



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

<input checked="" type="checkbox"/> General Mgmt & Admin	<input checked="" type="checkbox"/> Supply Chain Management	<input type="checkbox"/> HSE	<input checked="" type="checkbox"/> Finance & Accounting
<input checked="" type="checkbox"/> Strategy/Business Development	<input checked="" type="checkbox"/> Production	<input checked="" type="checkbox"/> Sales & Marketing	<input checked="" type="checkbox"/> Human Resources
<input checked="" type="checkbox"/> Project Management	<input type="checkbox"/> Engineering	<input checked="" type="checkbox"/> Procurement	<input checked="" type="checkbox"/> Information Technology
<input checked="" type="checkbox"/> Research & Development	<input type="checkbox"/> Operational Excellence	<input checked="" type="checkbox"/> Trading	<input checked="" type="checkbox"/> Legal & Compliance
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CONTENTS

1 Purpose and scope.....	2
2 Roles and responsibilities.....	2
3 Definitions	2
4 Description	3
5 Deviations	4
6 References	4

1 Purpose and scope

Hydro aims to maintain an active dialogue with international, national, regional and local authorities, associations and other stakeholders who take part in processes that influence Hydro's business environment and framework conditions. The purpose of this policy is to set out requirements for Hydro's communication and interaction with such stakeholders to ensure professionalism and consistency in making Hydro's requirements and views known to decision-makers.

This policy affects all Hydro employees, but primarily:

- Hydro management
- All communication and government affairs professionals in Hydro

2 Roles and responsibilities

The Executive Vice President (EVP) of Communication & Public Affairs (CPA) is, on behalf of the President and Chief Executive Officer, accountable for the communication and professional interaction with authorities. She/he authorizes other Hydro personnel to communicate and interact with authorities through the principles and processes established in this policy. She/he is responsible for monitoring alignment with this procedure.

The Head of Group Government Affairs is mandated by the EVP of Communication & Public Affairs to monitor alignment with this policy. The Group Government Affairs is responsible for the overall governance of the government affairs activities in Hydro to ensure professionalism and consistency through industry associations or directly in making Hydro's requirements and views known to political and authority stakeholders. The Head of Group Government Affairs is also responsible for developing and executing government affairs strategies on non-EU processes in Europe, including Norway.

The Head of Group EU Affairs is mandated by the EVP of Communication & Public Affairs to prepare and execute Hydro's government affairs strategy and advocacy plans targeting all EU political and public institutions, as well as EU Industry Associations. The Head of Group EU Affairs is also responsible for Hydro's participation in EU/Brussels based industry associations and other organizations.

The regional Government Affairs functions in Brazil and US are responsible for developing and executing government affairs strategies in their respective regions in accordance with this procedure.

3 Definitions

- The Executive Vice President (EVP) Communication & Public Affairs reports to the President & CEO.
- Head of Group Government Affairs reports to the EVP Communication & Public Affairs.
- Head of Group EU Affairs reports to the EVP Communication & Public Affairs.
- Public Affairs Forum, owned by the EVP of Communication & Public Affairs and coordinated with the support from Head of Group Government Affairs and Head of Group EU Affairs, has the mandate to coordinate strategies, advocacy plans and agendas towards public authorities, civil society and media in Europe, including Norway. The members of the Public Affairs Forum comprise all policy owners, members of the Communication & Public Affairs teams in the business areas (BA), Group Media, Group Brand and Marketing, Group EU Affairs and Group Government Affairs

- The regional Government Affairs function in US reports to Group Government Affairs..
- The Regional Government Affairs functions in Brazil is a part of the Bauxite & Alumina (B&A) Management Team and the Brazil Country Board, reporting to the EVP of Bauxite & Alumina.
- Industry Association: an organization founded and funded by the members of the association. Members are normally private/public companies, NGOs and/or local authorities. The association shall have a non-economic purpose and there shall be no reciprocal rights and obligations between the associate members
- Strategic Association: An Association, in which Hydro is member for the purpose of Global or Regional (two countries or more) objectives, or which covers the strategic interests of two or more Business Areas.
- Local Association: An Association, in which Hydro is member for the purpose of national, state or municipal objectives, or which only cover the interest of a Business Area, Business Unit, Plant or Group.

4 Description

All Government relations and interactions shall be based on The Hydro Way and in line with Hydro's [Code of Conduct](#), as well as other relevant internal and external regulatory and legal framework.

Government Affairs strategies shall be developed to support Hydro and BA strategies and business needs and aim at reducing regulatory risk, support value creation and new business opportunities. The government affairs strategies shall be on policies and positions owned by the applicable policy areas in Group functions and the BA's, i.a. Energy, Sustainability, Tax and BA specific commercial policies. Regional Government Affairs strategies shall be approved by applicable line management and/or country board and shared with the Group Government Affairs function. All strategies and positions of Hydro on policy issues shall be aligned with the objectives of the Paris Agreement. Hydro's positions shall be regularly monitored and reviewed to ensure the said alignment of positions and lobbying activities.

Stakeholder engagement and interaction with public officials shall be scheduled and shared with Group Government Affairs and documented in terms of;

- Time and place for meeting
- Attendance in meetings (external and internal)
- Purpose of meeting
- Hydro positions presented and/or distributed in the meetings.

Coordination of the implementation of government affairs strategies and stakeholder engagement process shall be conducted in regional Public Affairs Forums/Country Boards involving all relevant Business Areas and policy areas.

Hydro's participation in Industry Associations shall be based on an overall purpose. The decision shall be supported by a stakeholder analysis, strategy and a proper assessment of the association. In the assessment, e.g. the following must be considered:

- Purpose of the association
- Rational for Hydro's participation (strategic, operational, lobby, etc.)
- Hydro's role in the association (passive, active, board/committee memberships)

- Definition of Hydro's representative(s) in the association and internal stakeholders (Responsible Hydro Unit, budget, member and mandate)
- Integrity due diligence of association members
- Overview of the governance structure in the association (e.g. By-laws, Code of Conduct, board composition and structure, procedure, delegation of duties, segregation of duties, accounting, reporting, audits, transparency in funding and reporting of activities, integrity matters (e.g. conflicts of interests, etc.)
- Alignment of the association's positions and lobbying activities with the objectives of the Paris Agreement and other fundamental Hydro values. In case of misalignment, mitigating actions should be defined and implemented.
- Competition compliance risk with participating in the association. If yes, what are the mitigating actions.

In respect of Strategic Associations, Group Government Affairs is responsible for coordinating Hydro's interest in the respective association and overseeing, managing, and ensuring adequate controls and governance in accordance with this Procedure, Hydro's Steering Documents and applicable legislation.

In respect of EU associations, EU Affairs is responsible for coordinating Hydro's interest in the respective association and overseeing, managing and ensuring adequate controls and governance in accordance with this Procedure, Hydro's Steering Documents and applicable legislation.

In respect of Local Associations, the Business Areas are responsible for overseeing, managing, and ensuring adequate controls and governance in accordance with this Procedure, Hydro's Steering Documents and applicable legislation.

The decision to enter or terminate any membership in a Strategic Association shall be made by the EVP of Communication & Public Affairs. Membership of Local Associations shall be decided by the Business Area or relevant Group function and with information to Group Government Affairs.

The Government Affairs functions (Group, EU and regional) shall monitor and report on political development (risks and opportunities) relevant to Hydro Group and its Business Areas. The Regional Government Affairs functions shall each quarter report to the Group Government Affairs on the political development in the region/country, main political risks to Hydro's business and planned upcoming initiatives towards political stakeholders.

5 Deviations

Any deviations to this procedure shall be approved in advance by EVP Communication & Public Affairs.

6 References

- NHC-GD01 Hydro Way and Governance Systems
- NHC-GP01-20 Group Communication and Public Affairs
- NHC-GD09 Hydro's Social Responsibility