

Modern Slavery transparency statement

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

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

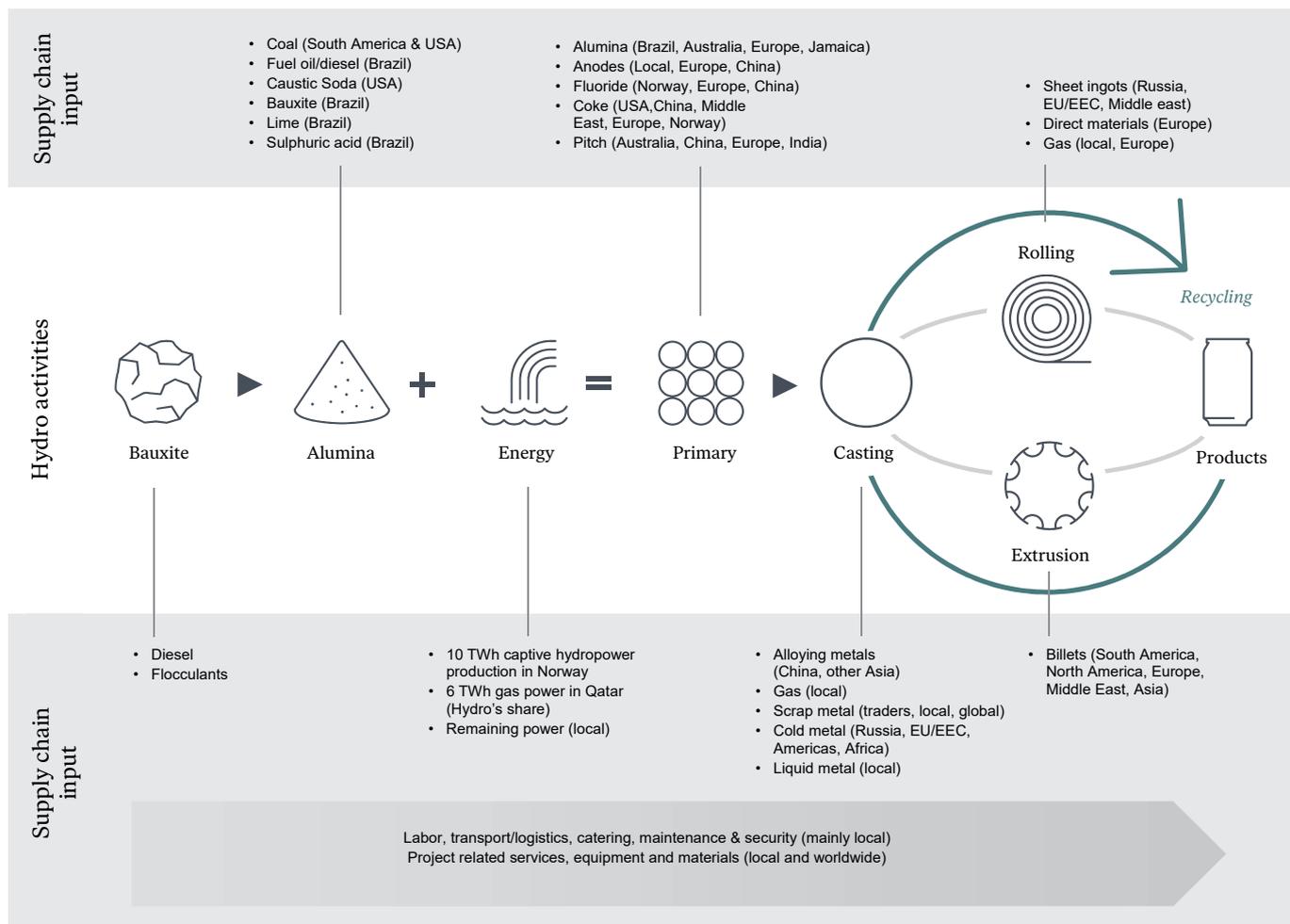
Entities that are not fully owned by, but are controlled by Hydro, can have different policies. We believe that their relevant policies are aligned with the ones of Hydro.

The UK and Australia Modern Slavery transparency statement is approved by the board of directors of the parent company Norsk Hydro ASA. The statement is included in the board's responsibility statement and included in the Financial Statements and Board of Directors' Report 2018.

Our business and supply chain

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

Hydro's supply chain



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

Our policies and commitments

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

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

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

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

As an employer, owner and purchaser, an important contribution toward respecting human rights is to secure decent working conditions in our organization, in minority-owned companies and with our suppliers. Information pertaining to Hydro's human rights policies and compliance is regularly communicated to the board of directors, the Corporate Management Board, business area management teams, and relevant parties such as union representatives.

We support the principles underlying the Universal Declaration of Human Rights, the UN Global Compact and ILO's eight core conventions. Our human rights policy is based on the UN Guiding Principles on Business and Human Rights, and we report on our adherence in the GRI index. We are a member of the International Council on Mining and

Metals (ICMM) and are committed to following their principles and position statements. We use the GRI Standards for voluntary reporting of sustainable development.

An example of how we work with alleged human rights breaches is from our supply chain. We have been in dialog with a metal supplier, based on alleged human rights breaches, to perform CSR and HSE audits throughout their value chain. As we have been denied access to certain parts, we will terminate the contract unless the supplier alters the decision.

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

The principles laid down in Hydro's Supplier Code of Conduct are made binding through contractual clauses. The requirements demand the supplier to comply with all applicable laws and regulations relating to corruption and bribery, human rights and working conditions and environment to ensure that Hydro's business relationships reflect the values and principles that Hydro promotes internally and externally. The contracts shall include clauses regarding auditing rights and the supplier's responsibility to actively promote the principles set out in Hydro's Supplier Code of Conduct with its own suppliers/contractors and sub-suppliers/subcontractors of any tier that have a material contribution to the supply of goods and services to Hydro under the contract.

In 2018, Extruded Solutions rolled out the Supplier Code of Conduct to most new suppliers and made it an integral part of the global terms and conditions of purchase which are part of most purchase order. For legal entities where Hydro holds less than 100 percent of the voting rights, Hydro representatives in the boards of directors shall endeavor to implement the ambitions and principles related to Hydro's global policies including human rights.

Training and capacity building

Leaders and specialists go through training on CSR and human rights on a regular basis. The training is related to Hydro's CSR policy, guidelines and aspirations supporting our business strategy and emphasizing responsible sourcing.

Hydro has also further developed the cooperation with FIEPA (Pará Federation of employers) and REDES (a supplier development network developed by the Industry Federation of Pará), both in Brazil. Together we have organized training for more than 50 local suppliers in 2017 and 2018 and strengthened their competence on HSE, management systems, quality and labor rights. About 3000 employees have been reached so far.

In 2018, we launched the strategic target to contribute to quality education skills development for 500,000 people in our communities and for business partners by the end of 2030.

Risk assessments of human and labor rights

With more than 30,000 active suppliers, Hydro risks being exposed to human rights violations including modern slavery. Human rights are integrated in our business planning, enterprise risk management and follow-up process including relevant key performance indicators. Human rights risks and issues are evaluated in the annual enterprise risk mapping. We also carry out more specific analysis related to operations or certain countries or regions. In addition, our participation in ICMM gives input to our assessments of human rights risks.

We constantly strive to improve our work to identify and mitigate human rights impacts. The latest human rights mapping was done by the Danish Institute on Human Rights (DIHR) in 2017, covering all countries in which Hydro operates (excluding Extruded Solutions). Children's rights related to Hydro's operations in Brazil have been addressed by the Global Child Forum's report "Norsk Hydro Brazil's journey towards social responsibility" published in 2018. The study "Companies in Fragile Contexts: Redefining Social Investment." by Africa Centre for Dispute Settlement, published in 2017, addresses how Hydro can work with human rights impact in fragile contexts.

Rapporten er offentlig tilgjengelig. Det er planlagt en grundig undersøkelse (due diligence) knyttet til menneskerettigheter for Alunorte-raffineriet og Paragominas-gruven i 2019.

Hydro's procedure for integrity risk management of business partners includes suppliers and customers, strategic partners and intermediaries/agents, and sets requirements for integrity due diligence. Implementation is risk-based and takes into consideration contractual value, country risk, etc. With a few exceptions, our business partners shall be risk-assessed prior to entering into a new contract or renewing an existing contract. We consider the risk of incidents of child labor abuse, compulsory or forced labor in our supply chain to be low in the majority of Hydro's own operations. We do, however, recognize a risk of forced or compulsory labor among suppliers in the Middle East, South America and Asia.

Responsible behavior

We recognize that business can have an important role in supporting the fulfillment of human rights. Hydro did not detect any significant breaches of human rights in our own operations in 2018. Some of the measures we pursue to ensure integrity and responsible behavior include:

- Ongoing human rights due diligence, including audits of joint ventures and suppliers
- Continuous stakeholder engagement linked to existing operations and new projects

Through our operations, we contribute to the economic and human development of our employees and the communities in which we operate. We work to ensure informed and effective participation by individuals and groups who are actually or potentially affected by our operations. We respect indigenous peoples' rights, including the right to free, prior and informed consent, and the rights of local communities

when our activities may affect their lands, territories and livelihoods.

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

We are concerned about fundamental labor rights, such as freedom of association and collective bargaining, minimum wage requirements and the regulation of working hours. We have a long tradition of maintaining a good dialogue with employee organizations. Hydro's major sites in Europe and Brazil are unionized. Extruded Solutions has a major presence in the USA, and 60 percent of our US employees are working at unionized sites. We have activities in countries where trade unions are restricted, where we look for alternative forums to empower employees. Hydro's Global Framework Agreement was last updated in 2016 and has been extended through the end of 2019. The agreement aims at creating an open channel of information between the parties about industrial relation issues in order to continuously improve and develop good work practices in our worldwide operations.

In addition, we establish or facilitate access to effective grievance mechanisms for individuals and groups that may be affected by our operations.

Suppliers, customers and other business partners registered in our main accounting systems (except Extruded Solutions) are screened on a weekly basis against recognized international sanction lists. Extruded Solutions has implemented the Integrity Risk Management process for all its suppliers in 2018. Regular sanctions screening will start in 2019. Furthermore, supplier audits and site visits are performed by Hydro personnel and external auditors based on risk analysis.

Excluding Extruded Solutions, Hydro performed 83 supplier audits in 2018. All but four of these audits included HSE and CSR-related topics. In Extruded Solutions,

we performed 262 supplier audits. Our approach to audit findings is to correct and act in a transparent manner, learning and implementing corrective actions. We are in particular concerned about corrective actions in relation to possible child, forced or compulsory labor.

Security guards are employed on a regular basis to protect our personnel and assets. No armed guards were engaged in our activities in 2018, and there were no significant incidents reported in connection with the use of security guards. Hydro is committed to the Voluntary Principles on Security and Human Rights.

Our compliance system is based on prevention, detection, reporting and responding. Information pertaining to Hydro's human rights, policies and compliance is regularly communicated to the board of directors, the Corporate Management Board, business area management teams, and other relevant parties, including union representatives.

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

References

A number of Hydro's steering documents are relevant for our work against modern slavery. These include, but are not limited to:

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

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