



Global Procedure
Social Responsibility Procedure

Internal

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This document has relevance for employees working with the following processes/functions:

<input checked="" type="checkbox"/> General Mgmt & Admin	<input checked="" type="checkbox"/> Supply Chain Management	<input checked="" type="checkbox"/> HSE	<input type="checkbox"/> Finance & Accounting
<input checked="" type="checkbox"/> Strategy/Business Development	<input type="checkbox"/> Production	<input type="checkbox"/> Sales & Marketing	<input checked="" type="checkbox"/> Human Resources
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1 Purpose and scope

Hydro is committed to sustainable value-creation for our shareholders, other stakeholders, and the communities where we operate. As an international industrial and natural resources company, our operations impact the lives of many people around the world. To remain a viable and trusted company, we need to address risks and opportunities from such impacts. The purpose of this Global Procedure is to present the basic principles we follow to accomplish this.

This Global Procedure applies to all Hydro wholly owned companies and employees worldwide. For legal entities where Hydro holds directly or indirectly less than 100 percent of the voting rights, Hydro representatives in the boards of directors shall act in compliance with, and promote the principles of, this Global Procedure.

2 Roles and responsibilities

2.1 Social Sustainability

The Social Sustainability is part of Group Sustainability. It shall shape and safeguard social responsibility management, be a center of excellence, and a support function for the Business Areas and the Business Units. Group Social Sustainability has the responsibility to

- Ensure governance and monitor internal performance in line with the requirements in this Procedure.
- Develop and update social responsibility policies, strategy, methodology and reporting guidelines.
- Provide relevant tools, professional support and training to the Business Areas, Units and Corporate Functions.
- Develop and maintain social responsibility core competence.
- Facilitate knowledge transfer and internal competence building.

In addition, Group Social Responsibility shall develop and maintain relationships with other companies, institutions and organizations to discuss, share and build knowledge and competence on social issues, including human rights, related to our business.

2.2 Line Management

Line managers are responsible for implementing the principles of this Global Procedure into regular business processes, for communicating the principles to all employees and relevant stakeholders, for ensuring relevant training of employees and contracted workers and for ensuring compliance in their organization with this Global Procedure.

Line managers shall:

- Demonstrate leadership and proactive commitment to Hydro's social responsibility through personal examples, by promoting initiatives and engaging with relevant stakeholders.
- Identify, prevent, mitigate and account for how they address the actual and potential risks related to social responsibility as part of annual business processes.
- Align efforts with the current CSR strategy.
- Inform/consult Group Social Responsibility staff on relevant risks and issues.

Operational guidelines for social responsibility shall be developed when appropriate and according to the specific challenges and characteristics of each Business Area and its units. Business Area action plans for social responsibility shall be developed through the annual Enterprise Risk Management and Business Planning processes, and progress reported through Performance Review Meetings.

Each Business Area is responsible for securing adequate resources to ensure compliance with this Global Procedure.

A member of the Business Area Management Team shall be contact point towards Group Social Responsibility and responsible for coordinating social responsibility work within the Business Area.

3 Definitions

Social responsibility is defined as the management of social risks and opportunities, including potential or actual human rights impacts, in local communities and among our business partners.

4 Description

This Global Procedure establishes the minimum requirements for our operations and activities. The Procedure is complemented by more comprehensive actions found in supporting procedures and guidelines. To manage social risks and opportunities in local communities and among our business partners, the following elements shall be integrated in Hydro's business processes:

4.1 Stakeholder engagement

Hydro is committed to understanding stakeholders' concerns and ideas, and to involve them in our activities and decision-making processes. This may also be part of our obligations under licenses and permits. Stakeholder engagement shall help inform the effectiveness of our human rights management, and we shall take particular care to ensure that the views and expectations of vulnerable groups are taken into account.

In order to contribute to the economic, social and institutional development of the communities in which we operate, we will engage with relevant stakeholders at the earliest practical stage and throughout our activities with a view to identify, prevent and mitigate adverse impacts of own operations and enhance opportunities. This is also an integral part of the company's Capital Value Process.

4.2 Human Rights Management

We are committed to respecting and promoting the human rights of all individuals potentially affected directly or indirectly by our operations. All sites/operations with more than low human rights risk according to the Group Social Responsibility unit's latest assessments shall:

- Evaluate potential or actual human rights impacts from activities and business relationships on a regular basis:
 - Continuously through Enterprise Risk Management, with special emphasis on Hydro's salient human rights risks
 - As a stand-alone impact assessment when relevant
- Seek to prevent and mitigate any adverse human rights impacts.
- Where cause, contribution or linkage to adverse human right impacts is identified, seek remediation processes.

- Integrate actions in relevant business processes, including, but not limited to, Procurement, HR, HSE, CSR, and track their effectiveness.
- Provide access to adequate grievance mechanisms to all relevant stakeholders.
- Consult with rightsholders and communicate results.

If applicable laws or requirements prohibits Hydro from upholding its human rights standards, ways to secure respect for human rights should be sought to the greatest extent possible.

4.3 Community projects and investments

Based on input from and engagement with stakeholders, impact assessments, relevant studies and the CSR strategy, Hydro's businesses may engage selectively in community investments that focuses on strengthening local communities and partners. Community investments may also serve as remediation to adverse human rights impacts, where relevant. Opportunities for implementation through partnerships and cooperation with other companies, governments and civil society organizations shall be actively explored to help achieve our social responsibility goals.

Our employees may also contribute to local social initiatives by volunteering, independently or as part of an internal group, preferably where the initiatives are aligned with our strategic CSR priorities.

All community investments and projects must follow GP09-04 Community investments, charitable donations and sponsorships.

4.4 Business partners

Hydro's social responsibility includes the responsibility to take a risk-based approach to engage, influence and work with suppliers, partners and other business associates to promote our principles to the extent feasible. This includes, but is not limited to

- Promoting Hydro's principles for social responsibility throughout the supply chain, also to partly owned companies or subsidiaries.
- Ensure that all contractual agreements between Hydro and its suppliers, customers and other business associates incorporate commitments reflect Hydro's social responsibility principles as set out in this Procedure.
- Ensure the right to audit accordingly, even if we operate through an intermediary.
- Terminate relationships with suppliers and partners if they refuse to, or are unable to, correct serious discrepancies within a reasonable amount of time.

Hydro's procedure on Integrity Risk Management of Hydro's Business Partners including Agents and Consultants sets out minimum requirements and provide guidance for conducting integrity due diligence (IDD) of potential new and existing business partners, such as suppliers and customers, associates, intermediaries/agents and other business relations, The procedure also sets forth minimum requirements for agreements entered into with certain intermediaries.

4.5 Operational changes, closures and new projects

If significant changes in operations or new projects are planned, the unit in charge shall consult Group Social Responsibility to consider whether and to which extent social or human rights impact assessments should be conducted as a basis for making business decisions.

The planning for and closure of sites must include consultation with Group Social Responsibility.

4.6 Reporting

Hydro reports externally on social responsibility related issues as a part of the viability reporting in the Annual Report and according to Global Reporting Initiative (GRI) Standards, core level.

5 Deviations

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

6 References

This Global Procedure is aligned with the values promoted in Hydro's Code of Conduct and The Hydro Way and Governance. Requirements in the following documents are also highly relevant for social responsibility in Hydro:

- Hydro Code of Conduct
- GD01 The Hydro Way and Governance System
- GD09 Sustainability Directive
- GP01-08 Data Protection in Hydro
- GD02 Hydro's People Directive
- GD03 Health, Security, Safety and Environment Global Directive
- GD05 Deployment of Capital
- GP09-01 Social Responsibility in the Supply Chain
- GP09-02 Integrity Risk Management of Hydro's Business Partners, incl. Agents and Consultants
- GP09-03 Human Rights Policy
- GP09-04 Community investments charitable donations and sponsorships
- D11 Procurement Governance

6.1 External sources

This Global Procedure draws on the following international standards, which may be a source of additional information:

- The Universal declaration of Human Rights
- The International Labour Organization's (ILO) core conventions
- The United Nations Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises and OECD Due Diligence Guidance for Responsible Business Conduct
- The International Finance Corporation's (IFC) Performance Standards
- The UN Global Compact

- The principles laid down by the International Council on Mining and Metals (ICMM)
- The Aluminium Stewardship Initiative (ASI)

7 Change log

Rev. nr.	Date	Description of change	Approver/Verifier
	15.05.2020	Revision	
	08.03.2023	Minor changes in wording and document owner	Trond Olaf Christophersen