, previously under Other services

Note 10.5 Changes in accounting principles and new pronouncements

Changes in accounting principles

Hydro has not implemented any new accounting standards or otherwise made any changes to accounting policies during 2024.

New pronouncements

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements. IFRS 18 applies for annual reporting periods beginning on or after January 1, 2027. IFRS 18 introduces new requirements for presentation of line items and subtotals in the income statement, following a structure with five defined categories in the income statement, which are operating, investing, financing, income tax, and discontinued operations. Although recognition and measurement of income and expenses will not be changed, the standard introduces mandatory presentation requirements which will lead to changes in reported subtotals compared to the structure currently presented. The subtotal *Earnings before financial items and tax* will not be presented as a subtotal under IFRS 18. A mandatory subtotal *Operating profit* will be presented. This subtotal includes certain currency gains and losses not related to financing of the group, while the share of profit (loss) in equity accounted investments will be presented in the *Investing* category.

IFRS 18 further enhances the guidance on how to group information in the financial statements, relevant both for the primary statements and for notes. The standard also requires the defined *operating profit* subtotal as the starting point for the analysis of cash flows from operating activities in the indirect method and specifies mandatory classification of cash inflows from interest and dividend received in the *investing* category, and classification of interest paid in the *financing* category.

Further, IFRS 18 introduces definition of, and disclosure requirements for, management-defined performance measures (MPMs), a set of financial measures that are partly overlapping with alternative performance measures (APMs) which are currently disclosed and reconciled outside the financial statements. IFRS 18 requires MPMs to be disclosed, defined and reconciled in a note to the financial statements.

Hydro has started the process of assessing the impact of IFRS 18, in particular the impact on the structure of the income statement and the statement of cash flows. This includes how information is classified and grouped in the income statement. In conjunction with implementation of IFRS 18, Hydro will also consider certain other presentation policies, including whether to continue the presentation of government grants which is currently presented gross as *Other income* as a policy choice.

Hydro is also considering which MPMs to present in the future, and how they will be defined and presented.

Changes to IFRS 9 for Nature Dependent Electricity Contracts

A change to the accounting for commodity contracts entered into and held through its life for the purpose of the entity's purchase, sale, or usage requirements relevant for nature-dependent electricity contracts which transfer the volume risk from the seller to the buyer in a power purchase contract was issued in December 2024. The new requirements are applicable for accounting periods beginning on or after January 1, 2026. Hydro is in the process of analysing the impact of the new requirements. Our initial assessment is that very few of Hydro's existing purchase contracts for electricity will be affected by the new regulation. However, the amendment may be changing the accounting for future sourcing contracts as the possibility to include such contracts in a sourcing portfolio is less likely to result in fair value accounting for the contracts after the newly issued changes to IFRS 9.

None of the other issued, not yet effective, accounting standards or amendments to such standards are expected to have significant effects for Hydro's financial reporting. Further, none of the recently issued IFRS Interpretations Committee agenda decisions are expected to significantly change Hydro's accounting policies or practises.

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Income statements

Amounts in NOK million	Notes	2024	2023
Other income	14	89	165
Total operating income		89	165
Employee benefit expense	2, 3	824	739
Depreciation	4	93	89
Other expenses	8	2,100	1,934
Expenses recharged to subsidiaries	8	(2,022)	(1,913)
Total operating expenses		996	849
Operating loss		(907)	(684)
Financial income, net	5	13,781	15,898
Income before tax		12,874	15,214
Income taxes	6	(83)	(150)
Net income		**12,792**	**15,064**
Appropriation of net income and equity transfers			
Dividend proposed		4,448	5,030
Retained earnings		8,344	10,034
Total appropriation		12,792	15,064

Statements of comprehensive income

Amounts in NOK million	Notes	2024	2023
Net income		12,792	15,064
Other comprehensive income			
Items that will not be reclassified to income statement			
Remeasurement postemployment benefits, net of tax	2	649	(6)
Other comprehensive income		649	(6)
Total comprehensive income	**13**	**13,441**	**15,058**

Balance sheet

Amounts in NOK million, December 31	Notes	2024	2023
Assets			
Property, plant and equipment and intangible assets	4	641	518
Shares in subsidiaries	7	57,052	57,052
Receivables from subsidiaries	8, 10	15,250	15,360
Prepaid pension, investments and other non-current assets	2, 9	7,347	6,636
Total financial non-current assets		79,648	79,049
Receivables from subsidiaries	8	11,431	7,592
Prepaid expenses and other current assets		299	252
Short-term investments		-	500
Cash and cash equivalents		9,448	19,340
Total current assets		21,178	27,684
Total assets		**101,468**	**107,250**

Amounts in NOK million, December 31	Notes	2024	2023
Equity and liabilities			
Paid-in capital			
Share capital	13	2,206	2,241
Treasury shares	13	(35)	(32)
Paid-in premium	13	28,987	28,987
Other paid-in capital	13	332	295
Retained earnings			
Retained earnings	13	25,229	18,187
Treasury shares	13	(1,632)	(1,349)
Equity	13	55,087	48,330
Long-term provisions	2, 9	4,261	3,909
Long-term debt	12	11,363	16,879
Payables to subsidiaries	10	-	4
Other long-term liabilities		11,363	16,883
Bank loans and other interest-bearing short-term debt		5,991	1,066
Dividends payable		4,448	5,030
Payables to subsidiaries	8, 10	19,265	31,046
Other current liabilities		1,054	987
Total current liabilities		30,757	38,129
Total equity and liabilities		**101,468**	**107,250**

Statements of cash flows

Amounts in NOK million	2024	2023
Net income	12,792	15,064
Depreciation	93	89
Net foreign exchange loss	136	1,176
Changes in receivables and payables, and other items	1,037	(2,243)
Net cash provided by operating activities	**14,058**	**14,086**
Purchases of short-term investments	(2,500)	(500)
Proceeds from sales of short-term investments	3,000	750
Net purchases of other investments	(150)	(6)
Net cash provided by investing activities	**350**	**244**
Dividends paid	(5,015)	(11,501)
Repurchases of shares	(2,272)	(2,157)
Proceeds from shares issued	31	49
Other financing activities, net	(17,717)	(2,956)
Net cash used in financing activities	**(24,973)**	**(16,565)**
Foreign currency effects on cash	673	(195)
Net decrease in cash and cash equivalents	(9,892)	(2,430)
Cash and cash equivalents at beginning of year	19,340	21,770
Cash and cash equivalents at end of year	**9,448**	**19,340**

Note 1 Summary of significant accounting policies

The financial statements of Norsk Hydro ASA are prepared in accordance with the Norwegian accounting act and regulation on simplified application of international accounting standards (forskrift om forenklet anvendelse av internasjonale regnskapsstandarder – simplified IFRS).

Financial statement preparation requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses as well as disclosures of contingencies. Actual results may differ from estimates. Interest rates used for calculating net present values are rounded to the nearest 10 basis points for post-employment benefits, to the nearest 25 basis points for other non-financial assets and liabilities. As a result of rounding adjustments, the figures in one or more columns included in the financial statements may not add up to the total of that column.

Shares in subsidiaries, associates and joint ventures

Shares in subsidiaries, associates and joint ventures are presented according to the cost method. Group relief received is included in dividends from subsidiaries. Dividend from subsidiaries is recognized in the year for which it is proposed by the subsidiary to the extent Norsk Hydro ASA can control the decision of the subsidiary through its share holdings. Shares in subsidiaries, associates and joint ventures are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may exceed the recoverable amount of the investment. An impairment loss is reversed if the impairment situation is deemed to no longer exist.

Employee retirement plans

Norsk Hydro ASA accounts for employee retirement plans in accordance with IAS 19 Employee Benefits. See note 9.3 Employee retirement plans to the consolidated financial statements for description of the accounting policies.

Foreign currency

The functional currency of the company is the Norwegian krone, NOK. Realized and unrealized currency gains or losses on transactions denominated in other currencies than NOK, as well as currency gains or losses on assets and liabilities denominated in a currency other than NOK, are included in Financial income, net.

Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and all other monetary instruments with a maturity of less than three months at the date of purchase.

Short-term investments

Short-term investments include bank deposits and all other monetary instruments with a maturity between three and twelve months at the date of purchase and current listed equity and debt securities held for trading and valued at fair value. The resulting unrealized holding gains and losses are included in Financial income, net. Investment income is recognized when earned.

Property, plant and equipment

Property, plant and equipment is carried at historical cost less accumulated depreciation and impairment losses. According to IAS 36 Impairment of Assets, such assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The impairment of long-lived assets is recognized when the recoverable amount determined as the higher of fair value less cost to sell or value in use of the asset or group of assets is less than the carrying value. The amount of the impairment is the difference between the carrying value and the recoverable amount. An impairment loss is reversed if the impairment situation is deemed to no longer exist.

Leased assets

Leased assets are recognized as right-of-use assets in accordance with IFRS 16 Leases, with contractually fixed future payments recognized as lease liabilities. When measuring leases, fixed lease payments for extension periods reasonably certain to be used are included. As a practical expedient, non-lease components are not separated from lease contracts. Leases of assets of a low value, mainly such items as PCs, office equipment and similar, are excluded from lease accounting. Right-of-use assets are included in Property, plant and equipment, and lease liabilities are included in Long-term debt. See note 2.6 Leases to the consolidated financial statements for additional information.

Intangible assets

Intangible assets acquired individually or as a group are recognized at fair value when acquired, in accordance with IAS 38 Intangible Assets. Intangible assets are amortized on a straight-line basis over their useful life and tested for impairment whenever indications of impairment are present.

Derivative instruments

Forward contracts and options for purchase or sale of currency or interest are recognized in the financial statements and measured at fair value at each balance sheet date. The resulting unrealized gain or loss is presented in Financial income, net.

Norsk Hydro ASA has decided to utilize the option in the regulation to exclude embedded derivatives and contracts deemed to be derivatives based on the underlying product being readily convertible to cash and not for own use from fair value accounting when the contract is with a subsidiary, i.e. such features are not separated from the host contract.

Loans and other financial liabilities

Loans and other financial liabilities include issued bonds, bank loans and similar. Loans are measured at amortized cost.

Provisions

Provisions are recognized when Norsk Hydro ASA has a present obligation (legal or constructive) as a result of a past event, it is probable (more likely than not) that Norsk Hydro ASA will be required to settle the obligation, and a reliable estimate can be made of the amount, taking into account the risks and uncertainties. The provision is measured at the present value of the cash flows estimated to settle the obligation. Uncertain outcomes are measured as the expected value of reasonably possible outcomes.

Contingencies and guarantees

Norsk Hydro ASA recognizes a liability for the fair value of obligations it has undertaken in issuing guarantees. Contingencies are recognized in the financial statements when probable of occurrence and reliably estimable.

Share-based compensation

Norsk Hydro ASA accounts for share-based payment in accordance with IFRS 2 Share-Based Payment. See note 9.2 Employee remuneration to the consolidated financial statements for additional information.

Risk management

For information about risk management in Norsk Hydro ASA see note 8.1 Financial and commercial risk management to the consolidated financial statements.

Income taxes

Deferred income tax expense is calculated in accordance with IAS 12 Income Taxes. Under IAS 12, deferred tax assets and liabilities are measured based on the differences between the carrying values of assets and liabilities for financial reporting and their tax basis which are considered temporary in nature. Deferred income tax related to remeasurements of pension obligations are recognized through Other comprehensive income. The tax effect of equity transactions, excluded transfers to owners, is recognized as a part of the equity transaction and do not affect the income tax expense. Other changes in deferred income tax asset and liability balances during the year represent the deferred income tax expense. Changes resulting from amendments and revisions in tax laws and tax rates are recognized when the new tax laws or rates are enacted.

Legislation implementing Pillar Two legislation requiring Norsk Hydro ASA to pay additional taxes in Norway in the event subsidiaries pay less than the minimum tax as defined in the OECD/G20 framework on Base Erosion and Profit Shifting was enacted in Norway in January 2024. The regulation will be effective as of January 1, 2024. Hydro expects no or limited additional taxes resulting from this regulation. IFRS has introduced a mandatory temporary exception to the requirements of IAS 12 under which a company does not recognise or disclose information about deferred tax assets and liabilities related to the proposed OECD/G20 BEPS Pillar Two model rules, which Hydro applies.

Note 2 Employee retirement plans

Most employees in Norsk Hydro ASA are covered by a defined contribution plan. Norsk Hydro ASA has closed the main defined benefit plans. The defined benefit plans are funded for benefits earned on salaries up to 12G, where G equals the base amount in the National Insurance Scheme. Benefits earned on salaries above 12G, and early retirement and termination benefits are unfunded. The plans comply with legal requirements for occupational pensions in Norway.

Norsk Hydro ASA participates in a pension plan that entitles the majority of its employees life-long benefits in addition to other pension benefits. The benefits are financed through a pooled arrangement by private sector employers (avtalefestet pensjon, AFP) where also the Norwegian state contributes. The plan is a defined benefit plan with limited funding and where plan assets are not segregated. The information required to calculate the share of the plan and account for the plan as a defined benefit plan is not available from the plan administrator. Hydro therefore accounts for the plan as if it were a defined contribution plan. The employer contributions are included in Multiemployer plans.

Pension cost

Amounts in NOK million	2024	2023
Defined benefit plans	20	18
Defined contribution plans	43	38
Multiemployer plans	7	6
Termination benefits and other	-	(2)
Social security cost	9	7
Pension expense	79	68
Interest expense (income)	(126)	(118)
Remeasurement (gain) loss in other comprehensive income	(832)	10

Recognized defined benefit assets and liability

Amounts in NOK million	2024	2023
Defined benefit obligation major plans	(4,659)	(4,899)
Plan assets	9,356	8,753
Reimbursement rights	261	280
Liability other plans	(1)	(1)
Social security cost	(329)	(340)
Net defined benefit asset	4,628	3,793
Recognized prepaid pension	7,290	6,547
Recognized pension liability	(2,662)	(2,754)
Net amount recognized	**4,628**	**3,793**

Change in defined benefit obligation (DBO)

Amounts in NOK million	2024	2023
Opening Balance	(4,899)	(4,676)
Current service cost	(18)	(17)
Interest expense	(156)	(139)
Actuarial gain (loss) economic assumptions	159	(299)
Experience gain (loss)	(89)	(244)
Benefit payments	322	318
Termination benefits	-	(3)
Settlements	22	162
Closing Balance	**(4,659)**	**(4,899)**

Change in pension plan assets

Amounts in NOK million	2024	2023
Opening Balance	8,753	8,260
Interest income	283	259
Return on plan assets above (below) interest income	760	541
Refund of surplus to company	(250)	-
Benefit payments	(183)	(184)
Settlements	(8)	(124)
Closing Balance	**9,356**	**8,753**

Analysis of the defined benefit obligation (DBO)

Amounts in NOK million	2024	2023
Active members	(604)	(594)
Deferred members	(474)	(495)
Pensioners	(3,581)	(3,810)
Defined benefit obligation	**(4,659)**	**(4,899)**

	Benefit obligation 2024	Benefit expense 2024	Benefit obligation 2023	Benefit expense 2023
Assumptions				
Discount rate	3.90%	3.30%	3.30%	3.20%
Expected pension increase	2.75%	2.50%	2.50%	1.75%
Mortality basis	K2013	K2013	K2013	K2013

See note 9.3 Employee retirement plans in notes to the consolidated financial statements for information about sensitivities.

Note 3 Management remuneration and employee costs

See Norsk Hydro ASA Remuneration report 2024 for information and details related to the executive leadership team remuneration and Board of Directors' remuneration. Costs for some executive leadership team members employed by subsidiaries are charged to Norsk Hydro ASA for services rendered as members of the executive leadership team.

See note 9.2 Employee remuneration in the notes to the consolidated financial statements for information on the employee share purchase plan.

The average number of employees in Norsk Hydro ASA was 374 in 2024 as compared to 357 in 2023. As of year-end 2024 and 2023, Norsk Hydro ASA employed 384 and 368 employees, respectively.

Total loans given by Norsk Hydro ASA to Norwegian employees as of December 31, 2024, were NOK 7 million, consisting of unsecured loans related to the employee share purchase plan.

Payroll related expenses are presented in the table below

Amounts in NOK million	2024	2023
Employee benefit expense:		
Salaries	636	578
Social security costs	106	93
Other benefits	3	-
Pension expense (note 2)	79	68
Total	**824**	**739**

Note 4 Property, plant and equipment and intangible assets

Leases expensed in the period amounts to NOK 18 million and refers to leases of short term, low value or leases with variable payments.

Amounts in NOK million	Property, plant and equipment	Intangible assets	Total
Cost December 31, 2023	872	162	1,034
Additions at cost	201	17	218
Disposals at cost	(5)	-	(5)
Accumulated depreciation and impairment December 31, 2024	(504)	(102)	(606)
Carrying value December 31, 2024	**565**	**77**	**641**
Depreciation and impairment in 2024	**(79)**	**(14)**	**(93)**

Intangible assets mainly consist of software.

Note 5 Finance income and expense

Amounts in NOK million	2024	2023
Dividends from subsidiaries	13,753	17,080
Interest from group companies	1,452	1,195
Other interest income	647	578
Interest paid to group companies	(1,271)	(1,090)
Other interest expense	(778)	(803)
Net foreign exchange gain (loss)	(136)	(1,176)
Other, net	114	114
Financial income (expense), net	**13,781**	**15,898**

Note 6 Income taxes

The tax effect of temporary differences resulting in deferred tax assets (liabilities) are:

	Temporary differences	
	Tax effect	
Amounts in NOK million	2024	2023
Short-term items	42	44
Long-term receivables from subsidiaries	(589)	(468)
Pensions[1)]	(1,018)	(834)
Long-term debt	442	337
Other long-term items	(138)	(80)
Deferred tax assets (liabilities)	**(1,261)**	**(1,001)**

1) Includes NOK (183) million and NOK 2 million of tax benefit (expense) allocated to equity in 2024 and 2023 respectively.

Taxable temporary differences and deductible temporary differences, which reverse or may reverse in the same period, are netted.

Reconciliation of tax expense

Amounts in NOK million	2024	2023
Income (loss) before taxes	12,874	15,214
Expected income taxes at statutory tax rate	2,832	3,347
Dividend exclusion	(2,784)	(3,124)
Permanent differences and other, net	34	(73)
Income tax expense (benefit)	**83**	**150**
Components of income taxes		
Current income taxes	10	46
Change in deferred taxes	73	104
Income tax expense (benefit)	**83**	**150**

See note 10.1 Income taxes in the consolidated financial statements for further information.

Taxes payable were NOK 19 million per December 31, 2024 and NOK 64 million per December 31, 2023.

In addition, Norsk Hydro ASA has a tax receivable of NOK 116 million per December 31, 2024, regarding a favorable tax settlement, reported in the balance sheet as Prepaid expenses and other current assets.

Note 7 Shares in subsidiaries

The following shares in subsidiaries are directly owned by Norsk Hydro ASA

Company name	Country	Location	Percentage of shares owned by Norsk Hydro ASA	Book value (NOK million)
Hydro Aluminium AS	Norway	Oslo	100	51,293
Hydro Energi AS	Norway	Oslo	100	5,643
Hydro Aluminium Deutschland GmbH [1)]	Germany	Grevenbroic	25	92
Industriforsikring AS	Norway	Oslo	100	20
Hydro Kapitalforvaltning AS	Norway	Oslo	100	4
Total				**57,052**

1) The company is owned 74.96 percent by Hydro Aluminium AS, and 25.04 percent by Norsk Hydro ASA.

Percentage of shares owned equals percentage of voting shares owned. Several of the above-mentioned companies also own shares in other companies.

In addition to the directly owned subsidiaries listed above, Norsk Hydro ASA has the following subsidiaries with significant operational activities. Sales offices, companies mainly serving as holding companies, and dormant companies, as well as companies holding smaller operational activities are not included in the list below. A full list of subsidiaries is available in Hydro's country by country reporting and at www.hydro.com. The companies are listed by the business area in which the majority of their activities are managed.

Company name	Country	Ownership
Hydro Bauxite & Alumina		
ALUNORTE - Alumina do Norte do Brasil S.A.	Brazil	62%
Mineração Paragominas S.A.	Brazil	100%
Hydro Aluminium Metal		
Hydro Aluminium Australia Pty Limited	Australia	100%
ALBRAS - Alumínio Brasileiro S.A.	Brazil	51%
Sør-Norge Aluminium AS	Norway	100%
Slovalco a.s.	Slovakia	55%
Hydro Metal Markets		
Extrusion Services Sarl	France	100%
Hydro Aluminium Gießerei Rackwitz GmbH	Germany	100%
Alumetal Group Hungary Kft	Hungary	100%
Hydro Aluminium Clervaux S.A.	Luxembourg	100%
Alumetal Poland Sp. z o.o	Poland	100%
Hydro Aluminium Iberia S.A.U	Spain	100%
Hydro Aluminium Deeside Ltd.	United Kingdom	100%
Hydro Aluminium Metals USA, LLC	United States	100%
Hydro Extrusions		
Hydro Extrusion Nenzing GmbH	Austria	100%
Hydro Building Systems Belgium NV	Belgium	100%
Hydro Extrusion Lichtervelde NV	Belgium	100%
Hydro Extrusion Raeren SA	Belgium	100%
Hydro Extrusion Brasil S.A.	Brazil	100%
Hydro Extrusion Canada Inc.	Canada	100%
Hydro Aluminium Fabrication (Taicang) Co. Ltd	China	100%
Hydro Precision Tubing (Suzhou) Co. Ltd.	China	100%
Hydro Extrusion Denmark A/S	Denmark	100%
Hydro Precision Tubing Tønder A/S	Denmark	100%
Hydro Building Systems France Sarl	France	100%
Hydro Extrusion Albi SAS	France	100%
Hydro Extrusion Lucé/Chateauroux SAS	France	100%
Hydro Extrusion Puget SAS	France	100%
Hydro Building Systems Germany GmbH	Germany	100%
Hydro Extrusion Deutschland GmbH	Germany	100%
Hydro Extrusion Offenburg GmbH	Germany	100%
Hydro Building Systems Extrusion GmbH	Germany	100%
Hydro Extrusion Lüdenscheid GmbH	Germany	100%
Hydro Extrusion Hungary Kft	Hungary	100%
Hydro Building Systems Italy S.p.a.	Italy	100%
Hydro Extrusion Italy S.r.l.	Italy	100%
Hydro Building Systems Atessa S.r.l.	Italy	100%
Hydro Extrusion Netherlands B.V.	Netherlands	100%
Hydro Extrusion Norway AS	Norway	100%
Hydro Extrusion Poland Sp. z.o.o	Poland	100%
Hydro Aluminium Extrusion Portugal HAEP S.A.	Portugal	100%
Hydro Extrusion Slovakia a.s.	Slovakia	100%
Hydro Building Systems Spain S.L.U.	Spain	100%
Hydro Extrusion Spain S.A.U.	Spain	100%
Hydro Extrusion Sweden AB	Sweden	100%
Hydro Aluminium UK Ltd.	United Kingdom	100%
Hydro Building Systems UK Ltd.	United Kingdom	100%
Hydro Extrusion Portland Inc	United States	100%
Hydro Extrusion USA LLC	United States	100%
Hydro Precision Tubing Monterrey LLC	United States	100%
Hydro Precision Tubing USA LLC	United States	100%

Note 8 Related party information

Norsk Hydro ASA employs key management personnel, including the majority of the executive leadership team and central staffs managing and safeguarding key processes such as business planning and performance follow-up, financial reporting, financing and payment services, IT infrastructure, policy and security, HR processes, legal framework and governance, and other group-wide processes. Costs incurred for employees and purchased goods and services are charged to subsidiaries to the extent the subsidiaries benefit from those processes. Such corporate costs are charged based on the actual cost of the corporate processes and as such reflects a cost coverage rather than revenue from contracts with customers. Costs associated with servicing shareholders are not recharged to subsidiaries. Total corporate costs charged to subsidiaries amounted to NOK 834 million and NOK 1,013 million in 2024 and 2023, respectively.

Norsk Hydro ASA also operates shared services in Norway, offering services within accounting, HR and IS/IT operation. These day-to-day services are charged based on usage of the services at prices reflecting the actual cost rather than agreed prices for such services, and as such are not considered revenue from contracts with customers. Total charges for shared services charged to subsidiaries based on incurred costs amounted to NOK 1,189 million and NOK 899 million in 2024 and 2023, respectively.

Receivables related to corporate costs and shared services amounted to NOK 255 million and NOK 118 million per December 31, 2024, and 2023, respectively.

Norsk Hydro ASA owns the power production facilities at Notodden, Norway. The power production is managed by the subsidiary Hydro Energi AS who purchases all power produced under a long-term contract at fixed price entered into in 2019. Total consideration was NOK 69 million and NOK 145 million in 2024 and 2023, respectively.

Norsk Hydro ASA operates the cash pooling arrangements in Hydro. Further, Norsk Hydro ASA extends loans to subsidiaries, associates and jointly controlled entities at terms and conditions reflecting prevailing market conditions for corresponding services, allowing for a margin to cover administration and risk. Short- and long-term receivables from subsidiaries and short-term payables to subsidiaries shown in the balance sheet relates to these activities, and also covers some derivative instruments shown in note 10 Financial instruments, as well as receivables related to internal charges. See note 5 Financial income and expense for information on interest paid to and received from group companies.

For information on transactions with employees and management, see note 3 Management remuneration and employee costs and *Norsk Hydro ASA Report on executive remuneration 2024*. See note 9.1 Related party information in the notes to the consolidated financial statements for identification of related parties and primary relationships with those parties. See note 11 Guarantees for information on guarantees provided on behalf of subsidiaries.

Audit fees were NOK 6 million in both 2024 and 2023. Fees for other services were NOK 3 million and NOK 4 million in 2024 and 2023, respectively.

Note 9 Specification of balance sheet items

Amounts in NOK million	2024	2023
Securities	10	10
Prepaid pension	7,290	6,547
Other non-current assets	46	80
Total prepaid pension, investments and other non-current assets	**7,347**	**6,636**
Pension liability	2,662	2,754
Deferred tax liabilities	1,261	1,001
Other long-term provisions	337	154
Total long-term provisions	**4,261**	**3,909**

Note 10 Financial instruments

Norsk Hydro ASA offers currency derivatives to subsidiaries using such instruments for risk management. Contracts are recognized at estimated market value, determined by calculating the contractual cash flows using currency rates at the balance sheet date and discounting those cash flows to a present value. At the end of 2024 and 2023, the value of currency forward contracts outstanding with subsidiaries were as follows:

Amounts in NOK million	2024	2023
Currency forward contracts, short-term	8	(17)
Currency forward contracts, long-term	-	-
Sum currency forward contracts	**8**	**(17)**

The contracts represent exposure mainly in Euro and US dollars. In addition, there are some contracts with exposure to British pounds, Swedish krone and Danish krone representing lower amounts. The contracts mature no later than 2025.

Note 11 Guarantees

Norsk Hydro ASA provides guarantees arising in the ordinary course of business including stand-by letters of credit, performance bonds and various payment or financial guarantees. All commercial guarantees are on behalf of subsidiaries.

Amounts in NOK million	2024	2023
Commercial guarantees	3,073	2,464
Total guarantees not recognized	**3,073**	**2,464**

Note 12 Long-term debt

Amounts in NOK million	2024	2023
NOK	7,742	8,739
EUR	9,453	8,989
Total unsecured loans	**17,195**	**17,728**
Lease liabilities	159	217
Outstanding debt	**17,354**	**17,944**
Less: Current portion	(5,991)	(1,066)
Total long-term debt	**11,363**	**16,879**

As of December 31, 2024, long-term debt that falls due after 2029 amounted to NOK 1,000 million. See note 7.4 Short and long-term debt in notes to the consolidated financial statements for further information. For a description of Hydro's policies for funding and liquidity, see note 7.1 Capital management in notes to the consolidated financial statements.

Note 13 Number of shares outstanding, shareholders and equity reconciliation

The share capital of Norsk Hydro ASA as of December 31, 2024 was NOK 2,205,899,566 consisting of 2,009,015,998 ordinary shares at NOK 1.098 per share. As of December 31, 2024, Norsk Hydro ASA had purchased 32,301,390 treasury shares at a cost of NOK 1,667 million. See Consolidated statements of changes in equity and note 7.6 Shareholders' equity for additional information.

The table shows shareholders holding one percent or more of the total 2,009,015,998 shares outstanding as of December 31, 2024, according to information in the Norwegian Central Securities Depository (Verdipapirsentralen).

Name	Number of shares
The Ministry of Trade, Industry and Fisheries of Norway	688,314,558
Folketrygdfondet	139,375,344
State Street Bank and Trust Comp 1)	51,885,896
Citibank, N.A. 1)	50,589,355
State Street Bank and Trust Comp 1)	31,420,555
State Street Bank and Trust Comp 1)	31,306,152
JP Morgan Chase Bank, N.A., London 1)	28,614,519
State Street Bank and Trust Comp 1)	27,533,728
J.P. Morgan SE1)	23,108,742
JP Morgan Chase Bank, N.A., London 1)	22,547,090
Clearstream Banking S.A. 1)	21,309,528

1) Nominee accounts.

Changes in equity

Amounts in NOK million	Paid-in capital	Retained earnings	Total equity
December 31, 2023	31,492	16,838	48,330
Total Comprehensive Income	-	13,441	13,441
Accrued dividend 2023 not paid in 2024	-	15	15
Dividend proposed	-	(4,448)	(4,448)
Treasury shares [1)]	(2)	(2,249)	(2,251)
December 31, 2024	**31,490**	**23,597**	**55,087**

1) For details on movements in treasury shares, see Consolidated statement of changes in equity for the group and note 7.6 Shareholders' equity.

Note 14 Other income

Other income in Norsk Hydro ASA includes charges for goods and services to subsidiaries. The main part represents sale of energy produced at the parent company's power plant to the subsidiary Hydro Energi AS. In addition, government grants supporting research and development activities are included.

Statement from the Board and the CEO of Norsk Hydro ASA

Norsk Hydro ASA (the parent company) had a net income of NOK 12,792 million in 2024 compared to NOK 15,064 million in 2023.

Hydro's Board of Directors proposes to pay a dividend of NOK 2.25 per share, for approval by the Annual General Meeting on May 9, 2025. The proposed payment demonstrates the company's commitment to provide a predictable dividend to shareholders. Hydro's dividend policy reflects our ambitions to lift performance and cash returns to shareholders over the cycle. The dividend policy is to pay out a minimum of 50 percent of adjusted net income over the cycle with a NOK 1.25 per share dividend floor.

According to section 2-2 (8) of the Norwegian Accounting Act, the Board of Directors confirms that the financial statements have been prepared on the assumption of a going concern.

Oslo, February 13, 2025

Rune Bjerke
Chair

Kristin F. Kragseth
Deputy chair

Margunn Sundve
Board member

Arve Baade
Board member

Marianne Wiinholt
Board member

Torleif Sand
Board member

Espen Gundersen
Board member

Peter Kukielski
Board member

Bjørn Petter Moxnes
Board member

Phillip Graham New
Board member

Jane Toogood
Board member

Eivind Kallevik
President and CEO

The below listed parts of the Hydro Integrated Annual report 2024 constitute the Report of the Board of Directors

Regulation	Content	Integrated Annual Report Chapter Reference	Page reference
Norwegian accounting act			
Rskl. 2-2 (1)	Information regarding the nature and location of the business, including information on any branch offices.	Letter to stakeholders About Hydro Our business	5-7 11-12 11-29
Rskl. 2-2 (2), (3), (4)	Review of the development and results of the company's operations and position together with a description of the key risks and uncertainty factors facing the company, hereunder also information on research and development activities.	Our performance Risk review Climate change	31-37 48-65 77-85
Rskl. 2-2 (5)	A description that provides a basis for assessing the company's further outlook, including whether the results for the year agree with previously stated target results and expected developments and give reason for any discrepancy.	Letter to stakeholders Business areas Our performance	5-7 14-18 31-37
Rskl. 2-2 (6)	Information regarding any financial risk that is significant to the evaluation of the company's assets, liabilities, financial position and results.	Managing uncertainty Key financial exposures Risk review	26 37 48-65
Rskl. 2-2 (7)	Disclosure of key intangible resources, how the company's business model fundamentally depends on such resources, and how these resources serve as a source of value creation for the organization.	Letter to stakeholders 2030 strategic direction Sustainability statements	5-7 19-20 71-139
Rskl. 2-2 (8)	Information regarding the going concern assumption.	Statement from the Board and the CEO	218
Rskl. 2-2 (9)	Proposal for the allocation of profit or settlement of loss.	Financial income statement Norsk Hydro ASA	207
Rskl. 2-2 (10)	Information about the work environment, along with an overview of implemented measures relevant to the working environment and including information on injuries, accidents and sick leave rates.	Own workforce	115-121
Rskl. 2-2 (11)	Information on matters relating to the business, hereunder its factor inputs and products, which may result in a not insignificant impact on the external environment. The environmental impact each aspect of the business has or may have, as well as measures implemented or planned implemented to prevent or reduce any negative environmental impacts, shall be stated.	Our business Risk review Sustainability	11-29 48-65 71-139
Rskl. 2-2 (12)	Information on whether insurances covering the board members' and CEO's potential liabilities towards the company and third parties are maintained, including information on the relevant insurance coverage.	Norwegian Code of Practice for Corporate Governance – section 9	272
Rskl. 2-2 (13)	Shareholders information: A description of any provisions in the articles of association that restrict the right to trade in the shares of the company.	Not applicable	-
Rskl. 2-2 (13)	Shareholders information: A description of who exercises the rights connected to shares in any employee share schemes where authority is not exercised directly by the employees covered by the scheme.	Not applicable	-
Rskl. 2-2 (13)	Shareholders information: Any agreements between shareholders which are known to the company and which restrict the possibilities of trading in or exercising voting rights connected to the shares.	Not applicable	-
Rskl. 2-2 (13)	Shareholders information: Any significant agreements to which the company is a party, the terms of which take effect, alter or terminate as a result of a takeover bid, and a description of those terms.	Not applicable	-
Rskl. 2-3, 2-4, 2-5 / CSRD	Sustainability reporting according to European Sustainability Reporting Standards (ESRS).	Sustainability statements Additional notes to the sustainability statements	70-139 231-257
Rskl. 2-9	Report on corporate governance.	Our governance Norwegian Code of Practice for Corporate Governance	39-69 267-273
Rskl. 2-10	Report on payments to the authorities, etc. (Country-by-country reporting).	Country-by-country reporting	277-266
Equality and Anti-Discrimination Act			
Section 26a	Accounting for the factual status of gender equality, equal pay and diversity, and actions taken to fulfill requirements.	Disclosures pursuant to the Norwegian Equality Act Own workforce	274-275 115-121
Norwegian Companies Act			
ASA 6-16 a and b	Management remuneration.	Report on executive remuneration	Hydro.com
UK Modern Slavery Act 2015 **Australia Modern Slavery Act 2018** **Norwegian transparency Act 2021**	Information regarding steps taken to ensure that modern slavery is not taking place in Hydro's operations or its supply chain.	Sustainability Own workforce Workers in the value chain Affected communities	 115-121 122-127 128-133

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To the General Meeting of Norsk Hydro ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Norsk Hydro ASA, which comprise:

- the financial statements of the parent company Norsk Hydro ASA (the Company), which comprise the balance sheet as at 31 December 2024, the income statements, statement of comprehensive income and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Norsk Hydro ASA and its subsidiaries (the Group), which comprise the consolidated balance sheets as at 31 December 2024, the consolidated income statements, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Board Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Norsk Hydro ASA for 15 years from the election by the general meeting of the shareholders on 4 May 2010 for the accounting year 2010, with a renewed election on 11 May 2020.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessment of goodwill, intangible assets and property, plant and equipment

Refer to Note 1.1 Reporting entity, basis of preparation, significant accounting estimates and judgement, Note 2.1. Property, plant and equipment, Note 2.2 Intangible assets, Note 2.3 Goodwill, Note 2.4 Depreciation and amortization expense, and Note 2.5 Impairment of non-current assets.

The key audit matter	*How the matter was addressed in our audit*
The Group's operations are sensitive to certain commodity prices and other factors, including aluminum and alumina prices, energy prices, inflation rates, relevant foreign exchange rates and production volumes which impact key assumptions in cash flow forecasts and can give rise to impairment indicators. Management exercise judgement related to expected timing of future cash flows and key assumptions. The economic environment and volatility of long- term assumptions indicate that impairment could be a risk related to specific assets and cash generating units (CGUs) and can also impact the assessment of impairment of goodwill. Impairment indications could also arise from transactions in which the agreed consideration is below the carrying value of the asset or CGU. Impairment charges of NOK 39 million were recognized in 2024, consisting of: • NOK 22 million in relation to the business area Hydro Extrusion • NOK 17 million in relation to the business area Hydro Energy As of 31 December 2024, the Group has goodwill of NOK 4 097 million, Property, plant and equipment of NOK 77 936 million and other intangible assets of NOK 4 338 million.	Our audit procedures in this area included: • Assessing management's process and results for identification and classification of CGU's and assessing whether they were appropriate and in accordance with relevant accounting standards • Evaluating management's assessment of impairment indicators • Performing retrospective reviews of the accuracy of management's estimates in terms of timing of cash outflows and other assumptions such as long-term pricing where historical data is available • Evaluating and challenging the forecasted cash flows including timing of future cash flows applied in the models with reference to historical accuracy and approved business plans • Testing the sensitivity of movements in key assumptions • Evaluating, with assistance from our valuation specialists, key assumptions such as aluminium and alumina prices, inflation rates, energy and fuel prices, relevant foreign exchange rates and discount rates by reference to external sources and relevant benchmarks • Testing the mathematical accuracy of the models used to calculate value in use • Assessing the adequacy of the disclosures related to impairment.

Provisions for environmental clean-up costs and asset retirement obligations

Refer to Note 1.1 Reporting entity, basis of preparation, significant accounting estimates and judgement, and Note 4.1 Uncertain assets and liabilities.

The key audit matter	*How the matter was addressed in our audit*
The Group is involved in operations such as bauxite mining, alumina refining, primary aluminium production and extrusion activities. It is an inherent risk that these operations may generate significant obligations related to site restoration, reforestation and other remediation work. Such potential obligations are dependent on the jurisdictions in which the Group operates and changes in the relevant political and legislative environments. Management decisions to expand, curtail or terminate operations in specific locations can impact obligations as described above. Operational work to meet these obligations is complex and includes specific procedures to avoid contamination of the soil and water reserves. Estimating and calculating such environmental obligations require significant management judgement. The risk of inaccurate estimates is increased due to the uncertainty of scope and timing of such obligations and the limited amount of historical data available. The Group has recognized provisions for environmental clean-up and asset retirement obligations of NOK 4 710 million as explained in note 4.1 Uncertain assets and liabilities.	Our audit procedures in this area included: • Assessing the estimated cost and timing of activities applied in the calculations by comparing management forecasts with prior year estimates. • Comparing management's assumptions to relevant market data to test the reasonableness of discount rates, inflation rates, foreign exchange rates and other key assumptions used in the calculations. • Assessing the accounting treatment for compliance with IFRS Accounting Standards and consistency of application, in particular related to the extent to which obligations are capitalized or expensed and the amortization period for capitalized assets. • Testing, with assistance from our valuation specialists, the mathematical accuracy of the models used to calculate provisions and asset retirement obligations. • Assessing the adequacy of the disclosures pertaining to estimation uncertainty, provisions and contingent liabilities.

Other Information

The Board of Directors and the President & CEO (management) are responsible for the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the other information

- is consistent with the financial statements,
- contains the information required by applicable statutory requirements regarding the Board of Directors' report, and
- contains the information required by applicable statutory requirements regarding the statements on Corporate Governance and Corporate Social Responsibility, and the report on payments to governments.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion
As part of the audit of the financial statements of Norsk Hydro ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name *549300N1SDN71ZZ8BO45-2024-12-31-0-nb*, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities
Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 13 February 2025
KPMG AS

Monica Hansen
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

Appendices

Alternative Performance Measures (APMs)

Alternative performance measures, i.e. financial performance measures not within the applicable financial reporting framework, are used by Hydro to provide supplemental information, by excluding items that, in Hydro's view, does not give an indication of the periodic operating results or cash flows of Hydro, or should be assessed in a different context than its classification according to its nature.

Financial APMs are intended to enhance comparability of the results and cash flows from period to period, and it is Hydro's experience that these are frequently used by analysts, investors and other parties. Management also uses these measures internally to drive performance in terms of long-term target setting and as basis for performance related pay. These measures are adjusted IFRS measures defined, calculated and used in a consistent and transparent manner over the years and across the company where relevant. Operational measures such as, but not limited to, volumes, prices per mt, production costs and improvement programs are not defined as financial APMs.

To provide a better understanding of the company's underlying financial performance for the relevant period, Hydro focuses on adjusted EBITDA in the discussions on periodic underlying financial and operating results and liquidity from the business areas and the group, while adjusting effects to adjusted EBITDA, EBIT and net income (loss) are discussed separately. Financial APMs should not be considered as a substitute for measures of performance in accordance with the IFRS. Disclosures of APMs are subject to established internal control procedures.

Hydro's financial APMs

- *EBIT:* Earnings before financial items and tax.
- *Adjusted EBIT:* EBIT +/- identified adjusting items to EBIT as described below.
- *EBITDA:* EBIT + depreciation, amortization and impairments, net of investment grants.
- *Adjusted EBITDA:* EBITDA +/- identified adjusting items to EBITDA as described below.
- *Adjusted net income (loss) from continuing operations:* Net income (loss) from continuing operations +/- adjusting items to net income (loss) as described below.
- *Adjusted earnings per share from continuing operations:* Adjusted net income (loss) from continuing operations attributable to Hydro shareholders divided by weighted average of outstanding shares (ref.: note 7.6 to the consolidated financial statements).
- *Investments:* Additions to property, plant and equipment (capital expenditures) plus long-term securities, intangible assets, long-term advances and investments in equity accounted investments, including amounts recognized in business combinations for continuing operations.
- *Net debt:* Short- and long-term interest-bearing debt adjusted for Hydro's liquidity positions.
- *Adjusted net debt:* Net debt adjusted for liquidity positions regarded unavailable for servicing debt, pension obligation and other obligations which are considered debt-like in nature.
- *Adjusted net debt to adjusted EBITDA ratio*: Adjusted net debt / adjusted EBITDA
- *(Adjusted) RoACE* is defined as (Adjusted) Earnings after tax for the prior 12 months divided by average Capital employed for the four most recent quarters. (Adjusted) Earnings after tax is defined as (adjusted) Earnings before financial items and tax less Adjusted income tax expense. Since RoaCE represents the return to the capital providers before dividend and interest payments, adjusted income tax expense excludes the tax effects of items reported as Finance income (expense), net and in addition, for adjusted figures, the tax effect of adjusting items.
- *Capital employed* is defined as Shareholders' Equity, including non-controlling interest plus long-term and short-term interest-bearing debt less Cash and cash equivalents and Short-term investments.
- *Capital expenditure (Capex):* Purchase of property, plant and equipment plus Purchase of other Long-term investments, adjusted for elements that are not considered cash effective.
- *Cash effective change in net operating capital:* Changes to Trade and other receivables plus/minus changes to Inventories plus/minus changes to Trade and other payables as reported in the statements of cash flows.
- *Free cash flow:* Net cash provided by operating activities less Net cash used in investing activities, adjusted for Purchases of short-term investments, Sales of short-term investments and net cash received or paid for short- and long-term collateral.

Adjusting items to EBITDA, EBIT, net income (loss) and earnings per share

Hydro has defined two categories of items which are adjusted to results in all business areas, equity accounted investments and at group level. One category is the timing effects, which are unrealized changes to the market value of certain derivatives. When realized, effects of changes in the market values since the inception of the instrument are included in adjusted EBITDA and adjusted EBIT. Changes in the market value of the trading portfolios are included in adjusted results. The other category includes material items which are not regarded as part of underlying business performance for the period, such as major rationalization charges and closure costs, effects of disposals of businesses and operating assets, major impairments of property, plant and equipment, as well as other major effects of a special nature, and realized effects of currency derivatives entered into for risk management purposes. Materiality is defined as items with a value above NOK 20 million. All adjusting items to results are reflecting a reversal of transactions recognized in the financial statements for the current period, with the exception of realized foreign exchange gain (loss). Part-owned entities have implemented similar adjustments.

- *Unrealized derivative effects on LME related contracts* include unrealized gains and losses on contracts measured at market value, which are used for operational hedging purposes related to future expected sales and purchase transactions, both fixed-price customers and supplier contracts and transactions at not yet determined market prices. Also includes elimination of changes in fair value of certain internal physical aluminium contracts.
- *Unrealized derivative effects on power and raw material contracts* include unrealized gains and losses on embedded derivatives in raw material and power contracts for Hydro's own use and for physical and financial power contracts used for managing price risks and volume changes. Unrealized derivative effects on certain power contracts in a business model with the combined aim to manage hydrological risk in own production, differences in power needs in existing and new business activities in Hydro as well as supporting development of new renewable energy projects are also adjusted for. Adjustments also comprise elimination of changes in fair value of embedded derivatives within certain internal power contracts.
- *Significant rationalization charges and closure costs* include costs related to specifically defined major projects, and not considered to reflect periodic performance in the individual plants or operations. Such costs involve termination benefits, dismantling of installations and buildings, clean-up activities that exceed legal liabilities, etc. Costs related to regular and continuous improvement initiatives are included in underlying results.
- *Significant community contributions Brazil* refers to the provision recognized in relation to the TAC and TC agreements with the Government of Parà and Ministèrio Pùblico made in 2018, including later cost adjustments and certain similar agreements. Certain related agreements made later have also been

adjusted for. Contributions made as part of Hydro's social programs in areas where we operate, including individual large donations announced and provided for as a single events, are considered closely related to the operations and therefore included in adjusted results.

- *Other effects* include insurance proceeds covering asset damage, legal settlements, etc. Insurance proceeds covering lost income in the same or a previous period are included in adjusted results.
- *Pension* includes recognition of pension plan amendments and related curtailments and settlements.
- *Transaction related effects* reflect the (gains) losses on divestment of businesses and individual assets, the net remeasurement (gains) losses related to previously owned shares in acquired businesses, inventory valuation expense related to acquisitions as well as acquisition costs.
- *Adjusted items in equity accounted investments* reflects Hydro's share of adjusting items from adjusted net income in Qatalum and are based on Hydro's definitions, including both timing effects and material items not regarded as part of underlying business performance for the period.
- *Impairment charges (PP&E and intangible assets)* relate to significant write-downs of assets or groups of assets to estimated recoverable amounts in the event of an identified loss in value. Gains from reversal of impairment charges are also adjusted for.
- *Realized foreign exchange gain (loss) on risk management instruments* represents such items as foreign currency derivatives entered into and managed to mitigate currency risk in the production margin, i.e. the difference between sales price for products such as aluminium or alumina versus the cost of raw materials and energy used in production. Realized embedded currency derivatives in certain power contracts in Norway denominated in Euro are also adjusted for. Such currency effects are included in currency gains and losses in finance expense in the income statement, and included in adjusted EBITDA and adjusted EBIT.
- *Net foreign exchange (gain) loss:* Realized and unrealized gains and losses on foreign currency denominated accounts receivable and payable, funding and deposits, embedded currency derivatives in certain power contracts and forward currency contracts purchasing and selling currencies that hedge net future cash flows from operations, sales contracts and operating capital, with the exception of the realized foreign currency exchange gain (loss) on risk management instruments mentioned above.
- *Calculated income tax effect:* In order to present adjusted net income on a basis comparable with our adjusted operating performance, the adjusted income taxes include adjustments for the expected taxable effects on adjusted items to income before tax.
- *Other adjustments to net income from continuing operations* include other major financial and tax related effects not regarded as part of the underlying business performance of the period.

Adjusting items to EBITDA and EBIT per operating segment and for Other and eliminations [1)]

NOK million	2024	2023
Unrealized derivative effects on LME related contracts	(15)	-
Unrealized derivative effects on raw material contracts	(167)	412
Community contributions Brazil [2)]	-	25
Impairment charges equity accounted investments [3)]	132	-
Hydro Bauxite & Alumina	**(50)**	**437**
Unrealized derivative effects on power contracts	66	401
(Gains)/losses on divestments [4)]	(321)	-
Impairment charges equity accounted investments [5)]	896	-
Transaction related effects [6)]	(35)	-
Net foreign exchange (gain)/loss [7)]	(20)	(20)
Other effects [8)]	(164)	164
Hydro Energy	**422**	**544**
Unrealized derivative effects on LME related contracts	836	(1,667)
Unrealized derivative effects on power contracts	16	103
(Gains)/losses on divestments	(60)	-
Significant rationalization charges and closure costs [9)]	55	-
Impairment charges equity accounted investments [10)]	52	0
Net foreign exchange (gain)/loss [7)]	(322)	(320)
Other effects [11)]	(642)	-
Hydro Aluminium Metal	**(65)**	**(1,884)**
Unrealized derivative effects on LME related contracts	(131)	215
Transaction related effects [12)]	-	120
Other effects [13)]	(137)	-
Hydro Metal Markets	**(269)**	**335**
Unrealized derivative effects on LME related contracts	(109)	(34)
Unrealized derivative effects on power contracts	(5)	(28)
Significant rationalization charges and closure costs [14)]	352	265
(Gains)/losses on divestments and other transaction related effects [15)]	(9)	25
Other effects [16)]	-	(107)
Hydro Extrusions	**228**	**121**
Unrealized derivative effects on LME related contracts [17)]	(1)	(43)
(Gains)/losses on divestments	(14)	(25)
Net foreign exchange (gain)/loss [7)]	(252)	(543)
Other effects [18)]	(225)	26
Other and eliminations	**(492)**	**(585)**
Adjusting items to EBITDA	**(225)**	**(1,033)**
Impairment charges		
Hydro Bauxite & Alumina [19)]	-	3,773
Hydro Aluminium Metal [20)]	-	628
Hydro Extrusions [21)]	22	23
Adjusting items to EBIT	**(202)**	**3,391**

1) Negative figures indicate reversal of a gain and positive figures indicate reversal of a loss.

2) Community contributions includes provisions for the TAC and TC agreements with the Government of Parà and Ministèrio Pùblico made in September 2018, including later adjustments for changes in cost estimates, and some similar agreements not considered parts of normal operations.
3) Impairment charges included in equity method investment involved in renewable energy production in Brazil.
4) Gain on divestment of Hydro Rein, which from June 24, 2024 is a joint venture.
5) Impairment charges in equity method investments in Batteries and in Rein. Charges in Rein in 2024 relates to investments involved in renewable energy production in Brazil.
6) Gain on interest accounted for using the equity method in Hydrovolt, which after additional investment is a consolidated subsidiary from August 2024.
7) Realized currency gains and losses from risk management contracts and embedded currency derivatives in physical power and raw material prices.
8) Other effects in Hydro Energy includes a provision for potential project-related costs in relation to regulatory compliance in 2023, reversed in 2024.
9) Rationalization charges and closure costs in Hydro Aluminium Metal relates to Aluchemie.
10) Impairment charges included in equity method investment involved in renewable energy production in Brazil.
11) The share of compensation for cancellation of a contract for purchase of wind power from the producer Markbygden in Northern Sweden exceeding direct costs incurred related to the contract cancellation. The recognized asset of NOK 770 million represents estimated fair value of the claim.
12) Transaction effects in Hydro Metal Markets includes acquisition costs related to Alumetal and realization of revalued inventory in the third quarter 2023 with lower margin.
13) Other effects in Hydro Metal Markets includes a reimbursement of duty paid related to the divested Rolling activity.
14) Significant rationalization and closure costs include provisions for costs related to reduction of overcapacity and closures activities in Hydro Extrusions.
15) Divestments of Hydro Extrusions plants, including adjustments of sales price, as well as acquisition costs.
16) Other effects in Hydro Extrusions relates to a tax related dispute concluded in 2023 for cost incurred prior to Hydro's acquisition of the business affected.
17) Unrealized derivative effects on LME related contracts result from elimination of changes in the valuation of certain internal aluminium contracts.
18) Other effects in 2024 relates to reimbursement of duty paid related to the divested Rolling activity, and reduced provision for selling costs. Other effects in 2023 relates to environmental provision for closed sites in Norway.
19) Impairment charges in Hydro Bauxite & Alumina relates to impairment of goodwill and property, plant and equipment in the operating
20) Impairment charges in Hydro Aluminium Metal reflects write down of Hydro's ownership interest in the Tomago smelter in Australia.
21) Impairment charges in Hydro Extrusions include impairments of various individual sites and assets.

Adjusted EBITDA

NOK million	2024	2023
EBIT	16,487	9,592
Depreciation, amortization and impairment	10,170	13,815
Investment grants	(114)	(116)
EBITDA	**26,543**	**23,291**
Adjusting items to EBITDA	(225)	(1,033)
Adjusted EBITDA	**26,318**	**22,258**

Adjusted earnings per share

NOK million	2024	2023
Net income (loss)	5,040	2,804
Adjusting items to net income (loss) [1) 2)]	4,238	5,031
Adjusted net income (loss)	9,278	7,835
Adjusted net income attributable to non-controlling interests	285	(799)
Adjusted net income attributable to Hydro shareholders	8,993	8,634
Number of shares	1,998	2,029
Adjusted earnings per share	**4.50**	**4.26**

1) See Other performance measures and adjustments to EBIT in the section Financial results in Performance Review section
2) Adjusting items to net income (loss) consist of the Adjusting items to EBIT specified above, the impairment of a loan to Vianode of NOK 375 million, and realized and unrealized currency gains and losses. These items are net of calculated tax effects, for most items based on a 30 percent standardized tax rate.

Adjusted net debt and adjusted net debt to adjusted EBITDA ratio

Hydro's capital management measures are described in Note 7.1 Capital management in the Financial statements, including reconciliations and comparable information.

Adjusted Return on average Capital Employed (ARoaCE)

Hydro uses adjusted RoaCE to measure the performance for the group as a whole and within its operating segments, both in absolute terms and comparatively from period to period. Management views this measure as providing additional understanding of the rate of return on investments over time in each of its capital intensive businesses and in the operating results of its business segments. (Adjusted) RoaCE is calculated as (Adjusted) EBIT after tax divided by average Capital employed for the respective period.

EBIT after tax	Reported		Adjusted	
NOK million	2024	2023	2024	2023
EBIT	16,487	9,592	16,284	12,983
Adjusted income tax expense [1)]	(6,110)	(4,656)	(5,884)	(4,475)
EBIT after tax	**10,377**	**4,937**	**10,400**	**8,508**

Capital Employed

NOK million	**Dec 31 2024**	Sep 30 2024	Jun 30 2024	Mar 31 2024	Dec 31 2023	Sep 30 2023	Jun 30 2023	Mar 31 2023
Current assets [2)]	57,109	56,224	54,849	55,609	52,753	55,761	59,091	59,869
Property, plant and equipment	77,937	75,391	74,448	77,334	74,981	74,367	72,985	67,827
Other non-current assets [3)]	53,553	52,088	53,042	50,787	47,145	53,266	52,697	49,935
Current liabilities [4)]	(37,810)	(35,605)	(34,898)	(34,599)	(36,781)	(35,954)	(35,123)	(36,443)
Non-current liabilities [4)]	(27,361)	(27,851)	(27,357)	(27,490)	(26,267)	(25,850)	(26,516)	(25,079)
Assets held for sale				4,131	3,685	-	-	-
Liabilities in disposal group				(129)	(141)	-	-	-
Capital Employed	**123,428**	**120,246**	**120,085**	**125,642**	**115,374**	**121,591**	**123,135**	**116,108**

Return on average Capital Employed (RoaCE)	Reported		Adjusted	
	2024	2023	2024	2023
Hydro	**8.5 %**	4.1 %	**8.5 %**	7.1 %

1) Adjusted Income tax expense is based on reported and adjusted tax expense adjusted for tax on financial items.
2) Excluding cash and cash equivalents and short-term investments.
3) Excluding long-term collateral related to strategic and operational hedging activities.
4) Excluding interest-bearing debt.

5-year average adjusted Return on average Capital Employed

Hydro has provided a five-year average adjusted RoaCE to reflect adjusted RoaCE for a longer period than annual observations. Adjusted RoaCE for 2020, 2021 and 2022 are provided in the Alternative Performance Measures (APM) sections in the respective annual reports. The reconciliations for the years 2022 and 2021 are available in the annual report for 2022. The reconciliation for 2020 is available in the annual report for 2020.

5 year average adjusted Retun on average Capital Employed

	2024	2023	2022	2021	2020	5 year average
Adjusted RoaCE	**8.5 %**	**7.1 %**	**22.2 %**	**18.6 %**	**3.7 %**	**12.0 %**

Capital expenditure (Capex)

Capex is a measure for the cash amount spent on investment activities related to property, plant and equipment and other long-term investments as reported in the consolidated statements of cash flows for the period. Hydro uses this measure to drive optimization of capital allocation. The values include continuing operations only.

NOK million	2024	2023
Purchase of property, plant and equipment	(13,555)	(13,638)
Purchase of other long-term investments	(1,622)	(7,535)
Sum	**(15,177)**	**(21,173)**
Investment grants received	99	105
Capital expenditure (continuing operations)	**(15,078)**	**(21,068)**

Cash effective change in net operating capital

This measure is used by Hydro to monitor and follow up on cash generation and to drive financial performance. Hydro primarily follows up net operating capital elements on a cash basis rather than a balance sheet value basis, as the latter are influenced by non-cash currency translation effects. The values include continuing operations only.

NOK million	2024	2023
Change in Trade and other receivables [1]	(1,768)	1,017
Change in Inventories [1]	(2,263)	7,155
Change in Trade and other payables [1]	(162)	(1,293)
Cash effective change in net operating capital (continuing operations)	**(4,193)**	**6,879**

1) See Consolidated statements of cash flows

Free cash flow

Free cash flow is a measure of the net cash generation after investing activities. Hydro uses this measure to drive financial performance. Hydro uses financial derivatives for risk management purposes, the definition of free cash flow therefore excludes the impact from changes in collateral. In addition, an adjustment is made for the cash effect from net sales (purchases) of trading securities, as these are related to liquidity management activities and do not reflect the underlying cash generation from business activities. Hydro believes this is a better illustration of the underlying cash generation in the group. The values include continuing operations only.

NOK million	2024	2023
Net cash provided by operating activities [1]	15,356	22,220
Adjusted for changes in collateral [2]	588	(1,617)
Adjusted for net (sales) purchases of trading securities [3]	(33)	39
Net cash used in investing activities [1]	(12,916)	(20,759)
Adjusted for purchases of short-term investments [1]	3,148	659
Adjusted for sales of short-term investments [1]	(3,299)	(753)
Free cash flow	**2,844**	**(211)**

1) See Consolidated statements of cash flows.
2) Collateral provided as cash, mainly related to strategic and operational hedging activities (see Adjusted net cash (debt) APM).
3) Securities used for liquidity management purposes, available at short notice. Changes to these funds do not reflect the underlying cash

Additional notes to the sustainability statements

Environmental information

Social information

Governance information

Other information

E1 Additional notes on climate change

E1.4 Total GHG emissions in consolidated operations

Reporting principles

The following emissions are calculated for Hydro's consolidated operations according to ESRS E1-6. The reported emissions include Scope 1 and 2 GHG emissions on 100 percent basis for fully consolidated units, and on an equity basis for the joint operation, Tomago.

Scope 1 and location-based Scope 2 GHG emissions for the non-controlled smelter Alouette and the joint venture Qatalum are included in the reported Scope 3 category 15 emissions, on an equity basis. Hydro's share of GHG emissions from the natural gas fired power plant at Qatalum are included in the Scope 2 emissions.

Hydro has operational control over assets related to two non-consolidated joint arrangements: the power plants of hydropower producer Lyse Kraft DA and the Tonstad wind farm. Total non-consolidated GHG emissions from these arrangements amounted to 110 tonnes CO_2-equivalents in 2024.

For 2024, Hydro is also reporting scope 2 emissions according to the market-based approach in line with the requirements in ESRS. Hydro has green power purchase agreements (PPAs) that cover electricity consumption in Norway and some of the extrusion plants in Europe and in North America. Some of Hydro's extrusions sites have also installed on-site solar-panels and windmills. The PPAs in Norway cover 100 percent of the electricity consumption in Norway, and about 60 percent is covered by an internal PPA with Hydro Energy where the energy attribute certificates are cancelled. The rest of the energy consumption in Norway is covered by green PPAs, but the energy attribute certificates (EAC) are not cancelled by the energy supplier. For Hydro sites that have not installed on-site renewable energy generation or do not have a power purchase agreement with EACs, residual mix emission factors are used to calculate scope 2 emissions according to the market-based approach. The residual mix emission factors applied are either from AiB, NORSUS, Green-e, the Australian Government or IEA. For Hydro sites with on-site renewable electricity generation, the emission factor for electricity is set to zero, and for sites with a green PPA where the EACs are cancelled, the emission factors stated in the PPAs are applied, or set to zero if not defined.

The table includes consolidated gross market-based scope 2 emissions, acknowledging green PPAs as documentation. On an equity share this would equal 2.75 million tonnes CO2e. If applying residual mix factors for contracts without EACs, the scope 2 emissions would equal 5.66 million tonnes CO2e. Hydro believes that using the residual mix factors gives an incorrect picture of market-based scope 2 emissions.

Reported Scope 3 emissions are based on a combination of supplier-specific primary data and estimations based on statistical averages and generic emission factors. See Note E1.2 for more information.

	Retrospective				Milestones and targets [1) 2)]			
All numbers in million tonnes CO_2e	2018	2023	2024	% N / N-1	2025	2030	2050	Annual % target / base year
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions	6.09	6.82	6.36	93%	10% reduction	30% reduction	Net zero	N/A
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)		24%	25%					
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions	2.31	1.59	1.56	98%	10% reduction	30% reduction	Net zero	N/A
Gross market-based Scope 2 GHG emissions			6.61					
Significant scope 3 GHG emissions								
Total gross indirect (Scope 3) GHG emissions	24.06	16.38	15.35	94%		30% reduction		N/A
1 Purchased goods and services	18.60	10.99	10.06					
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	0.86	0.84	0.76					
4 Upstream transportation and distribution	0.31	0.26	0.26					
9 Downstream transportation	0.06	0.06	0.05					
10 Processing of sold products	1.40	1.40	1.40					
15 Investments	2.83	2.83	2.82					
Total GHG emissions								
Total GHG emissions (location-based)	32.46	24.8	23.3	94%				
Total GHG emissions (market-based)			28.3					

1) Scope 1 and 2 reduction targets refer to Hydro's strategic target for the sum of Scope 1 and Scope 2 emissions, which do not refer to performance according to the ESRS definitions of GHG emissions on consolidated basis. See Note E1.1 for more information.

Hydro does not report a calculation of annual reduction targets based on Hydro's medium- and long-term targets. This is due to annual emissions fluctuating depending on external conditions such as demand-driven variations in production volumes, and that recalculations of baseline emissions following portfolio changes will also result in changes to such calculated annualized targets.

E1.5 Direct GHG emissions by GHG type

Reporting principles

Breakdown of reported direct GHG emissions in consolidated activities, by greenhouse gas type. Amounts are reported in CO_2-equivalents for each GHG type.

GRI reference: GRI 305-5 (2016).

Direct GHG emissions per GHG type - consolidated activities

Million tonnes CO2e	2024	2023	2022	2021	2020
CO_2	6.10	6.54	6.84	7.28	6.63
PFC (perfluorocarbon)	0.12	0.12	0.15	0.28	0.21
Other	0.00	0.00	0.00	0.00	0.00
Total	**6.22**	**6.66**	**7.00**	**7.57**	**6.84**

E1.6 Energy consumption

Reporting principles

Total energy consumption in Hydro's consolidated activities, reported by energy carrier.

Energy consumption includes energy generated by Hydro operations as well as purchased energy. Energy consumption includes energy losses in hydroelectric plants. Other energy sources reported includes heating, cooling and steam generated in Hydro operations as well as purchased steam and heat in the Extrusions business area.

GRI Reference: GRI Standards 302-1 (2016).

Energy consumption per energy carrier - consolidated activities

Megawatt hours (MWh)	2024	2023	2022	2021	2020
Coal	2,937,008	3,179,541	3,719,862	3,627,597	3,880,638
Electricity	18,836,925	18,275,543	21,763,317	21,536,416	15,388,929
Diesel / gasoil	465,521	616,393	513,675	435,030	385,464
Gasoline	299	468	424	494	310
Heat	36,126	46,552	50,389	53,585	44,524
Heavy oil	4,121,769	7,602,343	7,240,639	8,041,564	6,580,532
Light fuel oil	717	659	653	865	6,800
Natural gas	6,651,089	3,503,332	3,545,356	3,792,200	3,496,749
Natural gas liquids	299,242	301,411	302,591	308,444	318,866
Other hydrocarbons	6,753	6,917	6,814	6,542	-
Total energy consumption	**33,355,447**	**33,533,158**	**37,143,719**	**37,802,739**	**30,102,811**

All of Hydro's energy consumption relates to activities that are classified as high impact climate sectors (Mining, manufacturing, electricity). In a normal year, Hydro operates 13.7 TWh renewable electricity production in the Nordic market. Adjusted for ownership share, this corresponds to a captive production of 9.4TWh, comprising approximately 70 percent of the total electricity consumption in 2024.

The reduction in total energy consumption in 2024 is primarily due to lower energy consumption at the Norwegian smelters.

All fully-owned smelters, 6 remelters and 19 Extrusion sites are also certified according to the ISO 50001 Energy Management systems, representing 66 percent of Hydro's total electricity consumption.

Renewable energy as a share of total energy consumption in Hydro's consolidated activities is estimated to 41.2 percent in 2024. Renewable energy consumption is estimated based on total energy consumption by energy carrier and data on country specific energy mix in the electricity grid from the International Energy Agency (IEA) updated in 2023. Electricity derived from biofuels, waste, hydro, geothermal, solar, wind and tide are considered renewable. Around 3 percent of the energy consumption is from nuclear sources based on the country specific grid mix.

E1.7 Energy intensity

Reporting principles

Energy intensity of the alumina refining at Alunorte is calculated based on total energy consumption at Alunorte divided by total alumina production.

Energy intensity in Hydro's consolidated smelters is calculated based on direct current consumption in the electrolysis process per kg aluminium.

Energy intensity based on net revenue is calculated based on total energy consumption in Hydro's consolidated activities, divided by total revenue as reported in Hydro's consolidated income statement.

GRI Reference: GRI Standards 302-3 (2016).

Energy intensity	2024	2023	2022	2021	2020
MWh per tonne alumina	2.20	2.21	2.21	2.10	2.13
MWh per tonne aluminium	14.13	14.03	13.88	14.00	14.07

Total energy consumption in 2024 was 578.9 MWh per NOK million revenues. Energy intensity based on net revenue is an ESRS reporting requirement but not an operational target for Hydro, as the value will vary depending on market prices. The value is calculated based on total energy consumption and net revenue from consolidated activities, since the Hydro group is classified as operation in a high climate impact sector, even if significant portion of total revenues are associated with activities in non-high climate impact sectors, such as renewable energy. See Note 1.4 to the consolidated financial statement for information on revenues by segment.

E2 Additional notes on Pollution

E2.4 Non-GHG emissions

Reporting principles

Total reported non-GHG emissions in Hydro consolidated activities, based on requirements in ESRS E2.

Emissions to air are monitored differently, depending on the nature of emission and source. At a minimum, a site's environmental permits will dictate the monitoring locations, frequency and methodology and legal reporting requirements. If there are additional emissions data needed for disclosure beyond the local legal requirements, these are also included in a site's monitoring plan.

Emissions reported below comprise pollutants emitted from sites exceeding the limits listed in Annex II of EU E-PRTR. Reported numbers are based on continuous monitoring, periodic sampling, site-based emission factors, generic emission factors, or some other estimation methodology. In 2024, Hydro updated its generic emission factors for non-GHG emission linked to fossil fuel consumption. The emission factors for non-GHG emissions from stationary fuel consumption are based on the latest factors published by the Norwegian Statistical Bureau (SSB), last updated in 2023, with the exception of black carbon (BC), which is based on the Tier I factors provided by EMEP/EEA air pollutant inventory guidebook 2023. The emission factors for non-GHG emissions from mobile fuel consumption are based on the Tier II factors provided by EMEP/EEA air pollutant inventory guidebook 2023. Where sites have developed specific emission factors based on their own operational performance, these are used instead of the generic emission factors adopted by Hydro.

Total emissions of PAH-related pollutants do not include data from Albras, our Joint Venture smelter in Barcarena, Brazil. Under Brazilian legislation, it is not a legal requirement for Albras to measure this group of emissions, so the data does not exist. Hydro will work on closing this data gap in 2025.

GRI reference: GRI Standards 305-7 (2016).

Emissions to air

Metric tonnes	2024
Sulphur dioxides (SO2)	14,770
Nitrogen oxide (NOx)	3,832
Particulate matter (PM10)	2,745
Non-methane volatile organic compounds (NMVOC)	116
Anthracene	0.06
Naphthalene	1.97
Fluorine and inorganic compounds (HF)	428
Chlorine and inorganic compounds (as HCl)	35
PCDD + PCDF (dioxins + furans)	0.009
Arsenic and compounds (as As)	0.15
Chromium and compounds (as Cr)	0.89
Copper and compounds (as Cu)	0.11
Mercury and compounds (as Hg)	0.49
Nickel and compounds (as Ni)	4.36

Emissions to water

Metric tonnes	2024
Polycyclic aromatic hydrocarbons (PAHs) [1)]	0.14
Naphthalene	0.50
Fluoranthene	0.08
Benzo(g,h,i)perylene	0.02
Fluorides (as total F)	214
Arsenic and compounds (as As)	0.03
Chromium and compounds (as Cr)	0.38
Copper and compounds (as Cu)	0.15
Nickel and compounds (as Ni)	0.16
Zinc and compounds (as Zn)	0.31

1) PAH emissions excludes emissions from Albras

E2.5 Indirect non-GHG emissions related to energy consumption

Reporting principles

In 2024, Hydro developed emissions factors for calculating indirect non-GHG emissions related to electricity consumption, similar to the location-based approach for Scope 2 GHG reporting. The calculations are based on country-specific grid mixes published by IEA and emissions factors provided by EMEP/EEA air pollutant inventory guidebook 2023. This disclosure is in support of Hydro's commitment to the Alliance for Clean Air and was developed in collaboration with the Stockholm Environment Institute.

Total non-GHG emissions from electricity consumption (tonnes)	2024	2023
Black Carbon	119.1	121.8
Carbon monoxide (CO)	899.7	920.8
NM VOC	70.0	71.7
Nitrogen oxide (NOx)	2,945.6	3,022.9
Particulate Matter (PM10)	719.1	736.2
Particulate Matter (PM2.5)	592.9	606.8
Sulphur dioxide (SO2)	6,326.0	6,512.1

E2.6 Substances of concern and very high concern

Reporting principles

Total amount of substances of concern (SoC) and substances of very high concern (SVHC) that are generated or procured and used in Hydro's production activities.

There is significant uncertainty in the data reported. Hydro's interaction with SoC and SVHC are primarily as part of mixtures, such as paints and solvents used in surface treatment of extruded aluminium profiles, cold tar pitch used for anode production, and cryolite bath used in primary aluminium.

Substances are reported as the sum of mixtures containing SoCs and SVHC, by main hazard classes, based on the amount of the mixtures used in the reporting year. Data on contents per mixture is not available at a consolidated level, and many substances are classified in several hazard classes. The sum of the substances reported by hazard class, below, therefore does not reflect total mixtures containing substances that are generated or used in production activities.

Substances used in non-production activities, such as construction, maintenance and repair, research and laboratory, and other substances used in quantities below one tonne per year, are not included.

Substances of concern / very high concern

Hazard class	Tonnes SoC	Tonnes SVHC
Carcinogenicity categories 1 and 2	83,264	78,599
Chronic hazard to the aquatic environment categories 1 to 4	33,303	
Endocrine disruption for human health	27	27
Endocrine disruption for the environment	34	0
Germ cell mutagenicity categories 1 and 2	78,723	27
Persistent, Mobile and Toxic or Very Persistent and Very Mobile	4	
Persistent, bioaccumulative and toxic or very persistent, very bioaccumulative properties	78,553	78,535
Reproductive toxicity categories 1 and 2	84,322	53
Respiratory sensitisation category 1	109	
Skin sensitisation category 1	82,351	
Specific target organ toxicity, repeated exposure categories 1 and 2	23,876	
Specific target organ toxicity, single exposure categories 1 and 2	47	
Negatively affects the re-use and recycling of materials in the product	115,308	

The majority of reported mixtures containing SoC and SVHC are procured for use. The majority of mixtures reported are used for anodizing, painting, powder coating and other surface treatment of extruded aluminium profiles, anode production, or manufacture of primary aluminium.

E3 Additional notes on Water

E3.2 Water withdrawal

Reporting principles

Total water withdrawal by country and water interaction in Hydro consolidated activities.

All operations related to the aluminium value chain maintain a water balance, in line with regulatory requirements and the minimum disclosure requirements dictated by ICMM's Water 2021 Water Reporting: Good practice guide. This includes volumes of withdrawals (by quality and source), discharge (by quality and destination), consumption (by type) and the percentage of the operational water demand met by water reuse and /or recycling, if applicable. Methods for calculating these values is site-specific. Where operational sites receive their water supply from third-parties, like the municipal water infrastructure, the quantities are based on invoiced volumes across the year. In operations that manage their own water extraction and discharges, the data can be directly measured using flow meters or inferred from pumping capacity and run times. Hydro does have instances of "Other Managed Water" (i.e., water that needs to be actively managed by does not enter the operational water system used to supply the operational water demand), so this parameter is not included in our consolidated reporting.

We monitor water use in the construction and development of new energy projects, including water for construction processes and human consumption. Water consumption in Hydro Rein's projects are not material in volume compared to consumption in other activities. All water use in construction and development of new energy projects is supplied by third parties.

GRI reference: GRI Standards 303-3, 303-4 and 303-5 (2018).

Total water withdrawal, by country

million m^3	2024	2023	2022	2021	2020
Norway	216.3	212.6	218.0	216.1	224.8
Brazil[1)]	59.4	63.4	62.0	67.1	54.5
United States	3.4	3.9	4.5	4.8	4.2
Rest of the world	3.3	3.8	4.2	4.7	3.9
Total water withdrawal	**282.5**	**283.7**	**288.7**	**292.8**	**287.5**

1) Includes 15.5 million m^3 of rainwater that is treated and discharged. This figure varies with precipitation.

E3.3 Water interaction in water stressed areas

Water interaction in water-stressed areas

Million m^3	High quality	Low quality	2024	2023	2022	2021	2020
Number of locations			34	34	34	34	34
Water withdrawal, by source							
Surface water withdrawal	-	0.1	0.1	-	-	-	-
- River, stream, lake	-	-	-	-	-	-	-
- Rainwater capture	-	0.1	0.1	-	-	-	-
Ground water	-	0.1	0.1	0.1	0.1	0.1	0.1
Seawater	-	-	-	-	-	-	-
Third-party supply	-	1.0	1.0	1.3	1.4	1.4	1.2
Total Water withdrawal	**-**	**1.2**	**1.2**	**1.4**	**1.5**	**1.5**	**1.3**
Water discharges, by destination							
Surface water	-	-	-	0.1	0.1	0.1	0.1
Ground water	-	-	-	-	-	-	-
Seawater	-	-	-	-	-	-	-
Third-party supply	0.7	0.1	0.8	1.0	1.0	1.1	0.9
Total water discharges	**0.7**	**0.2**	**0.9**	**1.0**	**1.1**	**1.1**	**1.0**
Total Water consumption	**-**	**0.3**	**0.3**	**0.4**	**0.4**	**0.4**	**0.3**
Total water reused/recycled	**-**	**-**	**-**	**-**	**-**	**-**	**-**

E4 Additional notes on Biodiversity and ecosystems

E4.3 Operations in proximity to biodiversity sensitive areas

Reporting principles

Table summarizing consolidated Hydro assets, within the aluminium value chain, that are located in or near biodiversity sensitive areas, as defined by the ESRS (i.e. Legally Protected Areas, Key Biodiversity Areas and UNESCO World Heritage Sites). The distance used to define whether an asset is near to a biodiversity sensitive area is dependent on the primary activity conducted by the asset and provided in the table below under the column headed "Proximity used". The table only includes assets that are associated with activities that could potentially have an impact on the biodiversity sensitive areas. Operations associated with activities that have a very low likelihood of impacting biodiversity sensitive areas are excluded from the list. Of the named assets, the bauxite mine in Paragominas is the only asset that is certain to have an impact on a biodiversity sensitive area as it overlaps with a Key Biodiversity Area called Rio Capim.

GRI reference: GRI Standards 304-1 (2016).

Hydros aluminium operation in proximity to biodiversity sensitive areas

Asset name	Country	Business Area	Primary activity	Ownership equity (%)	Proximity used	Area (km^2)	Legally protected area	Key biodiversity areas	Unesco WHS
Paragominas	Brazil	Bauxite&Alumina	Mine	100	30	187.53	1	1	-
Alunorte	Brazil	Bauxite&Alumina	Refinery	62	20	45.28	2	1	-
Albras	Brazil	Aluminium Metal	Smelter	51	20	1.88	2	1	-
Ardal	Norway	Aluminium Metal	Smelter	100	20	0.33	6	-	-
Hoyanger	Norway	Aluminium Metal	Smelter	100	20	0.14	8	-	-
Husnes	Norway	Aluminium Metal	Smelter	100	20	0.36	39	-	-
Karmoy	Norway	Aluminium Metal	Smelter	100	20	2.26	24	-	-
Qatalum	Qatar	Aluminium Metal	Smelter	50	20	1.79	1	-	-
Slovalco	Slovakia	Aluminium Metal	Smelter	55	20	0.64	67	-	-
Sunndal	Norway	Aluminium Metal	Smelter	100	20	0.7	16	1	-
Atessa Buildex	Italy	Extrusions	Recycling	100	10	0.07	10	1	-
Avintes	Portugal	Extrusions	Recycling	100	10	0.02	3	-	-
Delhi	USA	Extrusions	Recycling	100	10	0.2	9	-	-
Drunen	Netherlands	Extrusions	Recycling	100	10	0.11	9	2	-
Feltre	Italy	Extrusions	Recycling	100	10	0.07	16	3	1
Ghlin	Belgium	Extrusions	Recycling	100	10	0.26	22	1	-
Itu	Brazil	Extrusions	Recycling	100	10	0.09	2	-	-
Ludenscheid EE	Germany	Extrusions	Recycling	100	10	0.11	78	-	-
Monett	USA	Extrusions	Recycling	100	10	0.09	1	-	-
Navarra	Spain	Extrusions	Recycling	100	10	0.08	9	1	-
Phoenix	USA	Extrusions	Recycling	100	10	0.04	-	1	-
Puget	France	Extrusions	Recycling	100	10	0.05	11	1	-
Spanish Fork	USA	Extrusions	Recycling	100	10	0.11	7	-	-
St Augustine	USA	Extrusions	Recycling	100	10	0.63	6	-	-
The Dalles Cast	USA	Extrusions	Recycling	100	10	0.1	7	-	-
Tibshelf	UK	Extrusions	Recycling	100	10	0.04	31	1	-
Toronto	Canada	Extrusions	Recycling	100	10	0.01	2	-	-
Utinga	Brazil	Extrusions	Recycling	100	10	0.08	4	-	-
Vetlanda EE	Sweden	Extrusions	Recycling	100	10	0.16	33	-	-
Yankton	USA	Extrusions	Recycling	100	10	0.09	10	1	-
Alumetal Gorcyze	Poland	Metal Markets	Recycling	100	10	0.06	10	4	-
Alumetal Kety	Poland	Metal Markets	Recycling	100	10	0.04	5	1	-
Alumetal	Hungary	Metal Markets	Recycling	100	10	0.11	25	3	-
Alumetal Nowa	Poland	Metal Markets	Recycling	100	10	0.11	9	1	-
Azuqueca	Spain	Metal Markets	Recycling	100	10	0.09	4	1	-
Cassopolis	USA	Metal Markets	Recycling	100	10	0.4	4	-	-
Clervaux	Luxembourg	Metal Markets	Recycling	100	10	0.05	51	6	-
Deeside	UK	Metal Markets	Recycling	100	10	0.05	19	-	-
Henderson	USA	Metal Markets	Recycling	100	10	0.07	4	-	-
Luce MM	France	Metal Markets	Recycling	100	10	0.09	1	-	-
Rackwitz MM	Germany	Metal Markets	Recycling	100	10	0.08	19	2	-

Hydro's hydro power operation in proximity to biodiversity sensitive areas

Asset name	Legally protected areas	Area overlap with legally protected areas (ha)	Key Biodiversity Areas	UNESCO WHS
RSK	8	21,894	-	-
Fortun	4	19,200	-	-
Tyin and Holsbru	3	18,017	-	-
Stavanger	10	16,928	-	-
Telemark	11	105,253	1	-
Vigelandfoss	-	-	-	-

Table summarizing Hydro's hydropower operations that are located in or near biodiversity sensitive areas, as defined by the ESRS (i.e. Legally Protected Areas, Key Biodiversity Areas and UNESCO World Heritage Sites). Proximity to biodiversity sensitive areas was defined as the number of legally protected areas, KBAs and UNESCO World Heritage sites that intersected with the defined area of influence of the individual hydropower operations. Having proximity to these biodiversity sensitive areas does not determine that these operations have a negative impact on the biodiversity values for which these designations were assigned and, in many of these instances, the operation pre-dates the establishment of the designation

Wind and solar operations in proximity to biodiversity sensitive areas

Asset name	Legally protected areas	Area overlap with legally protected areas (ha)	Key Biodiversity Areas	UNESCO WHS
Stor-Skalsjön	30	-	-	-
Ventos de São Zacarias	1	790	-	-
Mendubim	-	-	-	-
Boa Sorte	2	-	-	-

E4.4 Aluminium value chain land use and footprint

Reporting principles

Table summarizing area occupied by consolidated Hydro assets, within the aluminium value chain, by activity and primary habitat type in the landscape where the assets are located. Habitat type is classified according to UNEP-WCMC's Global Map of Terrestrial Habitat Types. Area given represents the total property area of the assets, which can be larger than the actual footprint of the infrastructure and include non-operational land areas.

GRI reference: GRI Standards 304-1 (2016).

Value chain footprint by habitat type, per activity

Hectar	Mining	Refining	Smelting	Extrusion[1)]	Fabricating	Recycling	Total
Forest - Subtropical-tropical moist lowland	18,753	4,528	188	10	-	17	23,496
Forest - Temperate	-	-	347	235	18	302	902
Desert - Hot	-	-	179	-	1	4	184
Forest - Boreal	-	-	117	-	-	-	117
Shrubland - Temperate	-	-	-	61	1	33	95
Grassland - Temperate	-	-	-	15	-	39	54
Savanna - Dry	-	-	-	11	-	-	11
Shrubland - Subtropical-tropical dry	-	-	-	8	-	-	8
Footprint	**18,753**	**4,528**	**831**	**340**	**21**	**395**	**24,868**

1) Extrusions includes some recycling activities

E4.5 Land use and footprint in Hydro Energy

Reporting principles

Hydropower

Currently, there is no aligned definition of land-use and land-use change for the energy sector in Norway, and we have therefore made some assumptions, that could be subject to change the years to come, based on standardization.

We distinguish between the direct footprint and indirect area of influence, of our hydropower operations, in our reporting and the data does not account for equity share.

The following areas have been estimated and accumulated to establish an approximation of the direct footprint of our hydropwer operations:

- Surface area of reservoirs used to produce power (reservoirs regulated by Hydro), based on HRV (highest regulated water level).
- Surface area of spoil heaps, which are areas disturbed due to construction or maintenance activities.
- Water courses downstream of power plants (estimated down to the recipient lake/ fjord)

The indirect area of influence for our hydropower operation is defined as an approximation of the catchment areas that provide water to each power system. The following assumptions are made:

- The total catchment area is the combination of catchment for all intake points for the hydropower stations in each power system.
- The catchment for the intake points is extracted using NEVINA site.
- In the cases, where the intake point is in the reservoir, the point of lowest elevation of the reservoir (closest point to the dam/ point of outflow of the dam) is taken to obtain catchment for that point.
- All these smaller catchment areas are merged to create a single catchment for each of the hydropower systems.

This approach represents the maximum surface area assumed to be indirectly influenced by Hydro's own hydropower operations, but will often overlaps with the operations of other hydropower producers.

Wind and solar

Area impacted by operation is defined as the total surface area altered/managed by the organization. Currently, there is no common approach for estimating the land-use or land-use change for the energy sector in Norway, and we have therefore made some assumptions, that could be subject to change the years to come, based on standardization.

We distinguish between the direct footprint and indirect area of influence, of our operations, in our reporting and the data does not account for equity share.

For wind and solar projects, the direct footprint is based on the area of land converted for the construction of the project. The direct footprint estimated during project development and construction of wind- and solar power parks may change in actual operation. The indirect area of influence for wind and solar projects is defined as the project area (directly footprint) plus a buffer zone of 10 km and 5 km respectively.

Hydropower footprint

	Røldal-Suldal (RSK)	Sogn: Fortun	Sogn: Tyin/Holsbru	Stavanger	Telemark (incl. Svelgfoss)	Vigelands-foss	Total
Equity share	25.6 %	100.0 %	100.0 %	25.6 %	100.0 %	100.0 %	
Direct footprint	**5,383**	**2,281**	**4,308**	**4,997**	**8,183**	**15**	**25,167**
- Reservoirs	5,208	2,038	4,164	4,766	8,125	15[1)]	24,316
- Spoil heaps	17	78	27	38	24	-	184
- Downstream rivers	158	165	117	193	34	-	667
Associated catchment area	52,811	37,764	37,886	64,910	161,805	217	355,393
Total area of influence	**52,969**	**37,929**	**38,003**	**65,103**	**161,839**	**217**	**356,060**
Other associated							
- Number of dams	45	23	21	50	10	4	
-Tunnels (km)	78.0	69.4	49.0	62.0	34.0	-	
- Canals (km)	5.0	0.3	2.0	-	2.0	-	
- Transmission lines (km)	152.0	94.0	30.0	172.0	589.0	7.0	

1) Based on reservoir surface

Wind and solar projects footprint[1)]

	Boa Sorte, Brazil	Mendubim, Brazil	Stor-Skälsjön, Sweden	Tonstad[2)], Norway	Ventos de São Zacarias, Brazil
Ownership equity[3)]	30.0 %	30.0 %	25.0 %	0.0 %	44.9 %
Spatial footprint (km²)					
Direct footprint	8.8	9.9	3.4	4.0	9.5
Impacted area solar (5km buffer zone)	373.4	219.1	-	-	-
Impacted area wind (10km buffer zone)	-	-	730.5	217	1783.2

1) Boa Sorte and Mendubim are solar power sites, while Ventos de São Zacarias, Stor-Skälsjön and Tonstad are wind power sites. These sites are, under responsibility of Hydro Rein. Stor-Skälsjö is under construction.

2) Ownership equity at Tonstad is 0 percent, however Hydro is the operator.

3) Hydro REIN's ownership share

E4.6 Land use by country

Reporting principles

Table summarizing area occupied by consolidated Hydro assets, within the aluminium value chain, by activity and country. Area given represents the total property area of the assets, which can be larger than the actual footprint of the infrastructure and include non-operational land areas.

Land use per country, per activity

Country/activity	Bauxite mine	Refinery	Smelter	Extrusion	Fabrication	Recycling	Total
Brazil	18,753	4,528	188	10	-	17	23,496
Norway	-	-	383	5	-	-	388
United States	-	-	-	56	10	211	277
Qatar	-	-	179	-	-	-	179
Slovakia	-	-	64	10	-	-	74
France	-	-	-	55	-	13	68
Germany	-	-	18	24	-	19	61
Belgium	-	-	-	23	-	26	49
Poland	-	-	-	20	7	21	48
Spain	-	-	-	17	-	17	34
Hungary	-	-	-	21	-	11	32
Italy	-	-	-	17	-	14	31
Sweden	-	-	-	8	3	16	27
United Kingdom	-	-	-	8	2	9	19
Netherlands	-	-	-	8	-	11	19
Canada	-	-	-	13	-	1	14
Denmark	-	-	-	13	-	-	13
Mexico	-	-	-	11	-	-	11
China	-	-	-	10	-	-	10
Austria	-	-	-	7	-	-	7
Luxembourg	-	-	-	-	-	5	5
Argentina	-	-	-	4	-	-	4
Portugal	-	-	-	-	-	2	2
Total	**18,753**	**4,528**	**832**	**340**	**22**	**393**	**24,868**

E4.7 Overburden moved in Paragominas

Reporting principles

Total volume (in metric tons) of overburden moved in mine within consolidated operations.

GRI Reference: GRI G4-MM3.

Hydro uses strip mining in Paragominas, a technique that avoids the formation of an overburden stockpile. All overburden moved for mining purpose is used to reconstruct the topography of the strip previously mined, prior to rehabilitation of the mined areas. Part of the overburden (laterite) can be also used for paving roads. The sterile soil is untreated and has no dangerous properties. Leaching potential due to overburden removal is negligible. There is a water resource management program in place to mitigate silting from the plateau areas.

Overburden moved

Million metric tons	2024	2023	2022	2021	2020
Overburden moved	82	87	82	79	67

E5 Additional notes on Resource use and circular economy

E5.4 Resource outflows – Waste

Reporting principles

Waste generated by Hydro's consolidated activities, reported by composition, and by waste category and treatment.

Waste is measured and reported according to a harmonized categorization within Hydro, based on the common names of key waste streams relevant to our operations (e.g. bauxite residue, SPL, waste caustic soda). This facilitates aggregation of data at a group level and avoids the use of multiple waste codes for the same waste category.

GRI reference: GRI Standards 306-3, 306-4 and 306-5 (2020).

Waste by composition

1 000 metric tons	Waste diverted from disposal	Waste directed to disposal	2024	2023	2022	2021	2020
Anode butts	167	11	178	163	197	208	157
Dross	126	0	126	131	87	94	81
Fly & bottom ash	0	39	39	43	49	38	26
SPL	13	14	27	41	71	73	50
Spent caustic soda	22	1	24	26	33	34	30
Other waste	193	130	323	311	268	268	257
Total waste	**521**	**195**	**717**	**715**	**705**	**715**	**601**

Tailings and bauxite residue

1 000 metric tons[1)]	2024	2023	2022	2021	2020
Bauxite tailings	4,874	4,521	4,451	4,239	3,345
Bauxite tailings to Plateau	4,010	3,396	2,943	-	-
Bauxite tailings to Valley	864	1,125	1,509	4,239	3,345
Bauxite residue	5,554	5,571	5,303	5,384	4,827

1) On a dry basis

The tailings at Paragominas are stored in dedicated tailings facilities, where the particles settle. Paragominas is Hydro's only consolidated mine. In the Plateau tailings storage facility, the tailings undergo a drying cycle that can take approximately 30 or 60 days, during the dry and rainy season, respectively. After the drying process, the material has a minimum of 60 percent solid content and is then excavated and deposited back into the mined areas. This method is what Hydro refers to as "Tailings Dry Backfill". In 2024, 4.80 million cubic meter of dried material was reclaimed and returned to the mined areas.

Net change in volume for tailings stored in Plateau Tailings Storage Facility

Million m3	2024	2023	2022	2021	2020
Tailings stored at the start of reporting year	3.66	5.22	6.00	3.73	4.08
Tailings deposited during reporting year	4.18	3.54	3.07	3.67	2.66
Tailings excavated for tailings dry backfill during reporting year	4.80	5.10	3.84	1.40	3.02
Tailings stored at the end of reporting year	3.04	3.66	5.22	6.00	3.73
Net change in tailings volume stored during reporting year	**-0.62**	**-1.56**	**-0.78**	**2.27**	**-0.30**

S1 Additional notes on Own workforce

S1.4 Training and development

Reporting principles

Training and development statistics is based on training that is completed and registered by Hydro employees in our human resources systems. Training, education and career development activities that are not registered by the individual employee, as well as on-the-job training activities, are not captured by the reported metrics. Instructor-led courses that are conducted locally are not always registered and thus not included in the reported metrics.

The metrics include both mandatory and voluntary training. See also Note G1.3 on compliance-related training, specifically.

Training and development	2024	2023	2022
Training hours completed by Hydro employees	223,798	262,647	217,958
Courses completed	154,315	15,323	16,680
of which, male participants	105,799	11,211	
of which, female participants	48,480	4,112	
Avg. training hours per participant	1.5	17.1	13.1
Avg. training hours per employee	6.6	8.2	6.8
Avg. training hours per male employee	6.4	8.0	7.1
Avg. training hours per female employee	7.4	8.7	5.7

Training initiatives can vary from year to year based on business needs and initiatives. In 2024, Hydro has been investing in upskilling of the whole organization, focusing on key skills needed to deliver on the company's strategic goals. The most frequently completed training programs in 2024 were on sustainability, artificial intelligence and digital literacy. Digital literacy for all employees will continue as a prioritized area of training in 2025. In cooperation with Oxford and MIT, Hydro also ran two executive educational programs for a selected number of participants: "Leading sustainable organizations" (Oxford), and "AI Implications for Business Strategy" (MIT). These programs had very high completion rates and received very positive feedback from participants. Hydro spent more than NOK 13 million on external training resources in 2024.

S1.5 Collective bargaining and social dialogue

Reporting principles

Data on collective bargaining and social dialogue is based on local HR records. An estimated 67 percent of the global workforce is covered by collective agreements, but the records may be incomplete in certain countries due to the sensitive nature of information about individual employment terms and participation in labor unions. The reported data below includes all employees in countries of significant employment, presented using the templates introduced by ESRS.

	Collective bargaining coverage		Social dialogue
Coverage rate	Employees (EEA)	Employees (non-EEA)	Workplace representation (EEA only)
0-19%			
20-39%			
40-59%		North America (Canada, Mexico, USA)	
60-79%			
80-100%	Norway	South America (Brazil)	Norway

S1.6 Gender and compensation in Norway

Reporting principles

Number of employees per gender per job level is based on number of employees that received a salary in 2023. Total employees in this note will therefore differ from number of employees in other notes, which are based on number of employees at year end.

Hydro analyzes pay by accounting for multiple factors, including job level. Job levels 1 to 3 typically cover operators, levels 5 and 6 jobs require higher education, e.g. bachelor or master with typically 1-5 years of experience. Levels 6 and 7 are jobs that require extensive experience in their area of expertise and levels 8 and 9 cover the most senior specialist and management positions.

Data on gender pay gaps are based on local payroll systems, and the average salary per gender per job level is calculated based on real paid out amount through 2023. The gender pay gaps reported in this note are based on requirements in the Norwegian equality and anti-discrimination act, and will differ from the gaps reported for Norway in Note S1.6, which is based on median salary per gender on each job level, and calculated based on the nominal salary of each employee at year end.

GRI-reference: GRI Standards 405-2 (2016).

Gender proportion 2023				**Women's salary compared to men's**	
Job level	Women share	Men share	Headcount	Annual salary	Total compensation
Level 1	31%	69%	298	99%	96%
Level 2	19%	81%	1,739	97%	93%
Level 3	27%	73%	151	102%	92%
Level 4-5	27%	73%	1,069	104%	98%
Level 6-7	29%	71%	628	98%	95%
Level 8-9	37%	64%	144	97%	93%
Total	**24%**	**76%**	**4,029**	**106%**	**101%**

S1.7 Diversity in management

Reporting principles

Diversity data for the Board of Directors and Executive Leadership Team (ELT) for Hydro are counted per year end. Diversity in management is reported for levels 0, 1, 2 and 3. Level 0 refers to the CEO, level 1 refers to Corporate Management Board (CMB), level 2 refers to persons reporting to CMB, and level 3 refers to persons that report to level 2.

GRI-reference: GRI Standards 405-1 (2016)

	Number of persons					**Percentage of total**				
Gender distribution	2024	2023	2022	2021	2020	2024	2023	2022	2021	2020
Board of Directors, women [1)]	4	4	4	4	4	36%	36%	36%	40%	40%
Board of Directors, men	7	7	7	6	6	64%	64%	64%	60%	60%
Executive Leadership Team, women	5	4	4	4	4	56%	40%	40%	44%	40%
Executive Leadership Team, men	4	6	6	5	6	44%	60%	60%	56%	60%
Women at management levels 0-2	29					35%	37%	37%	35%	31%
Woman at management levels 0-3	179					38%	36%	35%	36%	32%

1) With three women among the seven shareholder-elected members and one woman among the four employee representatives on the Board of Directors, Hydro complies with the Norwegian legal requirements on female representation.

	Number of persons					**Percentage of total**				
Non-Norwegians in management	2024	2023	2022	2021	2020	2024	2023	2022	2021	2020
Board of Directors, women	2	2	2	1	1	18%	18%	18%	10%	10%
Board of Directors, men	2	2	2	2	2	18%	18%	18%	20%	20%
Executive Leadership Team, women	-	-	-	1	-	-	-	-	10%	-
Executive Leadership Team, men	1	1	1	1	1	11%	10%	10%	10%	10%
Management, levels 0-2	27					32%	29%	29%	34%	43%
Management, levels 0-3	212					45%	44%	44%	41%	53%

In addition to the groups above, Hydro also monitors gender distribution across additional staffing categories. In women leadership positions, with at least one person is reporting directly to them, we have a target of 25 percent by 2025. We also monitor women in white-collar staff positions. For this group the data include level 0, 1, 2, 3, 4 and 5 managers. We have set a target of 35% by 2025 in this category.

S1.8 Local representation

Reporting principles

Local representation in senior management for significant sites of operation.

Senior management is defined as the management group at each site (site managers and those reporting to them) in addition to business area management teams.

Local is defined at country level for Norway and at state level for Brazil.

GRI-reference: GRI standards 202-2 (2016)

Share of senior management hired from local community

	2024	2023	2022	2021	2020
Norway					
Production sites in Norway	98%	100%	94%	88%	98%
Aluminium Metal management team	88%	91%	80%	80%	80%
Extrusions management team	29%	50%	43%	14%	29%
Brazil					
Paragominas, Pará	15%	14%	0%	15%	9%
Barcarena, Pará	27%	25%	9%	17%	22%
Bauxite & Alumina management team	0%	0%	9%	0%	0%

S1.9 Diversity and inclusion for Norwegian subsidiaries

Reporting principles

This note provides quantitative information required by the Norwegian Equality and Anti-Discrimination Act (Likestillings og diskrimineringsloven) for the following subsidiaries: Hydro Aluminium AS, Hycast AS, Sør-Norge Aluminium, Hydro Energi AS, Hydro Extruded Solutions AS, Hydro Extrusion Norway AS.

For a description of our approach and work related to diversity and inclusion in Hydro, the activities being undertaken to identify and analyze risk of discrimination, see Our people strategy and the section on Disclosures pursuant to the Norwegian Equality and Anti-Discrimination Act.

We report on pay equality and involuntary part-time every two years, in accordance have the Norwegian Equality and Anti-Discrimination Act.

Part-time employees normally work full time. The opportunity to work part time is considered a benefit for which a special application must be made. In 2023, we reviewed if there were any cases of involuntary part-time work in our Norwegian activities. The review confirmed that all employees working part time had applied for reduced working hours.

In December 2023 Hydro agreed on a global parental leave policy for all employees. The global parental leave policy set a minimum standard, which gives 4 months fully paid leave for primary caregiver and one month fully paid leave for secondary caregiver. The global parental leave policy will be rolled out in 2024, however where local standard already has a more beneficial scheme, this will supersede the global plan. Local deviation to the global plan can also be maid if this is required by local law and/or regulations applicable in the jurisdiction.

In our employee engagement survey, we track perceptions of healthy balance between work and spare time and found stress level as important indicators for a sustainable work environment.

Hydro Monitor results for Norwegian subsidiaries 2024

	Employee Engagement Index (EEI)	Psycosocial Risk Index (PRI)	Integrity Culture Index (ICI)	Inclusion Index
All Hydro employees in Norway	73%	74%	74%	72%
Women	78%	75%	78%	75%
Men	71%	73%	73%	71%
Hydro Aluminium AS	70%	71%	71%	69%
Women	74%	73%	74%	72%
Men	70%	71%	70%	68%
Hycast AS	71%	73%	70%	73%
Women	80%	76%	70%	84%
Men	69%	73%	70%	71%
Sør-Norge Aluminium	67%	68%	68%	65%
Women	67%	69%	68%	65%
Men	66%	67%	67%	65%
Hydro Energy AS	84%	82%	86%	85%
Women	90%	81%	87%	86%
Men	82%	82%	86%	84%
Hydro Extruded Solutions AS	83%	81%	87%	82%
Women	82%	80%	84%	74%
Men	83%	81%	88%	84%
Hydro Extrusion Norway AS	71%	80%	77%	75%
Women	70%	73%	68%	68%
Men	71%	82%	80%	77%

Summary statistics 2024 - Norwegian entities

	Number of employees		Parental leave in weeks*	Permanent employees in part time	Temporary employees on part time
	Permanent*	Temporary*			
All Hydro employees in Norway	**3,981**	**877**	**16**	**38**	**530**
Women	25%	39%	19	39%	45%
Men	75%	61%	8	61%	55%
Hydro Aluminium AS	**2,534**	**685**	**13**	**21**	**407**
Women	20%	38%	16	43%	44%
Men	80%	62%	7	57%	56%
Hycast AS	**67**	**4**	**12**	**-**	**1**
Women	19%	50%	**12**	-	100%
Men	81%	50%	-	-	-
Sør-Norge Aluminium AS	**378**	**146**	**19**	**6**	**100**
Women	22%	44%	22	33%	51%
Men	78%	56%	6	67%	49%
Hydro Energy AS	**358**	**16**	**15**	**4**	**8**
Women	30%	13%	22	-	13%
Men	70%	88%	11	100%	88%
Hydro Extruded Solutions AS	**47**	**2**		**1**	**2**
Women	28%	50%		-	50%
Men	72%	50%		100%	50%
Hydro Extrusion Norway AS	**99**	**7**		**1**	**0**
Women	21%	29%		-	-
Men	79%	71%		100%	-

* Average number of weeks parental leave per employee who has taken parental leave in the reporting year.

G1 Additional notes on business conduct

G1.3 Compliance training

Reporting principles

Compliance training includes e-learning courses and classroom training related to compliance and business conduct. Compliance training is reported based on training modules completed; one employee may complete several e-learning modules related to the same topic and/or participate in both classroom training and e-learning courses on the same topic.

See Note S1.4 for information on other mandatory and voluntary training in Hydro.

Compliance training

Completed training modules, by topic	2024	2023	2022	2021
Anti-corruption	3,839	6,697	20,495	6,470
Code of Conduct	19,532	4,615	19,232	7,990
General integrity	1,075	1,509	994	317
Competition	1,146	1,372	1,743	1,207
Human rights	4,935	3,599	1,881	182
Data privacy	20,074	9,916	9,385	9,110
Trade sanctions	223	795	1,869	239
Market regulations	392	710	917	194
Total modules completed	**51,216**	**29,213**	**56,516**	**25,709**

In 2024, Hydro had company-wide campaigns on the revised Code of Conduct and on data privacy, and in 2022 Hydro had e-learning campaigns on anti-corruption and several campaigns categorized under “Code of Conduct” as a risk area. This explains the relatively high numbers for those topics.

G1.4 Current income tax

Reporting principles

Current income tax for Hydro’s consolidated activities and significant locations of operation is based on Hydro’s financial statements. See Note 10.1 Income taxes to the consolidated financial statement for more information.

Current income tax[1)]

NOK Million	2024	2023	2022	2021	2020
Norway	**3,108**	**3,371**	**3,678**	**1,990**	**709**
Austria	16	43	62	55	33
Belgium	7	33	60	14	5
Denmark	2	(1)	-	30	36
France	36	80	130	161	112
Germany	13	3	(69)	81	12
Hungary	67	78	62	72	41
Italy	38	42	32	14	4
Luxembourg	5	39	119	34	14
The Netherlands	61	81	50	30	19
Poland	(29)	8	54	57	48
Portugal	20	28	19	17	11
Slovakia	12	81	644	114	17
Spain	(84)	40	62	44	21
Sweden	26	68	(11)	57	89
Other EU	3	2	3	3	3
Total EU	**190**	**626**	**1,217**	**782**	**466**
Switzerland	114	87	14	6	9
Other Europe	(5)	2	49	8	-
Total Europe	**3,406**	**4,086**	**4,959**	**2,786**	**1,184**
USA	65	307	424	53	154
Canada	170	141	296	384	92
Brazil	993	136	1,145	1,238	540
Asia	114	75	69	80	36
Other	21	45	(1)	23	13
Total outside Europe	**1,364**	**704**	**1,933**	**1,779**	**835**
Total	**4,771**	**4,790**	**6,891**	**4,565**	**2,019**

1) Includes joint operations that are included in Hydro’s financial statements on a line-by-line basis. Please see note 3.1 to the consolidated financial statements for more information about joint operations.

G1.5 Certifications

Reporting principles

According to Hydro's policy, all operational sites shall comply with, but not necessarily be certified according to ISO 9001, ISO 14001 and ISO 45001. Certification according to these standards is a decentralized responsibility based on identified business needs. OHSAS 18001 is discontinued and has been replaced by ISO 45001.

The company's plants in Norway are in compliance with the ISO 14001 standards and operate according to these standards but are not certified. In addition, the power plants need to comply with the requirements given by the Norwegian Water Resource and Energy Directorate (NVE), i.e. concessions for operations as well as environmental, third person safety, security and emergency preparedness regulations. The table below shows the distribution of certification of the other operational sites in Hydro.

In addition to the mentioned ISO, several sites are also certified according to different sector and customer specific standards. Examples of such certifications are the IATF 16949 for the automotive industry, and the Aluminium Stewardship Initiative (ASI).

Share of relevant operational sites certified

	ISO 9001	ISO 14001	ISO 45001	ASI
Eligible	100	98	94	96
Certified	89	96	80	80
Percentage certified	**89%**	**98%**	**85%**	**83%**

IATF 16949 is fully aligned with the structure and requirements of ISO 9001 and is required by customers that produce service parts or parts for car assembly. Of our sites delivering to the automotive industry, 92 percent are certified according to the IATF 16949.

All fully-owned smelters, 6 remelters and 19 Extrusion sites are also certified according to the ISO 50001 Energy Management systems, representing 66 percent of Hydro's total electricity consumption.

G1.6 Partnerships and commitments

Reporting principles

Information on Hydro's most important partnerships and commitments.

ASI

The Aluminium Stewardship Initiative (ASI) is a global, multi-stakeholder, non-profit standards setting and certification organization. The ASI works toward responsible production, sourcing and stewardship of aluminium following an entire value chain approach.

Hydro is an active member of the Aluminium Stewardship Initiative. ASI's mission is to recognize and collaboratively foster the responsible production, sourcing and stewardship of aluminium. Hydro has been involved at all stages in the multistakeholder development of ASI standards to date. Hydro has participated in developing ASI's certification program. The third-party certification platform was launched in December 2017. Until publication of this report, 80 production sites have been certified according to the ASI Performance Standard, covering Hydro's value chain from bauxite mining to finished products. Hydro has also certified several sites according to the Chain of Custody standard and delivered the first ASI certified metal to a customer in July 2019.

Hydro's GRI index provides an overview of how Hydro reporting on ASI's 11 principles and underlying criteria. The mapping of ASI principles in the GRI index is included in the external auditor's consistency check of Hydro's GRI index.

Global Reporting Initiative and the GRI Standards

Hydro uses the GRI Standards for voluntary reporting of sustainable development. GRI collaborates with the United Nations Environment Program and UN Global Compact. Hydro has reported according to GRI since 2003.

We believe that our reporting is in accordance with GRI's reporting principles in all material respects as defined by the GRI Universal Standards (2021). Hydro's GRI Content Index 2023 can be found at Hydro.com/gri.

The sustainability reporting's adherence to the GRI Standards is subject to limited assurance by our external auditors, KPMG. The assurance, as outlined in the Independent Auditor's Assurance report, concludes that the report is presented, in all material respects, in accordance with the GRI Standards.

ICMM

Hydro is a member of the International Council on Mining and Metals and reports according to the ICMM requirements. That includes Hydro's reporting in accordance with the GRI Standards, see the section about GRI above. The reporting is also prepared in line with the requirements found in the ICMM 10 principles and position statements for the consolidated group. In addition, we have updated a self-assessment of the fulfillment of the performance expectations for Hydro Paragominas, Alunorte and Albras, all in Brazil, and Hydro's five fully-owned primary aluminium production plants, all in Norway, please see Note G1.6.

UN Global Compact Communication of progress

Hydro supports the principles of the UN Global Compact. Human rights, international labor standards, working against corruption and environmental considerations are fundamental to Hydro's approach to corporate responsibility. Hydro has played an active role in the Global Compact since its formation. Hydro's commitment is expressed by the Chair of the Board of directors and the CEO in the letter to stakeholders. The Communication on progress (COP) in relation to the Compact's 10 principles is available on the Global Compact website. The consistency of the information in Hydro's integrated annual report 2023 with the information in the Hydro Communication on Progress 2023 has been reconciled by Hydro's auditors. See Hydro.com for more information. United Nations (UN) Guiding Principles on Business and Human Rights The United Nations (UN) Guiding Principles on Business and Human Rights (hereafter UNGPs) were endorsed by the UN Human Rights Council in June 2011. They have provided a clear, global understanding of governmental duties and corporate responsibilities for human rights. The UNGPs articulate that wherever and however a company operates, it must refrain from violating human rights. Companies are expected to be fully aware of their human rights impacts, take concrete steps to address them and implement measures to mitigate negative impacts in the future. Companies are also expected to communicate any impacts or risks of impacts, and mitigating actions. Hydro is committed to transparency, including through this integrated annual report.

Hydro reports on adherence with the UNGPs in the GRI index. This is also included in external auditor's consistency check of Hydro's GRI index. Hydro also report according to relevant laws that are based on the UNGPs, including the Norwegian Transparency Act 2021, the UK Modern Slavery Act 2015, and the Australia Modern Slavery Act 2018. The most salient and prioritized human rights issues are reported in the chapter on Own workforce, Workers in the value chain, and Affected communities.

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 others. For an assessment of how Hydro's activities impacts each of the 17 SDGs, see the SDG Index.

G1.7 ICMM Performance Expectations

Reporting principles

Through its membership in the International Council on Mining and Metals (ICMM), Hydro is committed to comply with ICMM's Performance Expectations. Hydro has made a self-assessment of the fulfillment of the ICMM performance expectations for Hydro Paragominas, Alunorte and Albras, all in Brazil, and Hydro's five fully-owned primary aluminium production plants in Norway.

All applicable operations are certified according to the ASI Performance and Chain of Custody standards. ICMM indicators that are aligned with ASI indicators are, according to the ICMM methodology, regarded as externally validated. Remaining indicators have been subject to a self-assessment against those performance indicators. The ICMM self-assessment has been reviewed by Hydro's external auditor KPMG as part of the external limited assurance provided over Hydro's sustainability statements in the 2024 annual report. See KPMG's assurance report for more information.

Site	Activity	Ownership share	ASI certified indicators	Self-assessed indicators, validated by KPMG		Not applicable indicators	Total indicators fully met	Comments
				Fully-met	Partially-met			
Paragominas	Bauxite mining	100%	23	13	0	2	36	
Alunorte	Alumina refining	62%	23	13	0	2	36	
Albras	Primary aluminium production	51%	23	9	2	4	32	Albras partially meets the performance expectation 6.2. In 2024, Albras has carried out a risk assessment for water resources, considering the aspects of water abstraction and discharges from the treatment system. The next steps, planned for 2025, consist of deepening our knowledge of the watercourses in the study region. Performance expectation 6.5 is also partially met. The Entity annually discloses its energy use and GHG emissions, which are independently verified and validated. The I-REC certification for renewable energy use was obtained in 2023, and energy consumption is monitored monthly. Additionally, Albras' 2024 Strategic Planning includes Energy Performance as a key indicator, tracked monthly through its management system.
Husnes	Primary aluminium production	100%	23	11	0	4	34	
Høyanger	Primary aluminium production	100%	23	11	0	4	34	
Karmøy	Primary aluminium production	100%	23	11	0	4	34	
Sunndal	Primary aluminium production	100%	23	11	0	4	34	
Årdal	Primary aluminium production	100%	23	11	0	4	34	

Content index of ESRS Disclosure requirements

ESRS 2	General disclosures	
BP-1	General basis for preparation of sustainability statement	**General information:** Principles for sustainability reporting
BP-2	Disclosures in relation to specific circumstances	**General information:** Principles for sustainability reporting; Reporting changes and prior reporting errors; Statutory reporting and reporting standards; Incorporation of ESRS requirements by reference
GOV-1	The role of the administrative, management and supervisory bodies	**Corporate governance:** Board of Directors; Board People and Compensation Committee; Board Audit Committee; President & CEO and the Executive Leadership Team
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	**Corporate governance:** Board of Directors; Executive Leadership Team
GOV-3	Integration of sustainability-related performance in incentive schemes	**General information:** Incorporation of ESRS requirements by reference to other sections of the annual report and the remuneration report
GOV-4	Statement on due diligence	**General information:** Sustainability due diligence
SBM-1	Risk management and internal controls over sustainability reporting	**General information:** Risk management and internal controls over sustainability reporting
SBM-2	Strategy, business model and value chain	**Business:** About Hydro; Hydro's main inputs and outcomes; business areas; **Own workforce:** Note S1.1; **Consolidated financial statement**: Note 1.4
SBM-3	Interests and view of stakeholders	**General information:** Interests and views of stakeholders; Materiality assessment; **Corporate governance:** Board of Directors; Executive Leadership Team
IRO-1	Material impacts, risks and opportunities and their interaction with strategy and business model	**General information:** Materiality assessment; Reporting changes and prior reporting errors
IRO-2	Description of the process to identify and assess material impacts, risks and opportunities	**General information:** Materiality assessment (table)
E1	**Climate change**	
E1-1	Transition plan climate change mitigation	**Climate change:** Strategy and transition plan; Net-zero Hydro; Emission reduction activities; Addressing climate risks and opportunities; EU Taxonomy
E1-2	Policies related to climate change mitigation and adaptation	**Climate change:** Strategy and transition plan
E1-3	Actions and resources in relation to climate change policies	**Climate change:** Net-zero Hydro; Emission reduction activities;
E1-4	Targets related to climate change mitigation and adaptation	**Climate change:** Targets and ambitions; Strategy and transition plan; Net-zero Hydro; Emission reduction activities; Greener sourcing and scope 3 emissions; Addressing climate risks and opportunities; Note E1.1
E1-5	Energy consumption	**Appendix**: Note E1.6; Note E1.7
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	**Climate change:** Note E1.1; Note E1,2; Note E1.3; **Appendix:** Note E1.4; Note E1.5
E1-8	Internal carbon pricing	**Climate change:** Addressing climate risks and opportunities; **Appendix:** Note E1.4
E2	**Pollution**	
E2-1	Policies related to pollution	**Pollution:** Our approach
E2-2	Actions and resources related to pollution	**Pollution:** Our approach
E2-3	Targets related to pollution	**Pollution:** Actions to reduce risk of pollution
E2-4	Pollution of air, water and soil	**Pollution:** Note E2.1
E2-5	Substances of concern and substances of very high concern	**Appendix:** Note E2.6
E3	**Water**	
E3-1	Policies related to water and marine resources	**Water:** Our approach
E3-2	Actions and resources related to water and marine resources	**Water:** Our approach
E3-3	Targets related to water and marine resources	*No group targets related to water*
E3-4	Water consumption	**Water:** Our approach; Note E3.1
E3-4	Water consumption	**Water:** Our approach; Note E3.1

E4	**Biodiversity and ecosystems**	
E4-2	Transition plan and consideration of biodiversity and ecosystems in strategy and business mode	**Biodiversity and ecosystems:** Integrating nature in Hydro's strategy and business model
E4-3	Policies related to biodiversity and ecosystems	**Biodiversity and ecosystems:** Our approach; Identified impacts
E4-4	Actions and resources related to biodiversity and ecosystems	**Biodiversity and ecosystems:** Our approach; Actions to mitigate and compensate for mining impacts on biodiversity; Actions to minimize impacts in hydropower operations
E4-5	Targets related to biodiversity and ecosystems	**Biodiversity and ecosystems:** Identified impacts; Aluminium value chain; Integrating nature in Hydro's strategy and business model; Actions to mitigate and compensate for mining impacts on biodiversity; Actions to minimize impacts in development of wind- and solar power
E5	**Resource use and circular economy**	
E5-1	Policies related to resource use and circular economy	**Resource use and circular economy:** Our approach
E5-2	Actions and resources related to resource use and circular economy	**Resource use and circular economy:** Increasing recycling of aluminium and developing more circular solutions; Waste management
E5-3	Targets related to resource use and circular economy	**Resource use and circular economy:** Increasing recycling of aluminium and developing more circular solutions; Waste management (other waste and by-products)
E5-4	Resource inflows	**Resource use and circular economy:** Our approach; Note E5.1
E5-5	Resource outflows	**Resource use and circular economy:** Increasing recycling of aluminium and developing more circular solutions; Note E5.1; E5.2; E5.3
S1	**Own workforce**	
S1-1	Policies related to own workforce	**Own workforce:** Our approach; Salient human rights in own workforce; Occupational health and safety; Diversity; inclusion; and belonging
S1-2	Process for engaging with own workforce and workers' representatives about impacts	**Own workforce:** Occupational health and safety; Diversity; inclusion; and belonging; Collaborating with unions and employee representatives; Just Transition
S1-3	Process to remediate negative impacts and channels for own workforce to raise concerns	**Own workforce:** Occupational health and safety; Diversity; inclusion; and belonging; **Business conduct:** Our approach
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	**Own workforce:** Occupational health and safety; People strategy; Diversity; inclusion; and belonging; Reward; Living wage; Labor rights; Just transition; Security and emergency preparedness
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	**Own workforce:** Occupational health and safety; People strategy; Diversity; inclusion; and belonging; Reward; Living wage; Labor rights; Just transition; Security and emergency preparedness
S1-6	Characteristics of the undertaking's employees	**Own workforce:** Note S1.1
S1-8	Collective bargaining coverage and social dialogue	**Own workforce:** Collaborating with unions and employee representatives; Appendix Note S1.5
S1-9	Diversity metrics	**Own workforce:** Note S1.2
S1-10	Adequate wages	**Own workforce:** Living wage
S1-11	Social protection	**Own workforce:** Reward; Labor rights
S1-13	Training and skills development metrics	**Own workforce:** People strategy; Appendix Note S1.4
S1-14	Health and safety metrics	**Own workforce:** Occupational health and safety; Note S1.3
S1-15	Work-life balance metrics	**Own workforce:** Reward; Note S1.2
S1-16	Compensation metrics (pay gap and total compensation)	**Own workforce:** Reward
S1-17	Incidents, complaints and severe human rights impacts	**Own workforce:** Labor rights; **Business conduct:** Note G1.1
S2	**Workers in the value chain**	
S2-1	Policies related to value chain workers	**Workers in the value chain:** Our approach; Clear expectations; Findings and impacts
S2-2	Processes for engaging with value chain workers about impacts	Workers in the value chain: Our approach; Support and development; Disclosures related to specific countries; Note S2.1; Note S2.2; **Own workforce**: Collaborating with unions and employee representatives
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	**Workers in the value chain:** Disclosures related to specific countries; **Business conduct:** Our approach;
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	**Workers in the value chain:** Our approach; Supplier and business partner screening; Findings and impacts; Disclosures related to specific countries
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	**Workers in the value chain:** Our approach; Note S2.2

S3	**Affected communities**	
S3-1	Policies related to affected communities	**Affected communities:** Policy commitments; Stakeholder engagement; Potential and actual adverse impacts; **Business conduct:** Note G1.1
S3-2	Processes for engaging with affected communities about impacts	**Affected communities:** Policy commitments; Stakeholder engagement; Affected communities in own operations; Affected communities in joint ventures and value chain; **Business conduct:** Note G1.1
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	**Affected communities:** Potential and actual adverse impacts; Affected communities in own operations; Affected communities in joint ventures and value chain; Affected communities in Northern Brazil
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	**Affected communities:** Our approach; Potential and actual adverse impacts; Affected communities in own operations; Affected communities in joint ventures and value chain; Resilient local communities in a changing world; Skills and jobs for the future low carbon economy; Note S3.1; Note S3.2; **Business conduct:** Note G1.1
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	**Affected communities:** Stakeholder engagement; Potential and actual adverse impacts; Affected communities in own operations; Affected communities in joint ventures and value chain; Note S3.1; Note S3.2; **Business Conduct:** Note G1.1
G1	**Business conduct**	
G1-1	Corporate culture and Business conduct policies and corporate culture	**Business conduct:** Our approach; Anti-Corruption; Non-compliance with business conduct standards; Data protection and cybersecurity
G1-2	Management of relationships with suppliers	**Business conduct:** Management of relationships with suppliers
G1-3	Prevention and detection of corruption and bribery	**Business conduct:** Our approach; Anti-corruption; Compliance training; Non-compliance with business conduct standards; **Appendix:** Note G1.3; **Governance:** Board of directors; President & CEO and the Executive Leadership Team (ELT)
G1-4	Confirmed incidents of corruption or bribery	**Business conduct:** Note G1.1 **Appendix:** Note G1.3 Compliance training
G1-5	Political influence and lobbying activities	**Business conduct:** Public affairs and lobbying
G1-6	Payment practices	**Business conduct:** Management of relationships with suppliers

List of datapoints that derive from other EU legislation

Legislation reference: SFDR = Sustainable Finance Disclosure Regulations; P3 = EBA Pillar 4 disclosure requirements; BRR = Climate Benchmark Standards Regulation; EUCL = EU Climate Law.

DR	Disclosure requirement	Legislation reference	Materiality	Annual report reference
ESRS 2 GOV-1 21 d	Board's gender diversity ratio	SFDR	Material	Corporate governance: Board of Directors
ESRS 2 GOV-1 21 e	Percentage of independent board members	SFDR	Material	Corporate governance: Board of Directors
ESRS 2 GOV-4 30; 32	Disclosure of mapping of information provided in sustainability statement about due diligence process	SFDR	Material	General information: Sustainability due diligence
ESRS 2 SBM-1 40 d i	Undertaking is active in fossil fuel (coal, oil and gas) sector	SFDR	Not material	N/A
ESRS 2 SBM-1 40 d ii	Undertaking is active in chemicals production	SFDR	Not material	N/A
ESRS 2 SBM-1 40 d ii	Revenue from chemicals production	SFDR	Not material	N/A
ESRS 2 SBM-1 40 d iii	Undertaking is active in controversial weapons	SFDR	Not material	N/A
ESRS 2 SBM-1 40 d iii	Revenue from controversial weapons	SFDR	Not material	N/A
ESRS 2 SBM-1 40 d iv	Undertaking is active in cultivation and production of tobacco	SFDR	Not material	N/A
ESRS 2 SBM-1 40 d iv	Revenue from cultivation and production of tobacco	SFDR	Not material	N/A
E1 E1-1 14	Disclosure of transition plan for climate change mitigation	EUCL	Material	Climate change: Strategy and transition plan and Net-Zero Hydro
E1 E1-1 16 g	Undertaking is excluded from EU Paris-aligned Benchmarks	P3, BRR	Not material	N/A
E1 E1-4 34 a + 34 b	Absolute value of total Greenhouse gas emissions reduction	SFDR, P3, BRR	Material	Climate change: Targets and ambitions
E1 E1-4 34 a + 34 b	Percentage of total Greenhouse gas emissions reduction (as of emissions of base year)	SFDR, P3, BRR	Material	Climate change: Targets and ambitions
E1 E1-4 34 a + 34 b	Intensity value of total Greenhouse gas emissions reduction	SFDR, P3, BRR	Material	Climate change: Targets and ambitions
E1 E1-4 34 a + 34 b	Absolute value of Scope 1 Greenhouse gas emissions reduction	SFDR, P3, BRR	Material	Climate change: Targets and ambitions
E1 E1-4 34 a + 34 b	Percentage of Scope 1 Greenhouse gas emissions reduction (as of emissions of base year)	SFDR, P3, BRR	Material	Climate change: Targets and ambitions
E1 E1-4 34 a + 34 b	Intensity value of Scope 1 Greenhouse gas emissions reduction	SFDR, P3, BRR	Material	Climate change: Targets and ambitions
E1 E1-4 34 a + 34 b	Absolute value of location-based Scope 2 Greenhouse gas emissions reduction	SFDR, P3, BRR	Material	Climate change: Targets and ambitions
E1 E1-4 34 a + 34 b	Percentage of location-based Scope 2 Greenhouse gas emissions reduction (as of emissions of base year)	SFDR, P3, BRR	Material	Climate change: Targets and ambitions
E1 E1-4 34 a + 34 b	Intensity value of location-based Scope 2 Greenhouse gas emissions reduction	SFDR, P3, BRR	Material	Climate change: Targets and ambitions
E1 E1-4 34 a + 34 b	Absolute value of market-based Scope 2 Greenhouse gas emissions reduction	SFDR, P3, BRR	Not material	N/A
E1 E1-4 34 a + 34 b	Percentage of market-based Scope 2 Greenhouse gas emissions reduction (as of emissions of base year)	SFDR, P3, BRR	Not material	N/A
E1 E1-4 34 a + 34 b	Intensity value of market-based Scope 2 Greenhouse gas emissions reduction	SFDR, P3, BRR	Not material	N/A
E1 E1-4 34 a + 34 b	Absolute value of Scope 3 Greenhouse gas emissions reduction	SFDR, P3, BRR	Material	Climate change: Targets and ambitions
E1 E1-4 34 a + 34 b	Percentage of Scope 3 Greenhouse gas emissions reduction (as of emissions of base year)	SFDR, P3, BRR	Material	Climate change: Targets and ambitions
E1 E1-4 34 a + 34 b	Intensity value of Scope 3 Greenhouse gas emissions reduction	SFDR, P3, BRR	Material	Climate change: Targets and ambitions
E1 E1-5 37	Total energy consumption related to own operations	SFDR	Material	Appendix: Note E1.6
E1 E1-5 37 a	Total energy consumption from fossil sources	SFDR	Material	Appendix: Note E1.6
E1 E1-5 37 b	Total energy consumption from nuclear sources	SFDR	Material	Appendix: Note E1.6
E1 E1-5 37 c	Total energy consumption from renewable sources	SFDR	Material	Appendix: Note E1.6
E1 E1-5 37 c i	Fuel consumption from renewable sources	SFDR	Not material	N/A
E1 E1-5 37 c ii	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	SFDR	Not material	N/A
E1 E1-5 37 c iii	Consumption of self-generated non-fuel renewable energy	SFDR	Material	Appendix: Note E1.6
E1 E1-5 38 a	Fuel consumption from coal and coal products	SFDR	Material	Appendix: Note E1.6
E1 E1-5 38 b	Fuel consumption from crude oil and petroleum products	SFDR	Material	Appendix: Note E1.6
E1 E1-5 38 c	Fuel consumption from natural gas	SFDR	Material	Appendix: Note E1.6
E1 E1-5 38 d	Fuel consumption from other fossil sources	SFDR	Material	Appendix: Note E1.6
E1 E1-5 38 e	Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	SFDR	Material	Appendix: Note E1.6

E1 E1-5 40	Energy intensity from activities in high climate impact sectors (total energy consumption per net revenue)	SFDR	Material	Appendix: Note E1.6
E1 E1-5 41	Total energy consumption from activities in high climate impact sectors	SFDR	Material	Appendix: Note E1.6
E1 E1-5 42	High climate impact sectors used to determine energy intensity	SFDR	Material	Appendix: Note E1.6
E1 E1-5 43	Disclosure of reconciliation to relevant line item or notes in financial statements of net revenue from activities in high climate impact sectors	SFDR	Material	Appendix: Note E1.7
E1 E1-6 48 a	Gross Scope 1 greenhouse gas emissions	SFDR, P3, BRR	Material	Climate change Notes E1.4
E1 E1-6 48 b	Percentage of Scope 1 GHG emissions from regulated emission trading schemes	SFDR, P3, BRR	Material	Climate change Notes E1.4
E1 E1-6 49 a, 52 a	Gross location-based Scope 2 greenhouse gas emissions	SFDR, P3, BRR	Material	Climate change Notes E1.4
E1 E1-6 49 b, 52 b	Gross market-based Scope 2 greenhouse gas emissions	SFDR, P3, BRR	Material	Climate change Notes E1.4
E1 E1-6 51	Gross Scope 3 greenhouse gas emissions	SFDR, P3, BRR	Material	Climate change Notes E1.4
E1 E1-6 44, 52 a	Total GHG emissions location based	SFDR, P3, BRR	Material	Climate change Notes E1.4
E1 E1-6 44, 52 b	Total GHG emissions market based	SFDR, P3, BRR	Material	Climate change Notes E1.4
E1 E1-6 53	GHG emissions intensity, location-based (total GHG emissions per net revenue)	SFDR, P3, BRR	Material	Climate change Note E1.3
E1 E1-6 53	GHG emissions intensity, market-based (total GHG emissions per net revenue)	SFDR, P3, BRR	Material	Climate change Note E1.3
E1 E1-6 55	Disclosure of reconciliation to financial statements of net revenue used for calculation of GHG emissions intensity	SFDR, P3, BRR	Material	Climate change Note E1.3
E1 E1-7 56 a	Disclosure of GHG removals and storage resulting from projects developed in own operations or contributed to in upstream and downstream value chain	EUCL	Not material	No such projects
E1 E1-7 56b	Disclosure of GHG emission reductions or removals from climate change mitigation projects outside value chain financed or to be financed through any purchase of carbon credits	EUCL	Not material	No use of credits
E1 E1-9 66 a	Assets at material physical risk before considering climate change adaptation actions	P3	Material	N/A - Phasing in requirement
E1 E1-9 66 a	Assets at acute material physical risk before considering climate change adaptation actions	P3	Material	N/A - Phasing in requirement
E1 E1-9 66 a	Assets at chronic material physical risk before considering climate change adaptation actions	P3	Material	N/A - Phasing in requirement
E1 E1-9 66 a	Percentage of assets at material physical risk before considering climate change adaptation actions	P3	Material	N/A - Phasing in requirement
E1 E1-9 66 c	Disclosure of location of significant assets at material physical risk	P3	Material	N/A - Phasing in requirement
E1 E1-9 AR 70 c i	Disclosure of location of its significant assets at material physical risk (disaggregated by NUTS codes)	P3	Material	N/A - Phasing in requirement
E1 E1-9 67 c	Total carrying amount of real estate assets by energy efficiency classes	P3	Material	N/A - Phasing in requirement
E1 E1-9 69 a	Expected cost savings from climate change mitigation actions	BRR	Material	N/A - Phasing in requirement
E1 E1-9 69 a	Expected cost savings from climate change adaptation actions	BRR	Material	N/A - Phasing in requirement
E1 E1-9 69 b	Potential market size of low-carbon products and services or adaptation solutions to which undertaking has or may have access	BRR	Material	N/A - Phasing in requirement
E1 E1-9 69 b	Expected changes to net revenue from low-carbon products and services or adaptation solutions to which undertaking has or may have access	BRR	Material	N/A - Phasing in requirement
E2 E2-4 28 a	Emissions to air by pollutant	SFDR	Material	Appendix: Note E2.4 Non-GHG emissions
E2 E2-4 28 a	Emissions to water by pollutant [+ by sectors/Geographical Area/Type of source/Site location]	SFDR	Material	Appendix: Note E2.4 Non-GHG emissions
E2 E2-4 28 a	Emissions to soil by pollutant [+ by sectors/Geographical Area/Type of source/Site location]	SFDR	Not material	N/A
E3 E3-1 11	Policies to manage its material impacts, risks and opportunities related to water and marine resources [see ESRS 2 MDR-P]	SFDR	Material	Water: Our approach
E3 E3-1 13	Disclosure of reasons for not having adopted policies in areas of high-water stress	SFDR	Material	Water: Our approach
E3 E3-1 13	Disclosure of timeframe in which policies in areas of high-water stress will be adopted	SFDR	Not material	N/A
E3 E3-1 14	Policies or practices related to sustainable oceans and seas have been adopted	SFDR	Not material	N/A
E3 E3-4 28 c	Total water recycled and reused	SFDR	Material	Water: Note E3.1
E3 E3-4 29	Water intensity ratio	SFDR	Material	Water: Note E3.1
E4 E4.SBM-3 16 a i	Disclosure of activities negatively affecting biodiversity sensitive areas	SFDR	Material	Biodiversity and ecosystems: Drivers of nature loss; Identified impacts

E4 E4.SBM-3 16 b	Material negative impacts with regards to land degradation, desertification or soil sealing have been identified	SFDR	Material	Biodiversity and ecosystems: identified impact; first paragraph
E4 E4.SBM-3 16 c	Own operations affect threatened species	SFDR	Material	Biodiversity: Note E4.2; Appendix: Note 4.3
E4 E4-2 24 b	Sustainable land or agriculture practices or policies have been adopted	SFDR	Not material	No agriculture activities in Hydro
E4 E4-2 24 c	Sustainable oceans or seas practices or policies have been adopted	SFDR	Not material	No sea-based activities in Hydro
E4 E4-2 24 d	Policies to address deforestation have been adopted	SFDR	Material	Biodiversity and ecosystems: Our approach; Actions to mitigate and compensate for mining impacts on biodiversity
E5 E5-5 37 d	Non-recycled waste	SFDR	Material	Resource use and circular economy: Note E5.3
E5 E5-5 37 d	Percentage of non-recycled waste	SFDR	Material	Resource use and circular economy: Note E5.3
E5 E5-5 39	Total amount of hazardous waste	SFDR	Material	Resource use and circular economy: Note E5.3
E5 E5-5 39	Total amount of radioactive waste	SFDR	Not material	No radioactive waste generated
S1 S1.SBM-3 14 f i	Information about type of operations at significant risk of incidents of forced labour or compulsory labour	SFDR	Material	Own workforce: Salient human rights in own workforce
S1 S1.SBM-3 14 f ii	Information about countries or geographic areas with operations considered at significant risk of incidents of forced labour or compulsory labour	SFDR	Material	Own workforce: Salient human rights in own workforce
S1 S1.SBM-3 14 g i	Information about type of operations at significant risk of incidents of child labour	SFDR	Material	Own workforce: Salient human rights in own workforce
S1 S1.SBM-3 14 g ii	Information about countries or geographic areas with operations considered at significant risk of incidents of child labour	SFDR	Material	Own workforce: Salient human rights in own workforce
S1 S1-1 20	Description of relevant human rights policy commitments relevant to own workforce	SFDR	Material	Own workforce: Our approach
S1 S1-1 20a	Disclosure of general approach in relation to respect for human rights including labour rights, of people in its own workforce	SFDR	Material	Own workforce: Our approach; Salient human rights in own workforce
S1 S1-1 20b	Disclosure of general approach in relation to engagement with people in its own workforce	SFDR	Material	Own workforce: Our approach
S1 S1-1 20c	Disclosure of general approach in relation to measures to provide and (or) enable remedy for human rights impacts	SFDR	Material	Own workforce: Occupational health and safety; Diversity, inclusion, and belonging
S1 S1-1 21	Disclosure of whether and how policies are aligned with relevant internationally recognised instruments	SFDR	Material	Own workforce: Our approach; Salient human rights in own workforce
S1 S1-1 22	Policies explicitly address trafficking in human beings, forced labour or compulsory labour and child labour	SFDR	Material	Own workforce: Our approach; Salient human rights in own workforce
S1 S1-1 23	Workplace accident prevention policy or management system is in place	SFDR	Material	Own workforce: Occupational health and safety
S1 S1-3 32 c	Grievance or complaints handling mechanisms related to employee matters exist	SFDR	Material	Own workforce: Diversity, inclusion, and belonging
S1 S1-16 97 a	Gender pay gap	SFDR, BRR	Material	Own workforce: Reward
S1 S1-16 97 b	Annual total remuneration ratio	SFDR	Material	Own workforce: Reward
S1 S1-17 103 a	Number of incidents of discrimination [table]	SFDR	Material	Business conduct: Note G1.1
S1 S1-17 104 a	Number of severe human rights issues and incidents connected to own workforce	SFDR, BRR	Material	Own workforce: Note S1.3; Business conduct: Note G1.1
S1 S1-17 104 a	Number of severe human rights issues and incidents connected to own workforce that are cases of non respect of UN Guiding Principles and OECD Guidelines for Multinational Enterprises	SFDR, BRR	Not material	Business conduct: Note G1.1
S1 S1-17 104 a	No severe human rights issues and incidents connected to own workforce have occurred	SFDR, BRR	Not material	Business conduct: Note G1.1
S2 S2.SBM-3 11 b	Disclosure of geographies or commodities for which there is significant risk of child labour, or of forced or compulsory labour, among workers in undertaking's value chain	SFDR	Material	Workers in the value chain: Salient human rights risks affecting workers in the value chain; Findings and impacts
S2 S2-1 17	Description of relevant human rights policy commitments relevant to value chain workers	SFDR	Material	Workers in the value chain: Our approach
S2 S2-1 17a	Disclosure of general approach in relation to respect for human rights relevant to value chain workers	SFDR	Material	Workers in the value chain: Our approach
S2 S2-1 17b	Disclosure of general approach in relation to engagement with value chain workers	SFDR	Material	Workers in the value chain: Our approach
S2 S2-1 17 c	Disclosure of general approach in relation to measures to provide and (or) enable remedy for human rights impacts	SFDR	Material	Workers in the value chain: Our approach
S2 S2-1 18	Policies explicitly address trafficking in human beings, forced labour or compulsory labour and child labour	SFDR	Material	Workers in the value chain: Our approach
S2 S2-1 18	Undertaking has supplier code of conduct	SFDR	Material	Workers in the value chain: Our approach

S2 S2-1 AR 15	Provisions in supplier codes of conudct are fully in line with applicable ILO standards	SFDR	Material	Workers in the value chain: Our approach
S2 S2-1 19	Disclosure of whether and how policies are aligned with relevant internationally recognised instruments	SFDR	Material	Workers in the value chain: Our approach
S2 S2-1 19	Disclosure of extent and indication of nature of cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve value chain workers	SFDR, BRR	Material	Workers in the value chain: Findings and impacts
S2 S2-4 36	Disclosure of severe human rights issues and incidents connected to upstream and downstream value chain	SFDR	Material	Workers in the value chain: Findings and impacts; Disclosures related to specific countries
S3 S3-1 16	Description of relevant human rights policy commitments relevant to affected communities	SFDR	Material	Affected communities: Policy commitments
S3 S3-1 16 a	Disclosure of general approach in relation to respect for human rights of communities, and indigenous peoples specifically	SFDR	Material	Affected communities: Policy commitments
S3 S3-1 16 b	Disclosure of general approach in relation to engagement with affected communities	SFDR	Material	Affected communities: Stakeholder engagement
S3 S3-1 16 c	Disclosure of general approach in relation to measures to provide and (or) enable remedy for human rights impacts	SFDR	Material	Affected communities: Policy commitments
S3 S3-1 17	Disclosure of whether and how policies are aligned with relevant internationally recognised instruments	SFDR	Material	Affected communities: Policy commitments
S3 S3-1 17	Disclosure of extent and indication of nature of cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve affected communities	SFDR, BRR	Material	Affected communities: Potential and actual adverse impacts; Business conduct: Note G1.1
S3 S3-4 36	Disclosure of severe human rights issues and incidents connected to affected communities	SFDR	Material	Affected communities: Potential and actual adverse impacts; Business conduct: Note G1.1
G1 G1-1 10 b	No policies on anti-corruption or anti-bribery consistent with United Nations Convention against Corruption are in place	SFDR	Material	Business conduct: Anti-corruption
G1 G1-1 10 d	No policies on protection of whistle-blowers are in place	SFDR	Not material	N/A
G1 G1-4 24 a	Number of convictions for violation of anti-corruption and anti- bribery laws	SFDR	Not material	No such cases reported. See Business conduct: Note G1.2
G1 G1-4 24 a	Amount of fines for violation of anti-corruption and anti- bribery laws	SFDR	Not material	No such cases reported. See Business conduct: Note G1.2

Country-by-country report

Hydro's country by country report has been developed to comply with legal requirements as stated in the Norwegian Accounting Act §3-3d and the Norwegian Security Trading Act §5-5a, valid from 2014, and updated in 2017, and replaces our former reporting on payments to host governments according to the Extractive Industries Transparency Initiative (EITI). Our reporting includes, and goes beyond, the EITI requirements. According to the Norwegian Accounting Act, the country-by-country reporting should be on a project level, and payments should be reported per public authority. Following a thorough evaluation, we have defined "project" as legal entity in the report, and "public authority" as the three levels federal; state(s); and municipality(-ies).

The reporting requirement applies to Hydro as a Norwegian listed company with exploration and extractive activities. Currently, this includes Hydro's consolidated operations in Brazil, through exploration and extractive activities in Paragominas, in the state of Pará. On a voluntary basis, and in line with our EITI reporting since 2005, we also include the alumina refinery Alunorte. Alumina is refined from bauxite and is the commercial product from Hydro's Bauxite & Alumina business area.

Hydro's primary aluminium production facility Albras is also closely linked to the extraction of raw materials in Pará. To better illustrate the tax contribution from Hydro's aluminium value chain in Pará, Albras is included on a voluntary basis in the country-by-country report. In addition, Hydro voluntarily reports on indirect tax contributions not covered by the requirements in the country-by-country report.

To comply with the Norwegian country-by-country regulation, Hydro is required to report on certain information at corporate level related to legal entities, where they are registered, number of employees, and interest paid to other legal entities in Hydro within another jurisdiction. It is also required to give a short description of each legal entity's activities, revenue, income before tax, tax accrued and paid in the reporting year, and accumulated earnings. For additional reporting in accordance with the GRI 207 Tax standard, please see Hydro's GRI index.

The Country-by-country report is approved by the board of directors and included in their responsibility statement.

Taxation

Global tax policy

Hydro is committed to acting as a responsible corporate citizen globally, with tax compliance and planning that is professionally managed, transparent and aligned with legitimate business objectives. Hydro's Global Tax Policy is outlined to meet statutory obligations regarding the disclosure of this approach and is frequently updated in response to regulatory changes and in dialogue with internal and external stakeholders. Most recent update in 2024 was approved by Hydro Board of Directors in December 2024 and is published on Hydro.com. Hydro is committed to transparency and accuracy in its tax management, and it is based on the principle that equitable taxes are paid with correct amounts, at the correct time and where the economic value is generated.

In addition to this section, tax related disclosures are found in Note G1.4 income tax and in the Risk section.

Taxation of hydropower production in Norway

Profits from Hydro's hydropower production in Norway are subject to ordinary income tax at 22 percent for the income year 2024. Revenue for ordinary income tax purposes is based on realized prices. Dams, tunnels, and power stations are, for tax purposes, depreciated on a linear basis over 67 years, and machinery and generators over 40 years. However, such fixed assets are depreciated over the concession period if that is shorter. Transmission and other electrical equipment are depreciated at a 5 percent declining balance.

A natural resource tax of NOK 13 per MWh is currently levied on hydro power production. The tax is fully deductible from the ordinary income tax.

In addition, a special resource rent tax, is imposed on hydropower production in Norway. For income year 2024 the effective tax rate is 45 percent, unchanged from 2023. All new investments and upgrade/maintenance cost can be expensed/excluded from the basis for the resource rent tax. Marginal tax rate for 2024 67 percent, unchanged from 2023.

Taxation in Brazil

Payments to authorities per project and authority (exploration and extractive activities, alumina refining and aluminium production) in 2024 is presented in the first table below.

Payments to authorities per project and authority (exploration and extractive activities, alumina refining and aluminium production) in 2024

Extractive related activities (all in Brazil)[1]	Taxes and fees[2]	Royalties	License fees[3]	Infrastructure, contractual[4]	Infrastructure, voluntary[4]	Investments	Revenue[5]	Production volume	Total expenses[5] [6]
	NOK million	NOK million	NOK million	NOK million	NOK million	NOK million	NOK million	1 000 mt	NOK million
Mineracao Paragominas SA, total	**163**	**122**	**1**	**48**	**7**	**1,903**	**4,240**	**10,506**	**4,076**
Federal	99	12	1	-	-	-	-	-	-
Pará State	64	37	-	-	-	-	-	-	-
Paragominas municipality	-	73	-	-	-	-	-	-	-
Norsk Hydro Brasil Ltda, total	**6**	**-**	**-**	**-**	**0**	**55**	**10**	**-**	**5**
Federal	6	-	-	-	-	-	-	-	-
Rio de Janeiro State	-	-	-	-	-	-	-	-	-
São Paulo Municipality	-	-	-	-	-	-	-	-	-
Alunorte - Alumina do Norte do Brasil SA, total	**795**	**-**	**-**	**111**	**4**	**2,263**	**29,827**	**5,973**	**22,932**
Federal	778	-	-	-	-	-	-	-	-
Pará State	17	-	-	-	-	-	-	-	-
Barcarena Municipality	-	-	-	-	-	-	-	-	-
Albras - Alumínio Brasileiro SA, total	**2**	**-**	**-**	**55**	**0**	**1,917**	**12,125**	**344**	**13,514**
Federal	-	-	-	-	-	-	-	-	-
Pará State	2	-	-	-	-	-	-	-	-
Barcarena Municipality	-	-	-	-	-	-	-	-	-
Total[7]	**966**	**122**	**1**	**214**	**12**	**6,137**	**46,202**	**16,822**	**40,527**

1) In 2024, Hydro's extractive activities did not have the following types of payments to host authorities:
   - production entitlements
   - dividends
   - signature, findings and production bonuses
   - stocks, shares or other ownership rights
2) Taxes and fees (income, profit and production) except taxes and fees on consumption such as VAT, withholding taxes on behalf of employees, sales tax. Figures are not directly comparable to the further country by country report.
3) License, lease or access fees or other payments for licenses or commissions
4) Payments on improved infrastructure, either contractual based on exploration or operational licenses, or voluntary is based on Hydro's reporting on social investments, please see note S3.1 to the social statement.
5) Including power procurement and sales
6) Costs at Alunorte include purchase of bauxite from Paragominas. Costs at Albras include purchase of alumina from Alunorte.
7) Only figures where a total is presented can be consolidated.

Other tax contributions to authorities in Brazil

The Brazilian tax system is complex and volatile. In addition to the direct taxes reported above on income, profit and production, Brazil has several indirect taxes levied at the federal and state levels, and other taxes levied at the municipal level.

For Hydro, there are two main indirect tax mechanisms not covered by the country-by-country requirements, i.e., ICMS and PIS/COFINS.

ICMS is a Brazilian indirect state tax on the sale of goods, freight, and certain services. ICMS is intended a non-cumulative tax, which means that sales are generating ICMS debits with the seller, and purchases are generating ICMS credits with the buyer. However, as export transactions are exempt from ICMS and not generating ICMS debits, exporters accumulate ICMS credits that cannot be offset with any other taxes. As ICMS is an indirect tax, the amounts are reported as expenses in Hydro's financial statements rather than as income tax.

In the state of Pará, Hydro is subject to an ICMS deferral aiming to prevent accumulation of ICMS credits, and to reduce net payable ICMS. Hydro's operations in Pará generates ICMS tax revenue to the state mostly on local purchases of electricity (Albras), diesel, fuel oil and LNG, on sale of goods to customers residing outside the state.

In 2015, the state of Pará granted a renewal of the ICMS deferral until 2030 for Paragominas, Alunorte and Albras. The ICMS deferral is conditional upon Hydro's fulfilment of multiple obligations. All obligations are related to verticalization of the aluminium value chain in the state of Pará, contribution to development in the region and enabling sustainable growth in the state.

For more information about ICMS deferral, see risk review No 12, Material tax change.

PIS and COFINS are two federal social contribution taxes charged on gross income, in most cases at a rate of 9.25 percent. Hydro entities in Brazil are charged under a non-cumulative system that resembles VAT. Like for ICMS, export transactions are exempt. As a result, Brazilian exporters, like Alunorte, accumulate credits that can be either reimbursed or offset against debts of other federal taxes.

The following table includes Hydro entities operating in the state of Pará.

Other taxes paid to authorities in Brazil[1)]

Extractive related activities	ICMS	PIS	COFINS	IPTU	Total contribution
Mineracao Paragominas SA, total	**73**	**2**	**5**	**0.5**	**81**
Federal	-	2	5	-	7
Pará State	73	-	-	-	73
Paragominas municipality	-	-	-	0.5	1
Norsk Hydro Brasil Ltda, total	**1**	**2**	**9**	**0**	**12**
Federal	-	2	9	-	11
Rio de Janeiro State	1	-	-	-	1
São Paulo Municipality	-	-	-	0	0
Alunorte - Alumina do Norte do Brasil SA, total	**571**	**2**	**10**	**201**	**784**
Federal	-	2	10	-	12
Pará State	571	-	-	-	571
Barcarena Municipality	-	-	-	201	201
Albras - Alumínio Brasileiro SA,	**421**	**2**	**9**	**41**	**473**
Federal	-	2	9	-	11
Pará State	421	-	-	-	421
Barcarena Municipality	-	-	-	41	41
Total	**1,066**	**8**	**33**	**243**	**1,350**

1) Tax off-sets are not included

Further country by country information for all consolidated legal entities

The Norwegian country by country reporting requirement as stated in the Norwegian Accounting Act and the Country by Country Regulation also require reporting on certain information at corporate level related to legal entities, as included in the table below.

Hydro's subsidiaries have both external revenue derived from sale to Hydro's end customers, and internal revenue derived from sale to other Hydro entities. In the table below both revenue streams are included per legal entity, but in Hydro's consolidated financial statements all internal transactions have been eliminated to arrive at Hydro's revenue. The sum of the different items for Hydro's subsidiaries will therefore not add up to the respective consolidated figures.

In order to present a Grand Total in the country-by-country report that is comparable to Hydro's consolidated financial statements, we have included all group eliminations as a separate line. These include, but are not limited to, eliminations of internal revenue and cost, internal receivables and payables, distributed profit such as dividends within the group, goodwill and excess values not attributable to individual legal entities, accumulated profits allocated to non-controlling interests and all joint operations and joint ventures.

Assets and liabilities in subsidiaries that have been acquired have been remeasured to fair value in Hydro's financial statements. This value adjustment, often referred to as excess value, represents the difference between the fair value of the company as paid by Hydro, and the carrying value of assets and liabilities as recognized by the subsidiary at the time of purchase. This premium is not reflected in the subsidiaries local statutory reporting. Due to this, figures reported in Hydro's country by country report are not necessarily comparable to the entities' local statutory reporting. Acquired entities are included from the date of acquisition. As a result of rounding adjustments, the figures in one or more of the columns in the table below may not add up to the total of that column.

The information is included in the independent auditor's assurance report.

Further country by country information for all consolidated legal entities [1)]

Jurisdiction	Legal entity	Description of the entity's activity	Ownership 31.12	Number of permanent employees 31.12 [2)]	Number of temporary employees 31.12 [2)]	Interest paid to Hydro legal entities in another jurisdiction, 1000 NOK	Revenue, NOK million [3)]	Income before tax, NOK million [4)]	Income taxes, NOK million [5)]	Income taxes paid, NOK million [6)]	Retained earnings, NOK million [7)]
Argentina	Hydro Extrusion Argentina SA	Extrusion Production	100%	105	-	2,407	325	(5)	(7)	28	26
	Hydro Building Systems France SARL (Branch)	Building Systems Production	100%	-	-	-	-	-	-	-	(1)
Total Argentina				**105**	**-**	**2,407**	**325**	**(5)**	**(7)**	**28**	**25**
Australia	Hydro Aluminium Australia Pty. Limited[8)]	Holding Company	100%	-	-	-	2,008	311	70	-	369
	Hydro Aluminium Kurri Kurri Pty. Limited	Real Estate	100%	3	-	-	3	89	(74)	-	(2,121)
Total Australia				**3**	**-**	**-**	**2,011**	**400**	**(4)**	**-**	**(1,752)**
Austria	Hydro Building Systems Austria GmbH	Sales and Marketing	100%	45	-	10	388	10	2	3	71
	Hydro Extrusion Nenzing GmbH	Extrusion Production	100%	423	1	484	2,161	52	12	-	554
	Hydro Holding Austria GmbH	Holding Company	100%	-	-	28	-	30	-	42	239
Total Austria				**468**	**1**	**522**	**2,549**	**92**	**14**	**45**	**864**
Bahrain	Hydro Building Systems Middle East WLL	Building Systems Production	100%	88	-	-	619	37	(7)	-	(69)
Total Bahrain				**88**	**-**	**-**	**619**	**37**	**(7)**	**-**	**(69)**
Belgium	Norsk Hydro EU Sprl	Public Affairs	100%	3	-	-	-	-	-	-	2
	Hydro Extrusion Lichtervelde NV	Extrusion Production and Remelt	100%	219	-	980	2,231	(29)	(5)	40	278
	Hydro Allease NV	Business Management	100%	-	-	-	-	(2)	(1)	-	205
	Hydro Building Systems Belgium NV	Building Systems Production	100%	143	2	3,347	486	(31)	(1)	-	(409)
	Hydro Extrusion Eupen SA	Dies Production	100%	43	2	375	93	5	5	-	(46)
	Hydro Extrusion Raeren S.A.	Extrusion Production	100%	210	6	450	902	1	1	9	72
Total Belgium				**618**	**10**	**5,152**	**3,712**	**(56)**	**-**	**49**	**101**
Bosnia-Herzegovina	Hueck Service d.o.o.	Sales and Marketing	100%	17	-	-	-	-	-	-	1
Total Bosnia-Herzegovina				**17**	**-**	**-**	**-**	**-**	**-**	**-**	**1**
Brazil	ALBRAS - Alumínio Brasileiro SA	Primary Aluminium Production	51%	1,390	116	-	12,125	(2,225)	(428)	5	1,457
	ALUNORTE - Alumina do Norte do Brasil S.A.	Alumina Refinery	62%	2,196	177	-	29,827	2,649	1,038	449	(3,733)
	Hydro Alumina Holdings Ltda	Holding Company	100%	-	-	-	118	119	37	33	76
	Atlas Alumínio SA	Holding Company	100%	-	-	-	537	165	56	57	674
	CAP - Companhia de Alumina do Pará SA	Planned Alumina Refinery	100%	-	-	-	-	(31)	-	-	(610)
	Hydro Extrusion Brasil S.A.	Extrusion and Precision Tubing	100%	813	35	15,828	2,252	54	32	10	(235)
	Mineração Paragominas SA	Bauxite Mining	100%	1,670	130	83,658	4,240	15	113	108	2,254
	Norsk Hydro Brasil Ltda.	Holding Company	100%	446	42	-	10	4	6	3	(510)
	Norsk Hydro Energia Ltda.	Power Trading & Energy Services	100%	20	3	993	3,269	(3)	(2)	5	51
	Hydro Enrein Ltda.	Power Trading & Energy Services	100%	-	-	-	(2)	8	17	2	(8)
	Hydro Rein Brasil Soluções Renováveis Ltda[9)]	Transferred to Hydro REIN JV	-	-	-	-	(6)	(27)	(12)	-	-
Total Brazil				**6,535**	**503**	**100,479**	**52,370**	**726**	**857**	**670**	**(585)**
Canada	Hydro Aluminium Canada & Co. Ltd.[10)]	Holding Company	100%	-	-	2,557	3,646	460	138	44	1,661
	Hydro Aluminium Canada Inc.	Holding Company	100%	2	-	-	-	-	-	-	30
	Hydro Extrusion Canada Inc.	Extrusion Production	100%	552	8	15	2,994	177	41	33	767
	Hydro REIN Energy Solutions Canada Ltd.[9)]	Transferred to Hydro REIN JV	-	-	-	-	-	(2)	-	-	-
Total Canada				**554**	**8**	**2,572**	**6,641**	**635**	**179**	**77**	**2,458**
China & Hong Kong	Hydro Aluminium Beijing Ltd.	Sales and Marketing	100%	8	-	-	3,321	106	27	19	142
	Hydro Building Systems (Beijing) Co. Ltd.	Sales and Marketing	100%	18	-	-	128	4	-	-	(131)
	Hydro Aluminium Fabrication (Taicang) Ltd	Precision Tubing Production	100%	-	-	-	1,014	195	53	46	430
	Hydro Precision Tubing (Suzhou) Co. Ltd.	Precision Tubing Production	100%	810	4	-	1,527	2	4	15	150
	Sapa Extrusion (Jiangyin) Co. Ltd.	Extrusion Production	100%	-	-	-	-	-	-	-	(31)
	Hycast Technology Shanghai Co., Ltd	Research & Development	100%	3	-	-	33	2	-	-	-
Total China & Hong Kong				**839**	**4**	**-**	**6,023**	**309**	**83**	**80**	**561**
Croatia	Hydro Building Systems Croatia d.o.o.	Building Systems Production	100%	12	-	21	-	-	-	-	2

Total Croatia				**12**	**-**	**21**	**-**	**-**	**-**	**-**	**2**
Czech Republic	Hydro Building Systems Czechia sro	Sales and Marketing	100%	5	-	-	-	-	-	-	6
Total Czech Republic				**5**	**-**	**-**	**-**	**-**	**-**	**-**	**6**
Denmark	Hydro Extrusion Denmark A/S	Extrusion Production	100%	260	4	9,533	1,595	10	2	-	400
	Hydro Holding Denmark A/S	Holding Company	100%	-	-	5	-	20	(4)	(7)	1,738
	Hydro Precision Tubing Tønder A/S	Precision Tubing Production	100%	415	19	5,004	1,773	(25)	(4)	-	541
	Hydro Rein Solar Holding DK 1 ApS[9)]	Transferred to Hydro REIN JV	-	-	-	-	-	-	-	-	-
	Hydro Rein Solar BidCo DK 1 ApS[9)]	Transferred to Hydro REIN JV	-	-	-	-	-	-	-	-	-
	Hydro Rein Solar General Partner DK 1 ApS[9)]	Transferred to Hydro REIN JV	-	-	-	-	-	-	-	-	-
	Hydro Rein Solar 1 K/S[9)]	Transferred to Hydro REIN JV	-	-	-	-	-	(1)	-	-	-
	Hydro Rein Solar Holding DK 2 ApS[9)]	Transferred to Hydro REIN JV	-	-	-	-	-	-	-	-	-
	Hydro Rein Solar BidCo DK 2 ApS[9)]	Transferred to Hydro REIN JV	-	-	-	-	-	-	-	-	-
	Hydro Rein Solar General Partner DK 2 ApS[9)]	Transferred to Hydro REIN JV	-	-	-	-	-	-	-	-	-
	Hydro Rein Solar 2 K/S[9)]	Transferred to Hydro REIN JV	-	-	-	-	-	-	-	-	-
Total Denmark				**675**	**23**	**14,542**	**3,368**	**5**	**(6)**	**(7)**	**2,679**
Estonia	Hydro Extrusion Baltics AS	Sales and Marketing	100%	9	-	46	91	7	1	-	26
Total Estonia				**9**	**-**	**46**	**91**	**7**	**1**	**-**	**26**
Finland	Hydro Extrusion Finland Oy	Sales and Marketing	100%	9	-	-	118	6	1	1	28
Total Finland				**9**	**-**	**-**	**118**	**6**	**1**	**1**	**28**
France	Extrusion Services S.a.r.l	Recycling	100%	50	-	-	1,059	30	5	-	292
	Hydro Building Systems France Sarl	Building Systems Production	100%	965	44	-	3,886	219	60	4	711
	Hydro Extrusion Albi SAS	Extrusion Production	100%	231	7	-	1,084	44	15	4	108
	Hydro Extrusion Lucé/Châteauroux SAS	Extrusion Production	100%	269	10	7,345	864	(142)	(6)	1	(241)
	Hydro Extrusion Puget SAS	Extrusion Production	100%	139	10	448	740	(53)	9	1	(24)
	Hydro Holding France SAS	Holding Company	100%	3	-	-	-	250	(54)	-	(414)
	Hydro Tool Center SAS	Tool and Spare Parts Services	100%	4	-	769	48	-	-	-	5
	Hydro Shared Services France	Shared Services	100%	10	-	-	-	1	-	-	6
	Hydrovolt France SAS			-	-	-	-	(2)	-	-	(2)
Total France				**1,671**	**71**	**8,562**	**7,681**	**347**	**30**	**10**	**439**
Germany	Hydro Extrusion Deutschland GmbH	Extrusion Production	100%	407	39	-	1,818	(93)	(1)	-	129
	Hydro Building Systems Extrusion GmbH	Building Systems Production	100%	115	6	-	830	39	-	-	(1)
	Hydro Extrusion Offenburg GmbH	Extrusion Production	100%	252	-	-	929	40	(3)	-	100
	Hydro Extrusion Lüdenscheid GmbH	Extrusion Production and Remelt	100%	201	3	-	734	(138)	(5)	7	(218)
	Hydro Building Systems Germany GmbH	Building Systems Production	100%	324	15	2,776	1,644	(52)	-	-	151
	Eugen Notter GmbH	Building Systems Production	100%	26	1	-	34	1	-	(1)	35
	Eduard Hueck GmbH & Co. KG	Parent Company	100%	-	-	-	13	80	13	2	216
	Hydro Aluminium Deutschland GmbH	Holding Company	100%	80	1	-	(1)	944	177	30	3,781
	Hueck Geschäftsführungsgesellschaft mbH	Parent Company	100%	-	-	-	-	-	-	-	7
	Hydro REIN Energy Solutions Germany Gmbh[9)]	Transferred to Hydro REIN JV	-	-	-	-	-	(13)	-	(1)	-
	Hydro Holding Offenburg GmbH	Holding Company	100%	47	-	-	29	(42)	(76)	(11)	485
	Hydro Building Systems Lüdenscheid GmbH	Parent Company	100%	169	4	-	809	(57)	-	-	(230)
	Hydro Building Systems Coating GmbH	Building Systems Production	100%	87	4	-	104	(3)	(1)	-	30
	Hydro Aluminium Gießerei Rackwitz GmbH	Recycling	100%	89	5	-	1,518	(111)	10	-	110
	Hydro Aluminium High Purity GmbH	High-Purity Aluminium Production	100%	62	4	-	395	(39)	(6)	-	73
	VAW-Innwerk Unterstützungs-Gesellschaft GmbH	Pension Fund	80%	-	-	-	-	(268)	(112)	-	35
	Hydro Aluminium Recycling Deutschland GmbH	Recycling	100%	25	5	-	345	(46)	-	-	102
Total Germany				**1,884**	**87**	**2,776**	**9,201**	**242**	**(5)**	**27**	**4,804**
Greece	Hydro Building Systems A.E.	In Liquidation / Under termination	100%	-	-	-	-	1	-	-	(46)
Total Greece				**-**	**-**	**-**	**-**	**1**	**-**	**-**	**(46)**
Hungary	Hydro Extrusion Hungary Kft	Extrusion Production and Shared	100%	1,675	20	47,235	2,514	(122)	51	62	130
	Alumetal Group Hungary Kft	Recycling	100%	99	-	680	870	(126)	(2)	2	79
Total Hungary				**1,774**	**20**	**47,915**	**3,384**	**(248)**	**49**	**64**	**209**
India	Hydro BS India Private Limited	Shared Services and Building	100%	254	10	-	150	35	-	1	12
Total India				**254**	**10**	**-**	**150**	**35**	**-**	**1**	**12**
Italy	Hydro Aluminium Metal Products S.r.l.	Sales and Marketing	100%	2	-	-	5	1	-	-	24

	Hydro Building Systems Italy S.P.A.	Building Systems Production	100%	189	3	-	1,084	113	14	6	(134)
	Hydro Extrusion Italy S.r.l.	Extrusion Production	100%	243	11	-	1,682	17	20	(1)	165
	Hydro Building Systems Atessa s.r.l.	Building Systems Production	100%	154	6	-	1,205	53	10	3	242
Total Italy				**588**	**20**	**-**	**3,976**	**185**	**45**	**8**	**297**
Japan	Hydro Aluminium Japan KK	Sales and Marketing	100%	5	-	-	207	22	7	3	86
Total Japan				**5**	**-**	**-**	**207**	**22**	**7**	**3**	**86**
Lithuania	Hydro Building Systems Lithuania UAB	Sales and Marketing	100%	10	-	-	-	2	-	-	36
	Hydro Extrusion Lithuania UAB[11)]	Extrusion Production	-	-	-	-	29	1	-	-	-
Total Lithuania				**10**	**-**	**-**	**29**	**3**	**1**	**-**	**36**
Luxembourg	Hydro Aluminium Clervaux S.A.	Recycling	100%	65	-	-	1,827	21	5	8	234
Total Luxembourg				**65**	**-**	**-**	**1,827**	**21**	**5**	**8**	**234**
Mexico	Hydro Precision Tubing Monterrey S. de R.L. de C.V.	Precision Tubing Production	100%	190	-	5	182	23	8	12	116
	Hydro Precision Tubing Reynosa S. de R.L. de C.V.	Extrusion and Precision Tubing	100%	303	10	2,951	205	14	2	5	67
Total Mexico				**493**	**10**	**2,956**	**387**	**37**	**11**	**17**	**183**
Morocco	Hydro Building Systems France Sarl (Branch)	Building Systems Production	100%	-	-	-	-	-	-	-	(7)
Total Morocco				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(7)**
Netherlands	Hydro Aluminium Brasil Investment B.V.	Holding Company	100%	-	-	-	-	-	-	-	(251)
	Hydro Albras B.V.	Holding Company	100%	-	-	23	-	(1)	-	-	-
	Enerein Holding BV	Holding Company	100%	-	-	-	-	-	-	-	-
	Hydro REIN Feijão Solar Holding B.V.[9)]	Transferred to Hydro REIN JV	-	-	-	-	-	-	-	-	-
	Norsk Hydro Holland B.V.	Holding Company	100%	9	-	22	31	2,932	35	90	6,176
	Hydro Aluminium Qatalum Holding B.V.	Holding Company	100%	-	-	-	-	923	2	-	1,651
	Hydro REIN Feijão Holding B.V[9)]	Transferred to Hydro REIN JV	-	-	-	-	-	13	3	-	-
	Hydro REIN Irupé Holding B.V.[9)]	Transferred to Hydro REIN JV	-	-	-	-	-	-	-	-	-
	Hydro REIN Netherlands B.V.[9)]	Transferred to Hydro REIN JV	-	-	-	-	-	(2)	-	-	-
	Hydro Aluminium Investment B.V.	Holding Company	100%	-	-	-	-	-	-	-	-
	Hydro Rein Vista Alegre Holding B.V.[9)]	Transferred to Hydro REIN JV	-	-	-	-	-	-	-	-	-
	Hydro Paragominas B.V.	Holding Company	100%	-	-	-	-	-	-	-	-
	Hydro Extrusion Netherlands B.V.	Extrusion Production	100%	565	23	-	3,005	80	18	-	1,097
	Hydro Building Systems Netherlands B.V.	Building Systems Production	100%	8	-	-	-	9	2	-	17
	Hydro Aluminium Netherlands B.V.	Holding Company	100%	-	-	-	-	93	-	-	486
	Hydro Aluminium Pará B.V.	Holding Company	100%	-	-	-	-	-	-	-	482
	Hydro REIN Boa Sorte Holding B.V.[9)]	Transferred to Hydro REIN JV	-	-	-	-	-	4	1	-	-
Total Netherlands				**582**	**23**	**45**	**3,037**	**4,051**	**61**	**89**	**9,658**
Norway	Hycast AS	Research & Development	100%	67	4	-	503	58	12	18	249
	Hydro Aluminium AS	Primary Aluminium Production	100%	2,534	684	637,837	65,747	13,959	1,810	1,509	29,558
	Hydro Energi AS	Hydro Power Production	100%	358	16	18,964	10,060	1,838	1,189	1,477	8,659
	Hydro Energi Anode AS	Batteries	100%	-	-	-	-	(10)	-	-	(10)
	Hydrovolt AS	Batteries	68%	71	-	-	21	(51)	53	-	(353)
	Hydro Energi Invest AS	Holding Company	100%	-	-	2,703	-	(1,323)	(99)	-	(1,344)
	Hydro Extruded Solutions AS	Holding Company	100%	47	2	428,921	-	1,730	88	57	(590)
	Hydro Extrusion Norway AS	Extrusion Production	100%	99	7	-	489	8	4	6	85
	Hydro Kapitalforvaltning AS	Holding Company	100%	4	-	-	15	-	-	-	2
	Hydro Vigelands Brug AS	High-Purity Aluminium Production	100%	35	3	3,713	144	12	-	-	151
	Hydro REIN AS[9)]	Transferred to Hydro REIN JV	50%			-	2	(2)	-	32	-
	Hydro REIN Holding AS	Holding Company	100%	-	-	44	126	74	36	-	(35)
	Industriforsikring AS	Insurance	100%	4	1	-	209	(62)	(32)	29	895
	Norsk Hydro ASA	Parent Company	100%	384	14	-	76	12,874	83	59	26,950
	Hydro REIN Invest AS[9)]	Transferred to Hydro REIN JV	-	-	-	-	98	17	4	-	-
	Hydro Rein Norway Holding AS	Renewable Energy	100%	-	-	-	-	(20)	(3)	1	(1)
	Hydro REIN Energy Solutions AS[9)]	Transferred to Hydro REIN JV	-	-	-	-	3	(22)	(3)	-	-
	Svelgfos AS	Power Trading & Energy Services	100%	-	-	-	-	-	-	-	1
	Sør-Norge Aluminium AS	Primary Aluminium Production	100%	378	146	72,516	4,567	727	159	206	3,415
	Hydro HAVRAND AS	Hydrogen	100%	-	-	2	17	(33)	(7)	-	-

Total Norway				**3,981**	**877**	**1,164,700**	**82,205**	**29,775**	**3,292**	**3,393**	**67,632**
Oman	Hydro Building Systems Middle East (FZC) LLC	Building Systems Production	99%	-	-	-	-	1	-	-	27
Total Oman				**-**	**-**	**-**	**-**	**1**	**-**	**-**	**27**
Poland	Hydro Building Systems Poland Sp. z o.o.	Building Systems Production	100%	42	-	-	38	(8)	1	1	(13)
	Hydro Extrusion Poland Sp. z o.o.	Extrusion Production	100%	1,398	1	4	3,126	(64)	(39)	(59)	1,264
	Alumetal Poland Sp. z o.	Recycling	100%	424	-	1,085	4,259	(21)	(96)	8	1,525
	Alumetal S.A	Recycling	100%	63	-	6	47	75	(14)	-	1,639
	T+S Sp. z o.o.	Recycling	100%	3	-	34	10	1	-	-	18
Total Poland				**1,930**	**1**	**1,129**	**7,481**	**(17)**	**(149)**	**(50)**	**4,434**
Portugal	Hydro Aluminium Extrusion Portugal HAEP S.A.	Extrusion Production	100%	103	23	-	626	(25)	(5)	-	143
	Hydro Building Systems Portugal (HBSPT) SA	Building Systems Production	100%	65	-	-	309	42	18	10	100
Total Portugal				**168**	**23**	**-**	**935**	**17**	**12**	**10**	**243**
Serbia	Hydro Building Systems Beograd d.o.o.	Sales and Marketing	100%	3	-	-	-	-	-	-	-
Total Serbia				**3**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Singapore	Hydro Aluminium Asia Pte. Ltd.	Trading	100%	20	-	51	14,482	149	16	7	494
	Hydro Holding Singapore Pte. Ltd.	Holding Company	100%	22	-	4	58	(13)	-	-	(373)
Total Singapore				**42**	**-**	**55**	**14,540**	**136**	**16**	**7**	**121**
Slovakia	Hydro Extrusion Slovakia a.s.	Extrusion Production	100%	370	1	-	852	(21)	(4)	(5)	42
	Slovalco a.s.	Recycling	55%	184	-	-	1,139	76	11	(2)	208
	ZSNP DA, s.r.o.	Transportation	55%	-	-	-	2	1	-	-	1
Total Slovakia				**554**	**1**	**-**	**1,993**	**56**	**8**	**(6)**	**251**
South Africa	Technal Systems South Africa (Pty) Ltd.	In Liquidation / Under termination	100%		-	-	-	-	-	-	(14)
Total South Africa				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(14)**
Spain	Hydro Aluminium Iberia S.A.U	Recycling	100%	80	1	-	1,545	38	(5)	(25)	1,050
	Hydro Building Systems Spain S.L.U.	Building Systems Production	100%	274	1	-	886	9	(10)	1	9
	Hydro Extrusion Spain S.A.U.	Extrusion Production	100%	346	10	-	1,740	58	178	(3)	917
	Hydro REIN Energy Solution Spain[9)]	Transferred to Hydro REIN JV	-	-	-	-	-	-	-	-	-
	Hydro Torija S.L.U	Recycling	100%	-	-	-	-	-	-	-	72
Total Spain				**700**	**12**	**-**	**4,172**	**104**	**163**	**(27)**	**2,047**
Sweden	Hydro Building Systems Sweden AB	Building Systems Production	100%	119	-	49	761	52	1	-	15
	Hydro Extruded Solutions AB	Holding Company and R&D	100%	7	-	2,690	3	675	25	49	3,144
	Hydro Extrusion Sweden AB	Extrusion production	100%	832	5	-	2,993	10	5	-	(459)
	Hydro Rein Energy Services AB[9)]	Transferred to Hydro REIN JV	-	-	-	-	-	1	(1)	-	-	-
	Hydro REIN Solar Holding AB[9)]	Transferred to Hydro REIN JV	-	-	-	-	-	-	-	-	-	-
	Hydro REIN Solar 1 AB[9)]	Transferred to Hydro REIN JV	-	-	-	-	-	-	(4)	-	-	-
	Hydro REIN Solar 2 AB[9)]	Transferred to Hydro REIN JV	-	-	-	-	-	-	-	-	-	-
	Hydro REIN Sweden AB[9)]	Transferred to Hydro REIN JV	-	-	-	-	-	-	(4)	-	-	-
Total Sweden				**958**	**5**	**2,739**	**3,758**	**727**	**31**	**49**	**2,701**
Switzerland	Hydro Aluminium International SA	Sales and Marketing	100%	16	1	1,391	31,558	668	97	105	788
	Hydro Building Systems Switzerland AG	Sales and Marketing	100%	44	3	-	468	82	15	19	107
Total Switzerland				**60**	**4**	**1,391**	**32,026**	**750**	**112**	**124**	**895**
Turkey	Hydro Yapi Sistem Sanayi VE Ticaret AS	Sales and Marketing	100%	24	-	857	59	(9)	(2)	-	(3)
Total Turkey				**24**	**-**	**857**	**59**	**(9)**	**(2)**	**-**	**(3)**
United Arab Emirates	Hydro Building Systems Middle East FZE	Sales and Marketing	100%	-	-	-	81	1	-	-	1
Total United Arab Emirates				**-**	**-**	**-**	**81**	**1**	**-**	**-**	**1**
United Kingdom	Hydro Aluminium Deeside Ltd.	Recycling	100%	57	1	-	1,331	32	8	-	569
	Hydro Building Systems UK Ltd.	Building Systems Production	100%	114	1	387	605	2	(3)	-	302
	Hydro Components UK Ltd.	Dormant	100%	-	-	-	-	-	-	-	-
	Hydro Aluminium UK Ltd.	Extrusion Production	100%	597	1	772	1,821	(329)	(26)	-	(74)
	Hydro Holdings UK Ltd.	Holding Company	100%	1	-	-	1	1	-	-	79
	Hueck UK Ltd.	Dormant	100%	-	-	170	-	(3)	(1)	-	2
Total United Kingdom				**769**	**3**	**1,329**	**3,758**	**(297)**	**(22)**	**-**	**879**
USA	EMC Ashtabula Inc	Dormant	100%	-	-	-	-	2	(1)	-	(3,176)

	EMC Metals Inc	Dormant	100%	-	-	-	-	(26)	1	-	1,014
	Hydro Aluminium Metals USA, LLC	Recycling and Sales	100%	100	-	-	8,331	(4)	103	-	(1,066)
	Hydro Building Systems North America LLC	Sales and Marketing	100%	2	-	-	36	(2)	-	-	(46)
	Hydro Extrusion Portland Inc.	Extrusion Production	100%	273	-	-	1,578	(13)	(27)	-	(334)
	Hydro Extrusion USA LLC	Extrusion Production	100%	4,812	13	-	24,695	119	(193)	1	1,729
	Hydro Holding North America Inc.	Holding Company	100%	-	-	30,239	-	145	94	46	3,922
	Norsk Hydro USA LLC	Public Affairs	100%	-	-	-	-	-	-	-	-
	Hydro Precision Tubing Louisville Inc.	Dormant	100%	-	-	-	-	(1)	-	-	(280)
	Hydro Precision Tubing Monterrey LLC	Precision Tubing Production	100%	-	-	-	685	47	(5)	-	610
	Hydro Precision Tubing USA LLC	Precision Tubing Production	100%	392	-	-	1,898	48	4	-	(588)
Total USA				**5,579**	**13**	**30,239**	**37,223**	**315**	**(24)**	**47**	**1,787**
Total Eliminations, non-controlling interests, goodwill and excess values not attributable to specific legal entities							(92,300)	(29,609)	(929)	-	(56,113)
Total joint operations and joint ventures							-	55	(1)	-	14,611
Total Hydro				**32,031**	**1,729**	**1,390,434**	**203,636**	**8,862**	**3,822**	**4,719**	**59,749**

1) Extended table covering GRI 207 tax reporting requirement is published on www.hydro.com.
2) Number of employees is based on the legal entity each employee is employed by. This might differ from number of employees by country of work, which is reported in the Notes on Own workforce. The numbers are per 31 December, 2024.
3) Revenue consists of external and internal revenue from sales of products and services, and realized and unrealized results from derivatives related to sale of products. Elimination of sale to other Hydro companies is presented on a combined basis in “Eliminations”. Revenue in this report equals revenue in Hydro’s consolidated financial statements payments include settlement of tax liabilities with tax credits generated from other payments to federal authorities.
4) For the composition of income before tax, please refer to consolidated income statements and related notes.
5) For a description and the composition of income taxes, please refer to consolidated income statements and related notes.
6) Income taxes paid represents the actual payments made during the year independent of which year the tax relates to. In some tax regimes including Brazil, tax payments include settlement of tax liabilities with tax credits generated from other payments to federal authorities.
7) Retained earnings consists of accumulated gains and losses, net of distributed profits from the point of view of the legal entity. Retained earnings existing in the companies at the time of Hydro’s acquisition is deducted in “Eliminations”. In addition, “Eliminations” consists of unrealized gains in transactions between Hydro companies.
8) Hydro Aluminium Australia Pty Ltd is used to report Hydro portion of operations for Tomago Aluminium Company Pty Limited, a joint operation.
9) Hydro Rein was sold 24 June, 2024, and established as Hydro Rein JV from the same date.
10) Hydro Aluminium Canada & Co. Ltd. Is used to report Hydro portion of operations for Aluminerie Alouette Inc, a joint venture.
11) Hydro Extrusion Lithuania UAB was sold 28 March, 2024.

Entity description

In the table above, each company has been given a short description of its main activities. Some of the entities can also have other activities as listed below.

Short description	Main activities
Alumina Refinery	Refining of bauxite to alumina. Hydro operates the Alunorte alumina refinery
Bauxite Mining	Mining of bauxite, the raw material for aluminium productions. Hydro has only one consolidated bauxite mine
Building Systems Production	Production of building systems where aluminium is used
Business Management	Coordination and organization of Hydro's business activities
Dies Production	Production of dies for extrusion of aluminium profiles
Dormant	Hydro operations without business activities in the reporting period
Extrusion Production	Includes one or more extrusion production lines and is normally also responsible for sales and marketing of its products. May also have R&D activities
High-Purity Aluminium Production	Production of aluminium of minimum 99.99 percent purity
Holding Company	Holding & Financing. Holding shares or other equity instruments. Administrative, management or support services
Hydro Power Production	Production and operation of hydro power
Hydrogen	Developing of hydrogen based on renewable energy
In Liquidation / Under termination	Operations in liquidation or under termination
Insurance	In-house (captive) insurance
Parent Company	A parent company is a company that has a controlling interest in another company
Pension Fund	Employee pension fund
Power Trading & Energy Services	Trading of power and energy services
Precision Tubing Production	Production of extruded aluminium tubes, micro-port aluminium tubes, and welded alumnium tubes
Primary Aluminium Production	Includes one or more primary aluminium plant(s), and may also include casting, anode production and/or R&D activities
Public Affairs	Hydro's Brussels and US office
Real Estate	Property management and development. Owner of land and infrastructure
Recycling	Recycling of post- and pre-consumer scrap
Renewable Energy	Planned and ongoing renewable energy productions
Research & Development	Research and development activities
Sales and Marketing	Sales, marketing and distribution offices
Shared Services	Administrative and other support services
Tool and Spare Parts Services	Provides tool and spare parts services, in addition to administrative and management support
Trading	Sales, marketing and distribution of casthouse aluminium products
Transportation	Transport of raw materials by railway train

Board of Directors' report in relation to the Norwegian Code of Practice for Corporate Governance

This chapter provides a detailed overview of how Norsk Hydro ASA ("Hydro" or the "company") follows the Norwegian code of practice for corporate governance ("Norsk Anbefaling for Eierstyring og Selskapsledelse") (the "Code of Practice") dated October 14, 2021 (the "NUES Report" or "Report"). Information that Hydro must provide in accordance with the Norwegian Accounting Act, Section 3-3b is also included when this Report is read together with the general corporate governance report.

The Board of Directors of Hydro (the "Board") actively supports sound management principles of corporate governance. The Code of Practice covers 15 topics, and this Report covers each of these topics and describes Hydro's adherence to the Code of Practice.

Shareholders and other interested parties may note that although the Report aims to provide an overview of how the Company has organized its corporate governance, the Report may refer to more detailed information elsewhere in the Integrated Annual Report or on the Company's website. Relevant references are included throughout, as and if applicable.

More detailed information can be found on the company's website.

Deviations from the Code of Practice

Adherence to the Code of Practice is based on a comply or explain principle, meaning that any deviation from the Code of Practice shall be justified and explained. This includes to explain what alternative solution the company has selected. To the Board's best assessment, the company has in total three deviations from the Code of Practice. This includes one deviation from Section 6, one from section 8 and one from Section 14. Each deviation is explained below and under the relevant section of this Report.

Section 6, General Meeting of Shareholders:

Hydro has one deviation from this section:

"Ensure that the members of the Board of Directors ... are present at the General Meeting:"

The entire Board has normally not participated in the general meeting. Matters under consideration at the general meeting of shareholders have not previously required this. Chair of the Board is always attending to present the Integrated Annual Report and answer any questions from shareholders. All board members are encouraged to attend the Annual General Meetings of the company, either physically or electronically.

Section 8, Board of directors: composition and independence

Hydro has one deviation from this section: "*The general meeting should elect the chairman of the board of directors."*

It is stated in the Public Limited Liability Companies Act, "Allmennaksjeloven", section 6-1(2) that the board of directors shall always elect its chair if it has been agreed that the company shall not have a corporate assembly. The Board of Hydro elects its chair for periods of until two years at a time.

Section 14, Takeovers:

Hydro has one deviation from this section: *"The Board of Directors should establish guiding principles for how it will act in the event of a takeover bid:"*

The Board has chosen not to prepare explicitly formulated general principles for handling takeover bids. The reason for this is that the Norwegian state, represented by the Ministry of Trade, Industry and Fisheries, owns 34.26 percent of the Hydro shares (as of 31.12.2024) and the Ministry of Trade, Industry and Fisheries has by virtue of the Active Ownership Report (Report to the Storting no. 6 (2022-2023)) expressed a long-term ownership perspective in the company for the purpose of retaining a leading technology and industrial company with head office functions in Norway, c.f. the Active Ownership Report (Report to the Storting no. 6 (2022-2023)) p. 44.

1. Implementation and reporting on corporate governance

Hydro follows the most recent edition of the Norwegian code of practice for corporate governance dated October 14, 2021. Hydro seeks to comply with international best practice standards when preparing its constituting documents and global directives, and the Board monitors the subject of corporate governance actively and continuously. The Board believes that there is a clear link between high-quality governance and the creation of long-term shareholder value.

The Board has the overriding responsibility for the stewardship of the company and shall conduct supervision of the company's day to day management and the company's activities in general. The Board believes that sound corporate governance is vital to ensure the greatest possible sustainable value creation over time in the best interests of Hydro's employees, shareholders and other key stakeholders, and is committed to maintaining a high standard of corporate governance across the group. The Board approved this Report in a Board meeting held on February 13, 2025, through the signing of the Integrated Annual Report.

2. Hydro's business

Hydro is a global aluminium and energy company with production, sales and trading activities throughout the value chain, from bauxite, alumina and energy generation to the production of primary aluminum and extruded products as well as recycling. Based in Norway, the company has approximately 32,000 employees involved in activities in 40 countries on all continents. A more detailed description of Hydro's business is found in the Integrated Annual Report section Our Business.

The company's objective, as stated in Section 2 of its Articles of Association, is to engage in industry, commerce, and transport, to utilize energy resources and raw materials, and to engage in other activities connected with this purpose. Hydro is committed to creating value by taking a lead role in the green transition. Through this, the company works to strengthen local community relations, communities and business partners through education and empowerment. Hydro's target is to ensure the safety of our employees and have an injury-free work environment. The company's business activities may also be conducted through participation in or in cooperation with other companies.

The Board of Directors is responsible for the company's value creation and sets and monitors the company's objectives, strategies and risk profiles. The company's objectives, strategies and risk profiles are evaluated at least yearly. The Board's strategic planning and decisions provide a basis for the company's executive management to prepare and carry out investments and structural measures.

The Board also oversees that Hydro has appropriate global directives for, among other things, risk management, HSE, people management and social responsibility and human rights. Sustainability, including environment and climate change, social responsibility, diversity, health, safety and work environment and compliance is integrated into the group's risk management and strategy processes and are at the center of the Board's considerations and decision-making throughout the year. The approach is discussed in more detail in the group's Integrated Annual Report as applicable, and reference is made to the Sustainability statement.

Hydro's articles of association are available at Hydro.com/governance.

3. Equity and dividend

In the opinion of the Board, Hydro's equity capital is appropriate to the company's objectives, strategy and risk profile.

Hydro's dividend policy reflects Hydro's ambitions to lift performance and cash returns to shareholders over the cycle. The dividend policy is to pay out a minimum of 50 percent of adjusted net income over the cycle with a NOK 1.25 per share dividend floor. Hydro has a target for adjusted net debt of around NOK 25 billion over the cycle. In the Board's opinion, the dividend policy in combination with the capital structure target is clear and predictable. See also Note 7.1 to the financial statements for more information on Capital management and cash management.

The dividend per share is proposed by the Board, based on Hydro's dividend policy, and approved by the general meeting of shareholders. In 2024, the Board proposed a cash dividend of NOK 2,5 per share at the Annual General Meeting May 7, 2024, which was approved.

In line with applicable regulation, the Board may obtain authorization from the general meeting of shareholders to buy back Hydro shares in the market or to increase the share capital. Mandates granted to the Board to increase the company's share capital or to purchase own shares will normally be intended for a defined purpose, in line with statutory regulation, and limited in time to no later than the date of the next Annual General Meeting.

Authorization to the Board to acquire the company's own shares was granted to the Board of Directors at the Annual General Meeting of the Company on May 7, 2024. The authorization was granted in accordance with applicable laws and regulations and the authorization is registered at the Norwegian Register of Business Enterprises.

The authorization granted by the Annual General Meeting allows the Board to acquire shares in Norsk Hydro ASA with a nominal value of up to NOK 109,800,000 in the market and from the Ministry of Trade, Industry and Fisheries, divided into up to 100,000,000 shares. The shares will be subject to subsequent cancellation. It is a prerequisite for all buybacks and subsequent deletion of shares that these transactions do not result in a change to the ownership interest of 34.26 percent of the Ministry of Trade, Industry and Fisheries. The acquisition of shares is subject to terms and conditions set by the Board at all times, and the minimum and maximum amounts that can be paid per share is NOK 20 and NOK 150, respectively. The authorization granted by the Annual General Meeting is valid from May 7, 2024 until the Annual General Meeting in 2025, but no later than June 30, 2025.

At the company's Annual General Meeting in May 2025, the company's shareholders will be presented with the content of the current authorization and be given a status on the buyback program. Transactions conducted as part of the current share buy-back program are executed on Oslo stock exchange, with on-going disclosure via stock exchange releases and the company's web page. See also NUES item 4 on Equal treatment of shareholders.

The notice, appendices and minutes of meeting from the Annual General Meeting are available at Hydro.com/generalmeeting.

References: Learn more about Hydro's equity and dividend policy in the Shareholder information section.

4. Equal treatment of shareholders

Hydro has one share class. All the shares have the same rights.

Transactions involving own shares are normally executed on the stock exchange. Buybacks of own shares are executed at the current market rate.

Transactions conducted as part of the current share buy-back program, with authorization granted to the Board from the Annual General Meeting May 7, 2024, are executed on Oslo stock exchange, with on-going disclosure via stock exchange releases and the company's web page. Share redemptions from the Norwegian State are carried out at the same price terms as for the buybacks carried out via the stock exchange. Hydro is executing the buybacks via an external bank mandate and in accordance with the EU Market Abuse Regulation (EU 596/2014 (MAR)) art. 5.

Persons who own shares five business days prior to the general meeting are entitled to attend and vote at the general meeting.

Sales of shares to employees in Norway are conducted at a discount to market value. See also Item 6.

Contact between the Board and the investors is normally conducted via company management. Under special circumstances the Board, represented by the chair, may conduct dialogue directly with investors.

Regulation of share issues and pre-emptive rights are described in the company's Articles of Association.

For the company's related party transactions, the mandatory regulations in the Norwegian Public Limited Companies Act §§3-9 and 3-10 following are supplemented by IFRS (International Financial Reporting Standards) standards. See also section 9.

State ownership

As of December 31, 2024, the Norwegian state, represented by the Ministry of Trade, Industry and Fisheries, owned 34.26 percent of Hydro's total issued shares. Hydro holds regular meetings with the Ministry, where topics discussed include Hydro's economic and strategic development, sustainability, and the Norwegian state's expectations regarding results and returns on investments. These meetings are comparable to what is customary between a private company and its principal shareholders. The meetings comply with the provisions specified in Norwegian company and securities legislation, not least with respect to equal treatment of shareholders. As a shareholder the Norwegian state as a main rule does not have access to more information than what is available to other shareholders. If state participation is imperative and the government must seek approval from the Norwegian parliament (No: Stortinget), it may be necessary to provide the Ministry with "inside information", c.f. the EU Market Abuse Regulation (EU 596/2014). Whether this is required will always be carefully evaluated on a case-by-case basis. In such event the state is subject to the rules and regulations regarding the handling of such information.

References: Learn more about major shareholders in the Shareholder information section and sale of the Hydro share to employees in Note 9.2 Employee remuneration to the consolidated financial statements. Hydro's Code of Conduct can be found on Hydro.com/principles. Hydro's articles of association can be found on Hydro.com/governance. See also Note 9.1 Related party information to the consolidated financial statements.

5. Freely negotiable shares

The Hydro share is freely negotiable, and there are no voting restrictions linked to the shares. It is among the most traded shares on the Oslo Stock Exchange and is subject to efficient pricing. As of December 31, 2024, the Norwegian state, represented by the Ministry of Trade, Industry and Fisheries, owned 34.26 percent of Hydro's shares, while the Government Pension Fund Norway owned 6.94 percent. Shareholding is based on information from the Norwegian Central Securities Depositary (VPS) as of December 31, 2024. Due to lending of shares, an investor's holdings registered in its VPS account may vary.

References: Learn more about Hydro's equity and dividend policy under Shareholder information.

6. General meeting of shareholders

The general meeting of shareholders, to which all shareholders are invited, is the company's highest governing body. The company's Articles of Association are adopted by the general meeting. Company shareholders exercise ultimate authority through the general meeting. Persons who own shares on the fifth business day prior to the general

meeting are entitled to attend and vote at the general meeting, either in person or by proxy.

The general meeting of shareholders elects the shareholders representatives of the Board and determines the remuneration of the Board. Further it elects the company's external auditor and approves the auditor's remuneration. It also approves the statutory report according to Norwegian requirements and financial statements, including the dividend proposed by the Board. Moreover, it elects the nomination committee and determines their remuneration, and, finally, deals with any other matters listed in the notice convening the meeting. Shareholders may, at least four weeks before an ordinary general meeting, request in writing that proposals for resolutions are submitted to the general meeting, or that items are added to the agenda.

The Annual General Meeting was held on May 7, 2024, as a physical meeting in the company's head offices at Vækerø (Oslo, Norway) with electronic voting and with the shareholders having the possibility to attending digitally. In total, 79.09 percent of the total voting share capital was represented.

Notice to a general meeting with supporting information is normally published on Hydro.com and via stock exchange notice at least three weeks in advance and distributed to the shareholders and nominees at least three weeks prior to the meeting.

Notice to a general meeting provides information on the procedures which shareholders must follow to participate in and vote at the meeting. Such notice also details:

- the procedure for representation by proxy, including the use of a form of proxy
- the right of shareholders to propose resolutions for consideration by the general meeting of shareholders
- link to the website where the notice of the meeting and other supporting documents will be made available

The following information is available at Hydro's website:

- information on the right of shareholders to propose matters for consideration by the general meeting of shareholders
- how to make proposals for resolutions for consideration by the general meeting or how to comment on matters for which no resolution is proposed
- form of proxy

The Board's aim is that resolutions and supporting information distributed are sufficiently detailed, comprehensive and specific to enable shareholders to reach decisions on the matters to be considered at the meeting.

Owners of nominee registered shares that wish to attend the general meeting must notify the company in advance. Such notification must be received by the company at the latest two working days prior to the general meeting, c.f. the Public Limited Liability Companies Act section 5-3.

Shareholders may attend by a proxy holder appointed in writing. The Board will nominate a person who will be available to vote on behalf of shareholders as their proxy, normally this is the Chair of the Board. It is possible to vote electronically in advance.

The general meeting votes for each candidate nominated for election to the company's Board and nomination committee. The form of proxy will facilitate separate voting instructions for matters to be considered, and for of the candidates nominated for election.

The general meetings of the company are chaired by an independent chair. On the Annual General Meeting, May 7, 2024, the meeting was chaired by attorney-at-law Anne Lise Ellingsen Gryte from the law firm Wiersholm. Anne Lise Ellingsen Gryte is by the Board deemed independent of the company.

Chair of the Board, the chair of the nomination committee, the President and CEO, the CFO and the company's auditor attend all general meetings. All board members are encouraged to attend the Annual General Meeting, either physically or digitally.

The minutes of meeting from general meeting of shareholders are published via stock exchange notice and on Hydro.com/generalmeeting as soon as possible after the meeting.

References: Learn more about the general meeting of shareholders at Hydro.com/investor.

Deviations: See the first page of this Report.

7. Nomination committee

The company has a nomination committee. The members, including its chair, are elected by the general meeting of shareholders for periods of up to two years at a time, c.f. the company's Articles of Association section 5A. The chair of the nomination committee has the overall responsibility for the work of the committee.

The main task of the nomination committee is to provide a recommendation to the company's general meeting of shareholders on the election of shareholder elected members to the Board and the nomination committee, to ensure that the best possible preparations are made for the general meeting's decisions. In addition, the nomination committee recommends the remuneration to the members and deputies of the Board and the nomination committee.

The nomination committee consists of minimum three members, maximum four, who are either shareholders or shareholder representatives. If the chair resigns as member of the nomination committee during the electoral period, the nomination committee shall elect among its members a new chair for the remainder of the new chair electoral period, c.f. the company's Articles of Association section 5A.

The guidelines for the nomination committee have been approved by the general meeting of shareholders, and set out how elections to the nomination committee are to be prepared, the criteria for eligibility, the number of members, the term of office for which members are elected etc. The guidelines for the nomination committee are available at the company's website.

Shareholders may propose candidates for the nomination committee at any time. In order to be considered at the next ordinary election, proposals must be submitted by the end of November in the year before the election year.

The recommendations of the nomination committee include details on the candidates' background and independence and justifies separately why it is proposing each candidate. The recommendations of the nomination committee are normally made available together with the notice to the annual general meetings of the company.

The nomination committee ensures that due attention is paid to the interests of the shareholder community and the company's requirements for competence, capacity and diversity. The nomination committee also takes account of relevant statutory requirements regarding the composition of the company's governing bodies.

According to its mandate, the nomination committee shall be receptive to external views and shall ensure that any deadlines for proposals regarding members of the nomination committee and the Board are published well in advance on the company's website. In carrying out its duties the nomination committee actively maintains contact with the shareholder community and strives to ensure that its recommendations are anchored with major shareholders. Shareholders may contact the nomination committee via an electronic form available at the company's website. The nomination committee regularly has discussions with members of the Board.

All members of the nomination committee are independent of Hydro's Board of Directors, CEO and other executive management staff. As the largest shareholder the Norwegian state is represented on the nomination committee by Muriel Bjørseth Hansen from the Ministry of

Trade, Industry and Fisheries. The Government Pension Fund Norway (Folketrygdfondet) is represented by Karl Mathisen. Further information on the composition of the company's nomination committee is available at the company's website.

References: Information on Hydro's articles of association, the nomination committee and its members can be found on Hydro.com/governance. This is also where nominations to the committee can be submitted electronically.

8. Board of Directors - composition and independence

Detailed information about each board member can be found in the Corporate governance section.

All board members are to the Board's best assessment independent of the company's executive management and material business relationships.

In compliance with Section 5 of Hydro's articles of association, the Board consists of between nine and twelve members. The shareholder-elected board directors are elected by the general meeting of shareholders for periods of up to two years at a time, c.f. said provision. The employee-elected board directors are elected by and among the company's employees in Norway. The general meeting of shareholders resolves on the remuneration to the board members and deputies.

The nomination committee aims to achieve a board composition that protects the interests of the shareholder community and the company's need for expertise capacity and diversity. Emphasis is placed on the members complementing each other professionally and the Board's ability to function as a collegiate body.

As of December 31, 2024, the Board of Directors held 11 members. Seven are elected by the general meeting of shareholders, four are elected by and among the company's employees in Norway. All shareholder elected board members are elected for a period of up to two years. All shareholder elected members are external. No members elected by employees are part of the company's executive management. Employee directors have no other service contractual agreements with the company outside of their employee contracts, though they are subject to their duties as board members. All shareholder elected members were in 2024, deemed to be independent according to the Norwegian standards.

All board members are encouraged to own shares in the company. The 11 members of the Board of Directors owned a total of 56,465 shares in Norsk Hydro ASA 31.12.24. Hydro does not have a share purchase program for board members, with the exception of the employee representatives, who are entitled to buy shares through the Norwegian employee share purchase scheme. All share purchase transactions are conducted in compliance with the Norwegian Securities Trading Act and appurtenant regulations.

At the Annual General Meeting of the company, May 10, 2022, the Annual General Meeting resolved to discontinue the corporate assembly. More information on the discontinuation of the corporate assembly may be found at hydro.com. It is stated in the Public Limited Liability Companies Act (No: "Allmennaksjeloven") section 6-1(2) that the board of directors shall always elect its chair if it has been agreed that the company shall not have a corporate assembly. The Board of Hydro adheres to this statutory requirement. The Board of Hydro elects its chair (and as applicable, its deputy chair) for periods of until two years at a time.

References: An overview of the members of the Board of Directors and information about their independence is disclosed in the Corporate governance section, and in Hydro's articles of association which are available on Hydro.com.

Deviations: See the first page of this Report.

9. The work of the Board of Directors

The Board of Directors (the "Board") is responsible for the company's value creation, and sets and monitors the company's objectives, strategy and risk profile. The Board is focused on ensuring that considerations of sustainability are closely linked to the company's activities and value creation.

The Board oversees that Hydro has appropriate global directives for, among other things, risk management, HSE, people management and social responsibility and human rights. Sustainability, including environment and climate change, social responsibility, diversity, health, safety and work environment and compliance is integrated into the group's risk management and strategy processes and are at the centre of the Board's considerations and decision-making throughout the year. The approach is discussed in more detail in the group's Integrated Annual Report as applicable.

The Board has established procedures for its own work. These are set out in the Rules of Procedures for the Board of Directors of Norsk Hydro ASA. The Rules of Procedures has a particular emphasis on clear internal allocation of responsibilities and duties vis-à-vis the Board and the President and CEO.

It is stated in the Rules of Procedures that the Board represents and are accountable to all shareholders of the company. Pursuant to the Public Limited Liability Companies Act section 6-12 and 6-13, the Board has the overriding responsibility for the stewardship of the company and shall conduct supervision of the company's day to day management and the company's activities in general.

The Board has an annual work plan with particular emphasis on objectives, strategy and implementation. It includes recurring topics such as strategy review, business planning, risk and compliance oversight, financial reporting, people strategy, succession planning as well as health and safety, and sustainability, including social responsibility, climate and environment. The Board is closely following the market and macroeconomic developments relevant for the aluminum industry. Since 2001, Hydro has had a board audit committee and a board people and remuneration committee. The Board Audit Committee consists of four board members, while the Board People and Remuneration Committee consists of three members. The shareholder-elected members are all independent of the company. In the opinion of the Board, the audit committee meets the Norwegian requirements regarding independence and competence.

Matters to be considered by the Board are prepared by the President and CEO in collaboration with the chair of the Board. The chair of the Board carries a particular responsibility for ensuring that the work of the Board is conducted with high quality, is well organized and that it functions efficiently. Emphasis is placed on creating a board environment of open and constructive dialogue and discussion.

Hydro has purchased and maintains a Directors and Officers Liability Insurance on behalf of the members of the Board and the CEO. The insurance also covers any employee acting in a managerial capacity and includes controlled subsidiaries. The insurance policy is issued by a reputable insurer with an appropriate rating.

In accordance with the Board of Directors Rules of Procedures section 6, the Board has established a Board People and Compensation Committee and a Board Audit Committee:

Board People and Remuneration Committee

The committee consists of three members of the Board of Directors. The committee shall assist the Board in exercising its oversight responsibility, in particular related to compensation matters pertaining to the President & CEO and other members of the the Executive Leadership Team (ELT), other compensation issues of principal importance, and strategic people processes in the company, in particular related to succession, leadership and talent, and diversity and inclusion.

The committee shall regularly consider the appropriateness and competitiveness of the remuneration arrangements for the CEO and other members of the ELT.

Members: Rune Bjerke (chairperson), Kristin Fejerskov Kragseth, and Arve Baade.

References: The mandate for the Board People and Remuneration Committee can be found at Hydro.com/governance.

Board Audit Committee

The audit committee consists of four of the Board members and meets the Norwegian requirements for independence and competence. The audit committee assists the board in exercising its oversight responsibility with respect to the integrity of the company's financial statements and sustainability reporting, the financial and sustainability reporting processes, internal controls, systems of risk management, and the compliance system. In addition, the committee oversees qualifications, independence and performance of the external auditor and Hydro's internal audit function.

As part of overseeing the external auditor's independence and performance, the audit committee maintains a pre-approval policy governing the external auditor's engagement. The policy governs the engagement of Hydro's primary external auditors for audit and non-audit services to Hydro or any entity within the group. Under this pre-approval policy, the audit committee has defined and pre-approved subcategories of audit and non-audit services. The audit committee's pre-approval policy includes annual monetary frames for each of the following categories of services:

- Audit
- Audit-related
- Tax
- Other – not related to financial audit and tax

Within the scope of the pre-approval policy, all services shall be pre-approved. The reported amounts for audit, audit-related, tax and other non-audit-related services are within the monetary frames established by the audit committee.

To ensure the independence of the internal audit function, the Chief Audit Executive reports to the board through the audit committee and meets with the Board of Directors for approval of the audit plan and annual report. The Chief Compliance Officer has a dotted reporting line to, and meets regularly with, the audit committee.

Members: Marianne Wiinholt (chair), Philip Graham New, Espen Gundersen (from May 2024), and Bjørn Petter Moxnes.[2]

Conflicts of interests and disqualification

Hydro's Code of Conduct contains guidelines for, among other things, how conflicts of interests that may arise should be handled with. The code applies to all of Hydro's board members and employees. It is the opinion of the Board that there were no transactions that were material between the group and its shareholders, board directors, Executive Leadership Team or related parties in 2024, except those described under Item 8.

If the chair of the Board is or has been actively involved in a given case, for example in negotiations on mergers or acquisitions, another board member will normally lead discussions concerning that particular case.

The Rules of Procedures also contain provisions that any board member holding a key position in a company with competing activities may not participate in the discussion of or decision on matters where competition-sensitive issues are addressed. Further, the Rules of Procedures state that each board member has a duty to continually assess whether there are any circumstances which could undermine the general confidence in his or her independence, and how the Board shall handle transactions with closely related parties.

Board self-assessment

The Board of Directors normally conducts an annual self-assessment of its work, competence and cooperation with management and a separate assessment of the board's chairperson. In addition, the audit committee performs a self-assessment. The results are submitted to the nomination committee, which in turn evaluates the Board's composition and competence. The Board's self-assessment is normally conducted by an external facilitator. For 2024 self-assessment was facilitated by the corporate advisory firm Spencer Stuart.

References: Information about the Board of Directors and its committees, and the board members' competence can be found in the Corporate governance section. The Board of Directors' mandate can be found at Hydro.com/governance.

10. Internal Control over Financial Reporting and Risk Management

The Board of Directors is responsible for sound internal controls and appropriate risk management systems. This is exercised by follow-up and deep dives according to the Board Audit Committee (BAC) annual wheel and consists of reviews of the key risk areas throughout the company's internal controls and risk management systems.

Hydro's internal control system includes all Hydro's corporate directives, including the company's code of conduct and HSE and corporate social responsibility requirements. A more detailed description of the company's internal controls and risk management systems can be found at Hydro.com/governance.

The Chief Audit Executive reports directly to the Board of Directors but is for administrative purposes placed under the purview of the chief financial officer (CFO). Hydro's internal audit function is described in the Business conduct chapter.

10.1 Internal Control over Financial Reporting

Hydro's internal control over financial reporting (ICFR) is aligned with the COSO 2013 Internal Controls Integrated Framework, which consists of five interrelated components and 17 relevant principles that must be present and functioning. The five elements are: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities.

Hydro's overall control environment for financial reporting is governed by Hydro's Global Directives, and reflects the tone set by the board and executive management. This includes a common set of attitudes, ethics, and values shared by all employees.

Group Accounting and Reporting (GAR) has on behalf of the CFO, the governing responsibility for processes across Hydro related to periodic financial reporting and ICFR. Hydro's ICFR framework is primarily designed to provide reasonable assurance to our management and the Board of Directors regarding the preparation and fair presentation of our financial statements.

The ICFR framework is implemented through a risk-based and top-down approach, to provide appropriate organization of the financial reporting, ensuring that Hydro's activities, accounts, and management are subject to adequate control.

A financial reporting risk assessment is conducted annually as part of Hydro's ICFR annual wheel. This is based on identified internal and external factors impacting the financial reporting and results in identification of Hydro's Financial Reporting Risks (HFRR) which are reported to the CFO and Board Audit committee. The risk assessment

[2] Moxnes is employed in Hydro and represents the employees through the Central Cooperative Council. We believe that such reliance does not adversely affect, in any material way, the ability of the audit committee to act independently or to satisfy the other requirements.

is dynamic and updated continuously as changes in risk factors are identified. A set of control activities has been designed and implemented at multiple levels within the organization to mitigate risks in accordance with HFRR. Control design is considered effective when the inherent risks identified in the HFRR process are addressed and mitigated by one, or more, controls. This includes a mix of implemented controls related to IT and application controls (ITGC), process level controls, review controls, and entity-level controls. Remedial actions are taken if risks are not fully mitigated, and such remedial actions might be implementation of new controls, redesign of current controls and/or exclusion of obsolete controls from the ICFR design.

Monitoring the appropriateness of ICFR control design and operational effectiveness occurs through a combination of self-assessments, testing of controls according to a global monitoring plan, and evaluation of deficiencies identified through the financial reporting process.

Hydro's disclosure committee assists the President & CEO and the CFO in ensuring fairness, accuracy, completeness, and timeliness of Hydro's public reports and disclosures. The disclosure committee is also an integral component of Hydro's disclosure controls and procedures and assesses Hydro's effectiveness, identifies deficiencies and compliance initiatives pertaining to ICFR. The disclosure committee reports quarterly a summary of its activities to the board audit committee. Through reporting from the disclosure committee, the audit committee takes an active role in ensuring the functioning of the ICFR framework. The Board of Directors meets regularly with the external auditor without members of the Executive Leadership Team.

10.2 Enterprise Risk Management

A review of Hydro's major risks can be found in the section Enterprise risk management in Hydro. More information about Hydro's corporate directives can be found at Hydro.com/principles.

11. Remuneration of the Board of Directors

The shareholder elected board members perform no duties for the company other than their board duties.

Remuneration to the Board is determined by general meeting of shareholders, based on the recommendation of the nomination committee. The nomination committee recommends compensation with the intention that it should reflect the board's responsibility competence and time commitment as well as the company's complexity and global activities compared with the general level of directors' fees in Norway. Remuneration of the Board is based neither on performance nor on shares or share options.

References: All aspects of remuneration of the Board of Directors are described in the Management remuneration report. See also Hydro's Articles of association.

12. Remuneration of the executive management

The Board of Directors has established a remuneration policy for remuneration of members of the executive leadership team. The remuneration policy states that Hydro shall pay members of the executive leadership team a compensation package that is competitive, but not market leading, and in line with good industry standards locally.

Where appropriate, compensation packages should also include a performance-based component. The performance-based incentive schemes shall support Hydro's business strategy and long-term interests and shall also contribute to ensuring that the company is run in a sustainable manner. Performance based compensation for new members of the Executive Leadership Team has been capped in accordance with the Norwegian government's guidelines on executive remuneration.

The company's long-term incentive program is share based with a lock-in period of three years. Hydro has no share option scheme.

The remuneration policy was first approved by the shareholders at the Annual General Meeting in 2021. A revised policy was approved by the Annual General Meeting on May 7, 2024. The policy is available on Hydro's website. A management remuneration report for 2024 will be presented to the Annual General Meeting in 2025 for an advisory vote.

References: Hydro's remuneration policy is available on Hydro.com. All aspects of remuneration of management are described in the Management remuneration report. The employee share purchase plan is described in Note 9.2 Employee remuneration to the financial statement.

13. Information and communication

Hydro's corporate culture embodies the principles of transparency and respect for others. Our ability to operate efficiently in the Norwegian market and internationally requires consistent and professional communication. Hydro therefore adheres to the principles of transparency, honesty and accountability when interacting with our stakeholders.

Hydro has established a global directive for accounting and financial reporting. Our principles for sustainability reporting are presented in General information section of the sustainability statement. Our approach to reporting is based on transparency and consideration of the requirement for equal treatment of all players in the securities market. This also pertains to contact with shareholders outside of the general meetings of shareholders.

Shareholder information is available on Hydro.com. Notice of general meeting of shareholders is sent directly to shareholders with known addresses unless they have consented to receive these documents electronically and to nominee accounts holding shares on behalf of a shareowner. All information sent to the shareholders and nominee accounts is made available on Hydro.com when distributed. Presentation of the quarterly reports as well as the annual general meeting are simultaneously broadcasted through webcasts. All relevant information is sent to the Oslo Stock Exchange electronically for public storage.

Hydro has emergency plans in place at the relevant levels in the organization. These plans are exercised regularly. Rules for who can speak on behalf of the company are regulated through Hydro's Code of Conduct.

References: A financial calendar is available in Hydro's Integrated Annual Report and at Hydro.com/investor where also more information about webcasts and the Hydro share can be found, including key legal information for shareholders in Norsk Hydro ASA. Hydro's code of conduct is available on Hydro.com/principles.

14. Takeovers

The Board of Directors will handle takeover bids in accordance with Norwegian law and the Norwegian code of practice for corporate governance. There are no defense mechanisms against acquisition offers in the company's articles of association or in any underlying steering document. We have not implemented any measures to limit the opportunity to acquire shares in the company. See also Item 5.

Deviations: See the first page of this section.

15. Auditor

The external auditor annually presents the main features of the audit plan to the audit committee.

The external auditor participates in all meetings of the audit committee. The minutes from these meetings are distributed to all board directors. This practice is in line with the EU audit directive. Each year the auditor presents the main elements of the audit, including uncorrected audit misstatements and internal control weaknesses.

The external auditor meets with the Board of Directors when the company's annual financial statements are approved. In the meeting, the auditor provides an overview over the main elements of the audit, identified weaknesses in and suggestions for improvements to Hydro's internal controls. The Board of Directors holds meetings with the external auditor without members of the corporate management present.

Hydro places importance on independence and has clear guidelines regarding the use of services from external auditors in accordance with the EU Audit reform and IESBA independence rules. All services from the external auditor, including non-audit services, are subject to pre-approval as defined by the audit committee. The pre-approval process for non-audit services ensure that no services prohibited by law is delivered to Hydro or any controlled subsidiaries. The external auditor provides the audit committee with an annual written confirmation of independence, and a summary of all non-audit services provided to Hydro during the year.

Remuneration of the auditor is stated in the Integrated Annual Report. It is also included as a separate agenda item to be approved by the Annual General Meeting. In 2020, the annual general meeting chose to retain KPMG as external auditor for the group, in accordance with a tender process. KPMG has been the auditor for Hydro since 2010. Lead Audit Partner has been part of the audit team since 2020. The lead Audit partner rotates every 7 years.

References: See Note 10.4 Auditor's remuneration to the consolidated financial statements.

Disclosures pursuant to the Norwegian Equality and Anti-Discrimination Act

The following sections provide information on the status of diversity and inclusion in Hydro, and the activities being undertaken to identify and analyze risk of discrimination and to take action to improve our DIB performance, in accordance with the requirements in the Norwegian Equality and Anti-Discrimination Act. This diversity and inclusion report and its references, are approved by the Board of Directors.

Our diversity, inclusion and belonging (DIB) program

Hydro values diverse perspectives as essential to delivering on its long-term strategic agenda. Diversity allows Hydro to think, approach challenges and solve problems differently.

Hydro is committed to providing equitable employment opportunities and treating all employees fairly and with respect regardless of primary or secondary diversity characteristics. Hydro's employees and business areas shall only use merit, qualifications and other professional criteria as a basis for employee-related decisions, such as recruitment, training, performance, reward and promotion. Hydro strives to develop programs and actions to encourage a diverse organization based on the principle of equitable opportunities. Hydro is committed to the principles of non-discrimination and does not tolerate any form of harassment or bullying in the workplace.

Identifying and mitigating DIB risks

Hydro uses its employee engagement surveys, Hydro Monitor and pulse surveys, to identify and monitor risks relating to diversity, inclusion and belonging in Hydro. Hydro also uses the internal grievance mechanism AlertLine to assess the risk of discrimination and harassment in the organization and track relevant employee data from its core employee system. Hydro Monitor also allows the company to assess employee engagement and psychosocial risk indicators across different demographics, including gender, age, role, minority status, and caretaking needs.

Since 2021, Hydro has measured inclusion through its inclusion index. The index consists of eight questions related to diversity, inclusion and belonging, obtained through the Hydro monitor and pulse survey. The inclusion index score forms one of the CEO KPIs from 2023 measured on an annual basis as an improvement score.

Hydro's DIB Policy articulates the company`s principles and commitment for diversity, inclusion and belonging. The Executive Leadership Team is responsible for overseeing and driving the DIB agenda across the company, ensuring accountability at the highest level. A global DIB core team led by Hydro`s DIB Lead and supported by a DIB representative from each business area is tasked with executing and advancing this agenda.

To mature Hydro's work on diversity, inclusion and belonging, the company is continuously implementing actions at all levels in the organization across its strategic pillars. DIB is embedded in all people processes, including recruitment, onboarding, and succession planning, and is included in all Hydro's global employee and leadership development programs.

Hydro celebrates five diversity days to raise awareness and enhance inclusion: International Women's Day, the International Day for the Elimination of Racial Discrimination, Pride, World Mental Health Day, and the International Day of People with Disabilities, each sponsored by top management. Additionally, employee resource groups, including the Hydro Rainbow LGBTQI+ network and Women's networks, have been established across various business areas and headquarters.

DIB achievements 2024

- Diversity, inclusion and belonging training completed and letter of commitment signed by finance teams, and several of the business area management teams.
- Inclusion Index as KPI on CEO and baseline for improvement was 75 percent, based on Hydro employees' perception of inclusion in the 2024 Hydro Monitor engagement survey.
- Continuation of the DIB core team collaborating across Hydro with sponsors from the Executive Leadership Team.
- Safeguarding process for DIB ongoing with quarterly dashboards to measure improvements.
- Mandatory online DIB training provided to all new employees. DIB as part of the Hydro Fundamentals course and including deep dive learning pathways and workshop material provided to all.
- Several employee-resource groups initiated and developed (e.g. women's networks in many business areas, as well as globally for women in operations, mental health, young professionals and LGBTQI+ Rainbow Network).
- Continued focus on mental health and wellbeing. Celebrating World Mental Health Day 2024, making mental health and wellbeing our priority in all business areas in Courage to Care workshops.
- Integration of compensation data in Hydro's people master data system.
- Global engagement for the five diversity days.
- Continued emphasis on DIB as a strategic focus area in the new People Strategy for 2030.

Targets and performance

Hydro has worked systematically to increase gender balance in Hydro's operations since its first action plan to promote women employees and leaders was adopted in 1997. While Hydro has seen successes in improving gender balance at staff positions, challenges remain for operator and leadership positions.

Hydro's goal for the share of women in Hydro is 25 percent by 2025, including permanent and temporary employees. In 2024, Hydro achieved 24 percent. For more information about temporary employees see the Note S1.9 on Employees by employment type.

The share of women in Hydro's Board of Directors was 36 percent in 2024. With three women among the seven shareholder-elected members and one woman among the three employee representatives on the Board of Directors, Hydro complies with the Norwegian legal requirements on women representation. The proportion of women on Hydro's Corporate Management Board was 56 percent in 2024. See Note S1.7 for details about gender distribution in Hydro's management.

While gender balance is a challenge among operators at most of Hydro's operational sites, women constitute 52 percent of the workforce in Hydro's corporate staffs and 45 percent in Global Business Services.

Hydro recognizes the importance of a good balance between work and other aspects of life. For example, Aluminium Metal, which is Hydro's largest business area in Norway, has implemented procedures to ensure a predictable work schedule for operators, and opportunities for flexible working hours for non-operator employees.

Opportunities for people with disabilities

Hydro seeks to generate opportunities and become an attractive employer for employees with disabilities, across our global operations. To foster an environment and culture where people of different physical, cognitive and mental health abilities can feel supported and be successful, Hydro has developed a global guide for inclusion of people with disabilities. Hydro is continuously adjusting

working conditions so that all employees have the same opportunities in their workplace.

Hydro is required to employ at least 5 percent employees with disabilities in Brazil. At the end of 2024, 5 percent of employees in Paragominas were people with disabilities, 5.1 percent at Alunorte, and 5.1 percent at Albras. The Hydro Extrusions sites in southern Brazil also fulfilled their legal requirements.

Pay equality and compensation

In 2024 Hydro embarked on the implementation of the global reward strategy, where Hydro's philosophy describes its attitude towards reward. Hydro believes that its people drive the company's success. Hydro recognizes that the value we create depends on the effort of each and everyone. The company is committed to creating a workplace that is fair and equitable for all, regardless of background and personal characteristics.

Hydro works to ensure equitable compensation for work of equal value, regardless of gender. Hydro's global reward principles state that all employees shall receive total compensation that is competitive and aligned with the local industry standard. The compensation should be holistic, performance-oriented and transparent.

A global job architecture framework enables us to map all employees in Hydro in a consistent way. Hydro's global job architecture framework is built on Mercer's International position evaluation system (IPE). Hence, Hydro's architecture consists of two main elements: a job family structure and a job level structure.

The activities and competency requirements determine which family a job belongs to, and it is the job that an individual holds that is mapped, not the individual person. The jobs are mapped in the family structure. Hydro maps employee positions in a level structure based on the complexity of each job. The job level structure consists of nine levels from operators, specialists to managers. Levels 1 to 3 typically cover operators in our plants, levels 5 and 6 jobs require higher education, e.g. bachelor or master with typically 1-5 years of experience. Levels 6 and 7 are jobs that require extensive experience in their area of expertise and levels 8 and 9 cover our most senior specialist and management positions.

The ratio of highest base salary and the median base salary for all permanent employees globally was 17.4 in 2024. See the remuneration report for more information on highest paid salary. See also Note S1.6 for pay gap statistics for Norwegian employees according to the Norwegian Equality and Anti Discrimination Act.

Wellness

Hydro cares about the health and wellbeing of its employees and offers initiatives to promote physical and mental health.

The majority of Hydro's sites offer wellness initiatives, ranging from healthy eating, exercise opportunities, weight management, stop smoking campaigns and work-life balance management. Several sites have access to a social worker or counsellor to address psychological health and safety, and health and wellness is also addressed at site Health and safety-day events.

Following a stress management pilot in 2022, Hydro has continued in-depth stress risk assessments, and a number of tools have been developed to support future stress risk assessments such as E-learning training aimed at general awareness and for leaders, management competency tool and guidelines. Hydro also celebrated the World Mental Health Day with a campaign focused on well-being.

Production capacity and volumes

Production capacity Hydro Energy

Power station area	Power Plants	Hydro Equity Share (TWh)[1)]	Hydro Operated (TWh)	Ownership	Key characteristics
Telemark	Tinn: Frøystul, Vemork, Såheim, Moflåt, Mæl og Svelgfoss. Vennesla: Vigelandsfoss.	3.7	3.9	100 % ownership, except for Svelgfoss (70,22 % ownership and 100 % operator).	Reservoir-based Hydropower, except Vigelandsfoss which is run-of-river. No reversion except for Frøystul 50 % 2044, Moflåt and Mæl 2049. Total catchment area 4 094 km2.
Sogn	Fortun: Skagen, Herva og Fivlemyr. Årdal: Tyin, Holsbru og Mannsberg	3.2	3.2	100 % ownership	Reservoir-based Hydropower. Concession expiration Tyin 2051 and Fortun 2057. Total catchment area 803 km2.
Røldal-Suldal	Suldal 1, Suldal 2, Røldal, Novle, Kvanndal, Svandalsflona, Vasstøl, Middyr og Midtlæger	0.8	3.3	Ownership through Lyse Kraft DA	Reservoir-based Hydropower. No reversion following the Lyse Kraft DA transaction. Total catchment area 793 km2. Hydro owns 24.37 % of RSK DA.
Stavanger	Lyse plants: Lysebotn I, Lysebotn II, Tjodan, Flørli, Maudal, Breiava, Oltedal, Oltesvik, Hjelmeland, Sviland, Hetland og Hauskje. Sira-Kvirna 7 anlegg og Ulla-Førre 4 anlegg	1.6	2.6	25.6 % ownership through Lyse Kraft DA	Reservoir-based Hydropower. No reversion. Lyse Kraft DA holds part ownership in Sira-Kvina (41 %) and Ulla-Førre (18
Skafså	Åmdal, Osen, Skree og Gausbu	0.1	0	33 % ownership	Hydropower. No reversion.
Tonstad	Tonstad wind farm	0	0.7	No ownership	Wind power. Operatorship, commercial handling and PPA-offtake from Hydro
Total		**9.4**	**13.7**		

1) Normal capasity

Production capacity Hydro Aluminium Metal

Plant	Country	Employees (per Dec.31)	Electrolysis capacity (000 mt) [1]	Casthouse capacity (000 mt)	Main products	Key characteristics
Karmøy	Norway	567	274	320	extrusion ingot, wire rod	Two prebake lines. R&D center.
Årdal	Norway	555	203	300	sheet ingot, foundry alloys	Two prebake lines. Technology and competence center. Substantial anode production.
Sunndal	Norway	669	428	525	extrusion ingot, foundry alloys	Two prebake lines. R&D center metalurgy and casting. Largest plant in Western Europe.
Høyanger	Norway	191	67	156	sheet ingot and remelt	One prebake line. One recycler
Husnes	Norway	378	199	220	extrusion ingot, Hyforge	Two prebake lines.
Slovalco (55.3%)	Slovakia	181[3]	175[2] (100% basis)	250 (100% basis) 75 (2023)[2] ,100 (2024)[2]	extrusion ingot, foundry alloys	Joint venture with Penta (Slovakia). One prebake line.
Tomago (12.4%)	Australia	1024	74	75	standard ingot, extrusion ingot	Joint venture with RTA and GAF. Long term power contract expiring in 2028. Largest producer in Australia. Three prebake lines.
Qatalum (50%)	Qatar	1000	325	340	extrusion ingot, foundry alloys	Joint venture with Qatar Petroleum. 40 year gas supply contract expiring in 2049. Is a first quartile smelter on the global cost curve. Among the world's lowest cost smelters. Two prebake lines.
Alouette (20 %)	Canada	1051	128	150	standard ingot	Joint venture with RTA, AMAG and IQ/Marubeni. Long term power contract expiring end of 2029. Is a first quartile smelter on the global cost curve. Largest producer in North America. Two prebake lines.
Albras (51 %)	Brazil	1390	460 (100% basis)	460 (100% basis)	standard ingot, foundry alloys, sale of liquid metal	Part-owned subsidiary with NAAC. Long term power contract expiring end of 2024. Largest producer in South America. Four prebake lines.

1) Production and casthouse capacity for part-owned companies represents our proportional share. Slovalco and Albras are fully consolidated in terms of volumes and financial results.
2) Electrolysis production curtailed to 5% of capacity in Aug 2022. Complete closure in Feb 2023. Casthouse to remain operational, with lower capacity due to the electrolysis curtailment.
3) Manning reduced following curtailment

Primary aluminium and casthouse production (kmt)

		Primary aluminium		Casthouse production	
Primary aluminium and casthouse	**Location**	2024	2023	2024	2023
Albras	Brazil	449	450	362	372
Karmøy	Norway	206	208	190	189
Årdal	Norway	198	192	226	207
Sunndal	Norway	427	428	457	458
Høyanger	Norway	67	67	93	92
Husnes	Norway	154	150	158	159
Slovalco	Slovakia	-	-	45	56
Tomago (12.4 %)	Australia	73	73	72	73
Qatalum (50 %)	Qatar	325	322	341	335
Alouette (20 %)	Canada	126	127	126	126
Technology	Norway	13	13		
Total production Primary Aluminium		**2,038**	**2,030**	**2,070**	**2,067**

For more production volumes see note E5.3 resource outflows - product and materials.

Sustainable Development Goals (SDG) index

End poverty in all its forms everywhere

Target: 1.2, 1.4 and 1.5

See the Own workforce and Workers in the value chain chapters for information about Hydro's initiatives to promote a living wage for workers in Hydro and in Hydro's value chain.

See the Affected communities chapter for more information about Hydro's support for local initiatives that enable economic development, skills and job development.

See the Country-by-Country report in the Appendix for more information about Hydro's tax contributions in different jurisdictions.

End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Target: 2.4 and 2.5

See the Affected communities chapter for more information about Hydro's support for local initiatives that enable economic development, skills and job development, including projects related to agriculture.

See the Biodiversity and ecosystems chapter for information on Hydro's initiatives to minimize negative impact on nature and biodiversity.

Ensure healthy lives and promote wellbeing for all at all ages

Target: 3.5 and 3.9

See the Own workforce chapter for information about Hydro's initiatives to promote mental health and wellbeing and to manage risks related to communicable diseases.

See the Pollution chapter and Legacy impact chapter for more information about our initiatives to reduce pollution and contamination that could be a threat to public health.

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Target: 4.4, 4.6 and 4.7

See the Affected communities chapter for more information about Hydro's support for local initiatives that enable learning and skills development, including our education and skills development targets

See the Own workforce chapter for information about our people strategy and initiative to support learning and leadership development.

Achieve gender equality and empower all women and girls

Target: 5.1, 5.2 and 5.5

See the Own workforce chapter for information about our people strategy, including initiatives to respect human rights, promote diversity, inclusion and belonging, promoting gender equality and female leaders, and ending discrimination of all forms.

Ensure availability and sustainable management of water and sanitation for all

Target: 6.3, 6.4 and 6.5

See the Pollution and Legacy impact chapters for information about our initiatives to reduce pollution and contamination that could have a negative impact on waterways and water sources.

The Water resource chapter also includes our water use statistics and a description of our strategy to promote responsible water use and water use efficiency and initiatives to restore and protect rivers and waterways in our hydropower operations.

Ensure access to affordable, reliable, sustainable, and modern energy for all

Target: 7.2 and 7.3

See the Our business chapter for information about Hydro's renewable power production and new energy solutions.

See the Climate change chapter for information about our initiatives and collaborations aiming to increase the use of renewable power as a share of total power consumption in our value chain.

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Target: 8.3, 8.4, 8.5, 8.6, 8.7 and 8.8

See the Own workforce and Workers in the value chain for information about Hydro's initiatives to promote a living wage for workers in Hydro and in Hydro's value chain and to promote decent work and protection of human rights for all.

See the Own workforce chapter for information about Hydro's occupational health and safety initiatives. The Affected communities chapter contains information about our initiatives to support local growth, learning opportunities and training.

The Country-by-Country report in in the appendix provides transparent reporting on our tax and value creation in different jurisdictions.

See the Resource use and circular economy chapters for information on initiatives that contribute towards resource efficiency in production and decoupling of economic growth from environmental degradation.

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Target: 9.4 and 9.5

The Climate change and Resource use and circular economy chapters provide information on Hydro's initiatives to make our industry more resource efficient and environmentally sound.

The Resource use and circular economy and Biodiversity and ecosystems chapters describes our initiatives and collaborations aimed at enhancing research and developing more efficient and environmentally sound industrial processes.

Reduce inequality within and among countries

Target: 10.1, 10.2, 10.3 and 10.4

See the Own workforce and Workers in the value chain chapters for information about Hydro's initiatives to promote a living wage for workers in Hydro and in Hydro's value chain. Affected communities chapter also describes our contributions to socio-economic development.

The Own workforce chapter describes our work to promote inclusion, equal opportunity and equality, and to eliminate discrimination.

Make cities and human settlements inclusive, safe, resilient, and sustainable

Target: 11.5

The Own workforce chapter describe our work to promote resilience and prepare for emergencies and disasters

The Legacy impact chapter describe our work to prevent disasters and contribute to public safety, in relation to the management of tailings produced by the mining process or the bauxite residue produced by the alumina refining process.

Ensure sustainable consumption and production patterns

Target: 12.2, 12.4, 12.5, 12.6 and 12.7

See the Resource use and circular economy chapter for information about Hydro's initiatives to promote recycling and more circular solutions in our value chain and how we manage waste.

See the Pollution chapter for information about how we reduce emissions to air, water and soil.

The Workers in the value chain chapter describes our focus on sustainability in Hydro's procurement practices.

Take urgent action to combat climate change and its impacts

Target: 13.1, 13.2 and 13.3

See the Climate change chapter for information about Hydro's strategy and initiatives to reduce greenhouse gas emissions, our research and initiatives to develop technologies that enable greenhouse gas emissions reductions in our value chain and information on how we work to evaluate and address exposure to climate change related risks.

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

Target: 14.1

See the Pollution chapter for information about how we work to reduce emissions to air, water and soil.

See the Legacy impact chapter for information on how we manage the impact of our industrial legacy and assets on the ocean and other ecosystems.

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Target: 15.1, 15.2, 15.5 and 15.9

See the Biodiversity and ecosystems chapter for information on our land and forest restoration initiatives and how we manage our impact on nature and biodiversity.

See the Legacy impact chapter for information on how we manage the impact of our industrial legacy and assets on the land, water, and related ecosystems.

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Target: 16.1, 16.2, 16.3 and 16.5

See the Own workforce and Workers in the value chain chapters for information about Hydro's initiatives to safeguard human rights and reduce risk of abuse, exploitation, and discrimination in Hydro and in Hydro's value chain.

See the Business conduct chapter for information about our commitment to ethical business practices, compliance with applicable laws and regulations, including anti-corruption.

Strengthen the means of implementation and revitalize the global partnership for sustainable development

Target: 17.1, 17.3, 17.14 and 17.17

The Country-by-Country report in the appendix provides transparent reporting on our tax and value creation in different jurisdictions.

See the Affected communities chapter for more information about Hydro's support for local initiatives that enable economic development, skills and job development.

See the Business conduct chapter for information about our public affairs and lobbying efforts, including our positions on sustainability related topics such as carbon pricing and energy markets, and our R&D partnerships

Hydro 2030 profitability roadmap assumptions

Indicative 2030 potential RoaCE and EBITDA scenarios shown in the Hydro 2030 profitability roadmap section in Our ambitions are based on simplified assumptions and a sensitivity analysis based on the financial result as of Q3 2024 last twelve months adjusted for market prices, foreign currency rates and other short-term effects impacting the period's result. The actual earnings, cash flows and returns will be affected by other factors not included in the scenarios, including, but not limited to production volumes, other raw material prices, downstream margin developments, premiums, inflation, other foreign currency rates, depreciation, taxes, investments, interest expense, competitors' cost positions and other. The external market scenario is mainly based on CRU price and premium assumptions and S&P Global foreign currency rate assumptions, with certain adjustments. These assumptions are republished under license from CRU International Ltd. and S&P Global.

Assumptions used in scenarios	Q3 2024 LTM	Last 5 year average	Forward, real 2024	External market scenario, real 2024
LME, USD/mt	2,300	2,260	2,370	2,690
Realized premium, USD/mt	370	430	420	570
PAX, USD/mt	400	340	400	360
Gas, USD/MMBtu	2.34	3.46	2.96	3.25
Caustic soda, USD/mt	390	430	370	420
Coal, USD/mt	90	140	120	130
Pitch, EUR/mt	900	870	850	1040
Pet coke, USD/mt	400	450	330	530
NO2, NOK/MWh	630	900	640	640
Nordic system, NOK/MWh	500	650	520	520
USDNOK	10.72	9.69	10.91	8.58
EURNOK	11.6	10.73	12.87	10.1
BRLNOK	2.08	1.9	1.91	1.56

Cautionary note

Certain statements included in this announcement contain forward-looking information, including, without limitation, information relating to (a) forecasts, projections and estimates, (b) statements of Hydro management concerning plans, objectives and strategies, such as planned expansions, investments, divestments, curtailments or other projects, (c) targeted production volumes and costs, capacities or rates, start-up costs, cost reductions and profit objectives, (d) various expectations about future developments in Hydro's markets, particularly prices, supply and demand and competition, (e) results of operations, (f) margins, (g) growth rates, (h) risk management, and (i) qualified statements such as "expected", "scheduled", "targeted", "planned", "proposed", "intended" or similar.

Although we believe that the expectations reflected in such forward-looking statements are reasonable, these forward-looking statements are based on a number of assumptions and forecasts that, by their nature, involve risk and uncertainty. Various factors could cause our actual results to differ materially from those projected in a forward-looking statement or affect the extent to which a particular projection is realized. Factors that could cause these differences include, but are not limited to: our continued ability to reposition and restructure our upstream and downstream businesses; changes in availability and cost of energy and raw materials; global supply and demand for aluminium and aluminium products; world economic growth, including rates of inflation and industrial production; changes in the relative value of currencies and the value of commodity contracts; trends in Hydro's key markets and competition; and legislative, regulatory and political factors.

No assurance can be given that such expectations will prove to have been correct. Hydro disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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Hydro is a leading aluminium and renewable energy 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.