



HYDRO

**Global Policy/Procedure**

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**Internal**

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Page: 1 of 4

## Hydro's Human Rights Policy

**Changes from last revision:**

Updates to reflect changes in international standards.

### 1 Purpose statement

The purpose of this policy is to explain Hydro's commitment to respecting and promoting human rights. The policy outlines our principles as well as our operational processes for ensuring that all units will meet our commitment in the area of human rights.

### 2 Objective

Hydro is committed to respecting and promoting the internationally recognized human rights, including the rights of all individuals and groups actually or potentially affected by our operations, including:

- Our direct employees and third party employees working under our supervision
- Employees of our suppliers and contractors
- Individuals and groups in the communities in which we operate
- Individuals and groups affected by the use and disposal of our products.

We are committed to the principles of non-discrimination and respecting the rights of individuals and groups. We will ensure informed and effective participation by individuals and groups who are actually or potentially affected by our operations, and we will 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. We will establish or facilitate access to effective grievance mechanisms for individuals and groups that may be affected by our operations, and are committed to do so in accordance with the UN Principles for Business and Human Rights.

We also recognize that business can have an important role in supporting the fulfilment of human rights. Through our operations, we contribute to the economic and human development of our employees and the communities in which we operate.

### 3 Normative basis

In meeting, our corporate responsibility to respect human rights Hydro is guided by all internationally recognized human rights and labor standards, and at a minimum, those contained in the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. In addition, Hydro will also consider other human rights agreements and frameworks where relevant for our operations and where relevant for individuals and groups that may be affected by our operations. For Hydro's voluntary commitments to human rights standards, see section 4 below.

## Hydro's Human Rights Policy

To meet this responsibility, we will take appropriate action, throughout our operations, to assess, prevent, address and remedy potential adverse impacts on human rights, as envisaged in the UN Guiding Principles on Business and Human Rights, the OECD guidelines for multinational enterprises and the UN Global Compact 's Ten Principles.

Where local law conflicts with internationally recognized human rights and labour standards, we will seek to operate in accordance with the principles behind these rights and standards.

### 4 Voluntary standards and systems

Hydro is a member of the United Nations Global Compact and ICMM. The following documents have been used as references when preparing this policy:

- the IFC Performance Standards
- the Equator Principles
- the UN Guiding Principles on Business and Human Rights.
- The Voluntary Principles on Security and Human Rights are used as guidelines.

Hydro is committed to respecting and promoting the standards referenced above.

### 5 Scope

We will apply this human rights Policy to our own business and to our relationships, including all Hydro wholly owned companies and our 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 this Policy and seek to implement the principles of Hydro's Human Rights Policy in the respective legal entity. The Policy shall also be promoted in our dealings with our suppliers, contractors and other business partners and our interactions with governmental and non-governmental actors.

### 6 Governance and implementation

While Corporate CSR has a combined governance and advisory function regarding human rights, the responsibility for implementation rests with the line organization.

- Corporate CSR is responsible for creating processes for human rights impact management in Hydro, and for communicating and advising on such processes to the line managers and business units.
- Line management is responsible for ensuring the implementation of these processes.
- Each employee is responsible for ensuring that their daily work activities do not negatively impact the rights of others, and that they alert management to instances where such impacts occur.

Business units are responsible for communicating Hydro's position and processes on human rights impact management internally and externally, and for sharing information on their human rights impacts with other business units as applicable.

Human rights shall, as part of the broader compliance system, be on the agenda on a regular basis in business area and sector management meetings and as part of the quarterly performance review meetings.

### 7 Procedures and systems

Management of human rights is imbedded in Hydro's compliance, management and reporting systems. The following corporate directives, procedures and systems have special relevance regarding human rights management:

## Hydro's Human Rights Policy

### Hydro's Commitment

Hydro's overall commitment to implementing human rights in our business operations is described in Global Directive GD09 Corporate Social Responsibility.

Hydro's CSR handbook addresses how to perform human rights due diligence on a continuous basis throughout Hydro's value chain.

The Hydro Integrity Program Handbook is a tool for employees to increase awareness on anti-corruption and integrity.

A companywide risk assessment, where human rights risks are included, is performed on a regular basis as part of the non-financial compliance process. The risk assessment is the basis for action plans, which are prioritized and implemented in the business areas' yearly business plans.

Human rights performance is reported according to the Global Reporting Initiative (GRI) standards and subject to review by an external assurance provider.

### Employees

Basic principles of employee conduct are regulated through Hydro's Code of Conduct. Our employees' human rights are protected through Hydro's People Policy (Global Directive GD02).

To address the principles of freedom of organization and collective bargaining, Hydro has signed the Global Frame Agreement with national and international unions. The principles of the agreement take into consideration i.a. the ILO 1998 Declaration on Fundamental Principles and Rights at Work as well as other ILO Conventions and Recommendations.

A companywide alert line for i.a. e.g. Reporting human rights violations is accessible by Internet (hydro.alertline.com), Intranet and a 24-hour telephone line operated in all major local languages. The system is also accessible for third-party on premise staff. (insert link).

### Communities

Basic principles for community relations are regulated by Hydro's Code of Conduct, and further elaborated through the Hydro CSR Handbook. The Global Directive on Health, Security, Safety and Environment (GD03) addresses issues related to i.a. the environment and security that may have human rights impacts.

Hydro supports access to remedy for its stakeholders, and is committed not to interfere or hinder access to court. We are supportive of initiatives to provide access to remedy where the public court system is non-functional.

For Hydro's operations in Brazil a third, party grievance mechanism is available to all external stakeholders.

### Business development

The Capital Value Process (CVP) requires ensures consideration of human rights during business development, green field and brown field projects, mergers and acquisitions and plant closures. These processes include compliance with the International Finance Corporation (IFC) Performance Standards on Environment and Social Development and the International Council for Mining and Metals (ICMM) ten Sustainable Development Principles.

### Business Partners

Human rights performance by suppliers, contractors and other business partners is addressed through Hydro's Procedures Social responsibility in the Supply Chain (GP09-01) and Integrity Risk Management of Hydro's Business Partners including Agents and Consultants (GP 09-02).

## Hydro's Human Rights Policy

### 8 References

Hydro's Global Directives and underlying documents forms part of Hydro's governance system, Hydro's Global Directives and underlying documents forms part of Hydro's governance system, and each document shall be read and understood as a part of the system.

Requirements set out in the other documents may therefore be of relevance. In particular, requirements set out in the following documents are relevant to Hydro's Human Rights Policy:

Internal documents.

- NHC-CD07 Hydro's Code of Conduct
- GD02 Hydro's People Policy
- GD03 Health, Security, Safety and Environment
- GD05 Deployment of Capital - CVP
- GD09 Hydro's Social Responsibility
- GP09-01 Social responsibility in the supply chain
- GP09-02 Integrity Risk Management of Hydro's Business Partners including Agents and Consultants
- The Hydro CSR handbook
- The Hydro Integrity Program Handbook

Norwegian National documents:

- National action plan on business and human rights (Nasjonal handlingsplan for næringsliv og menneskerettigheter).

Key International Documents:

- The UN International Bill of Human Rights
- The ILO Declaration on Fundamental Principles and Rights at Work
- UN Guiding Principles on Business and Human Rights.
- OECD Guidelines for multinational enterprises.
- The UN Global Compact's Ten Principles.
- UN Declaration on the Rights of Indigenous Peoples.
- The Indigenous and Tribal Peoples Convention, ILO Convention 169".
- The Modern Slavery Act of 2015
- The IFC Performance Standards on Environmental and social sustainability
- The Equator principles
- ICMM's 10 Sustainability Principles