



Hydro Extrusions Benelux Sustainability Report 2022





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About the report

This report describes Hydro Extrusions Benelux management of material environmental and social topics and provides an overview of Hydro's environmental and social policies, strategy, and main results. It has been prepared with reference to the GRI standards. The topics reflected in this report represent Hydro Extrusions Benelux's most significant impacts as identified by Hydro Extrusions Benelux's 2022 materiality analysis. The report covers Hydro Extrusions Benelux's performance for the period January 1 to December 31, 2022, and includes also examples of local community value creation in 2023.

In this report, Hydro refers to Norsk Hydro ASA, and Hydro Extrusions Benelux collectively refers to the Hydro Extrusions plants and recycling units in the Benelux and Hydro - Pole Products in Drunen.

For a thorough description of Hydro's policies, commitments, goals and targets, responsibilities, resources, and grievance mechanisms related to sustainability, see the environmental and social responsibility section in the Hydro annual report. Hydro's annual reports are available on hydro.com.

Hydro reports in accordance with the GRI Standards. For more information, see [Hydro.com/gri](https://hydro.com/gri)

Materiality analysis

The materiality analysis is prepared per the GRI 101 reporting standard (2016). It is based on our continuous dialogue with key stakeholders and incorporates feedback from relevant specialists and leaders within Hydro Extrusion Benelux. The materiality analysis reflects internal and external developments, and is approved by Hydro Extrusions Benelux management.

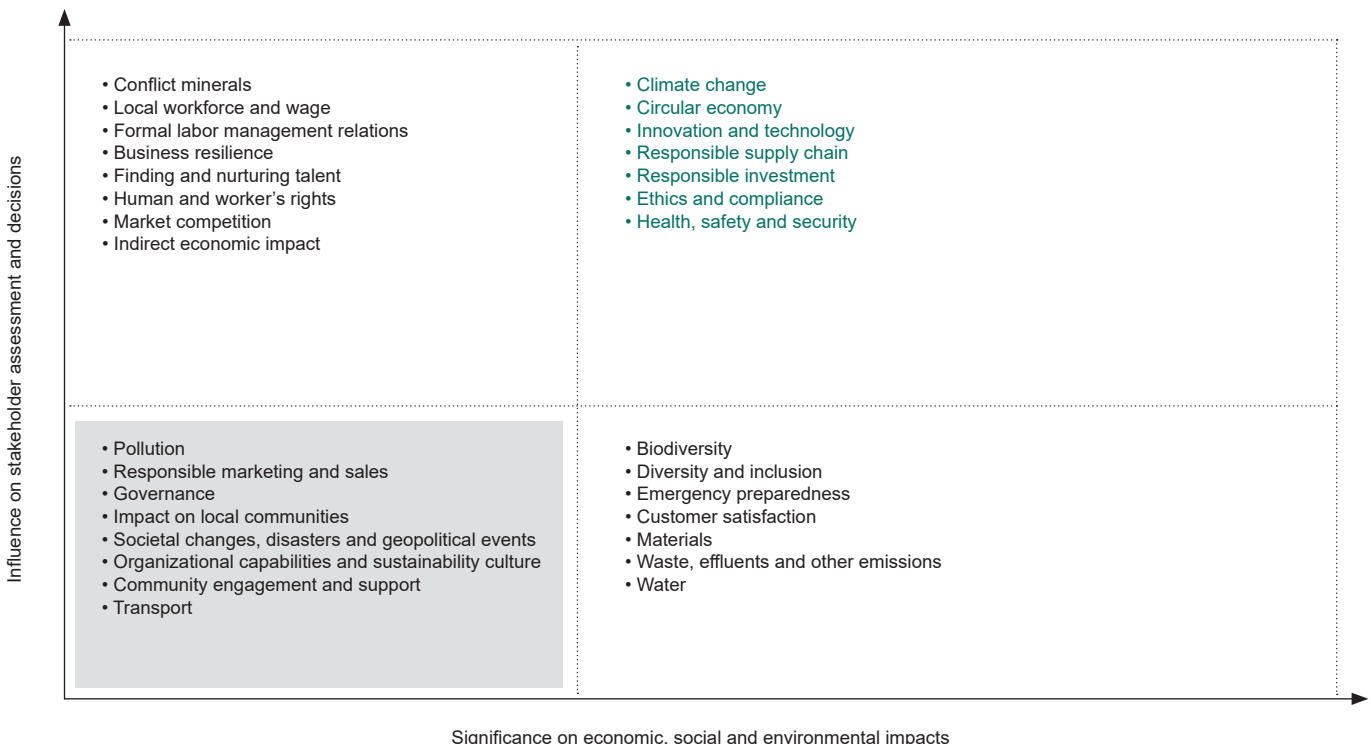
The analysis result is presented in the matrix below. Topics in green represent those that are most material to Hydro Extrusions Benelux, while those in the gray quadrant are considered less material. We chose to merge and rename certain GRI aspects in the matrix to make the titles more relevant to our operations and thus also more intuitive to our stakeholders. At the start of each chapter is a list indicating the main material topics covered therein.

Hydro and the UN Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) embrace a global approach to the sustainable development agenda. They encourage businesses to employ creativity and innovation to address development challenges, and they recognize the need for governments to encourage sustainability reporting. Hydro has an impact on all 17 development goals, some more than others. Hydro focuses on eight goals that we deem most important. They are highlighted throughout the report.



Materiality analysis 2022 – Hydro Extrusions Benelux



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Letter to stakeholders

Every step matters on the path to zero.

Hydro is a global aluminium company, represented in the whole aluminium value chain. We are committed to creating a more viable society through responsible production, delivery of circular solutions, creating net-zero aluminium by 2050 or earlier, and producing and using more renewable energy.

Hydro Extrusions Benelux wants to lead the transition toward sustainable solutions and will continue to drive innovation. Sustainability is woven into the entire vision of our organization. By adding various sustainability functions and using working groups per location to stimulate and streamline sustainability, this implementation is gaining momentum. Good results and ownership among our employees are feeding this upward trend even more.

Sustainable growth

We endured another turbulent year in 2022. As the end of the corona pandemic came into view, war broke out in Ukraine. Also, the influence of climate change became clearly noticeable in floodings and heat waves, among other things. These are factors we must deal with as a company and ones which also affect us personally. I am proud that we were nevertheless able to deliver on all pillars of our sustainable growth strategy: safety, sustainability, customer orientation, efficiency, and innovation. And I want to emphasize that this has only been possible through the efforts of our people. They hold the key to our success.

Reducing emissions

For a more sustainable future, we need to decarbonize our production processes. Greener operations commit us to reduce emissions and the environmental impact of our operations. We have conducted life cycle assessments, which give us insight in the environmental impact of the billets, profiles and poles produced in the Benelux and which enable us to provide site-specific CO₂ information about the products we supply to our customers.

In 2022, Hydro Extrusions Benelux's total greenhouse gas (GHG) emissions were 9% lower compared to our climate strategy's baseline (2018), and we are on track to deliver on our target of total GHG emissions reductions of 15% by 2025.

To further reduce emissions, we are investigating whether the smelting furnace in Ghlin can run on biomethane instead of natural gas, so that we can significantly reduce the CO₂ emissions from production at the site. In Drunen, we are looking into circular gas, in an innovative way, for the same purpose. The circular gas is the product of thermal conversion of non-recyclable plastic waste. There are many challenges, and the projects are still in their infancy, but the preliminary studies are promising.

Beside improving energy efficiency to reduce GHG emissions, our sites are also working to reduce water consumption and waste, and to enhance circularity in auxiliary materials. Our targets for 2030 are reducing specific water consumption by 36% and specific waste by 39%, both relative to 2018. We are aiming for zero waste to landfill by 2025.

Responsible investments

Our commitment to sustainability is evident in its integration into all our core processes, including investment decisions. Significant investments have been made in our recycling units. In Drunen, we have enlarged the casting furnace, which enables us to cast longer piles of scrap metal. This also benefits efficiency, sustainability, flexibility and safety. A second wind turbine will be installed at our location in Ghlin, which is a step toward even more sustainable energy production. With these installations, we will soon be virtually self-sufficient. Preparations for the project will start in 2023. The installation of the wind turbine will start in early 2024.

Hydro Extrusions Benelux is working to supply all our plants with renewable energy, either through power purchase agreements or on-site generation where possible.

Closing the Loop

Due to the smaller environmental footprint that comes with recycled post-consumer aluminium (end-of-life scrap) in a life cycle perspective, we aim to increase the use of such scrap in our recycling units. We work closely together with customers to set up Closing the Loop systems to enable us to keep valuable raw materials (pre-consumer scrap) in the cycle and to increase the percentage of end-of-life scrap (post-consumer scrap) in our products. We see a growing interest from the market to participate in the Closing the Loop system.

Equity and equality

Diversity, inclusion and belonging is a crucial part of our business and is linked to our sustainability and profitability agenda. A diverse group of people with diverse experiences, opinions, and expertise fosters innovation and creativity. Every employee, regardless of origin, skin color, religion, gender, or sexual preference is welcome at Hydro and belongs to the Hydro family.

To attract more women to our workplace, we must prepare our organization to enable those new talents to feel included and to participate equally from the start and throughout their careers in Hydro. In March 2023, the first Hydro Extrusion Europe Women Network Event took place. This clearly demonstrates the focus within Hydro on this topic.

Safety first

Safety comes first, above all. That is why I am extremely proud of the fact that we have been able to reduce the number of accidents at our sites. With the efforts of our own people, through training and with the help of an external consultancy agency, major steps have been taken in the field of safety. Here, too, structural improvement is only possible when we work together. Involvement of all employees is key. We have also taken a step forward through the implementation of 5S (housekeeping) and the modernization of our factories.

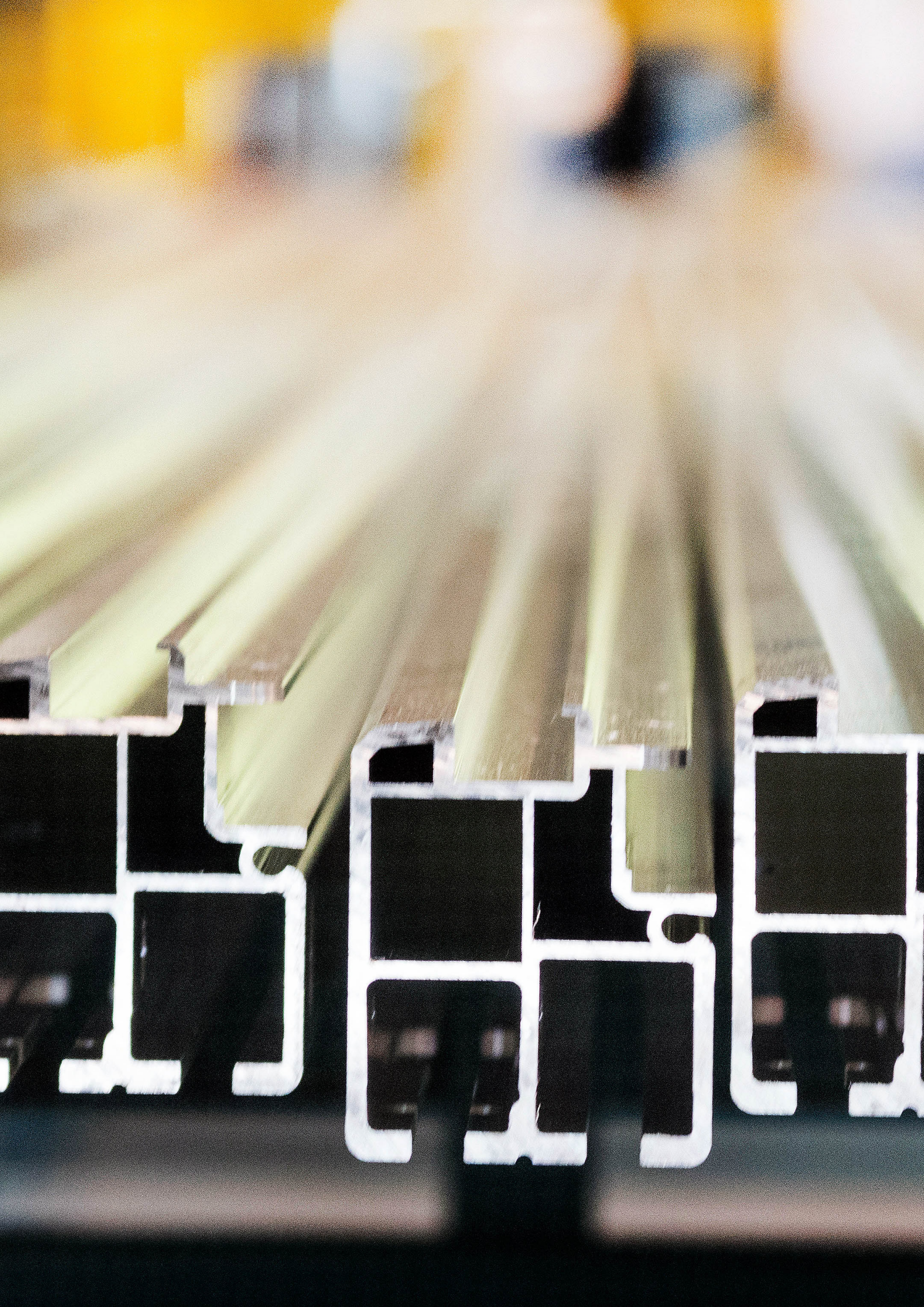
Sustainability in the supply chain

Sustainability concerns the entire value chain. In July 2022, all our Benelux plants achieved the ASI Chain of Custody (CoC) Standard. This standard sets out requirements for the creation of CoC material, which is produced and processed through the entire value chain. In this way, we contribute to environmental and social objectives within the entire aluminium industry.

Creating a sustainable, healthy, and safe work environment is of paramount importance to us. We will continue our strategy in 2023, which led to such great results in 2022. There will be challenges, but I am confident that we will also make this year a year to be proud of.



Jacques Podszun
Vice President Hydro Extrusions Benelux



About Hydro



2.1

Million tonnes
primary
metal
production



6.2

Million tonnes
alumina
production



11.03MT

CO₂e Greenhouse
gas emissions
(scope 1 and 2)
by ownership equity



2.4

TRI per
million hours
worked

Viability since 1905

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. Hydro is present throughout the global aluminium value chain, from energy to bauxite mining and alumina refining, primary aluminium, aluminium extrusions and aluminium recycling. We have 32,000 employees, at more than 140 locations in 40 countries, more than 30,000 suppliers, and serve more than 30,000 customers around the world.

- Hydro Bauxite & Alumina represents the first two links of the aluminium value chain through bauxite mining and alumina refining.
- Hydro Aluminium Metal is a leading supplier of extrusion ingots sheet ingot, foundry alloys, wire rod 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.

During 2022, Hydro continued to deliver on its 2025 strategy, further strengthening its low-carbon aluminium position as well as maturing business opportunities within new energy solutions. Hydro has long been recognized as a leader in sustainability within its industry, and has communicated firm ambitions on climate, environment and social topics.

Sustainability in Hydro

Sustainability is an integrated part of Hydro’s strategy to lift long-term profitability and positioning in the market. By reducing our footprint, improving relations with stakeholders and neighbors, managing impacts, increasing resource efficiency and developing new markets, Hydro will reduce risk and create new opportunities. Hydro has quantified ambitions toward 2030 and 2050 that will improve its performance on climate, environment, and social responsibility.

Climate

Hydro’s ambition is to be a net-zero company by 2050 or earlier, delivering net-zero products and enabling a net-zero society. In 2022, Hydro’s total GHG emissions were 6.5% lower than the 2018 climate strategy baseline. It is still on track to deliver on its target of total emission reductions of 10% by 2025. Hydro has recycled 321,000 tonnes of post-consumer aluminium scrap, enabling the production of 100 tonnes of Hydro CIRCAL with 100% post-consumer scrap, and 50,000 tonnes of Hydro CIRCAL with a minimum of 75% recycled post-consumer scrap. In 2022, Hydro also set reduction targets for Scope 3 emissions toward 2030 – a 15% reduction in total emissions and a 30% reduction in Scope 3 emissions per tonne aluminium delivered to market, both from a 2018 baseline.

Environment

The aim of Hydro’s environmental strategy is to minimize impact across its operations by addressing environmental challenges. Hydro is progressing according to its plan for 2030. In 2022, we met our rehabilitation target for our mining site in Paragominas, Brazil. Moreover, we established a global procedure on biodiversity and ecosystem services management.

Hydro aims to eliminate all recoverable waste generated by its operations by 2040. In 2022, we recycled 71% of our waste and started developing specific roadmaps to eliminate the landfilling of the remaining recoverable waste. For bauxite tailings and residue, specifically, the Tailings Dry Backfill (TDB) methodology, which we implemented in 2021, has eliminated the need to build new tailings storage facilities in Paragominas. Hydro is continuing its R&D activities into bauxite residue reuse. In 2022, 66% of the tailings generated at our mine were diverted to temporary storage for drying under the TDB method.

Society

Hydro is working toward a transition to a low-carbon economy that also provides a just transition, where job creation and decent work is ensured, and we aim to contribute to the development of the communities where we operate. In 2022, Hydro developed a framework for supporting a just transition and established a forum for human rights in the company. In addition, solutions for increased traceability and transparency of sustainability data in the value chain were piloted with some key customers in 2022. A roadmap for implementation across all the company's business areas by 2025 has been developed. Hydro educated almost 25,000 people as part of our ambition to provide quality education and capacity building for 500,000 people by 2030, achieving 31% of the target on aggregate. Moreover, Hydro contributed NOK 69 million in community invest-

ments, charitable donations and sponsorships around the world.

The company's total recordable injury rate was 2.4 per million hours worked in 2022, an improvement from 3.3 in 2021. This is our best result to date. The majority of injuries were classified as minor, with one life-changing injury and zero fatalities recorded during the year.

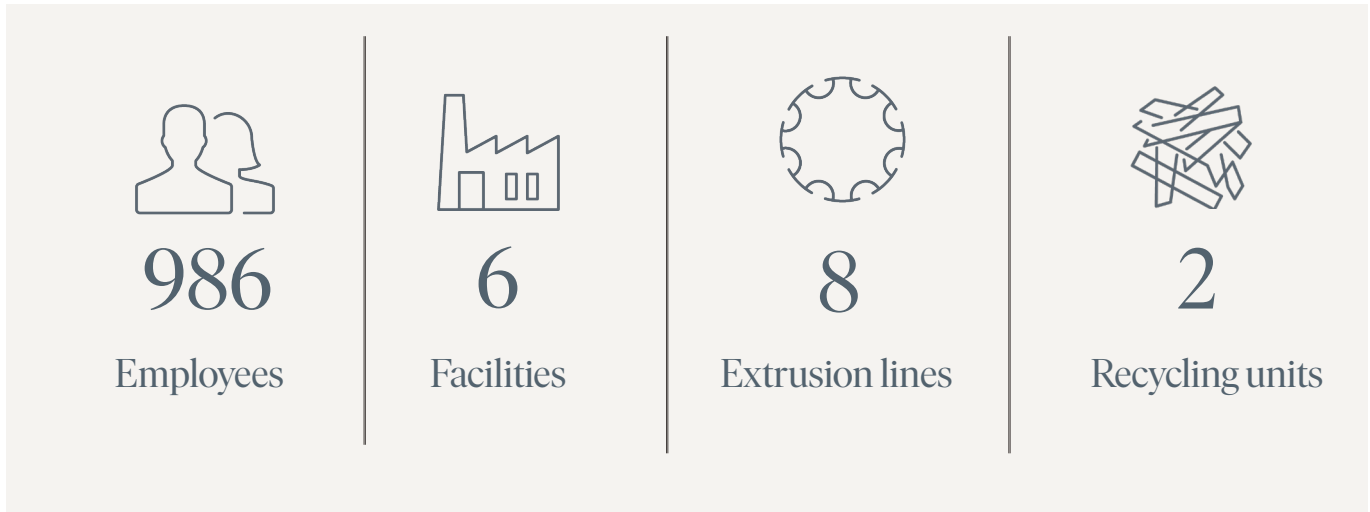
Hydro's diversity, inclusion and belonging strategy was further developed in 2022, and its implementation is continuing in all business areas. Our gender balance improved by 2 percentage points compared with 2021, with women comprising 22% of the Hydro workforce at the end of 2022.

Sustainability reporting

Hydro's sustainability reporting is based on reporting frameworks from the UN Global Compact, the International Council on Mining and Metals' (ICMM) 10 principles and Position Statements, and the Aluminium Stewardship Initiative's (ASI) 11 principles and underlying criteria. The sustainability reporting is reviewed by Hydro's Corporate Management Board and approved by the Board of Directors. Hydro reports in accordance with the GRI Standards. Our sustainability reporting is subject to independent assurance by our external auditors. Please see the [Hydro annual report for 2022](#) for a more comprehensive overview of Hydro's sustainability journey.



Hydro Extrusions Benelux



In the Benelux, Hydro has been active in the production of extruded aluminium profiles since the 1960s. The production facilities where we extrude small and medium as well as big and wide aluminium profiles are located throughout the Benelux, ensuring local presence.

We are active in a broad range of market segments. Most of the aluminium profiles extruded in the Benelux are delivered to the transport, machinery and building & construction sector across Europe. Our profiles meet the highest quality and environmental standards. Our Benelux locations are certified according to ISO 9001, ISO 14001, ISO 45001*, ASI Performance Standard and ASI Chain of Custody Standard.

We have five Hydro extrusion plants in the Benelux: Raeren (BE), Lichtervelde (BE), Drunen (NL), Harderwijk (NL) and Hoogezand (NL), offering die manufacturing, standard and customized profiles, mechanical treatment/FSW and surface treatment (anodizing and painting). We also have two recycling units in the Benelux: one in Drunen (NL) and one in Ghlin (BE). Here we recycle pre-consumer and post-consumer scrap into billets.

The Hydro Drunen location also houses Hydro Pole Products, which offers innovative, intelligent and more sustainable aluminium solutions to our international client base. Using aluminium extruded profiles they produce light poles, flagpoles and complete systems for mounting traffic lights for public infrastructure projects. To ensure their safety and quality, the (light)poles from Hydro comply with the European standards EN 40-6, EN 12899-1, EN 12767 and EN 1090-3 and are CE certified.

**Raeren, Lichtervelde, Ghlin, Drunen and Hoogezand are certified according ISO 45001*

Committed to a sustainable future

Hydro Extrusions Benelux is committed to a sustainable future. We optimize the circularity of aluminum and stimulate reuse. Together with customers we design and deliver more sustainable aluminium solutions to create a fair society and circular economy. By purchasing and producing locally, using renewable energy and increase and improve recycling capacity and technology at our own locations, we aim for net zero in our products by 2050 or earlier.

Sustainable Growth, The Benelux Way

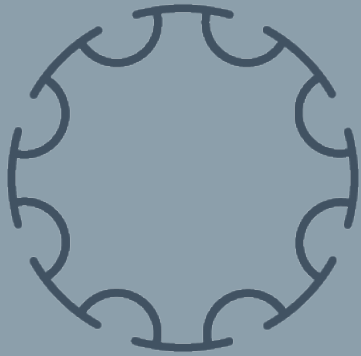
Sustainability has become an important part of our business today. It is not an ad hoc side activity, but an integral part of the regular business operations and strategy. The sustainability strategy for Hydro Extrusions Benelux for the coming years has been brought together under the heading 'Sustainable Growth, The Benelux Way'. The strategy includes four important themes: safety, sustainability, customer orientation and efficiency & innovation.



Facilities

- **Hoogezand**
- **Harderwijk**
- **Drunen**
- **Lichtervelde**
- **Ghlin**
- **Raeren**





Our sustainability performance

Every day, Hydro Extrusion Benelux strives to make aluminium a part of the solution to the challenges of our time, such as climate change. Being engaged in the aluminium value chain provides us with advantages that are unmatched by our global peers.

Material topics covered in this chapter: Climate change | Renewable energy transition | Product quality liabilities and responsibility | Transparency | Responsible investment

Climate change



The European Green Deal sets out a clear path toward realising the EU's ambitious target of a 55% reduction in carbon emissions compared to 1990 levels by 2030, and to become a climate-neutral continent by 2050. Crucial elements in a low carbon, circular economy are high quality recycling and the way materials are produced and designed.



Aluminium is everywhere, from transportation to packaging and lightweight building and construction. Its properties are ideal for a variety of applications that are essential for everyday life. Aluminium is also an attractive material for modern innovations that enable the green transition. Nevertheless, we are also aware of the challenges involved in making the entire value chain of the light metal more sustainable.

Aluminium is desirable due its recyclability and low-impact on the environment over its product-use lifespan. But it matters where and how aluminium is produced. Production of primary aluminium through the Hall Heroult electrolysis process is energy intensive. The carbon footprint of primary aluminium is thus highly dependent on the source of electricity used. As a result, the carbon footprint of primary aluminium varies between less than 4 tons CO₂-equivalents per ton aluminium in hydro-power-based regions to more than 20 tons CO₂-equivalents per ton aluminium in coal power-based regions. The recycling process of aluminium, however, requires a lot less energy than primary aluminium production, and thus emits less CO₂ - approximately 0.5 tons CO₂-equivalents per ton aluminium.

Although the upstream segment of the aluminum value chain accounts for the majority of GHG emissions, the downstream aluminum industry remains important. Given the energy-intensive nature of producing primary aluminium, it is critical that we increase the recycled content in our products. In addition, we need to improve our energy efficiency and decarbonize our energy supply. We are making a concerted effort to reduce its GHG emissions with these levers.

Our approach

Hydro Extrusions Benelux' target for 2030 is to reduce specific CO₂ emissions by 30% (2018 baseline). To achieve our climate ambitions, we follow a life cycle approach, focusing on greener production, greener sourcing, and greener products.

Greener production

Energy-efficient buildings

The opportunities for improved efficiency in buildings are enormous. Major consumers are heating, ventilation, air conditioning and lighting. Our Benelux plants have installed intelligent lighting (LED and automatization). In Harderwijk a new roller door was installed to improve thermal insulation. Though these are not our largest sources of emissions, changes to buildings such as these have huge saving potential.

More efficient billet heating

Aluminium billets must be pre-heated to a certain temperature (typically 420-500 degrees celsius) before we can begin extruding our aluminium profiles. Gas heaters, which are commonplace in our industry for billet heating, are a source of (direct) GHG emissions. Hydro Extrusions Benelux intends to move away from gas heaters and has started the process to replace the conventional heaters for a hybrid or induction system at the plants, to help reduce our scope 1 (direct) emissions.

Waste heat recovery

Our machines and processes generate heat which is released to the surrounding environment. This is wasted thermal energy. Recovering this energy is a great way to improve our energy efficiency, as it enables us to get more from the energy we expend in our processes. There are different heat recovery technologies available which work to capture and transfer waste heat from processes.

At the Harderwijk location, the residual heat from the compressors is used to preheat the billets, which reduces the scope 1 emissions. In Hoogezand we replaced the billet oven at the 7 inch press at the end of 2021. The new oven consists of two zones: a heating zone and a preheating zone. The combustion gases of the heating zone are used to heat up the aluminum logs in the preheating zone. After installing the new billet oven, the consumption of natural gas went down by 30%.

Some of our other plants are working on waste heat recovery projects which capture heat for use in other applications. For example, in Drunen we are looking into the possibility to use the residual heat of the recycling unit for the heating of the office building.

Reducing process waste and recycling

Process scrap is a natural consequence of the production process. We work continuously to reduce scrap generation by optimizing our production processes. However, a certain amount of process scrap is unavoidable. All process scrap from the manufacturing of our profiles is recycled. In addition, our casthouses use process scrap from other companies and post-consumer scrap from the market. Recycling reduces the need for primary aluminium, and uses just a fraction of the energy required in primary aluminium production, making it the better option for the climate and for conserving resources.

Greener sourcing

Greener sourcing refers to our position as a purchaser of raw materials and energy. We aim to source aluminium metal with

a low carbon footprint and less carbon-intensive electricity. Our ambition in Hydro Extrusions Benelux is to decarbonize metal sourcing. Our target is 22% reduction in CO₂ emissions by 2030, from a 2018 baseline, through responsible metal sourcing. To reach our target we are engaging with our suppliers with robust screening procedures. In addition, we are working to source more renewable energy.

Sourcing renewable energy

Hydro Extrusions Benelux intends to supply all plants with renewable energy by 2025. We will achieve this either by sourcing from the grid, via a power purchase agreement, bundled power purchase agreement, or by on-site generation where possible. At the moment, our location in Raeren is equipped with solar panels on the roof with a capacity of 250 kW. A significant expansion of the renewable energy capacity is foreseen by installing solar panels on the ground, with a capacity of 1 MW. The location Drunen will install photovoltaic (PV) panels on the roof to power part of the production process. There are several additional renewable energy projects underway at our plants. These include a second wind turbine in Ghlin.

Raeren expanding their solar field

The Hydro plant in Raeren is located nearby the forest. It is surrounded by green and not causing any direct noise pollution for the habitats of the city. The plant uses green energy, thanks to the solar panels that have been installed on the plant's roof.



Benelux recycling units

In Hydro Extrusions Benelux we have a recycling unit in Drunen (NL) and in Ghlin (BE) with advanced remelting technology. In Ghlin we are able to process aluminium scrap containing contamination (e.g. powder coating, small amounts of plastic) due to an advanced filter installation and multi-chamber oven. In Drunen we have invested in a new filter installation which allows the recycling of shredded aluminium scrap.

Responsible metal sourcing

The billets we produce in Hydro Extrusions Benelux contain a high share of recycled content and some primary aluminium.

The type of scrap we source and how it was produced is also important. Aluminium produced by coal power comes with a much higher footprint than hydropower-based aluminium. From a life cycle perspective, metal that has not already served its purpose still carries the carbon footprint of the original primary aluminium from which it was produced.

We distinguish two kinds of scrap:

Post-consumer scrap

Post-consumer scrap is aluminium scrap that comes from products that have fulfilled the purpose for which they were produced. This scrap might range from aluminium cans with a lifetime of about 60 days to buildings with a lifetime of more than 50 years. Once recycled, this metal starts its next life as a new product, with no prior carbon footprint attached. As a result, post-consumer scrap has a carbon footprint of about 0.5 or less tonnes of CO₂ per tonne aluminium. This footprint results from scrap collection, transportation, sorting and remelting.

Pre-consumer scrap

Pre-consumer scrap, or process scrap, arises during processing of aluminium products. During processing of aluminium, about 20-30% of the metal ends up as process scrap. This process scrap has high value, and its recycling rate is close to 100%. However, the process scrap has never fulfilled its purpose as a product, and thus carries the carbon footprint of the original primary aluminium from which it is produced. This means that the carbon footprint of recycled process scrap is equal to the metal origin plus the direct emissions from the remelting process itself.

Determining the carbon footprint of recycled aluminium

Cut-Off approach:

In this approach, the footprint follows the product. In other words, it allocates burdens at the point where a product is sold. It regards process scrap as waste and therefore carries only the footprint of the recycling process. This approach equalizes hydropower-based aluminium and coal-based aluminium as soon as the metal is processed..

Mass-Based Allocation approach (Avoided Burden):

With this approach, the footprint follows the material. This approach assumes that the process scrap has never fulfilled its purpose as a product, and that the material thus carries the carbon footprint of the original primary aluminium from which it is produced in addition to the footprint of the recycling process.

Our approach

According to the mass-based approach in life cycle analysis (LCA) calculations, the carbon footprint of recycled pre-consumer scrap (process scrap) is dependent on its metal origin. The cut-off approach does not make a distinction. Hydro Extrusions Benelux calculates the carbon footprint of recycled aluminium by modeling physical realities as closely as possible. We follow the acknowledged LCA methodologies.

Greener products

Hydro Extrusions Benelux is working hard to reduce our emissions and those of our customers. We offer our customers certified low-carbon and recycled aluminium products which are designed to help increase the recycled content and/or reduce the footprint of their products.

Recycled aluminium

Hydro RESTORE is aluminium made from recycled pre-consumer scrap, recycled post-consumer scrap and primary aluminium. It is our range of aluminium with a high share of recycled content. The small amount of primary aluminium in Hydro RESTORE enables control of the alloy composition and mechanical properties of the aluminium.

Low-carbon aluminium

Hydro REDUXA® is our brand of low-carbon aluminium. Using renewable energy from water (hydro power), wind and solar, reducing the carbon footprint per kg of aluminium to 4.0, which is less than a quarter of the global average

Transparency

Our low-carbon and recycled products come with an Environmental Product Declaration (EPD), detailing the environmental footprint, from mining to the final metal, including input materials and transportation (Scope 1-3). This information is verified by an independent third party.

The EPDs are published in the Dutch Environmental Database (NMD), as category 1 data, and on the International EPD system platform.



Greener Ghlin

In Ghlin we generate 85 of the electricity needed onsite by the onsite renewable power generation through a windmill, with a capacity of 2.2 MW and solar panels with a capacity of 1.7 MW (1MW on the ground and 0.7MW on the roof). A permit application for a second windmill in Ghlin has been submitted. The construction phase is expected to start in 2024. The surplus electricity that the windmill generates, can be fed back to the grid. It is also being investigated whether the surplus energy generated in Ghlin can be used for the energy needs at the Hydro location in Lichtervelde.

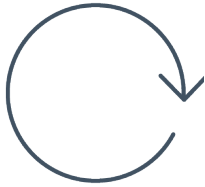


Material topics covered in this chapter: Climate change | Product quality, liabilities and responsibility | Responsible investment



Circular economy

Recycling curtails our need for primary metal and is therefore is a key lever for decarbonizing our industry. Hydro Extrusions Benelux is continuously working to increase its recycling capacity and seeking for closed loop solutions with its customers.



Aluminium is made for the circular economy. It is a circular material by nature, capable of being recycled multiple times without losing its original properties (light weight, conductivity, formability, durability and multiple recyclability). Aluminium, as a fully recyclable material, can be an important material for a

transition to products with low or no negative impact on the environment, when produced using renewable power sources or using recycled content.

A circular economy is founded on the principles of designing out waste and pollution, reusing products and materials, and regenerating natural systems. Since aluminium entered the scene in 1825, about a billion tonnes have found their way into a multitude of goods in our lives: from beverage cans to window frames. About 75 % remains in use. And more aluminium is produced each year than all other nonferrous metals combined. Few metals are stronger, more durable or more useful than aluminium. It can be machined, formed and shaped, is behind only copper in conductivity, conducts heat well, is non-sparking so it can be used near flammable substances, it resists corrosion and rust, and it is non-magnetic. Not least, it can be recycled over and over again. Aluminium can be a future-proof material. But we must ensure that the aluminium in use is produced with low emissions and is being recycled at end of life.

Twenty years ago, Europe used 9 million tonnes of aluminium per year; today, the figure is 13.5 million tonnes, and it is continually rising. Main applications include transport, particularly the automotive industry, where aluminium is used for components such as wheels, chassis, transmissions, and now increasingly for car bodies and battery cases. European Aluminium projects a 40% increase in aluminium demand in Europe by 2050. According to projections, 16 million tonnes of aluminium will be utilized in 2030 and 18 million tonnes in 2050. Part of the forecasted growth in demand is expected to be driven by substitution, with aluminium replacing other materials, such as steel, copper, plastics, PVC and wood.

To meet the demand with minimal primary metal, we need to recover end-of-life products. Aluminium is already a widely recovered material. In Europe, recycling rates are over 90% in the automotive and building sectors, and 75% for aluminium cans. 36% of the aluminium metal supply in Europe is recycled metal (20% post-consumer, 16% pre-consumer scrap). According to European Aluminium, there is potential to meet close to 50 % of demand with post-consumer aluminium by 2050.

Aluminium products have a long life span. On average, they are used for 50 years in construction and 15 years in transportation. Their longevity, along with the growing demand for aluminium, means that the amount of aluminium nearing end-of-life and that is available as post-consumer scrap is limited. However, according to consumption projections, the amount of post-consumer aluminium accessible for recycling will more than double from 3.6 million tonnes in 2019 to 6.6 million tonnes in 2030, eventually reaching 8.6 million tonnes by 2050. By the mid-century mark, post-consumer recycling could potentially meet half of our aluminium needs.

Our approach

Hydro Extrusions Benelux seeks to improve in two areas: (1) collection of end-of-life products, and (2) improving its recycling capacity. Our ambition is to process more post-consumer scrap for our products. We are aiming for a 29% increase by 2025. We aim to increase that to 66% by 2030 from a 2018 baseline. Investments will help us reach our post-consumer scrap targets, as well as closed-loop systems with our customers to keep pre-consumer and pre-consumer scrap in the cycle.

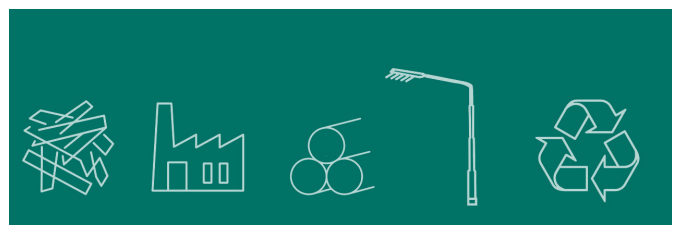
We have made investments in our remelt facilities to increase recycling capacity, and with advanced technology, improve the sorting and processing of post-consumer scrap. These investments will help us reach our post-consumer scrap targets.

Closing the loop in the Benelux

In our own recycling units Ghlin and Drunen, pre- and post-consumer scrap are given a new life in a new product. The recycling units enable us to recycle scrap from our own production, as well as externally generated process scrap, and post-consumer scrap from the market.

Closing the loop with aluminium enables us to offer low carbon aluminium and recycled aluminium.

In Hydro Pole Products we have 10 years of experience in closing the loop together with customers. Building on Pole Products' experience, we are now working on pilots for the collection of extruded products that are end-of-life and the outcome thus far has been positive.





Drunen casthouse (The Netherlands)



Ghlin casthouse (Belgium).

Cradle to Cradle (C2C) Certified® silver light poles

Hydro Pole Products has been active in developing sustainable solutions for public spaces since the 1960s. It uses extruded profiles to manufacture aluminium light poles, flagpoles, traffic regulation installations (TRI) and other structures in the area of infrastructure. Their products are delivered worldwide from Drunen (the Netherlands).

Hydro Pole Products’ aluminium light poles and TRI solutions are Cradle to Cradle Certified® at Silver level. Cradle to Cradle Certified® is the global standard for products that are safe, circular and responsibly made. It assesses the safety, circularity and responsibility of materials and products across five categories of sustainability performance:

1. Material health
2. Product circularity
3. Clean air and climate protection
4. Water and soil stewardship
5. Social fairness

In 2011, Hydro became the first company in the world to supply Cradle to Cradle Certified® Silver light poles. We have long-term sustainability in mind for our products and are continually working to improve these products and their sub-components as well as their manufacturing processes.





Closing the Loop / Take Back system

Closing the Loop/Take Back is a closed-loop recycling program developed to support customers. In the Benelux, municipalities and contractors carrying out light pole replacement projects can choose for the system. When supplying new aluminium light poles, we take back the old poles in their entirety (including fixtures and cabling), after which all parts are stripped.

The aluminium is melted into billets in Benelux' recycling units, and the billets are extruded into aluminium tubes from which Hydro Pole Products produces new light poles. The residual flows that Hydro cannot process are returned to the technical cycle by a waste specialist.





Hapert Trailers

Hapert Trailers works actively to reduce its carbon footprint. One of its actions – a closing the loop agreement for used aluminium – will also support the circular economy. Hapert has participated in a study together with the Dutch employers' association VNO-NCW to better weigh and separate the residual flows from its business operations. This resulted in the closed-loop system they set up with Hydro, which delivers aluminium extrusions for their trailers. Hapert collects the aluminium residue produced during the production of its trailers and places the scrap in designated recycling bins. Hydro's Benelux recycling units take this scrap and remelt the metal to create new profiles for the trailer manufacturer. The next step is to collect used trailers at the end of their life and set up the infrastructure for a closed-loop system to further reduce the waste stream.



Drunen casthouse (the Netherlands)



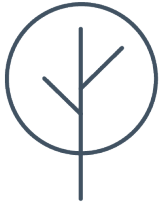
Ghlin casthouse (Belgium)

Material topics covered in this chapter: Water | Waste, effluents and other emissions | Health, safety and security | Responsible investment | Organizational capabilities and sustainability culture



Environmental impact management

We recognize the impact of our industry on the environment and that it is our responsibility to minimize that impact. We are committed to promoting sustainability and reducing our environmental footprint by implementing more environmentally friendly practices throughout our business.



Our approach

All industrial activities and aspects of business can impact the environment, and that impact extends beyond climate change. We are committed to taking action to reduce our environmental impact and promote sustainability in every area. By doing so, we can help ensure a more sustainable future for our planet and generations to come. We will continually work to conserve natural resources, including water and raw materials, and implement resource-efficient practices throughout our operations. We will continue to implement circular economy principles, design products with a focus on end-of-life disposal, and promote recycling and reuse in all aspects of our business. We will also continue to engage with our stakeholders, including employees, suppliers, customers, and communities, to promote environmental responsibility and build a culture of sustainability.

Our ambition for 2030 is to reduce specific water consumption by 36% (2018 baseline), and reduce specific waste by 39% (2019 baseline). We are also targeting zero waste to landfill by 2025, and are working to improve circularity in auxiliary materials. For non-GHG emissions, we aim for compliance with EU emission regulations and zero infractions within local emissions permits



Policies and management systems

All Hydro Extrusions Benelux plants follow the Hydro internal policies and procedures, related to environmental management. This is supported by comprehensive HSE management systems, audit programs, and training and awareness initiatives. All Hydro Extrusions Benelux sites are ISO 14001 certified.

Water management

Hydro Extrusions Benelux is committed to responsible water management practices. We aim to use water in a way that is socially and culturally equitable, environmentally sustainable and economically beneficial. Our main impact is caused by the discharge of process water from the manufacturing and cooling processes at our plants. These discharges are regulated by relevant permits.

Waste management

Hydro Extrusions Benelux implements efficient waste management systems that target metal scrap, hazardous waste, and other general waste. We aim to improve waste collection, sorting, storage, and treatment. We strive to reduce the

amount of waste we generate, and to reuse or recycle waste that cannot be avoided. Where reuse or recycling are not possible, waste is disposed of responsibly.

In our plants, resources are conserved on multiple fronts. These include standardizing packing methods and materials, focusing on minimizing customer complaints, internal rejections and the return of products, and using precise measurements in production to reduce waste.

In the recycling unit in Drunen, the cylinder under the casting table has been enlarged to be able to lower the casting table deeper and thus cast longer billets. The result is less waste of cutting-off edges.

Efficient resource use

In our plants, resources are conserved on multiple fronts, including standardizing packing methods and materials; focusing on minimizing customer complaints, internal rejections and the return of products; and using precise measurements in production to reduce waste.

Recycling packaging strapping

A large volume of our plastic waste is generated in our packing department. We use plastic (PET) straps to fasten our products and in the process end up with heaps of PET strap cut-offs. We also receive PET strapping with orders from our suppliers.



PET straps are light, but large in volume, making them difficult to manage and a safety concern. Hydro Extrusions Benelux is investing in shredder machines for our plants. By shredding the plastic straps, we reduce the volume by about 80% and make the workplace safer due to better housekeeping. The shredded material also offers benefits for recycling. With the reduced volume, transporting it to the recycling facility is more efficient and with lower CO₂ emissions.

Anodizing waste

Anodizing is a post-processing technique that improves the properties and appearance of aluminum profiles, and improves the adhesion of paint primers and glues. The process entails immersing the aluminium profile in a sulfuric acid bath. Anodizing process lines include an etch bath where aluminium is first pretreated. Etching removes the metal's natural oxide layer using caustic soda (also known as sodium hydroxide). The chemical reactions in etching and anodizing result in an accumulation of aluminium in the respective mediums. As aluminium accumulates, the chemicals lose their effectiveness and must be replaced. The locations Hoogezand and Raeren have installed retardation systems that slow the accumulation of aluminium, thereby extending the longevity of the caustic soda and sulfuric acid. Typically, the by-products of these procedures are discarded. They can, however, be used as alternative raw materials in other industrial processes. We are mapping out the industries that could benefit from them.

Other emissions to air

Non-GHG emissions are regulated by European and local authorities. Hydro Extrusions Benelux had no breaches with regard to our emissions requirements in 2022.

Sustainability workgroups

Hydro Extrusion Benelux has set up local sustainability workgroups to foster innovation and development locally. At each site, a group of 3-4 employees meets bi-weekly. The workgroups include employees from all organizational levels to engage everyone in the sustainability-related thought process. The sustainability workgroups have provided structure for the plant's sustainability journey, and serve as a platform for exploring strategies for achieving its sustainability goals.

The local meetings facilitate:

- the collection of ideas and initiatives related to the reduction of energy consumption, waste and water;
- the cross-sites exchange of ideas, experiences, and best practices;
- discussions on requirements and timelines;
- strategic planning of mandatory improvements as a result of the Energy Efficiency Directive;
- joint coordination of strategic Extrusion Europe projects.



Hoogezand plant - anodizing line



Sustainability workgroup meeting Hoogezand

Material topics covered in this chapter: Innovation and digitalization | Climate change | Responsible investment | Supply chain



Innovation and technology transition

Through innovation, we can improve our products and processes, reduce greenhouse gas emissions and assist our customers in meeting their commercial and sustainability goals. Aside from technical factors, we attempt to achieve the right balance of safety, environmental, economic, and social considerations in our designs.

Our approach



As a leader in our industry, we recognize the critical role we play in addressing the global challenge of climate change. That is why we are committed to leveraging innovation and technology to minimize our environmental impact and create a more sustainable future.

Innovation & Technology

Innovation and Technology (I&T) is the technology backbone of Hydro Extrusions Benelux. It is our business area-wide research and development group, constituting more than 80 highly educated and experienced employees worldwide, including physicists, metallurgists, chemists, mechanical engineers, metallographers and technicians - all experts in aluminium. Extrusion Europe has its own R&D unit, I&T Extrusion Europe, which supports and adds value to the Hydro Extrusions Benelux' plants by maintaining and extending existing technologies and developing new ones. In Hydro Extrusions Benelux, general R&D efforts include:

- Reducing energy consumption, waste, emissions and carbon footprint in line with our sustainability agenda.
- Making products and solutions that promote the use of aluminium and sustainable development.
- Improving productivity, energy use and emissions by implementing technology elements in our processes.
- Ensuring optimal operations in existing assets, including cost factors and HSE.
- Investing in recycling technology and setting up infrastructures to increase post-consumer scrap intake.
- Increasing the share of value-added products and tailored solutions in collaboration with customers.
- Designing with end-of-life scenario in mind to improve the recyclability of our products and the products of our customers, to contribute to a circular economy.

Operational Excellence (OpEx)

The OpEx organization assists Extrusion Europe in enhancing performance and lowering costs, developing people, products and processes, and facilitating business unit networking. OpEx assists with casting, extrusion, surface treatment, fabrication, quality, logistics and flow, and our Extrusion Business System (EBS). All their actions are driven by business needs, ranging from the technical to the organizational, with the overarching goal of enhancing the business. OpEx works closely with our plants and encourages plant networking by connecting employees within specific areas to facilitate and improve the sharing of best practices.

Energy efficiency

Automated Meter Reading (AMR)

Improving process control is important for Hydro Extrusions Benelux. We want to know which designs, machines and dies use the least amount of energy during the extrusion process. This is only achievable with more accurate measurements and it necessitates careful surveillance of our consumption. Hydro Energy and Hydro Global Business Services (GBS) - an internal service provider for the Hydro group - collaborated to create an automated meter reading (AMR) system that allows for automated energy consumption reporting. It uses sensors and the Microsoft Azure cloud for data collection.

The system has been in use in Extrusion Europe since January 2022. Using AMR-based predictive maintenance tracking models can result in significant savings. One example, is the tracking of compressed air leakages. AMR can be used to track leaks and direct site maintenance to repair these as soon as possible. AMR also supports advanced data analysis and decision making. It provides us with a factual foundation for continuous improvement. We expect to have the system operational at the Benelux locations by the end of 2023.



Variable frequency drive

A feasibility study was conducted at Hydro Extrusion Hoogezand (the Netherlands), on the installation of variable frequency drives (VFDs) on the main pumps of their presses. A VFD is a controller that drives an electric motor by adjusting the frequency and voltage of its power supply, resulting in alteration of the motor speed. Using a VFD has several advantages over the simpler motor controller and starter devices. Having the ability to adjust the frequency and voltage independently results in an advanced level of control over the extrusion process. When a VFD is used to start and stop the motors, it allows the unused pumps to shut down during the extrusion process at any time, for any duration. The aim of

the study was to reduce energy consumption, by switching off the unused pumps during the extrusion process. The study revealed a short investment return time and impressive energy- saving potential. Therefore, VFD installations will be installed in the other Hydro Europe extrusions plants, including the Benelux.

Expertise in passive safety

We want to contribute to road safety. The extensive knowledge of Hydro Pole Products in the area of passive safety is built through years of experience with crash tests and active participation in the Dutch norm committee EN 40 (the European standard for light poles) and the WG10 (the European working group that is responsible for writing and revising the EN 12767 norm). This has resulted in a range of certified passive safe poles in all performance classes.



In Europe, light poles must comply with the EN 40 standard. In addition, a crash test must have been conducted in accordance with the EN 12767 standard. In 2019 the European standard for passively safe support structures for permanent road equipment has been revised. Hydro Pole Products plays an active role in informing the public about the changes in the new standard EN 12767:2019.

Product stewardship

All products have an impact on the environment, starting with the extraction of the material, through production, transport, use, disposal and recycling. Hydro Extrusions Benelux is committed to responsible management of its products throughout their life cycle, from the design phase to the disposal phase. We take into account the environmental, health and safety impacts of our products throughout their life cycle and implement strategies to minimize these impacts. We engage in dialogue with customers and other stakeholders regarding the environmental impact of our processes and products. R&D activities are also in support of customers, and in some cases R&D projects are run in collaboration with key customers.

A life cycle assessment (LCA) is an international standardized and scientific methodology used to quantify the environmental impacts attributable to the life stages of a process or a product. In the case of a manufactured product, environmental impacts are assessed from raw material extraction and processing (cradle), through the product's manufacture, distribution and use, to the recycling or disposal of the materials of which it is comprised (grave). An LCA is a powerful way to quantify the environmental impact of products during their manufacture and use. In this way, we gain insight into the environmental performance of our products and raw materials throughout the value chain. LCAs include the impact of material extraction, production, and the disposal and recycling of the product.

Life cycle assessment

To determine the impact of our products and to identify improvement potential, we perform life cycle assessments. Our LCAs are performed by a certified consultant agency and validated by an independent third party.

Hydro EcoDesign

Most of the costs of a product and the environmental impacts of the product occur early in the design process. This is why Hydro has developed, together with innovation partner Environmental Protection Encouragement Agency (EPEA), a structured method that supports customers in product development. The aim is to make products with more functionality and a smaller ecological footprint. Hydro EcoDesign facilitates:

- Thoughts about improved functionalities
- Selecting recyclable alloys
- Shape optimization
- Care for ease of fabrication
- Smart assembly methods
- Design for disassembly
- Materials compatibility
- Focus on safety and health
- Reducing waste and scrap
- Optimizing packaging
- Footprint and LCA communication
- Selecting the right partners



Material topics covered in this chapter: Ethics and compliance | Supply chain | Human and worker's rights | Health, safety and security | Climate change



Ethics and compliance

We engage with a diverse range of stakeholders, such as customers, suppliers, competitors, authorities, business partners, representatives and local communities. Our interactions with each of these groups are conducted in accordance with ethical and legal principles, with a steadfast commitment to integrity in all our actions.



We, at Hydro Extrusions Benelux, are committed to conducting all our business activities with the highest standards of ethical conduct and compliance. We recognize the importance of maintaining the trust and confidence of our customers,

employees, shareholders and the community. Therefore, we adhere to a strict code of ethics that governs our decision-making and behavior in all business-related activities. We are committed to complying with all applicable laws, regulations, and industry standards, and to fostering a culture of accountability, transparency, and integrity throughout our organization.

Our approach

Strong ethical principles and compliance with the laws and regulations of the countries in which we operate are a requirement for doing business. Hydro Extrusions Benelux adheres to Hydro's Code of Conduct. The Code of Conduct reflects our continued commitment to applying ethical business practices and compliance wherever we operate and conduct business on behalf of Hydro. The Code of Conduct creates a foundation that supports our efforts to do the right thing and to always act with integrity. The Code of Conduct is designed to guide us in making the right decisions for ourselves and for Hydro.

Human and labor rights

Hydro is committed to respecting and promoting human rights of all individuals potentially affected by its operations. We respect the fundamental principles set forth in the Universal Declaration of Human Rights and related UN documents. Hydro supports and respects internationally recognized labor rights, including the freedom of association and the right to collective bargaining within national laws and regulations.

We are opposed to all forms of human trafficking and child labor abuse and shall not employ or contract any forced or compulsory labor.

An inclusive, fair and safe workplace

Diversity and inclusion

A diverse and inclusive work culture enables higher levels of innovation, learning, customer understanding, and culturally aware leaders and specialists and contributes to compliance. Therefore, we bring together employees with a rich variety of backgrounds, skills, genders and cultures. We appreciate and recognize that all people are unique and valuable, and must be respected for their individual abilities and views.

Respect

In our relationships with each other, we strive to be open, honest and respectful. It is everyone's responsibility to contribute to a supportive work environment, based on mutual trust, transparency and respect. Harassment or bullying of any form is not tolerated in the workplace. We all have the right to work in an environment that is free from intimidation and harassment and where we can feel safe and comfortable.

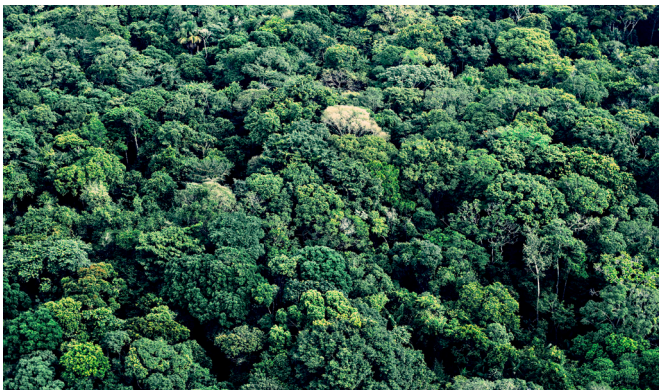
Equal opportunity

Hydro is committed to providing equal employment opportunities and treating all employees fairly and with respect. Hydro's employees and business units use only merit, qualifications and other professional criteria as a basis for employee-related decisions, such as recruitment, training, compensation and promotion. We strive to develop programs and actions to encourage a diverse organization based on the principle of equal opportunities. Hydro is committed to the principles of non-discrimination.



Safety first

We value human life above all other considerations and will not compromise on safety. We are committed to providing a safe workplace for our employees, contractors and visitors. Hydro believes in HSE excellence. This is achieved through building a strong and sustainable HSE culture through visible leadership of all our line managers, consistent implementation of the Hydro HSE management system, a strong risk focus, continuous engagement of our workforce and a sincere sense of responsibility for the environment. We work to meet or exceed all applicable HSE laws and internal HSE requirements. We believe that all injuries, occupational ill-health and environment incidents can be avoided.



Protecting the environment

We support pollution prevention and work systematically to become more efficient in our consumption of raw materials, and to minimize process waste and emissions. We are committed to fostering innovation and implementing continuous improvement activities to ensure that our activities and products have little or no adverse impact on the environment.

Business conduct

Hydro does not tolerate corruption in the private or the public sector. We are committed to complying with all applicable laws and regulations enacted to fight corruption and bribery. We look to gain competitive advantages through our product offering based on innovation, R&D and engineering and not through unethical or illegal business practices. Hydro maintains a principle of honesty and is responsive when dealing with interested parties outside Hydro and society at large.

Personal conduct

We expect all employees to contribute to our ethical culture by understanding the Code of Conduct and embracing our commitment to compliance and integrity, enforcing compliance requirements and avoiding violations. In Hydro, everyone has a responsibility to speak up promptly about ethical issues and suspected violations. We do not tolerate retaliation against anyone who speaks up in good faith to ask a question, raise a concern, report a suspected violation or participate in an internal company investigation.

Hydro provides compliance awareness training on a range of topics. This consists of classroom training, workshops and various e-learning modules. In 2022, training was provided on the topics of anti-corruption, Hydro's Code of Conduct, competition law, data privacy, trade sanctions, human rights, integrity and market regulations. Compliance training is mainly prepared and executed by Group Compliance and Group Legal, but other group functions also contribute.

Reporting undesirable behavior

Our ambition in Hydro is to build a culture of integrity and trust where employees are comfortable to ask questions, seek guidance, raise concerns, and report suspected violations to our Code of Conduct, applicable laws or regulations, or Hydro's obligations. If an employee is confronted with undesirable behavior or is in any other way troubled by the behavior of a colleague, the employee can report this to the line manager, the Works Council, HR or the company physician. Hydro also offers the option of reporting the incident to an external confidential adviser. This adviser does not act as a rebuttal, does not mediate, does not investigate complaints, but mainly acts as a sounding board. All contact with the external confidential adviser is anonymous and confidential.

Employees, on-site contractors, and others may also use Hydro's confidential reporting channel, the AlertLine, where concerns can be reported anonymously to Internal Audit. The AlertLine is available in applicable languages and reports can be made online or via toll-free phone numbers listed on Hydro's intranet or on Hydro.com.

Material topics covered in this chapter: Supply chain | Transparency | Product quality, liabilities and responsibility



Responsible supply chain

Businesses have a crucial responsibility to uphold sustainable environmental and social business practices. We interact, influence, and collaborate with our suppliers for continuous improvement and to lessen any detrimental effects on people and the environment within our supply chain.



Our approach

It is our responsibility to encourage sustainable environmental and social practices in the supply chain, while also fulfilling our obligation to our customers. We aim to assist our customers in their pursuit of sustainability, and

we will contribute to this cause by implementing certified, responsible sourcing practices. Our focus will be on meeting specific ESG (Environment, Social, and Governance) criteria not only within our operations but also in our supply chain.

Scope 3 encompasses all indirect emissions that occur in our value chain, including upstream and downstream activities. These emissions result from sources such as employee commuting, business travel, waste disposal, transportation and distribution, investments, leased assets and franchises, and the use of sold products, in addition to purchased goods and services. In Hydro Extrusions Benelux cold metal accounts for 95% of scope 3 emissions. Cold metal is aluminium in a cast form that is remelted to reduce the heat of liquid metal and/or to meet alloying specifications in the casting process in a casthouse. Hydro Extrusions Benelux is working to reduce its metal footprint by 27% by 2030 (2018 baseline).

Responsible sourcing

Hydro Extrusions Benelux is actively striving to lower its upstream emissions which will decrease downstream scope 3 emissions. The use of post-consumer scrap in our operations can also aid in mitigating scope 3 emissions. We are working to minimize the environmental impact of externally sourced materials by implementing rigorous supplier screening procedures to procure greener metal.

We are committed to promoting the principles of the Universal Declaration of Human Rights, UN Global Compact and IFC, among others, to our suppliers. Our approach to responsible sourcing is based on the OECD Due Diligence Guidance for Responsible Business Conduct and can be summarized in three main steps:

Prior to working with Hydro Extrusions Benelux, all suppliers are subject to a qualification process. Included in this process are mapping of risks related to business practice, human rights, working conditions and environment. If we identify any concerns related to these issues, we conduct a more comprehensive review of the potential suppliers to clarify if the supplier meets our requirements, before any agreements are signed. We assess our supply chain and monitor risks continuously.

2. Clear expectations

Suppliers that have a direct contractual relationship with Hydro Extrusions Benelux have to adhere to the principles set out in Hydro's Supplier Code of Conduct. The code is based on international recognized standards such as the eight core conventions of the ILO Declaration (International Labour Organization). In our standard contracts, the principles set in the code have contractual clauses. Failure to comply with the principles may result in a termination of the contract.

3. Support and development

We build our relationships with suppliers on mutual trust and development. We discuss and promote ethical business practice, safe working conditions, environmental issues and human rights. Through tools such as regular reviews and audits, we contribute to continuous development. We are an active member of the Aluminium Stewardship Initiative (ASI) and promote ASI's certification program to our suppliers for a sustainable development of their business. We also work with other external stakeholders, such as industry associations and unions, to develop and enact supplier development programs.

Due diligence

Hydro Extrusions Benelux has supply chain due diligence requirements as part of its memberships, such as the ASI. We also do supply chain due diligence because it is the right thing to do. Our stakeholders require us to confirm that our procurement processes adhere to a high ethical standard. Hydro Extrusions Benelux adheres to the Hydro Extrusions procedure for sustainability in the supply chain.

The Hydro Supplier Code of Conduct sets out the minimum sustainability requirements for our suppliers. There are 21 sustainability criteria covered in the Supplier Code of Conduct. In 2020, the Supplier Code of Conduct was subject to an update based on a thorough analysis of global frameworks, industry standards and peers. The main changes include stronger human rights commitments, data privacy, alert line and conflict minerals. The current version of our Supplier Code of Conduct is valid for all new and renewed contracts beginning from October 2020. More specific criteria for how



to screen and follow-up suppliers are based on a pre-categorized inherent sustainability risk level. In Hydro, we have three main parameters to identify the sustainability risk level: supplier category, country of origin and procurement volume.

Aluminium Stewardship Initiative membership

ASI is a global, multi-stakeholder, non-profit standards setting and certification organization. Its mission is to recognize and collaboratively foster the responsible production, sourcing and stewardship of aluminium, following an entire value chain approach. ASI’s 220+ members include civil society organizations, companies with activities in bauxite mining, alumina refining, aluminium smelting, semi-fabrication, product and component manufacturing, as well as consumer and commercial goods, including the automotive, construction and packaging industries. Industry associations and other supporters are also included. ASI has developed an independent certification system for responsible aluminium production to ensure that sustainability and human rights are increasingly taken into account in the production, use and recycling of aluminium. Please see our [ASI member page](#).

ASI Certification

All plants in Hydro Extrusions Benelux, including our cast-houses, are certified against the ASI Performance Standard, demonstrating our commitment to help maximize the contribution of aluminium to a sustainable society. Additionally, all plants in Hydro Extrusions Benelux are certified against the ASI Chain of Custody Standard. This is a demonstration of our support for responsible sourcing of aluminium and the enhanced recycling and material stewardship of aluminium.

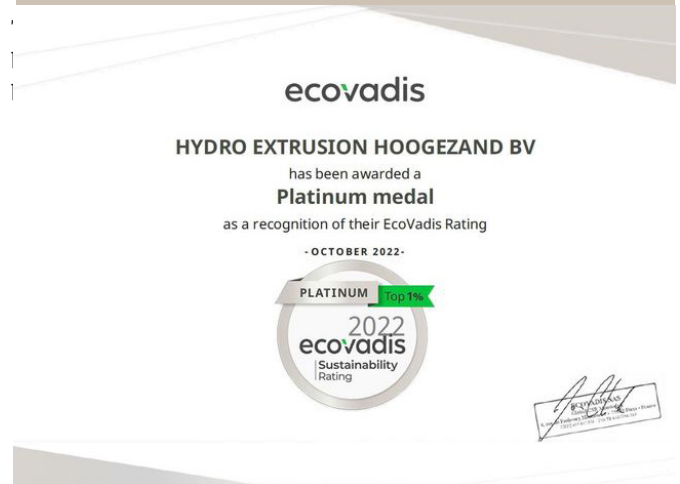


EcoVadis supplier assessment

Hydro Extrusions Benelux has introduced in its procurement process the EcoVadis assessment platform to follow a common approach and to achieve a common rating and scoring scheme. EcoVadis is aligned with the Hydro Supplier Code of Conduct and ensures global good practice and expectations toward Hydro as a provider of aluminium solutions.

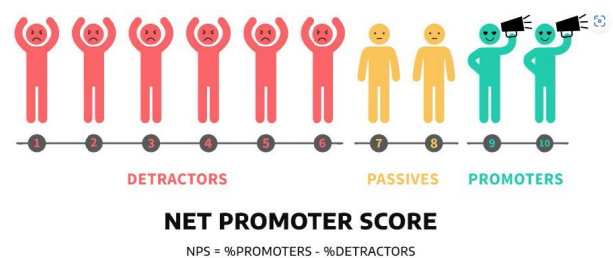
Platinum Ecovadis medal

We are very proud to be awarded Platinum Ecovadis medal for the Hydro Extrusion Hoogezand plant and are now part of the top one percent of all companies in the Ecovadis rating. This is an important step toward our sustainability goals.



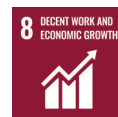
Fulfill the needs of our customers

To know if we meet our customers’ needs and to measure how our customers assess our performance, we measure customer satisfaction through Net Promoter Score (NPS) surveys. Net Promoter Score is a customer experience metric used by millions of businesses to measure customer loyalty and enthusiasm for a brand. It’s conducted using one simple question: On a scale of 0-10, how likely are you to recommend our product/company to a friend or colleague? On the Net Promoter Score scale, a customer may either be a detractor, passive or promoter.



Each location in Hydro Extrusions Benelux has a dedicated person for sending the NPS surveys to customers after an order is delivered or randomly to customers from who feedback seems valuable. In 2022, 824 questionnaires were sent with a response rate of 17%.

Material topics covered in this chapter: Health, safety and security



Safe working environment

We value human life above all else and will not jeopardize the health and safety of the people who work for us or are affected by our actions. We make every effort to provide a safe, healthy work environment because we want every employee, contractor, and visitor to return home in good health.



Our approach

The well-being of our employees, contractors, and visitors is of utmost importance, and we prioritize it in all our activities. HSE considerations play a vital role in shaping our decisions. We value the health and safety of our staff and acknowledge our responsibility to ensure

a secure work environment. Our goal is for everyone to return home in the same condition they were when they arrived at work.

Identification of strong synergies between HSE and Sustainability



Our commitment to sustainability encompasses how we interact with our stakeholders, with each other, and how we integrate environmental considerations into our decision-making processes. Health, safety and environment (HSE) is vital to our sustainability journey. It is a fundamental pillar of social responsibility and responsible business practice.

Hydro Extrusions Benelux is dedicated to enhancing HSE performance through various measures, including risk reduction, employee training, and regular follow-ups conducted by line management and HSE representatives. We investigate all injuries and high-risk incidents to identify their underlying causes and share lessons learned among our sites. We aim to engage everyone in this effort, as responsibility for a secure workspace is shared among all.

We want to be at the forefront of HSE, with zero injuries, and to achieve this, we have a system that features committed and visible leadership and full engagement of all employees and stakeholders.

The locations Raeren, Lichtervelde, Ghlin, Drunen and Hoogezand are certified according to ISO 45001 which specifies requirements for an occupational health and safety (OH&S) management system.

Extrusion Business System (EBS)

EBS is a lean working method developed by Hydro to support continuous improvement in our business, including HSE. It is a system describing our standard processes, and a philosophy for how we work with improvements. It is also a set of tools that helps us both improve and sustain those standards for the long-term future.

EBS system is based on the 6S principles (see “other HSE management tools” below). For EBS to function, everyone needs to take part. Thus, we train our employees on the system. In addition, each plant has a local EBS champions. With EBS, we aim to take our organization and performance to better levels than ever before.

Other HSE management tools

6S is implemented in our daily routine

The 6S is a workplace organization methodology to improve safety, quality and productivity. The 6S's is a basic and stands for Sort, Set-in-Order or Simplify Access, Shine, Standardize, Sustain and Safety. These principles are implemented in the daily routine and are supervised by a daily management round which have a clear impact on injuries reduction.

The Critical 7 (C7)

Seven activities have been identified at Hydro that have the potential to result in fatal accidents. These activities are actively controlled and audited. The C7 are mobile equipment, overhead cranes, energy isolation, confined space entry, fall prevention, contractor management, and molten metal.

Work Environment Risk Assessments (WERA)

Our approach to continuous improvement of occupational health is based on work environment risk assessments (WERA) and the implementation of risk reduction measures. We follow up on this using an associated key performance indicator. WERA is a tool to facilitate a more unified way of performing risk assessment, easier identification of improvement areas, and sharing between similar processes.

Walk Observe Communicate (WOC)

Every location undertakes a WOC (Walk, Observe, Communicate) program on a regular basis. This is an open, positive, and constructive dialogue between two colleagues working together to create a healthy and safe workplace. One goal is to identify areas for improvement that might otherwise be overlooked, as it is easy to have a blind spot when it comes to safety in your own area. Another intention is to compliment and emphasize safe behavior and work methods to the team members.

Reporting unsafe situations is rewarded

Employees are encouraged to report unsafe situations, known as Injury-Free Events (IFE), to help create a safer work environment. We believe safety is the responsibility of everyone and that speaking up can prevent injuries. Every reported unsafe situation is recorded in our Incident Management System and followed up. We also recognize and reward the best IFE of the month, and communicate these successes internally at the sites.

Learning from high-risk incidents and global incident response

We make every effort to prevent injuries, but when accidents do happen, we want to learn from them. Extrusion Europe shares the insights gained from investigating incidents across its plants. This is the most efficient approach to emphasizing the significance of HSE and avoiding future incidents.

Continuously improving working conditions

Hydro Extrusions Benelux is continually enhancing its working conditions, including improvements in health and safety, as per its HSE policy. Hydro invests in various initiatives to promote safer, healthier, and more ergonomic working conditions. Enhancements to machines, processes, and the work environment offer benefits to both employees and the company by optimizing daily operations. Some examples for the year 2021 are summarized in table 1 on the next page.



Audits

Hydro's HSE team conducts HSE audits in our plants to verify compliance with legal and corporate standards and to identify good practices and opportunities for improvement. These audits are managed by the HSE group team and supported by our local HSE staff and line management.

HSE Training

To create a safe working environment, Hydro Extrusions Benelux provides HSE training to its employees. This training promotes awareness and encourages safe practices, providing essential knowledge about health, safety, the environment, and security to all individuals.

Some examples of our HSE training are:

- Induction program for new employees
- Fatality prevention
- New line manager training
- Hand injury prevention
- Onboarding and specialized training program
- EBS training

Health, well-being and pandemics

Numerous awareness-raising efforts, on topics such as mental health, stress management, sleep hygiene, healthy eating, and exercise, are carried out throughout the year.

We continue to closely monitor the development of Covid-19. We have implemented control measures to prevent the risk of infection and spread to minimize its impact on our employees and operations. Where applicable, guidelines and regulations from national authorities, such as travel restrictions, social distancing, home office, or complete societal lockdowns, have been reflected in our internal policies and procedures.

Weekly HSE calls

Every week, Hydro Extrusions Benelux conducts an HSE meeting online to examine high-risk incidents and share innovative solutions and best practices. We encourage everyone to participate, as the more you learn, the more you can see, and the more you see, the more you can learn. We review the incidents discussed during the call and brainstorm on solutions. The objective of these meetings is to learn from our experiences.

Team up to clean up

All Hydro Extrusions Benelux locations organizes yearly a 'Team up to clean up' day. Selected workplaces in production, warehouse and offices are organized in a structured way through the 6S method, with the aim to reduce the chance of incidents, improve machines maintenance, creating pleasant and organized workplaces and reduce losses.

DSS+ training program: working and thinking more safely

In the Benelux we have started a pilot to work even more safely with the aid of the DSS+ training programme. The core of the project is making each other aware of the importance of safety and quickly recognizing risks. The goal is to take every colleague, from management to the shop floor, into a new way of thinking. All employees must be able to ensure their own safety and that of their colleagues.

The DSS+ project will run for two years. In challenging workshops one question is central: what change is needed to prevent accidents? This ultimately leads to a long-term strategy.

Security

Hydro is committed to the protection of people, the environment, physical assets, data and information. We anticipate and prepare for potentially adverse incidents with crisis potential in order to maintain business and operational continuity. Our enterprise IT platform is a critical element in all parts of our operations. Cybercrime is increasing globally, and Hydro is exposed to threats to the integrity, availability and confidentiality of our information and systems. Hydro has launched several initiatives to increase the robustness of the enterprise IT platform against malicious attacks. These include improving system infrastructure, educating employees through mandatory e-learning to develop and improve secure work processes and routines, and to understand how these threats can be prevented. Additional segregation and protection is also implemented for the process control systems at Hydro's plants.

Personal protective equipment

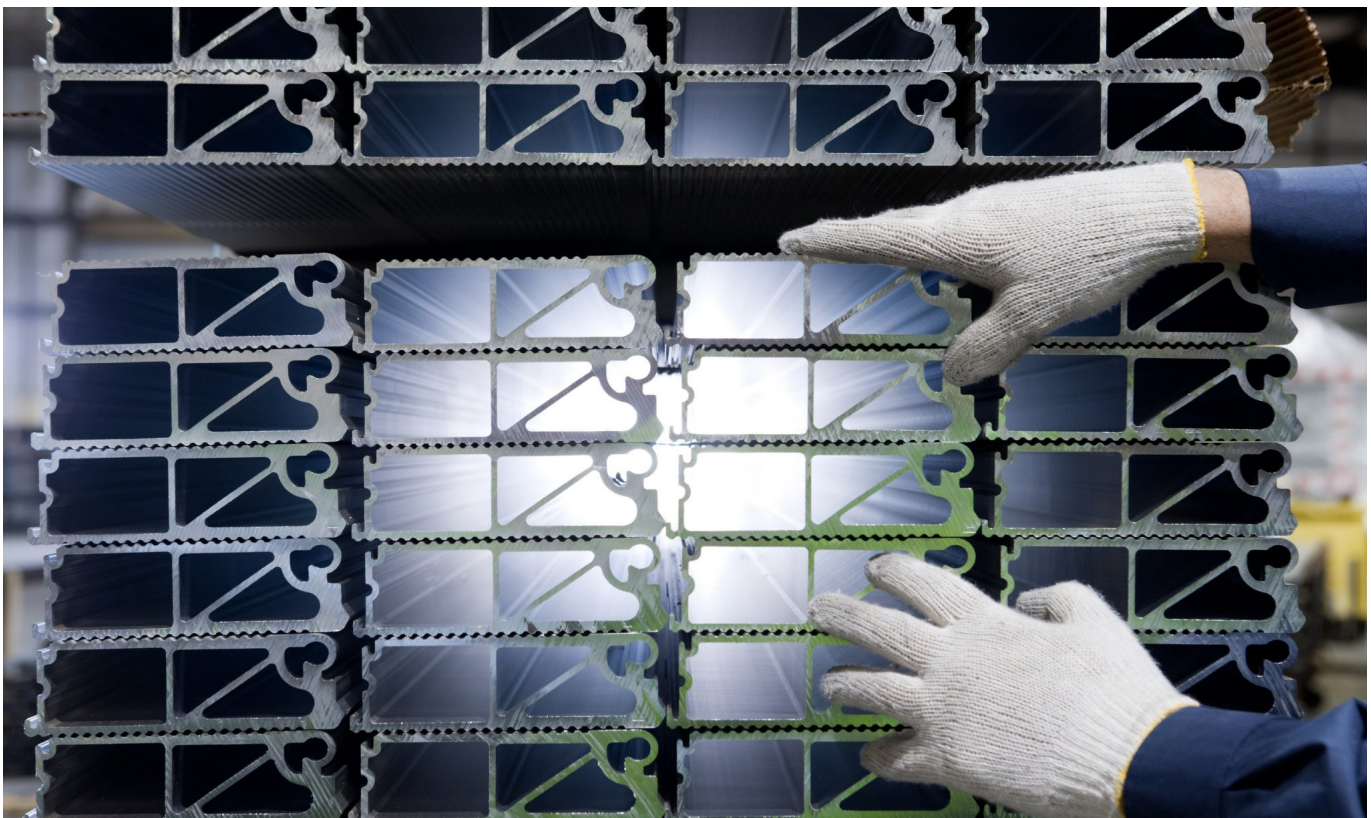
To optimally protect our employees during the performance of their duties, work clothing, footwear and personal protective equipment (PPE) are available. All employees working in production, all other employees and visitors entering the production department are obliged to wear the personal protection equipment.

Emergency response team

Each Benelux location has an emergency response team in place composed of employees from various departments. The emergency response team members are trained for their duties through internal and external training in which both theory and practice are part of the program.

Prevent absenteeism

To reduce absenteeism and due to increasing retirement age, we focus on Sustainable Employability. Periodically, a review is done on the shop floor together with a physiotherapist. Together with the employee, a production area is evaluated and advice is given to work as ergonomically as possible.



Continuously improving working conditions

Drunen	Harderwijk	Hoogezand	Ghlin	Raeren	Lichtervelde
Asphalting scrap yard to improve ergonomics for forklift drivers	Hand safety WOCs to reduce the risk on hand injuries	Endplate backers new die storage to avoid the risk of molds falling	Installation of guardrails on the roof to secure work on top of the roof	Installation of a filter system to all three CNC machines to collect dust and emissions at the workstation	Investment in a new forklift with various safety features.
Renewed extraction system billet saw press 4 and press 5 to avoid saw fumes blown into the hall	Placement of uprights at workstation handling to prevent profiles from falling	Anodizing department equipped with rubber mats to prevent slipping. New rubber mats placed at the saw of press 3	Floor of the cast pit area has been restored and repaired, marking added and non-slip coating applied as part of 6S	Installation of a second portable airbrush paint booth with filter and LED lighting to improve wellbeing and health of employees	Checklist hot work place introduced in maintenance department to reduce risk of injuries
Renewed TLV lockout stations for energy security of machines	New packing instructions when repacking packages to avoid risk of injuries.	Installation of a new roller door, which also blocks the sound, for the neighbors	Replacement of the activation key on each forklift and bulldozer by a badge reader compatible with Hydro badges.	E-Learning platform on HSE made available and put into operation	Installation of a new (second) fall prevention in expedition department
Installation of a lifting table for molds for correction group to reduce unsafe operations with the crane	Improved layout of transport hall / storage of packages to prevent crane incidents	Investment in 2 new Doosan forklifts with inlog system to prevent use by unauthorized persons	Replacement old vacuum cleaner maintenance workshop by a new one with better efficiency and with less noise emission to improve wellbeing and health of the employees	New sawing machine provided at packing department which oblige a two hands operation in order to avoid any risk of hand injuries.	Installation of 3 safer industrial stairs delivered for shipping & fabrication department
Investment in electric forklift for recycling unit to improve health of employees (no diesel emissions)		Applying marking (liquid indication and tank numbers) on both sides of anodizing baths to increase risk awareness	Installation of signalization on both side of the pedestrian crossing to increase risk awareness	New flow sensors for caustic cleaning tanks in Dies shop, with integrated alarm system in case of failure of extraction systems to avoid H2 emissions	Starting 6S actions on mobile equipment and overhead cranes

Table 1: Continuously improving working conditions - some examples 2022

Material topics covered in this chapter: Impact on local communities | indirect economic impact



Local community value creation

Our goal is to make a positive impact on society by promoting the well-being and growth of local communities and society as a whole. We have a responsibility to act responsibly and in the best interests of our stakeholders. This commitment is an integral part of our purpose, values, and business strategy.



We prioritize contributing to the development of local communities as we believe it is essential, not only because we care, but because our success as a company is intertwined with the success of the communities around us. Our operations, such as production, purchase of goods and services, job creation, and tax payments, make significant contributions to society. Additionally, we engage in capacity building programs to enhance the skills of both individuals and groups, and we have formed partnerships to increase public awareness about Hydro Extrusions Benelux and its operations.

Our approach

Our social responsibility approach, as well as Hydro's CSR strategy, is grounded in our commitment to internationally recognized human rights. Hydro Extrusions Benelux aims to contribute to quality education, promote decent work and economic growth, and strengthen local communities and institutions through capacity building. We strongly believe in actively engaging and participating in the communities where we operate.

Employer engagement

Employer engagement as a great way to give back to the community. It has several benefits: It increases productivity, strengthens the local community and prepares us as businesses for the future. Employer engagement establishes a network between education and business and reinforces the up-to-date skills sought by employers. It complements career guidance initiatives by educating young people about various careers and professional pathways, and it helps contextualise classroom learning. When young people grasp how a subject is relevant outside of the classroom and the job opportunities it could create, they may be more interested in it.

New employees of the technical school in Eupen

Our visits to the Technical School in Eupen have yielded results and are generating potential new employees: two apprentices from this training have been strengthening our maintenance team since 2022. They are helping us with a great challenge this year: putting the new press in Raeren into production.

To engage with the next generation, we have launched various initiatives, such as school visits, plant tours, and participating in events like career talks and job fairs. Since many young people have limited opportunities to interact with employers, engaging with them can improve their employment outcomes while ensuring that they have the skills we require.

Education and training

We want to make a tangible, positive impact on the future career prospects of our youth. To do this, we need to ensure that they are equipped with skills for the future economy. Hydro Extrusions Benelux works closely with various training institutes. For example, we sponsor the "Aluminium Chair" at the TU in Eindhoven. At TU Delft we work together with the faculties of Industrial Design and Naval Architecture. In addition, Hydro actively collaborates in the field of sustainable design with the Rotterdam University of Applied Sciences and the Amsterdam University of Applied Sciences. We are a regular guest speaker at regional secondary education courses. Support is also provided through internships, as well as apprenticeships where hands on vocational skills are developed.



Educational plant tour at Hydro Extrusion Hoogezeand

A society for all, including people with disabilities

People with disabilities may face obstacles that prevent them from participating fully in society and the economy. Often, the opportunities they are denied hold them back more than their physical or mental limitations. Hydro Extrusions Benelux wants to offer people with a distance to the labor market the opportunity to be part of the workforce. Therefore we collaborate with various local companies for social employment to achieve social and societal goals:

- Hydro Extrusions Drunen has set up a partnership with Baanbrekers, a local public company for social employment.
- Hydro Pole Products entrust assembly work to 'UW Productie', a social workplace for disabled and Prisma, an organization that offers employment to people with disabilities.
- Hydro Extrusions Raeren works together with the 'Beschutte Werkplaats' (BW) in Eupen, a company that offers suitable work to people with disabilities. Seven BW colleagues work at Hydro Raeren.

CSR activities and sponsorships to support local communities

CSR activities need to be in compliance with the company strategy and requirements on community investments, charitable donations and sponsorships.

Contribution to an eco-social project in Tanzania

Hydro Lichtervelde cooperated with Mondial Gifts for the employees end of year presents. Indeed, as a part of an eco-social project, run entirely by women, Forest Nation plants a tree in Tanzania for every gift box purchased. The partnership with Hydro allowed a total of 250 trees to be planted.



Support Ukraine refugee children

Hydro Hoogezand has sponsored the bus for a day out for refugee children from Ukraine, organized by Breath Care for Kids, an organization dedicated to war refugees. A total of 35 children and parents enjoyed a guided boat trip on the Kagerplassen in the west of The Netherlands.



TU Ecomotive

Hydro is sponsoring an innovative electric car called ZEM, developed by a team of students from the TU/e comotive of TU Eindhoven. Extrusion profiles from Hydro have been used in the model.



Trialrun Harderwijk

Hydro is main sponsor of the Athlos Hydro Trailrun. The second edition took place on November 5, 2022. The event can accommodate 300 participants, who can choose from a course of 13 km or 22 km.



Durability and versatility of aluminium material at Stedelijk Museum Amsterdam

During the exhibition “It’s our F***ing Backyard,” attention was drawn to the greatest challenge of our time: the climate crisis. Designers can make a significant difference by drawing on local knowledge and looking at materials radically differently. In doing so, they offer design that is both responsible and aesthetic, comfortable and accessible. At this exhibition, which revolved entirely around responsible materials, aluminium, of course, could not be missing.



In keeping with the theme, Hydro’s aluminium scrap was chosen by Envisions to be used as the backdrop for the artworks. This scrap, taken from aluminium profiles, was compressed into blocks that were then completely sanded and polished.

The Envisions design lab consists of more than 20 multidisciplinary designers who all share a fascination for experimental research and the process before a product is developed. After the exhibition, the aluminum material was returned to Hydro where it was remelted and cast into new billets for reuse in new products.

Re-usable bags to eliminate waste

Hydro Hoogezand donated reusable bags to primary school Aquamarijn as part of a project week with the theme of sustainability. Part of the program was building awareness of reducing waste, especially plastic.



Planting trees through learning

Hydro Extrusions Benelux put a lot of effort in education and training. We accommodate part of these trainings at FairField. For every participant in their programs, they plant a tree in collaboration with Greenfield. One tree removes 44 kg of CO2 from the air every year. That is equivalent to driving 338 km by car.

Norway's Youth Politicians visiting Hydro Extrusion Raeren

Hydro Extrusions Raeren welcomed 19 young politicians from Norway to visit Ostbelgien on 21 April 2023. T. Cross-regional and cross-border networking between business and politics is key to learn from each other, create coalitions and develop tailor-made solutions for the challenges of our time: Climate and energy crisis, inflation, lack of skilled workers.



Fundraising Villa Pardoes

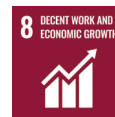
March 23th & 24th 2023, 130 key people from the Hydro Extrusions Benelux organization came together for the annual Operations Meeting gathered in Almelo (NL). Besides networking, exchange of knowledge and experience, Benelux also held an exciting CSR-teambuilding event in which a total of 15.000€ was raised for Villa Pardoes. Highly enthusiastic colleagues played along when it came to raising funds for Villa Pardoes through an active game element. Tricky problem solving, agility and team spirit were required to make it possible that at the end of the day a check of 15000€ could be handed over to Mr. Olaf Jungerius, head of Villa Pardoes.

About Villa Pardoes

Villa Pardoes offers Dutch families with a child between the ages of 4 and 12 years who is facing a serious, possibly life-threatening illness, an unforgettable, unique vacation experience. For brothers, sisters, dads, moms, grandpas and grandmas who dream of a carefree week together. Enjoying each other, that's what Villa Pardoes is all about. Forgetting everything and making beautiful memories together! The entire stay is free of charge. All expenses are covered by fundraising and sponsorship activities.



Material topics covered in this chapter: Organizational capabilities and sustainability culture | Diversity and inclusion



Organization and people

We aim to be an employer of choice by providing favorable career prospects, practicing transparency, and employing an open management approach. The strength of our organization is in our individuals. Motivated, proud and well-trained employees advance our organization in a demanding environment..



Our approach

Hydro Extrusions Benelux recognizes that its employees are the key to success. We provide ample opportunities for personal and professional growth, as we believe that employees who are empowered to develop their skills are better equipped

to serve customers. We also value open and respectful relationships between colleagues, regardless of their background. Extrusion Europe values teamwork and fosters a supportive work environment, which is crucial to its success.

Human resource strategy

Hydro Extrusions Benelux implements Hydro's global human resources procedures to guarantee that we have the necessary skills, capabilities, and organizational culture to achieve our strategic objectives. Within the framework of Hydro's goals, Hydro Extrusions Benelux is initiating, developing and implementing a strong human resource strategy, with the focus on:

- Engagement; continue to work internally on a positive environment with an external effect towards preferred employership (employer of choice)
- People & organization development in order to continuously meet social and market developments
- Working on sustainable employability to assure a vital & healthy organization
- Eye on organizational continuity through succession planning and filling our pipeline with new talents
- Keeping focus on cost and compliance

Learning culture

Our goal is to have a culture of continuous learning and competence development to ensure current and future workforce readiness. We believe that learning and competence development is best achieved through a combination of on-the-job training and social learning – networking, peer-to-peer and mentoring – as well as through formal learning initiatives, both digital and in the classroom.

ONE Learning

Hydro developed a new platform to support our learning and competence development processes. ONE Learning is a digital HR platform that makes learning more visible, accessible, and easier to follow up on. Here, employees can find all courses and training provided by Hydro

“Ready To”

“Ready To” is an internal training program for (young) talent in Hydro Extrusions Benelux in which personal development is central. Points of attention are success factors, motives, im-

provement methods and innovation technology. The course consists of a mix of applicable theory & energetic meetings and practical assignments with the aim of applying models in the work environment, influencing one's own behavior and that of others and enjoying one's own development.

Development and training options

We offer new employees introductory training related to the organization and to their individual work tasks. This includes required knowledge in health, security, safety and environment (HSSE), ethics and compliance, the Code of Conduct, and sustainability. The most important development takes place locally, primarily with on-the-job training. We also offer a more in-depth course, Hydro Fundamentals, to leaders and specialists. A digital version has been developed to significantly extend the reach of the program. Hydro offers a portfolio of global programs and development tools from global HR to aid the development of leaders and employees. Hydro Extrusions Benelux' employees are also able to attend external programs. Because we have a diverse workforce, learning, at times, also includes language courses.



Radical collaboration training in Oostende

Leadership and succession planning

Succession planning for critical positions in the company is one of our strategic people priorities toward 2025. The continuous development of candidates to the succession pipelines helps ensure a steady supply of quality leaders. We firmly believe that this is key to securing our future strategic returns. To build a healthy pipeline of leaders with the required breadth of experience, we rotate leaders so they gain knowledge from different parts of the organization. Through the succession and talent processes, we work with the leadership and specialist pipeline and identify required development.

Diversity, inclusion and belonging

We believe that diverse and inclusive teams lead to higher levels of innovation, support a learning culture, improve cultural awareness and lead to better financial results. Diversity and inclusion is important for our business and is directly linked to our profitability and sustainability agenda. We want to build an inclusive work culture, strengthen inclusive leadership, lift underrepresented groups, and improve team diversity. Hydro's diversity and inclusion processes are centered around three pillars:

- **Diversity:** Seeking multiple perspectives and competencies when solving tasks and meeting customer needs. This includes increasing relevant diversity across senior levels, including improved gender balance.
- **Equity:** Promoting equitable opportunities for everyone to thrive, contribute and succeed, adjusting for the fact that different individuals have different starting points.
- **Inclusion:** Fostering inclusive leadership and an inclusive culture for all employees to contribute with their full potential.

Identifying and managing diversity and inclusion risks

Hydro is committed to providing equitable employment opportunities and treating all employees fairly. Hydro has set up a global diversity and inclusion core team to drive execution of the diversity and inclusion agenda. Hydro's corporate management board, HR leaders and diversity and inclusion core team receive diversity and inclusion safeguarding dashboards each quarter for Hydro overall and for the respective business areas, including Hydro Extrusions Benelux. The dashboards use HR reporting data and employee surveys for quarterly tracking of metrics on gender balance, diversity in the succession pool, inclusive culture, well-being, psychological safety and diversity leadership. The quarterly measurements are used to develop action plans and make continuous improvements and are reported in internal board meetings

Hydro Monitor

Our road to excellence would be impossible without motivated employees who are given the opportunity to utilize their skills to the maximum. To help us better understand the progress we are making toward becoming a safer and more inclusive, collaborative, stimulating and creative workplace, Hydro's global employee engagement survey Hydro Monitor runs every second year. The feedback provided by this survey gives us valuable insight into many important areas of our organization and helps us prioritize actions and improve. Based on this, we develop ideas on how to improve diversity and inclusion in the workplace, and pilot projects to create sustainable change. To mature in diversity and inclusion, we are implementing actions at all levels in the organization.

Gender balance in the workplace

We believe that a more balanced workforce is essential to us achieving our goals. The EU comprises 51% women, but in

Hydro Extrusions Benelux, women currently account for just 10% of our workforce. We want to attract female talent and realize that we have to prepare our organization. We need to create a space where our female colleagues feel included and empowered to participate equally from the outset.

Including people with disabilities

Hydro Extrusions Benelux wants to help prepare employees with impairments for the real labor market. We are proud of the location Raeren (Belgium), which has created an opportunity for employees with disabilities to participate in society.

Sustainable employability – “Hydro Vitaal”

There is a growing social necessity: it is becoming increasingly important, for manufacturing companies in particular, to keep employees healthy. Rising retirement age brings in general more physical and mental discomfort among employees. One of the key points of sustainable employability lies in improving the work capacity of employees.

Works council

Hydro Extrusions Benelux has a strong and constructive cooperation with the Works Council and unions. The Works Council consists of Hydro Extrusions Benelux employees with a fixed contract. Several times a year the Works Council meets the local management team. The minutes of meetings are communicated by email and on bulletin boards to all employees. Dialogue with employee representatives includes involvement at an early stage in all major processes affecting employees.

Extrusion Europe Women's Network

Extrusion Europe has established a women's network (EENW) to promote workplace gender equality. With the EENW, we hope to create a sense of belonging and increase psychological comfort with the goal of promoting a better speak-up culture and deeper employee engagement.





Environmental and social indicators

Hydro Extrusions Benelux	Hydro Extrusions Benelux		GRI Standards reference
	2022	2021*	
Environment			
Direct GHG emissions (kton CO ₂ e)	40.7	44.5	305-1
Indirect GHG emissions (kton CO ₂ e)	28.1	30.4	305-2
Electricity consumption (GWh)	76.2	83.2	
Electricity consumed per net processed ton of product (MWh/t)	0.33	0.34	302-4
Gas consumption (thousand Nm ³)	17 611	18 967	
Renewable electricity produced from wind and solar (MWh)	5 680		
Water withdrawal for industrial use (thousand m ³)	285	288	
Hazardous waste (thousand tons)	9.0	9.6	306-4
Non-hazardous waste (thousand tons)	5.8	7.0	306-2
Total post-consumer scrap recycling (tons)	20 557	20 349	301-2
Total pre-consumer scrap recycling (tons)	96 601	94 817	301-2
Health and safety			
TRI	8	19	403-2
TRI rate	4.7	10.46	403-2
LTI	5	9	403-2
LTI rate	2.94	4.95	403-2
HRI	1	5	403-2
WOC	1 722	1 929	403-2
Injury free incident reports	6 432	6 461	403-2
Sick leave	8.1 %	6.1 %	403-2
Fatal accidents	0	0	403-2
Social			
Total number of permanent employees	986	973	102-7
Total number of temporary employees	49	50	102-8
Share of women	10.4 %	11 %	102-7
Share of women in management positions	10.2 %	11 %	

Table 2: Environmental and social indicators

The section "Environmental and social indicators" has been prepared mainly based on information provided in Hydro Extrusions Benelux's registration system HERE. Business unit safety data are retrieved from IMS or Synergi and labor data from ONE.

*Recalculation data 2021





Hydro Extrusions Benelux

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Hydro is a leading industrial 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.