



Report on executive remuneration 2023

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Dear reader

On behalf of the board, I am pleased to present Hydro's Report on executive remuneration for 2023. The report has been prepared in accordance with section 6-16 b of the Public Limited Liability Companies Act (the Act).

Pursuant to section 6-16 b (2) of the Act, the report will be presented to the Annual General Meeting (AGM) on 7 May 2024, which will hold an advisory vote on the report.

Hydro's Report on executive remuneration for 2022 was presented to the 2023 AGM for advisory vote. Approximately 11 percent of the votes cast were against the report (and approximately 89 percent were in favor).

Since no explanation was forthcoming from the shareholders who voted against the report in 2023, it is impossible to know the reason for their actions. However, based on feedback from shareholders (and proxy advisers), our understanding is that the presentation of criteria and results pertaining to the short-term incentive (STI) plan should be made more transparent. To accommodate this, the presentation of criteria and results pertaining to the STI plan in the current report has been significantly expanded, especially with regard to the business areas.

We hope that the expanded reporting will help strengthen the purpose of the report to provide an open and comprehensive overview of remuneration to the board and to the members of the Corporate Management Board (CMB) in 2023. In addition to providing an overview of the actual remuneration, the report will explain how remuneration earned and paid in 2023 is in accordance with Hydro's policy for remuneration of executive management (approved by the AGM in 2022) and the link with Hydro's long-term interests and sustainability.

Remuneration of the board and the CMB in 2023 was earned and paid in accordance with the policy for remuneration of executive management.

The Company's performance through 2023

In 2023 we saw a year marked by the consequences of wars, geopolitical rivalry and the battle against inflation, which led to challenging markets and weaker financial results. However, while managing the uncertainty in the short-term, we are strengthened in our conviction about the long-term

commercial opportunities arising from the green transition and the key role aluminium is set to play.

Hydro's most important asset is our 33,000 colleagues across 40 different countries who make Hydro stronger and better positioned in a fast-changing world. Throughout the company our people, driven by their dedication and determination, use their skills and experience, to deliver on our ambitious strategic agenda. Nurturing a diverse and inclusive workplace environment is critical to reach our targets of constantly improving our greener product ranges and practices, better cost positions and improved market positions.

Health and safety is our top priority. Over the past years, Hydro's safety performance has improved significantly, with lower injury rates and fewer high-risk incidents. Sadly, October 2023 represented a large setback for us, as we experienced one fatality involving a contractor at our alumina refinery in Brazil, and one fatality involving a contractor at our joint venture Qatalum in Qatar. Although the fatality in Brazil is not concluded as work-related and investigations of root cause are on-going, two young men did not return home from work. These incidents are a stark reminder that good safety results can never be taken for granted. Safety is and must be on the top of the agenda, every day and hour in our operations, including contractors working for us. Our ultimate target is an injury free environment, for our own employees as well as contractors.

In 2023, our improvement program achieved accumulated improvements amounting to NOK 8.8 billion annually compared with 2018 baseline. We launched a new ambition in November last year to reach NOK 14 billion in accumulated improvements by 2030.

Our commercial ambition aiming to improve results with NOK 3 billion by 2027 compared with 2018 is on track, reaching NOK 2.4 billion as of 2023. Positive developments in the markets for greener products has led us to lift the ambition to reach 6.1 BNOK in accumulated improvements by 2030.

Remuneration

In 2023, the base salaries of the CEO and members of the CMB with Norwegian employment contracts were increased by an average of 5.2 percent, which is lower than the salary

increase for other employees in Norway (5.7 percent).

The performance goals are closely linked to Hydro's long-term strategy. Hydro's STI plan is designed to support the Company's strategic goals in the short term, whereas the long-term incentive (LTI) plan is a share-based plan that measures performance over a three-year period.

The STI plan's financial element was changed in 2022 and 2023. From 2022, the target for the adjusted return on average capital employed (ARoaCE), increased from 10% to 13%, with a threshold of 3%. With effect from 2023, the threshold was further lifted to 5%. To provide a better connection between the actual measured return and the market conditions, the ARoaCE element was changed to market based ARoaCE, where the capital employed is based on the market value of equity instead of book value. This makes it more challenging to achieve the same result in the incentive scheme with a strong market environment. The 2023 change to market value of equity also applies to the LTI plan.

The ARoaCE in 2023 based on market value of equity is 5.46 percent. This also affects the three-year average ARoaCE used in the LTI plan, which is 15.42 percent. In comparison the ARoaCE based on book values is 7.15 percent for 2023.

Hydro's TSR increased in the last three-year period by 28.1 percent, which was 15 percentage points higher than for the selected comparable companies.

There were no changes in the Corporate Management Board in 2023 (see Hydro.com for a more detailed presentation of the Corporate Management Board).

Dag Mejdell, Board Chair



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Norsk Hydro ASA's ("Hydro" or the "Company") remuneration report for executive management applies to the members of the Board of Directors ("board") and members of the Corporate Management Board ("CMB"). The CMB is composed of the Chief Executive Officer ("CEO"), the EVPs for the Business Areas and the EVPs for the corporate staff areas.

Compensation & People Committee

Hydro's Compensation and People Committee serves as a preparatory body for the board in matters concerning remuneration of the members of the CMB. The committee also prepares matters for the board's consideration concerning strategic employee processes such as succession planning, management and talent development, and diversity, belonging and inclusion. The committee shall regularly assess whether the salary and remuneration arrangements of the members of the CMB are appropriate and competitive.

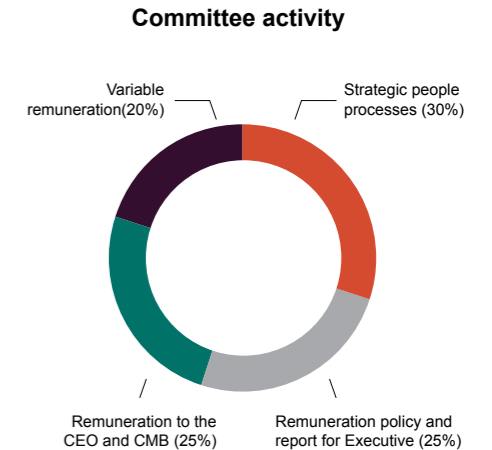
The committee is chaired by Dag Mejdell, and its

other members are Rune Bjerke (deputy board chair), Kristin Fejerskov Kragseth and Arve Baade (employee representative). The committee held 8 meetings in 2023, and the attendance rate was 97 percent.

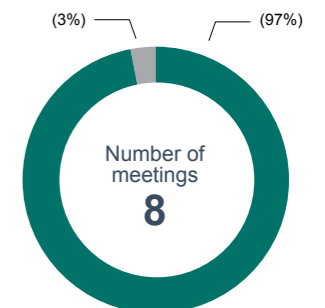
In 2023, the committee's efforts have focused on:

- Hydro's report on remuneration of executive management and revision of the Company's policy for remuneration of executive management.
- The Company's plans for variable remuneration, especially with a view to ensure that the plans encourage positive behaviors of the members of the CMB in accordance with Hydro's long-term strategy in a sustainable manner, with positive results for Hydro.
- Succession planning for critical positions in the Company.

The mandate of the Compensation and People Committee is available on [Hydro.com](https://www.hydro.com).



Attendance 2023



- Dag Mejdell 8/8
- Rune Bjerke 8/8
- Kristin Fejerskov Kragseth 7/8
- Arve Baade 8/8

Committee members

Dag Mejdell

Position

Non-executive director.

Education

MSc in Economics and Business Administration (siviløkonom), Norwegian School of Economics (NHH).

Current directorships

Chair of SpareBank 1 SR Bank ASA, Chair of Mesterguppen AS, Chair of Elopak ASA.

Rune Bjerke

Position

Adjunct Executive in Residence, Norwegian School of Economics.

Education

Exam. Oecon., University of Oslo; Master of Public Administration (MPA), Harvard University, Massachusetts USA.

Current directorships

Chair of Reitan Retail AS, Chair of Merkantilbygg Holding AS; Chair of Dinnergruppen Holding AS; Deputy Chair of Schibstedt ASA; Board member of Kronprinsparets Fond; Chair of Wallenius Wilhelmsen ASA.

Kristin F. Kragseth

Position

CEO of Petoro.

Education

M. Eng. Ocean Engineering, Texas A&M University, USA; Engineer Marine, Høgskulen på Vestlandet; ExxonMobil Management Program; INSEAD Management Program.

Current directorships

Chair of Stavanger Sandnes Skøyteklubb, Deputy Board member of ONS (Offshore Northern Seas).

Arve Baade

Position

Employee representative representing the Norwegian union Industri Energi.

Education

Certificate of Apprenticeship in Process Studies.

Current directorships

Chair of Sunndal Chemical Union.



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Policy for remuneration

Hydro's current policy for remuneration of executive management (policy) was approved by the shareholders at the AGM on 10 May 2022. The policy contains, among other things, an explanation of the plans for variable remuneration, with detailed information on performance goals and how the plans are linked to Hydro's strategy toward 2025. The policy is available on Hydro.com.

The board has decided to propose changes to certain elements of the policy, mainly relating to the STI plan. Proposal for the changes to the policy will be presented to the shareholders for approval at the AGM on 7 May 2024.

The purpose of Hydro's policy

The purpose of the policy is to ensure that the Company attracts and retains qualified people in governing bodies and the CMB in order to manage the Company in line with its long-term strategy and in a sustainable manner.

This requires Hydro to offer competitive salaries and remuneration packages that match practice in relevant external markets. At the same time, Hydro emphasizes competitiveness without being market leading, as will be described in more detail in the revised policy.

Remuneration of the members of the CMB consists of both fixed and variable elements. Plans for variable remuneration should encourage appropriate behavior and actions that will contribute to the implementation of Hydro's strategy, increase long-term value creation for our shareholders and contribute to a sustainable society.

The policy builds on Hydro's global principles for remuneration.

Remuneration structure

Fixed remuneration consists of base salary, benefits and pension. Variable remuneration consists of short and long-term incentive plans. In addition, Hydro offers a share purchase plan to all employees with a Norwegian contract, including the members of the CMB.

The members of the CMB do not receive remuneration for management or board roles in Hydro's subsidiaries or joint venture companies.

A brief description of the various elements offered to the members of the CMB is provided in the table on the next page.

Hydro's four global principles for remuneration

Competitive

All employees shall receive a total remuneration that is competitive and aligns with the local labor market (but shall not be market leading).

Holistic

Total salary and remuneration shall be viewed from a holistic perspective and shall consist of a balanced mix of financial and nonfinancial elements.

This could include career opportunities and other types of recognition that provide the potential for differentiation, both immediately and over time.

Performance-oriented

Total remuneration should strengthen and encourage result-oriented behavior in the short and long-term and help to retain critical competence and resources.

Transparent

A description of the organization's remuneration elements should be available to all employees, and individual employees (and their managers) should have a clear understanding of the employee's overall remuneration. The remuneration shall be based on clear and consistent criteria, with due regard for the employee's basic needs.

The purpose of Hydro's remuneration policy



Ensure that Hydro attracts and retains qualified people in governing bodies and the Corporate Management Board (CMB)



Offer plans that encourage appropriate behavior and actions that will contribute to the implementation of Hydro's strategy in a sustainable way



Establish a framework for managing remuneration



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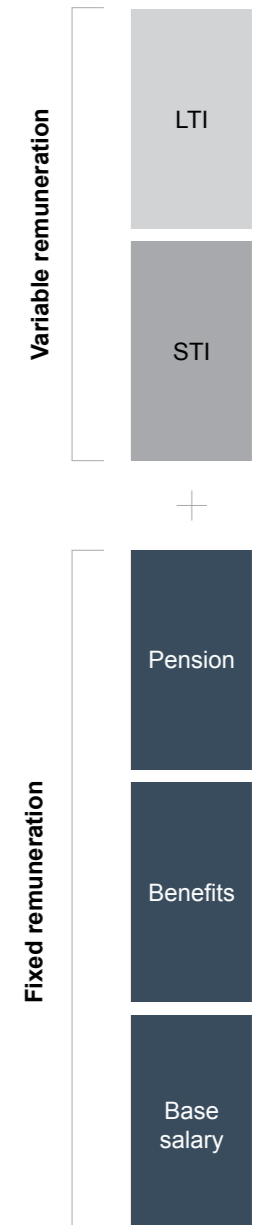
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Overview of the various remuneration elements offered to the members of the Corporate Management Board in Hydro

Element	Purpose	How it operates
Base salary	Attract and retain qualified people for corporate management. Competitive but not market leading.	The base salaries of the members of the CMB are, in general, adjusted annually according to the local salary adjustment framework for all employees. In order to safeguard competitiveness, Hydro regularly carries out an assessment of the salary levels through comparative analyses of market pay for similar positions in relevant markets.
Pension and benefits	Attract and retain qualified people for corporate management. Competitive but not market leading.	In general, members of the CMB participates in the defined contribution scheme offered to all employees. Benefits include a car allowance in addition to work-related benefits such as phone, internet etc.
Short-term incentive (STI)	Drive performance that will help Hydro deliver on its strategic agenda, increase long-term value for our stakeholders and contribute to a sustainable society.	Cash-based with a qualifying period of 12 months that follows the calendar year. Maximum potential for the CEO is 50 percent of base salary and 40 percent of base salary for other CMB members.
Long-term Incentive (LTI)	Support the Company's long-term strategy, contribute to the retention of corporate management and align the interest of management and shareholders through share ownership	Performance-based where the members of the CMB must invest the awarded LTI-amount in Hydro shares with a lock-in-period of three years. Maximum potential is 30 percent of base salary.
Employee share purchase plan (ESPP)	Promote share ownership among employees, including the CMB, to align interests with shareholders.	Employees, including members of the CMB with a Norwegian employment contract, can purchase Hydro shares worth up to NOK 30 000 at a 50 percent discount.

Executive remuneration in Hydro



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Remuneration of the members of the Corporate Management Board

In 2023, the CEO received a total remuneration of NOK 15 306 thousand. Fixed remuneration (paid salary and payment of other benefits) accounted for 69 percent of total remuneration, while variable remuneration (earned STI and LTI) accounted for 31 percent of total remuneration.

For the other CMB members fixed remuneration elements accounted for 72 percent (on average) of total remuneration, while variable elements accounted for 28 percent.

In 2023, the CEO's base salary increased by 5.2 percent. The new base salary amounts to NOK 7 776 thousand from 1 June 2023.

For other members of the CMB with a Norwegian employment contract, the average base salary also increased by 5.2 percent in 2023, i.e. lower than the salary increase for other employees in Norway, which was 5.7 percent.

It is important for Hydro to attract and retain critical competence. For this reason, a comprehensive external benchmarking was conducted for the CFO position. The benchmark showed that similar positions in the market paid 10-12% above the level of Hydro's CFO. A market adjustment was made to ensure competitiveness, and the CFO's base salary was increased by 6.9 percent to NOK 4 000 000 effective 1 January 2023. The new salary was subject to the ordinary salary adjustment in 2023.

See the next page for a detailed overview of total remuneration for each member of the CMB in 2023.



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Total remuneration¹

Name		Base salary ²	Fixed remuneration				Variable remuneration		Total remune- ration ⁹	Portion fixed ¹⁰	Portion variable ¹¹
			Salary paid ³	Other benefits paid ⁴	Pension Compensation paid ⁵	Pension benefits ⁶	STI earned ⁷	LTI earned ⁸			
Hilde Merete Aasheim President and CEO	2023	7 776	8 230	174	-	2 164	2 405	2 333	15 306	69%	 31%
	2022	7 392	7 358	148	-	2 848	3 114	2 218	15 686	66%	 34%
Pål Kildemo ¹² EVP and Chief Financial Officer	2023	4 208	4 371	115	437	198	1 062	1 262	7 445	69%	 31%
	2022	3 740	3 770	107	426	118	1 279	1 122	6 822	65%	 35%
Eivind Kallevik ¹³ EVP Hydro Aluminium Metal	2023	4 376	4 599	478	55	2 257	1 080	1 313	9 782	76%	 24%
	2022	4 152	4 198	107	53	564	1 345	1 246	7 513	66%	 34%
Anne-Lene Midseim ¹⁴ EVP Compliance, IP & General Counsel	2023	3 170	3 296	350	124	1 489	769	951	6 979	75%	 25%
	2022	3 005	3 008	92	121	593	998	902	5 714	67%	 33%
Arvid Moss EVP Hydro Energy	2023	3 897	4 038	107	-	1 463	927	1 169	7 704	73%	 27%
	2022	3 704	3 570	196	-	742	1 234	1 111	6 853	66%	 34%
Hilde Vestheim Nordh EVP People & HSE	2023	2 914	3 051	101	341	481	692	874	5 540	72%	 28%
	2022	2 775	2 816	99	333	316	894	833	5 291	67%	 33%
John Thuestad ¹⁵ EVP Bauxite & Alumina	2023	6 341	9 557	454	610	381	1 517	1 902	14 421	76%	 24%
	2022	6 027	8 977	408	599	-87	2 054	1 808	13 759	72%	 28%
Paul Warton ¹⁶ EVP Hydro Extrusions	2023	7 185	9 367	827	306	235	3 307	2 123	16 165	66%	 34%
	2022	6 160	7 792	1 081	-	493	3 975	1 849	15 190	62%	 38%
Trond Olaf Christophersen ¹⁷ EVP Corporate Development	2023	3 261	3 347	110	386	819	791	978	6 431	72%	 28%
	2022	3 100	517	269	63	389	169	155	1 562	79%	 21%
Therese Rød Holm ¹⁸ EVP Communication & Public Affairs	2023	2 623	2 628	91	-	163	610	787	4 279	67%	 33%
	2022	2 500	651	22	-	39	201	188	1 101	65%	 35%



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Individual terms

Pension

Hydro shall offer pension plans that are attractive and aligned with local practice. Members of the CMB with a Norwegian employment contract generally participate in Hydro's defined contribution pension plan. Base salary and car allowance are included in the basis for calculation of earned pension.

Defined contribution pension plan

Hydro's defined contribution pension plan is the only open occupational pension plan in Hydro's Norwegian entities. All new employees, including new members of the CMB, join this plan. The contribution rate in the defined contribution plan is 6 percent of pensionable salary between 0 and 7.1G⁽⁹⁾ and 20 percent of pensionable salary between 7.1G and 12G. No pension entitlement is earned on the portion of pensionable salary that exceeds 12G.

Closed pension plans

Some of the current CMB members participate in pension plans that are closed to new members. This applies to the following plans:

Defined benefit pension plan

This pension plan was closed to new members in 2010, and from 2014, only current members aged 52 or over were given the opportunity to continue in the plan. Employees who were transferred from a defined benefit to a defined contribution pension plan receive an annual compensation for any calculated loss in pension capital at the age of 67. The compensation is based on pensionable salary at the time of transfer and is adjusted annually by 2.5 percent.

Defined contribution plan for salary above 12G

Hydro's 12G plan was closed to new members in 2016, but employees with salary above 12G at the time of closing were allowed to continue in the plan. This also applied to those who were members of the CMB at the time the plan was closed.

Any new CMB members who are recruited internally and are already part of the 12G plan will have their 12G earnings put on hold. Any shortfall in earnings in the 12G plan after being appointed to the CMB will be compensated annually with an amount equal to 20 percent of the difference between 12G and base salary at the time of appointment to the CMB (limited to NOK 3.5 million).

Termination of employment

The members of the CMB normally have a notice period of six months. During the notice period, the agreed remuneration terms continue, though with reservations for STI and LTI, which may lapse in accordance with the rules for the plans in force at any given time.

Upon termination of an employment relationship initiated by the Company, the CMB member concerned is normally entitled to six months' severance pay calculated from the date of termination of the employment relationship. Severance pay is paid monthly and is based on base salary. Remuneration or other income which the outgoing CMB member earns during the severance pay period, is deducted from the severance pay.

If the employment contract terminates as a result of gross breach of duty or other material breach of the employment contract, the right to severance pay will lapse. The right to severance pay will also lapse if the outgoing member of the CMB is entitled to disability benefit, early retirement pension or retirement pension.

Employment on terms other than Norwegian terms

CMB members on an international employment contract may receive remuneration that deviates from the provisions in the policy in terms of size, content and character. The remuneration shall, nevertheless, and as far as practical, be in accordance with the purpose and principles of this policy, though taking into account local conditions and/or market practice in the applicable country.

Pension status for members of the Corporate Management Board

	Scheme	Pension earning above 12G	Compensation for 12G-earning put on hold	Compensation for transfer from DB to DC
Aasheim Hilde M.	DB	Yes	No	No
Christoffersen Trond Olaf	DC	On hold	Yes	Yes
Holm Therese Rød	DC	No	No	No
Kallevik Eivind	DC	Yes	No	Yes
Kildemo Pål	DC	On hold	Yes	No
Midseim Anne-Lene	DC	Yes	No	Yes
Moss Arvid	DB	Yes	No	No
Nordh Hilde V.	DC	On hold	Yes	Yes
Thuestad John G.	DC	On hold	Yes	No
Warton Paul	DC (local UK)			

DB = Defined benefit

DC = Defined contribution

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Variable remuneration

Variable remuneration shall be linked to performance. The variable remuneration plans shall motivate the members of the CMB to achieve performance targets that are linked to the Company's long-term strategy and sustainability.

The Company's long-term strategic agenda of "pioneering the green aluminium transition, powered by renewable energy" lays the foundation to position the Company as a robust and profitable industrial leader based on innovation and sustainability.

Hydro's track record of renewable, sustainable industrial development and close customer collaboration combined with an interlinked commercial and sustainability agenda provide a solid foundation for the future. Hydro's four key strategic areas for unleashing the green aluminium transition will be focusing on recycling, renewable power generation, decarbonization, and shaping the market for greener aluminium.

The variable pay plans in Hydro will support the long-term strategic agenda through balanced scorecards of performance measures linked to the various aspects of Hydro's strategy. In order to drive the right behaviors and create the desired results, plan design shall be simple and easy to understand, with relevant, transparent, measurable, and influenceable criteria. In the target-setting, the relevant criteria should reflect performance beyond what is expected.

Short-term incentive (STI)

The purpose of Hydro's STI plan for members of the CMB is to reward short-term goals that align with the Company's long-term strategic agenda.

The 2023 STI plan is cash based with a performance period of 12 months that follows the calendar year. The maximum potential for the CEO is 50 percent of base salary, while the maximum bonus potential for other CMB members is 40 percent of base salary. There is no minimum nor guaranteed bonus. CMB members on local contracts outside Norway may have other bonus potentials. This applies to Paul Warton who is employed on local UK terms with a bonus potential of 75 percent.

The STI plan consists of three components:

- The financial goal
- Performance goals linked to Hydro's long-term strategy
- Individual goals

Payment according to the STI plan is conditional on the Company having a positive adjusted EBIT.

The financial goal

From 2023, ARoaCE for STI-purposes is based on market value of equity, which differs from the ARoaCE used to measure the results for the Group as a whole, and within the various operating segments, which is based on book value of equity.

The financial goal is to ensure that the ARoaCE based on market value of equity is higher than the annual internal return requirement of 13 percent. The financial goal is in accordance with Hydro's priority of securing a return on capital that is higher than the cost of capital.

The financial goal is weighted at 35 percent. The earnings profile is linear between a threshold value of 5 percent and a target of 13 percent ARoaCE, where an ARoaCE of 5 percent equals 50 percent earning and an ARoaCE of 13 percent equals 100 percent earning. ARoaCE above 13 percent does not trigger any further payment.

The three components of the STI-plan



Financial goal



Performance goals linked to Hydro's long-term ambition



Individual goals



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Performance goals

The second component of the STI plan is linked to Hydro's long-term strategy.

The performance goals are divided into four categories: profit, partners, planet and people. The performance criteria are a mix of financial, operational, strategic and organizational goals that support Hydro's long-term strategic ambition. The long-term strategy and the associated ambitions, as well as the 2023 performance goal achievement are presented on pages 13 to 17.

The results are measured both at Group level and for each business area. The performance goals at business area level are derived from the goals for the Group. The specific goals and number of performance criteria in each category may vary from year to year depending on Hydro's priorities. The criteria for the individual years will nevertheless reflect continuous improvement compared with the starting point and will increase from year to year to ensure that Hydro can implement its long-term ambition. The different goals are weighted equally.

Hydro follows a rigorous process when the annual performance goals are determined for the members of the CMB. The process starts after the annual strategy and risk update to ensure compliance with Hydro's key strategic priorities. Selected goals at Group level are broken down into the various business areas and further down in their organizations. The final goals for the year are determined through a business planning process that works from the bottom up, ensuring sufficiently ambitious goals in which the entire organization has ownership. The goal setting process goes through several rounds in the CMB, and the compensation and employee committee before the goals are presented for final decision by the board.

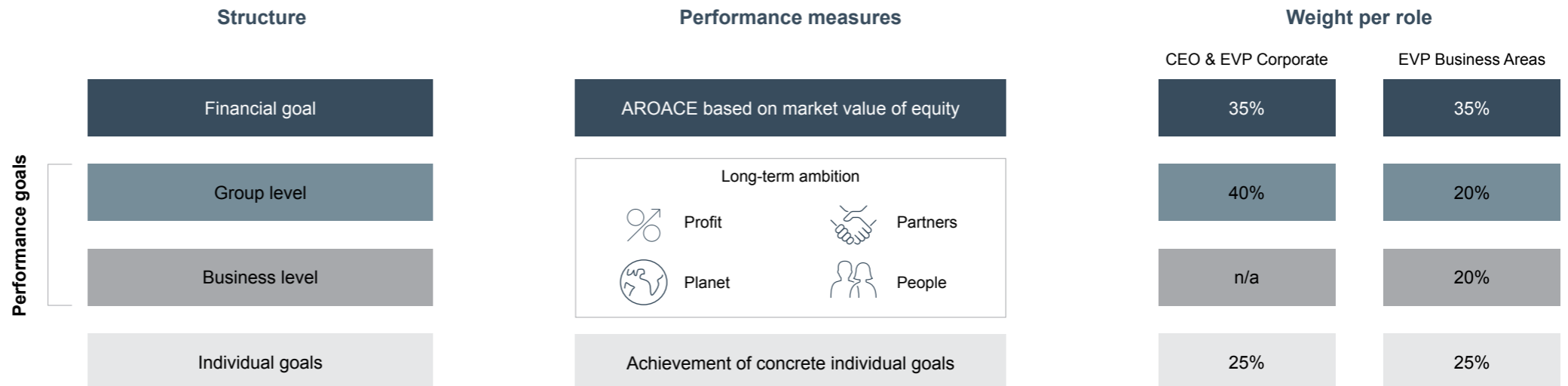
The CEO and the executive vice presidents for the Group staff functions are measured on performance goals at Group level. Total weighting is 40 percent. Executive vice presidents with business area responsibility are measured both on performance goals at Group level and on specific goals for their respective business areas. Each component is weighted at 20 percent, with a total weighting of 40 percent.

In 2023, the performance goals were a mixture of binary goals (achieved/not achieved) and goals with a linear earning profile. The starting point for the linear earnings profile is 75 percent (threshold value), which triggers a bonus achievement of 50 percent. Thereafter, earnings are linear up to a maximum score of 100 percent.

Individual goals

The individual performance criteria aim to measure the individual achievements of the members of the CMB in the areas of safety, leadership, and the implementation of specific strategic initiatives within the executive's functional area. Typical goals can be linked to Hydro's employee survey, succession planning, portfolio structure and technology development, as well as HSE goals. The individual criteria, which are assigned a total weight of 25 percent, include business sensitive goals and individual performance goals that are not disclosed in this report. An overall assessment is made to determine the achievement of the individual goals. The maximum goal achievement cannot exceed 100 percent.

STI-plan with performance measures and weighting



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STI results for 2023

The 2023 ARoaCE based on market value of equity is 5.46 percent.

In 2023 we delivered an adjusted EBITDA of NOK 22.3 billion, down from the record year of 2022, as metal prices fell on 4% lower primary demand in the world outside China, resulting from the current macroeconomic turmoil. In European extrusion markets, demand fell 17% year over year, however despite this, Extrusions delivered their second highest adjusted EBITDA of 6.5 NOK billion, as growth in high-margin segments offset a large share of the volume decline.

Our improvement programs, first launched in 2019, comprising all business areas, continue to advance ahead of schedule.

Achieving accumulated improvements amounting to NOK 8.8 billion annually in 2023 compared with 2019, we launched a new ambition in November last year to reach NOK 14 billion in accumulated improvements by 2030.

Our commercial target aiming to improve results with NOK 3 billion by 2027 compared with 2019, is on track, reaching NOK 2.4 billion as of 2023. The commercial program has

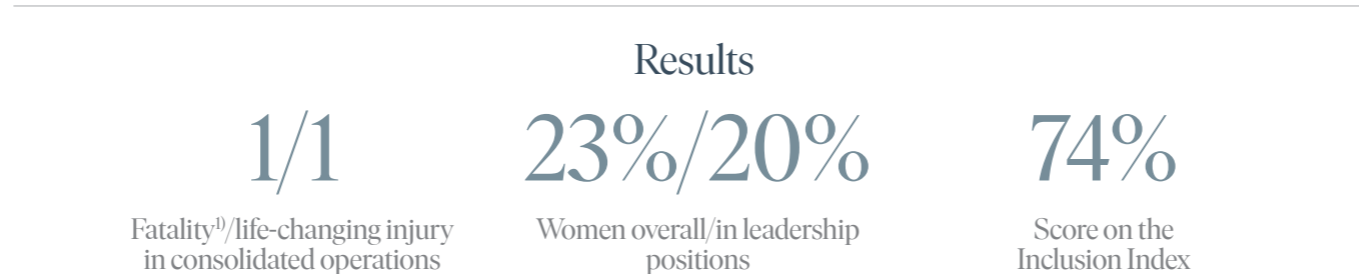
been extended to 2030, with a target of NOK 6.1 billion which includes an ambition to deliver NOK 2 billion from greener premiums.

Over the past years, Hydro's safety performance has improved significantly, in terms of lower injury rates and fewer high-risk incidents. Sadly, October 2023 represented a large setback for us, as we experienced one fatality involving a contractor at our alumina refinery in Brazil, and one fatality involving a contractor at our joint venture Qatalum in Qatar. The fatality in Brazil is not concluded as work-related and investigations of root cause are on-going, Our ultimate target is an injury free environment, for our own employees as well as contractors.

The aim for the human resources dimension is for 75 percent of vacant critical positions to be filled using the Company's own resources, and the result in 2023 was 80 percent (four out of five positions were filled by internal resources).

The next five pages contain a presentation of (i) Hydro's long-term strategy within the four categories of performance targets; profit, partners, planet and people, (ii) Hydro's measurable ambitions as derived from the strategy, and (iii) the achievement of the performance goals set for 2023 pursuant to the long-term ambitions.






<p>Purpose</p> <p>Create a more viable society by developing natural resources into products and solutions in innovative and efficient ways.</p>	<p>Our strategy</p> <p>Pioneering the green aluminium transition, powered by renewable energy.</p>
<p>Post-consumer scrap</p> <p>Hydro recycled</p> <p style="font-size: 2em; font-weight: bold;">443,760</p> <p>tonnes</p> <p>in 2023. 35% up compared to 2022.</p>	
<p style="font-size: 2em; font-weight: bold;">197</p> <p>thousand people reached with education and capacity building initiatives since 2018.</p>	<p>Adjusted EDITDA</p> <p style="font-size: 2em; font-weight: bold;">22.3</p> <p>BNOK</p>
<p>Adjusted RoaCE</p> <p style="font-size: 2em; font-weight: bold;">7.1%</p>	



¹⁾ One contractor facility in consolidated operations. In addition, there was one fatality involving a contractor at our joint venture, Qatalum, which is not included in the statistics for consolidated activities.






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Hydro's long-term strategy

 Hydro	 Bauxite & Alumina	 Energy	 Aluminium Metal	 Extrusions
Profit				
<p>Hydro is committed to delivering capital returns above the cost of capital, which is reflected in ARoACE target over the cycle. To achieve this goal, Hydro strives to ensure first quartile cost positions in our upstream portfolio and leading market positions downstream, enabled by a continuous focus on improvements and commercial initiatives. Towards 2030, Hydro aim to take lead in the market opportunities emerging from the green transition, where Hydro will step up growth investments in Recycling and Extrusions, as well as the ambitions within renewable power generation.</p>	<p>Bauxite & Alumina is strengthening profitability through fuel switch projects, effective cost control, high operational reliability, and commercial differentiation with greener premiums, supporting a first quartile cost position.</p>	<p>Energy is pursuing profitable captive hydropower growth options and increasing commercial ambitions. Profitability targets are reflected in the Energy classic ARoACE target, annual IRR for the REIN JV platform and average annual TSR within Batteries.</p>	<p>Aluminium Metal strives to ensure competitive cost positions in our global primary smelter portfolio and leading market positions in Recycling. This will be achieved through a focus on continuous improvement activities, development of the product portfolio and commercial activities. Towards 2030, Aluminium Metal will step up growth investments in Recycling and development of new technology to decarbonize operations to enable delivery of near-zero aluminium at industrial scale.</p>	<p>Extrusions positioned to grow in complex customer segments, driven by our global footprint, technical capacity and capabilities. The green transition supports extrusion growth through E-mobility and renewable energy generation. This growth, paired with Extrusions greener service offering and investments in automation and downstream fabrication will support the targeted EBITDA growth and ARoACE.</p>
Partners				
<p>Hydro aim to build strong relationships with key stakeholders, including customers and suppliers, business partners and local communities. Our commercial success relies on innovation and partnership as well as superior quality, product offerings and customer service. To take lead in the green aluminium transition, Hydro aim to shape the market with selected front-runners in sustainable aluminium solutions and will build a broad low-carbon product portfolio with spearhead products.</p>	<p>Bauxite & Alumina invests in the local communities through social infrastructure, community projects and works to lift stakeholder engagement. Existing and new partnerships within innovation and education will support the green alumina transition.</p>	<p>Energy seeks to unlock growth opportunities in partnerships through access to external capital (investing partnership), attractive projects (project partnership), as well as technology and competence (complimentary partnerships), enabling financial flexibility, project scaling and building internal competence in new fields together with partners.</p>	<p>Aluminium Metal works systematically to develop strategic partnerships with selected customers that are front-runners in the green transition to develop new products, solutions and innovation projects to drive commercial success.</p>	<p>Extrusions cultivates collaborative customer partnerships to achieve commercial success and differentiates its offering through low-carbon aluminium solutions with a high degree of transparency and traceability, both through spearhead products and in the general product portfolio.</p>










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Hydro's long-term strategy

 Hydro	 Bauxite & Alumina	 Energy	 Aluminium Metal	 Extrusions
Planet				
<p>Hydro is determined to maintain and further strengthen our industry leading sustainability position. This will not only secure our long-term license to operate but will also allow Hydro to capture the opportunities the sustainability megatrend presents, including access to attractive markets and related greener premiums, as well as new talent and capital.</p>	<p>Bauxite & Alumina aims to be the sustainability leader in the alumina industry, through reducing carbon emissions by changing energy sources, and contributing to nature positive through reforestation, rehabilitation and residue management.</p>	<p>Energy contributes to pioneering the green aluminium transition powered by renewable energy through a long-term renewable power contract portfolio, growth ambitions in hydropower assets and offering of fuel switch solutions including green hydrogen and sustainable battery materials.</p>	<p>Aluminium Metal is committed to maintain the leading position in delivering low-carbon aluminium, which is driven by increasing the use of post-consumer scrap and developing new technology to decarbonize operations.</p>	<p>Extrusions is continuously improving the energy mix in operations, as well as investing into more energy efficient production equipment and processes. Key performance indicators for Extrusions are bringing waste to landfill to an absolute minimum and reducing CO2 emissions in our operations.</p>
People				
<p>Hydro strives to be an attractive employer for current and prospective employees with safety being our first priority, always. Our goal is to ensure the right competence, capabilities and organizational culture needed to realize the business strategy. It is important for Hydro to build a culture of strong collaboration across the value chain, which enables us to further develop our integrated value chain offering.</p>	<p>Bauxite & Alumina strive to remain a great place to work, for current and prospective employees. Our goal is to continue developing our leadership's competence, capabilities, and a culture of strong collaboration to deliver the business strategy. We have high focus on diversity, inclusion and belonging, which contributes to create a positive social impact in the societies where we operate.</p>	<p>Energy will continue our effort of attracting and retaining top talents by fostering diversity & inclusion and developing strong leaders and teams. We will do this by cultivating a culture of safety and innovation, where care, courage and collaboration are our driving forces for engagement, wellbeing and high performance. By investing in a sustainable workforce and promoting a forward-thinking culture, we aim to lead the way in shaping a greener and more sustainable future for our industry.</p>	<p>Aluminium Metal puts a strong focus on the Aluminium Metal Business System and the Hydro values of care, courage and collaboration to guide our focus on improving safety and developing the people and organizational culture needed to grow and develop the business according to the strategy.</p>	<p>Extrusions will towards 2030 invest in automation of manual processes to improve safety and ergonomics for employees. Our growth vision, focus on sustainable operations and products; our strong focus on talent development and DIB leadership all support our vision to be employer of choice in the extrusion industry.</p>

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Long-term strategy supported by clear measurable ambitions

	 Hydro	 Bauxite & Alumina	 Energy	 Aluminium Metal	 Extrusions
 Profitability	<p>Improvement ambitions</p> <ul style="list-style-type: none"> Improvement program target of NOK 14 billion accumulated improvements by 2030 against 2018 baseline. Commercial ambition of NOK 6.1 billion accumulated improvements by 2030 against 2018 baseline. <p>Growth ambitions</p> <ul style="list-style-type: none"> Growth ambitions in Recycling targeting to lift EBITDA to NOK 5-8 billion and increase use of post-consumer scrap to 850-1200 kt by 2030. Growth ambitions in Extrusions targeting to lift EBITDA to NOK 10-12 billion in real 2023 terms. 				
 Partners	<p>Customer satisfaction</p> <ul style="list-style-type: none"> Hydro aims to ensure high customer satisfaction and measures on time delivery using an internal customer satisfaction index. Hydro will continue to stretch the targets for these metrics toward 2030. <p>Greener products</p> <ul style="list-style-type: none"> Hydro is also focused on meeting and shaping customer demand for greener products and has an ambition to increase greener premiums to NOK 2 billion by 2030. 				
 Planet	<p>Climate</p> <ul style="list-style-type: none"> Reduce CO2 emissions by 30 percent by 2030 against 2018 baseline, and net zero by 2050. Execute decarbonization roadmap in Alunorte, including fuel switch and electrification of boilers, which is a key enabler for GHG and non-GHG emission reduction in Hydro. Reduce specific Scope 3 emissions by 30 percent per tonne aluminium by 2030 against 2018 baseline. <p>Environment</p> <ul style="list-style-type: none"> Biodiversity: no net loss of biodiversity in new projects and no net loss of biodiversity for our bauxite mine, from a 2020 baseline. Waste: eliminate landfill of recoverable waste (2040), recycle 65 percent of spent pot linings by 2030. Non-GHG emissions: Reduce fossil-fuel based, non-GHG emission by 50 percent by 2030 against 2017 baseline. <p>Social responsibility</p> <ul style="list-style-type: none"> Transparency and traceability of key sustainability data for our products by 2025 or earlier. Support the just transition by contributing to social and economic development. Provide quality education and capacity building for 500,000 people by 2030. 				
 People	<p>Health and safety</p> <p>Hydro follows a zero mindset when it comes to the health and safety of our employees and contractors.</p> <ul style="list-style-type: none"> Zero fatalities and zero life changing injuries. Continuous improvement on total recordable injuries (TRI) and high-risk incidents (HRI). <p>People, inclusion and diversity</p> <p>Hydro shall attract, source and retain talent to enable sustainable strategic growth through building a solid pipeline of future successors for business-critical roles. To support this vision, Hydro aim to improve performance on inclusion, engagement, integrity and collaboration indices in the bi-annual Hydro Monitor survey. Furthermore, stated gender diversity targets for 2025 are:</p> <ul style="list-style-type: none"> 25 percent women in permanent and temporary positions by 2025. 25 percent women leaders by 2025. 				

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Performance goal achievement (2023) linked to long-term ambitions

	 Hydro	 Bauxite & Alumina	 Energy	 Aluminium Metal	 Extrusions
 Profitability	<p>Improvement ambitions</p> <ul style="list-style-type: none"> Accumulated improvements at NOK 8.8 billion, just below target. Target for commercial improvements achieved at NOK 2.4 billion. <p>Growth ambitions</p> <ul style="list-style-type: none"> Several investment decisions made in recycling and REIN, with estimated NPVs above target. Lower than target value uplift in the Battery portfolio and delayed project maturation in Havrand. 	<p>Improvement ambitions</p> <ul style="list-style-type: none"> Target for accumulated improvements achieved at NOK 3.3 billion. Target for accumulated commercial improvements achieved at NOK 0.6 billion. <p>Operational reliability</p> <ul style="list-style-type: none"> Target for operational Reliability in B&A met. <p>Project Execution</p> <ul style="list-style-type: none"> Key projects execution not met due to fuel switch and pipeline replacement delay. 	<p>Commercial excellence</p> <ul style="list-style-type: none"> Delivered within target on commercial market operations. <p>Growth ambitions</p> <ul style="list-style-type: none"> Delivered on target for up-scaling and investment decisions for REIN. Lower than target value uplift in the Battery portfolio and delayed project maturation in Havrand. <p>Project execution</p> <ul style="list-style-type: none"> The project management and execution targets were missed due to cost increase and delays in individual projects in Classic and REIN. 	<p>Improvement ambitions</p> <ul style="list-style-type: none"> Target for accumulated improvements achieved at NOK 2.8 billion. Target for accumulated commercial improvements achieved at NOK 0.3 billion. Capital improvement program delivered targets on Working Capital and Sustaining CAPEX reductions according to plan. 	<p>Improvement ambitions</p> <ul style="list-style-type: none"> Accumulated improvements at NOK 2.6 billion, below target. Target for commercial improvements achieved at NOK 1.5 billion. <p>Financial performance</p> <ul style="list-style-type: none"> Target for AEBITDA achieved. Target for Net Operating Capital days not met due to the volatile market environment and an overall declining extrusion demand.
Achievement	61%	75%	26%	100%	50%
 Partners	<p>Customer satisfaction</p> <ul style="list-style-type: none"> Achieved target to be ranked as the number one on customer satisfaction study and on-time-delivery above target. <p>Greener products</p> <ul style="list-style-type: none"> Target achieved for upcharge revenue from greener products. 			<p>Customer satisfaction</p> <ul style="list-style-type: none"> Continued to be ranked as the number one quality supplier on relative value compared to named peers in customer satisfaction study. On-time-delivery below target due to logistical challenges related to storms in Southern Europe. <p>Greener products</p> <ul style="list-style-type: none"> Target achieved for sale of greener products. 	<p>Customer satisfaction</p> <ul style="list-style-type: none"> On-time delivery above target due to a normalization of the supply chain across Europe and further optimization of the internal metal flow.
Achievement	50%	NA	NA	50%	100%

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Performance goal achievement (2023) linked to long-term ambitions

	 Hydro	 Bauxite & Alumina	 Energy	 Aluminium Metal	 Extrusions
 Planet	<p>Climate</p> <ul style="list-style-type: none"> CO2 emissions scope 1 and 2 on track to realizing midterm carbon emission reduction targets. Fuel Switch project in Alunorte delayed following a delay in delivery of first gas. <p>Environment</p> <ul style="list-style-type: none"> Achieved target to rehabilitate an additional 100 hectares in its legal reserve, which comprises degraded land not impacted by Hydro operations. Reduction target for recoverable waste sent to landfill achieved. 	<p>Climate</p> <ul style="list-style-type: none"> CO2 emissions on track to realizing mid-term carbon emission reduction targets. <p>Environment</p> <ul style="list-style-type: none"> Achieved target to rehabilitate 100 hectares of degraded land not impacted by Hydro operations. Reduction target for recoverable waste sent to landfill achieved. Project reducing non-GHG emissions delivered on milestone. Alunorte bauxite residue utilization target achieved. 	<p>Sustainability</p> <ul style="list-style-type: none"> Reached target for implementing a sustainability culture and lifting sustainability as decision criteria across the Energy organization. 	<p>Climate</p> <ul style="list-style-type: none"> CO2 emissions on track to realizing mid-term carbon emission reduction targets. <p>Environment</p> <ul style="list-style-type: none"> Reduction target for recoverable waste sent to landfill achieved. <p>Project execution</p> <ul style="list-style-type: none"> Several milestones delivered, however overall scoring under ambition due to shift in the timeline of two projects. 	<p>CO2 emissions</p> <ul style="list-style-type: none"> Target not achieved partly due to the production mix of recycled aluminium and extrusion manufacturing. <p>Environment</p> <ul style="list-style-type: none"> Hydro Extrusion has a long-term target to reduce waste to landfill to an absolute minimum. The 2023 target was achieved, and Hydro Extrusion is on the way to execute towards our long-term target.
Achievement	50%	100%	100%	67%	50%
 People	<p>Health and safety</p> <ul style="list-style-type: none"> Target of no fatalities and life changing injuries not achieved. <p>Cyber security</p> <ul style="list-style-type: none"> Achieved target to improve control environment effectiveness scores for the top 6 prioritized cyber security risks. <p>People, inclusion and diversity</p> <ul style="list-style-type: none"> More than the targeted 75 percent of vacant critical positions filled from the succession pipeline. Target to achieve 78% score on Hydro Monitor Inclusion Index not achieved. 	<p>Health and safety</p> <ul style="list-style-type: none"> Target not achieved due to a fatality at Alunorte, cause being investigated. <p>Cyber Security</p> <ul style="list-style-type: none"> Achieved target for Cyber Security Risk mitigation. <p>Social: All 3 CSR goals were met.</p> <p>People, inclusion and diversity</p> <ul style="list-style-type: none"> Target of 22% female and 5.5% disabled in B&A Organization met. Development Program and Individual Plan for Candidate Pool achieved. 	<p>Health and safety</p> <ul style="list-style-type: none"> Energy fulfilled all targets within health and safety. <p>Cyber security</p> <ul style="list-style-type: none"> Achieved target on cyber security risk reduction for defined critical assets. <p>Compliance</p> <ul style="list-style-type: none"> Targets on governance compliance training & awareness building reached <p>People, inclusion and diversity</p> <ul style="list-style-type: none"> Target on enabling organizational strategic growth was achieved. 	<p>Health and safety</p> <ul style="list-style-type: none"> Target not achieved due to a fatal accident in our Joint Venture in Qatar. <p>Cyber security</p> <ul style="list-style-type: none"> Achieved target for reduction in vulnerability in Industrial Control Systems. <p>People, inclusion and diversity</p> <ul style="list-style-type: none"> Delivered on target for Inclusion Index on Hydro Employee survey. 	<p>Health and safety</p> <ul style="list-style-type: none"> Target not achieved due to a life-changing injury at the plant in Delhi, USA. <p>Cyber security</p> <ul style="list-style-type: none"> Achieved target where all controls were implemented to mitigate Cyber security Risk. <p>People, inclusion and diversity</p> <ul style="list-style-type: none"> Did not achieve target for Inclusion Index on Hydro Employee survey.
Achievement	33%	75%	100%	67%	33%
Total achievement	58%	80%	59%	70%	50%



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Individual goals: assessment of the CEO's results

The board has assessed the CEO's individual results in 2023 at 80 percent of maximum target achievement. The board's assessment is that the CEO has positioned the Company well for the new long-term strategic agenda of "pioneering the green aluminium transition, powered by renewable energy", which lays the foundation to position the Company as a robust and profitable industrial leader based on innovation and sustainability. Additionally, the CEO has been instrumental in successfully finalizing the important ambition of restructuring Hydro's assets in Brazil and within renewable energy.

Results for the CEO for 2023

STI performance component	Performance measure	Relative weighting	Max. performance	Max. award	Total STI %	STI earned
Financial goal	ARoaCE based on market value of equity	35%	100%	1 360 800	52,9%	719 319
Performance goals	Profit	12%			61%	
	Partners	8%			100%	
	Planet	8%			50%	
	People	12%			33%	
		40%	100%	1 555 200	58,4%	908 237
Individual goals	Safety, leadership, execution on strategy	25%	100%	972 000	80%	777 600
Total		100%		3 888 000	61,9%	2 405 156

Results for members of the Corporate Management Board for 2023

EVP Business Areas

STI performance component	Performance measure	Relative weighting	Bauxite & Alumina	Energy	Aluminium Metal	Extrusions
Financial	ARoaCE based on market value of equity	35%	52,9%	52,9%	52,9%	52,9%
Performance goals	CEO scorecard	20%	58,4%	58,4%	58,4%	58,4%
	BA scorecard	20%	80,0%	59,0%	70,0%	50,0%
Total financial & Performance		75%	46,2%	42,0%	44,2%	40,2%
STI earned on financial & performance goals			644 571	654 326	773 415	90 464

EVP Corporate Staffs

STI performance component	Performance measure	Relative weighting	Corp. CFO	Legal & Compliance	People & HSE	Communication
Financial	ARoaCE based on market value of equity	35%	52,9%	52,9%	52,9%	52,9%
Performance goals	CEO scorecard	40%	58,4%	58,4%	58,4%	58,4%
Total financial & Performance		75%	41,9%	41,9%	41,9%	41,9%
STI earned on financial & performance goals			704 604	546 068	530 864	487 932

All EVPs

STI performance component	Relative weighting	Max Performance	Max. award (in total)	STI individual achievement (average)	STI earned (in total)
Individual goal	25%	100%	4 120 407	73,33%	3 021 632

For reasons of privacy, the Company is not disclosing the results of the EVPs' individual performance.



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Integration of performance goals for the environment and corporate social responsibility

Hydro's approach to the environment, corporate social responsibility and innovation is described in the annual report for 2023. The table on the next page shows the performance goals for environment and corporate social responsibility that are included in the STI plan, and how these are linked to the sustainability goals that have been designated as

most important for Hydro. For more information on Hydro's environmental and social measures, please refer to the relevant sections in the annual report.

Hydro and the UN's Sustainable Development Goals

The UN's Sustainable Development Goals represent a joint work plan to create sustainable development worldwide. The UN encourages businesses to use creativity and innovation to find good solutions and asks national authorities to encourage reporting on the work being done to achieve these goals.

Relevant sustainable development goals for Hydro's long-term ambition



Good health and well-being
Ensure healthy lives and promote well-being for all at all ages



Quality education
Ensure inclusive and equitable quality education and promote opportunities for lifelong learning for all



Gender equality
Achieve gender equality and empower all women and girls



Decent work and economic growth
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Industry, innovation and infrastructure
Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



Sustainable consumption and production patterns
Ensure sustainable consumption and production patterns



Climate action
Take urgent action to combat climate change and its impacts



Life below water
Conserve and sustainably use the oceans, seas and marine resources for sustainable development



Life on land
Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss



Peace, justice and strong institutions
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels



Partnerships for the goals
Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

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Hydro's long-term ambition linked to the environment and social responsibility

	Good health and well-being	Quality education	Gender equality	Decent work and economic growth	Industry, innovation and infrastructure	Sustainable consumption and production patterns	Climate action	Life below water	Life on land	Peace, justice and strong institutions	Partnerships for the goals
											
UN Sustainable Development Goals											
STI environmental and social performance measures											
Improvement program target of 14 BNOK accumulated improvements by 2030					✓	✓					
Commercial ambition of 6.1 BNOK accumulated improvements by 2030							✓				✓
Lift remelt & recycling EBITDA to 5-8 BNOK and increase use of post-consumer scrap to 850-1200 kt by 2030					✓	✓					
Meeting and shaping customer demand for greener products; increasing greener premiums to 2 BNOK by 2030					✓	✓					
Reduce CO2 emissions by 30 percent by 2030, and net zero by 2050					✓	✓	✓				
Execute decarbonization roadmap in Alunorte, which is a key enabler for GHG and non-GHG emission in Hydro					✓	✓	✓				
No net loss of biodiversity in new projects and no net loss of biodiversity for our bauxite mine						✓		✓	✓		
Eliminate landfill of recoverable waste by 2040, recycle 65 percent of spent pot linings by 2030						✓		✓	✓		
Reduce fossil-fuel based, non-GHG emission by 50 percent by 2030							✓				
Transparence and traceability of key sustainability data for products by 2025 or earlier		✓		✓						✓	
Support just transition by contributing to social and economic development		✓	✓	✓						✓	
Provide quality education and capacity building for 500,000 people by 2030		✓									
Zero fatalities and zero life-changing injuries. Continuous improvement on total recordable injuries (TRI) and high-risk incidents (HRI)				✓							
Improve performance on inclusion, engagement, integrity and collaboration indices	✓		✓	✓							
25 percent females in permanent and temporary positions and 25 percent female leaders, both by 2025	✓		✓	✓							



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Long-term incentive plan (LTI)

The purpose of Hydro's LTI plan for members of the CMB is to support the Company's strategic goals that ensure satisfactory returns over time.

The LTI plan is share based and consists of a performance period prior to awarding and a mandatory lock-in period after. The maximum potential in the LTI plan is 30 percent of base salary for all members of the CMB. The board decides annually whether the LTI plan will be in force and who will be invited to participate. Normal practice is that all members of the CMB participate. The annual LTI award depends on the achievement of two performance goals, both of which are weighted at 50 percent. In addition, payment according to the LTI plan is conditional on the Company having a positive adjusted EBIT.

LTI performance goals

- The average of Hydro's ARoACE calculated over a three-year period (the plan year and two preceding years) is measured against Hydro's internal target of 10 percent over the business cycle. From 2023, ARoACE in the LTI plan is based on market value of equity.
- Hydro's annual total return to shareholders over a three-year period, measured against the equivalent return for selected comparable companies. The result is measured as the difference in percentage points (pp) between Hydro's TSR result and the TSR result for the selected comparable companies. A bonus will be awarded if Hydro achieves a TSR result which, measured against the selected comparable companies, falls in the interval between -5 and 10 pp (or above).

The participants in the LTI plan are obliged to invest the earned LTI amount (net after deduction of calculated marginal

tax) in Hydro shares with a lock-in period of three years.

Members of the CMB who leave the Hydro Group on their own initiative or as a result of termination or dismissal by the Company, must at the time of leaving repay an amount to the Company corresponding to the value of the shares that do not meet the three-year requirement, adjusted for tax (gain or loss) on the difference between the initial value of the shares and the value of the shares upon leaving. No members of the CMB left the Company in 2023 and, hence, no repayment was made.

LTI results for 2023

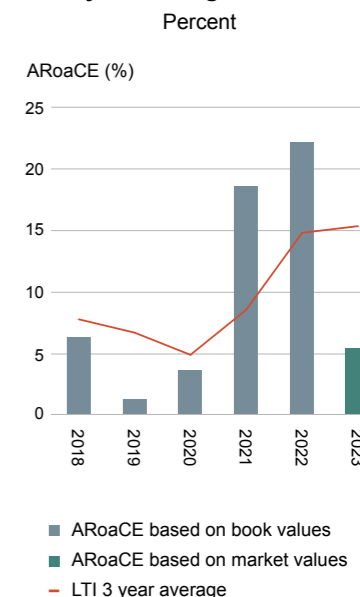
In the period 2016-2022 the ARoACE was calculated based on book value of equity, whereas in 2023, it is calculated based on market value of equity.

For the purpose of calculating the average ARoACE for the period 2021 to 2023, the nominal results for the respective years (2021: 18.6%, 2022: 22.2% and 2023: 5.46%) will be used. Thus, Hydro's average ARoACE is 15.42 percent, which, compared with the goal of 10 percent gives a goal achievement of 100 percent.

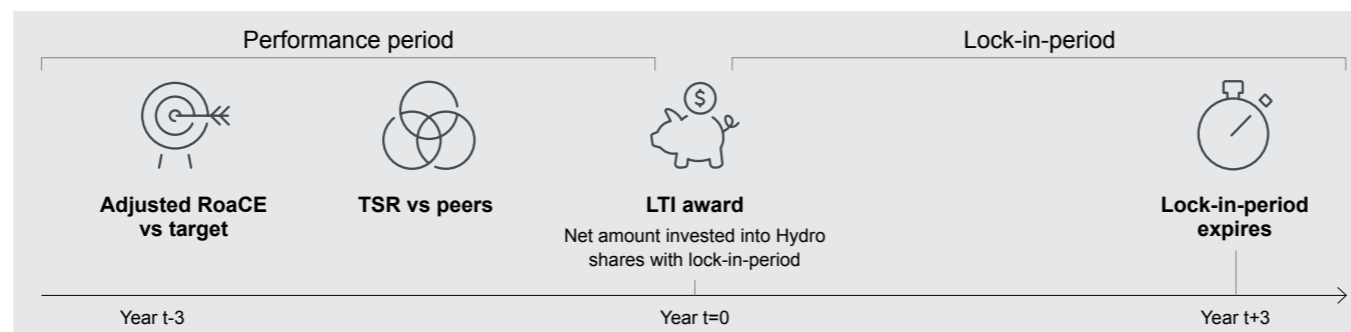
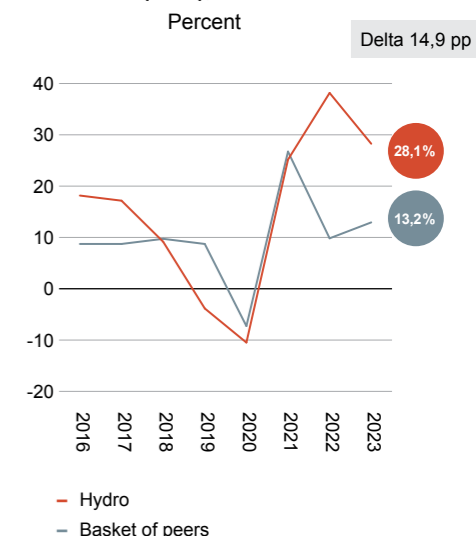
Hydro's TSR increased by 28.1 percent in the period from 2021 to 2023, while the weighted average of TSR for the selected comparable companies increased by 13.2 percent in the same period. This corresponds to a difference of 14.9 pp, which is well above the maximum value of 10 pp, thus giving a goal achievement of 100 per cent.

Total goal achievement on the LTI plan component was 100 percent, giving a total LTI allocation of 30 percent of the base salary for the CEO and the other CMB members.

3-year average ARoACE



Total 3-year shareholder return (TSR), annualized



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Shares granted and released in the LTI plan

The main conditions of the LTI plan				Opening balance	During the year			Closing balance
Specification of plan	Performance-period ²⁰	Date of award of LTI-shares	End of lock-in-period	No of shares held (subject to lock-in) as of January 1 of the reporting year	No of shares awarded (subject to lock-in) ²¹	Market value of awarded LTI-shares at time of calculation (NOK) ²²	No of shares released (lock-in lifted)	No of shares (subject to lock-in) as of 31 December of the reporting year
Hilde Merete Aasheim, President and CEO								
LTI plan 2022	2020 - 2022	01.03.2023	01.03.2026	12 232	15 101	77.24	7 363	19 970
LTI plan 2021	2019 - 2021	01.04.2022	01.04.2025	12 074	4 869	88.03	4 711	12 232
LTI plan 2020	2018 - 2020	01.04.2021	01.04.2024	18 433	-	N/A	6 359	12 074
LTI plan 2019	2017 - 2019	01.04.2020	01.04.2023	19 903	7 363	29.62	8 833	18 433
LTI plan 2018	2016 - 2018	01.04.2019	01.04.2022	27 854	4 711	34.57	12 662	19 903
LTI plan 2017	2015 - 2017	01.04.2018	01.04.2021	30 163	6 359	54.60	8 668	27 854
Pål Kildemo, EVP and Chief Financial Officer								
LTI plan 2022	2020 - 2022	01.03.2023	01.03.2026	3 831	7 641	77.24	1 436	10 036
LTI plan 2021	2019 - 2021	01.04.2022	01.04.2025	1 436	2 395	88.03	-	3 831
LTI plan 2020	2018 - 2020	01.04.2021	01.04.2024	1 436	-	N/A	-	1 436
LTI plan 2019	2017 - 2019	01.04.2020	01.04.2023	-	1 436	29.62	-	1 436
John Thuestad, EVP Hydro Bauxite & Alumina								
LTI plan 2022	2020 - 2022	01.03.2023	01.03.2026	11 497	12 314	77.24	7 419	16 392
LTI plan 2021	2019 - 2021	01.04.2022	01.04.2025	11 817	4 078	88.03	4 398	11 497
LTI plan 2020	2018 - 2020	01.04.2021	01.04.2024	11 817	-	N/A	-	11 817
LTI plan 2019	2017 - 2019	01.04.2020	01.04.2023	4 398	7 419	29.62	-	11 817
LTI plan 2018	2016 - 2018	01.04.2019	01.04.2022	-	4 398	34.57	-	4 398
Eivind Kallevik, EVP Hydro Aluminium Metal								
LTI plan 2022	2020 - 2022	01.03.2023	01.03.2026	7 457	8 483	77.24	4 783	11 157
LTI plan 2021	2019 - 2021	01.04.2022	01.04.2025	9 594	2 674	88.03	4 811	7 457
LTI plan 2020	2018 - 2020	01.04.2021	01.04.2024	16 088	-	N/A	6 494	9 594
LTI plan 2019	2017 - 2019	01.04.2020	01.04.2023	19 527	4 783	29.62	8 222	16 088
LTI plan 2018	2016 - 2018	01.04.2019	01.04.2022	26 504	4 811	34.57	11 788	19 527
LTI plan 2017	2015 - 2017	01.04.2018	01.04.2021	28 035	6 494	54.60	8 025	26 504
Arvid Moss, EVP Hydro Energy								
LTI plan 2022	2020 - 2022	01.03.2023	01.03.2026	6 684	7 567	77.24	4 313	9 938
LTI plan 2021	2019 - 2021	01.04.2022	01.04.2025	8 697	2 371	88.03	4 384	6 684
LTI plan 2020	2018 - 2020	01.04.2021	01.04.2024	14 614	-	N/A	5 917	8 697
LTI plan 2019	2017 - 2019	01.04.2020	01.04.2023	18 523	4 313	29.62	8 222	14 614
LTI plan 2018	2016 - 2018	01.04.2019	01.04.2022	25 927	4 384	34.57	11 788	18 523
LTI plan 2017	2015 - 2017	01.04.2018	01.04.2021	28 093	5 917	54.60	8 083	25 927

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The main conditions of the LTI plan				Opening balance	During the year			Closing balance
Specification of plan	Performance-period ²⁰	Date of award of LTI-shares	End of lock-in-period	No of shares held (subject to lock-in) as of January 1 of the reporting year	No of shares awarded (subject to lock-in) ²¹	Market value of awarded LTI-shares at time of calculation (NOK) ²²	No of shares released (lock-in lifted)	No of shares (subject to lock-in) as of 31 December of the reporting year
Anne-Lene Midseim, EVP Compliance, IP & General Counsel								
LTI plan 2022	2020 - 2022	01.03.2023	01.03.2026	5 348	6 139	77.24	3 451	8 036
LTI plan 2021	2019 - 2021	01.04.2022	01.04.2025	6 957	1 897	88.03	3 506	5 348
LTI plan 2020	2018 - 2020	01.04.2021	01.04.2024	11 688	-	N/A	4 731	6 957
LTI plan 2019	2017 - 2019	01.04.2020	01.04.2023	14 808	3 451	29.62	6 571	11 688
LTI plan 2018	2016 - 2018	01.04.2019	01.04.2022	20 724	3 506	34.57	9 422	14 808
LTI plan 2017	2015 - 2017	01.04.2018	01.04.2021	15 993	4 731	54.60	-	20 724
Hilde Vestheim Nordh, EVP People & HSE								
LTI plan 2022	2020 - 2022	01.03.2023	01.03.2026	2 929	5 670	77.24	1 188	7 411
LTI plan 2021	2019 - 2021	01.04.2022	01.04.2025	1 188	1 741	88.03	-	2 929
LTI plan 2020	2018 - 2020	01.04.2021	01.04.2024	1 188	-	N/A	-	1 188
LTI plan 2019	2017 - 2019	01.04.2020	01.04.2023	-	1 188	29.62	-	1 188
Paul Warton, EVP Hydro Extrusions								
LTI plan 2022	2020 - 2022	01.03.2023	01.03.2026	3 838	12 593	77.24	-	16 431
LTI plan 2021	2019 - 2021	01.04.2022	01.04.2025	-	3 838	88.03	-	3 838
Trond Olaf Christophersen, EVP Corporate Development								
LTI plan 2022	2020 - 2022	01.03.2023	01.03.2026	-	1 056	77.24	-	1 056
Therese Rød Holm, EVP Communication & Public Affairs								
LTI plan 2022	2020 - 2022	01.03.2023	01.03.2026	-	1 277	77.24	-	1 277



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Shares granted and released in the LTI plan

The table on the previous page shows the number of shares granted in the LTI plan for the members of the CMB in the period 2017 to 2023.

Compensation recovery / claw-back

The Company may reclaim, cancel or withdraw ("claw back"), in full or in part, any STI pending or already paid to, and/or any unvested or vested LTI awards made, to CMB members, in the event of misconduct or bad faith on the part of the CMB member (including, but not limited to, material breach of obligation and violation of Hydro's Code of Conduct or other ethical guidelines, policies or standards, or applicable law or regulations), or if STI and/or LTI is awarded, granted, earned or paid based on accounts that prove to be materially misstated or otherwise based on information which subsequently proves to be incorrect. Enforcement of any claw-back is subject to local law but does not preclude Hydro from also claiming for any loss in accordance with tort law, nor is it affected by the recipient having left the Hydro group's employ.

Hydro made no claims for recovery of variable remuneration in 2023.

Share ownership

The table "Share ownership" shows the number of shares owned by the members of the CMB on 31 December 2023. The table includes shares granted through the LTI plan, shares purchased through the Company's share purchase plan for employees, and shares otherwise purchased privately, including shares owned by related parties.

Share ownership as a percentage of base salary shows the value of the shares based on the share price at the end of the year, compared with the base salary in 2023.

The CEO owned 141 292 Hydro shares on 31 December 2023. The shares had a total value of NOK 9 664 373, which corresponds to approximately 124 percent of annual base salary. The total number of shares owned by other CMB members on 31 December 2023 was 470 900, with a total value of NOK 32 209 560. This corresponds to around 85 percent of the total annual base salary for other CMB members.

Share ownership

	Number of shares ²³	Shareholding as percentage of base salary ²⁴
Hilde Merete Aasheim, President and CEO	141 292	124%
Pål Kildemo, EVP and Chief Financial Officer	24 472	40%
John Thuestad, EVP Hydro Bauxite & Alumina	75 423	81%
Eivind Kallevik, EVP Hydro Aluminium Metal	85 382	133%
Arvid Moss, EVP Energy	184 357	324%
Anne-Lene Midseim, EVP Compliance, IP & General Counsel	42 419	92%
Hilde Vestheim Nordh, EVP People & HSE	35 367	83%
Paul Warton, EVP Hydro Extrusions	16 431	16%
Trond Olaf Christophersen, EVP Corporate Development	5 772	12%
Therese Rød Holm, EVP Communication & Public Affairs	1 277	3%



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Remuneration of the Board of Directors

Remuneration of the board members consists of board fees and travel allowance. The members of the board's two committees, the Audit Committee and the Compensation and People Committee receive a fixed annual fee in addition to the ordinary board fee. Travel allowance is paid to board members who live outside Norway and are

present at the meetings to the amount of NOK 32 300 (2022: NOK 31 000) per meeting. The annual fees are based on a recommendation from the Company's Nomination Committee (the guidelines for the Nomination Committee are available on [Hydro.com](https://www.hydro.com)).

The board members do not receive variable remuneration from the Company. Board members elected from among the employees are included in the Company's general annual short-term incentive program for all employees. Pension contributions and vacation pay are not paid on the fees for board members.

Board members

		Board fees	Audit Committee fees	Compensation & People Committee fees	Travel compensation	Total compensation	Number of Hydro-shares ²⁵
Dag Mejdell ²⁶	2023	800		134		934	45 000
	2022	731		128		859	45 000
	2021	707		124		831	45 000
	2020	686		121		807	45 000
	2019	686		121		807	35 000
	2018	663		117		780	35 000
Rune Bjerke ²⁷	2023	460		100		560	20 500
	2022	421	48	65		534	20 500
	2021	373	140			513	20 500
	2020	194	73			267	15 000
Marianne Wiinholt ²⁸	2023	403	232		162	796	0
	2022	386	222		186	794	0
	2021	373	215		120	708	0
	2020	362	175		23	560	0
	2019	362	136		115	613	0
	2018	351	132		0	483	0
Peter Kukielski ²⁹	2023	403	69		162	633	8 000
	2022	386	93		248	726	8 000
	2021	373			0	373	3 000
	2020	362			23	385	0
	2019	211			115	326	0
Petra Einarsson ³⁰	2023	403	151		226	780	0
	2022	247	93		124	463	0
	2021	N/A					

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		Board fees	Audit Committee fees	Compensation & People Committee fees	Travel compensation	Total compensation	Number of Hydro-shares ²⁵
Kristin Fejerskov Kragseth ³¹	2023	403		100		503	1 200
	2022	247		62		308	700
	2021	N/A					
Philip Graham New	2023	403	82		226	711	799
	2022	247			186	433	0
	2021	N/A					
Arve Baade ³²	2023	403		100		503	6 506
	2022	386		52		438	6 118
	2021	373				373	5 778
	2020	362				362	5 130
	2019	362				362	4 708
	2018	88				88	4 347
Bjørn Petter Moxnes ³²	2023	403	151			554	728
	2022	247	79			326	340
	2021	N/A					
Torleif Sand ³²	2023	403				403	1
	2022	247				247	1
	2021	N/A					
Margunn Sundve ³²	2023	403				403	997
	2022	247				247	609
	2021	N/A					



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Independent auditor's assurance report on report on salary and other remuneration to directors



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To the General Meeting of Norsk Hydro ASA

Independent auditor's assurance report on report on salary and other remuneration to directors

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Norsk Hydro ASA's report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2023 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our Independence and Quality Management

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We apply the International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 13 February 2024

KPMG AS

Monica Hansen
State Authorised Public Accountant

Offices in:

Oslo	Elverum	Mo i Rana	Tromsø
Alta	Finnsnes	Molde	Trondheim
Arendal	Hamar	Sandefjord	Tynset
Bergen	Haugesund	Stavanger	Ulsteinvik
Bodø	Knarvik	Stord	Alesund
Drammen	Kristiansand	Straume	

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Statsautoriserede revisorer - medlemmer av Den norske Revisorforening



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Remuneration trends and the Company's results

The table below shows the annual change in remuneration to the members of the CMB in the period 2017 to 2023. For consistency and comparability, remuneration is only stated for the years the persons in question held these positions.

The figures for all employees, include only employees with a Norwegian contract.

For selected company performance measures, both financial and nonfinancial performance measures are included to provide a holistic view on how Hydro has performed over the last five or six years.

For details on remuneration figures and company performance figures of previous years, please see the respective Hydro annual reports.

Remuneration to the Corporate Management Board

		2023	2022	2021	2020	2019	2018	2017
Hilde Merete Aasheim, President and Chief Executive Officer								
Total remuneration	NOK'000	15 306	15 686	12 301	9 143	7 919	-	-
	% change	-2,42%	28%	35%	15%	-	-	-
Base salary	NOK'000	7 776	7 392	6 911	6 710	6 710	-	-
	% change	5,19%	7%	3%	0%	-	-	-
STI	NOK'000	2 405	3 114	3 145	-	1 589	-	-
	% change	-22,77%	-1%	-	-100%	-	-	-
LTI	NOK'000	2 333	2 218	815	-	407	-	-
	% change	5,18%	172%	-	-100%	-	-	-
Pål Kildemo, EVP and Chief Financial Officer								
Total remuneration	NOK'000	7 445	6 822	5 866	3 726	3 292	-	-
	% change	9,13%	16%	57%	13%	-	-	-
Base salary	NOK'000	4 208	3 740	3 400	2 900	2 900	-	-
	% change	12,51%	10%	17%	0%	-	-	-
STI	NOK'000	1 062	1 279	1 272	-	280	-	-
	% change	-16,97%	1%	-	-100%	-	-	-
LTI	NOK'000	1 262	1 122	401	-	79	-	-
	% change	12,48%	180%	-	-100%	-	-	-
Eivind Kallevik, EVP Hydro Aluminium Metal								
Total remuneration	NOK'000	9 782	7 513	7 989	5 687	6 914	-	-
	% change	30,20%	-6%	40%	-18%	-	-	-
Base salary	NOK'000	4 376	4 152	3 796	3 685	3 685	-	-
	% change	5,39%	9%	3%	0%	-	-	-
STI	NOK'000	1 080	1 345	1 382	-	801	-	-
	% change	-19,70%	-3%	-	-100%	-	-	-
LTI	NOK'000	1 313	1 246	448	-	264	-	-
	% change	5,38%	178%	-	-100%	-	-	-

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		2023	2022	2021	2020	2019	2018	2017
Arvid Moss, EVP Hydro Energy								
Total remuneration	NOK'000	7 704	6 853	5 367	3 312	7 988	7 681	7 670
	% change	12,42%	28%	62%	-59%	4%	0%	6%
Base salary	NOK'000	3 897	3 704	3 365	3 267	3 267	3 194	3 098
	% change	5,21%	10%	3%	0%	2%	3%	3%
STI	NOK'000	927	1 234	1 163	-	772	912	881
	% change	-24,88%	6%	-	-100%	-15%	4%	3%
LTI	NOK'000	1 169	1 111	397	-	238	283	605
	% change	5,22%	180%	-	-100%	-16%	-53%	-20%
Paul Warton, EVP Hydro Extrusions								
Total remuneration	NOK'000	16 165	15 190	13 432	-	-	-	-
	% change	6,42%	13%	-	-	-	-	-
Base salary	NOK'000	7 149	6 160	7 513	-	-	-	-
	% change	16,06%	-18%	-	-	-	-	-
STI	NOK'000	3 307	3 975	3 723	-	-	-	-
	% change	-16,81%	7%	-	-	-	-	-
LTI	NOK'000	2 123	1 849	642	-	-	-	-
	% change	14,82%	188%	-	-	-	-	-
John Thuestad, EVP Hydro Bauxite & Alumina								
Total remuneration	NOK'000	14 421	13 759	12 592	9 640	11 585	9 283	-
	% change	4,81%	9%	31%	-17%	25%	-	-
Base salary	NOK'000	6 341	6 027	7 386	6 810	6 384	6 087	-
	% change	5,21%	-18%	8%	7%	5%	-	-
STI	NOK'000	1 517	2 054	2 237	-	1 351	793	-
	% change	-26,14%	-8%	-	-100%	70%	-	-
LTI	NOK'000	1 902	1 808	682	-	370	251	-
	% change	5,20%	165%	-	-100%	47%	-	-
Hilde Vestheim Nordh, EVP People & HSE								
Total remuneration	NOK'000	5 540	5 291	4 661	3 448	4 609	-	-
	% change	4,71%	14%	35%	-25%	-	-	-
Base salary	NOK'000	2 914	2 775	2 472	2 400	2 400	-	-
	% change	5,01%	12%	3%	0%	-	-	-
STI	NOK'000	692	894	863	-	459	-	-
	% change	-22,60%	4%	-	-100%	-	-	-
LTI	NOK'000	874	833	291	-	66	-	-
	% change	4,92%	186%	-	-100%	-	-	-
Anne-Lene Midseim, EVP Compliance, IP & General Counsel								
Total remuneration	NOK'000	6 979	5 714	5 711	4 019	4 887	4 804	4 996
	% change	22,14%	0%	42%	-18%	2%	-4%	2%
Base salary	NOK'000	3 170	3 005	2 693	2 614	2 614	2 554	2 477
	% change	5,49%	12%	3%	0%	2%	3%	3%
STI	NOK'000	769	998	980	-	548	531	758
	% change	-22,95%	2%	-	-100%	3%	-30%	5%
LTI	NOK'000	951	902	318	-	191	226	484
	% change	5,43%	184%	-	-100%	-15%	-53%	-20%



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		2023	2022	2021	2020	2019	2018	2017
Trond Olaf Christophersen, EVP Corporate Development³³								
Total remuneration	NOK'000	6 431	1 562	-	-	-	-	-
	% change	-	-	-	-	-	-	-
Base salary	NOK'000	3 261	3 100	-	-	-	-	-
	% change	5,19%	-	-	-	-	-	-
STI	NOK'000	791	169	-	-	-	-	-
	% change	-	-	-	-	-	-	-
LTI	NOK'000	978	155	-	-	-	-	-
	% change	-	-	-	-	-	-	-
Therese Rød Holm, EVP Communication & Public Affairs³³								
Total remuneration	NOK'000	4 279	1 101	-	-	-	-	-
	% change	-	-	-	-	-	-	-
Base salary	NOK'000	2 623	2 500	-	-	-	-	-
	% change	4,92%	-	-	-	-	-	-
STI	NOK'000	610	201	-	-	-	-	-
	% change	-	-	-	-	-	-	-
LTI	NOK'000	787	188	-	-	-	-	-
	% change	-	-	-	-	-	-	-



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Board remuneration – fixed fees

		2023	2022	2021	2020	2019	2018
Chair of the Board	NOK 1 000	800	731	707	686	686	663
	% change	9,4%	3,4%	3%	0%	3%	6%
Deputy Chair of the Board	NOK 1 000	460	440,5	426	413	413	401
	% change	4,4%	3,4%	3%	0%	3%	2%
Board member	NOK 1 000	403	385,7	373	362	362	351
	% change	4,5%	3,4%	3%	0%	3%	2%

Average employee remuneration³⁴

		2023	2022	2021	2020	2019	2018
Total compensation ³⁵	NOK 1 000	928	861	813	793	775	760
	% change	7,8%	5,9%	3%	2%	2%	3%
Base salary ³⁶	NOK 1 000	763	706	671	650	634	620
	% change	8,1%	5,2%	3%	3%	2%	-2%
STI ³⁷	NOK 1 000	61	58	45	42	43	48
	% change	5,2%	28,9%	7%	-2%	-10%	12%
No of employees		3 685	3 548	3 387	3 320	3 278	3 210

Company performance³⁸

		2023	2022	2021	2020	2019	2018
Adjusted EBITDA	MNOK	22 258	39 664	28.010	13.106	11.832	16.344
Adjusted RoaCE	%	7,1%	22,2%	18,6%	3,7%	1,3%	6,6%
Adjusted Earnings per share (EPS) from continuing operations	NOK	4,26	10,70	6,77	1,32	0,52	2,75
Adjusted net income from continuing operations	MNOK	7 835	23 145	14.905	2.848	708	5.819



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Recycling³⁹

	2023	2022	2021	2020	2019	2018
1,000 tonnes						
Recycled post-consumer scrap	443	321	335	104	98	104
Recycled pre-consumer scrap	1 055	963	1 018	317	340	371
Total recycled metal	1 498	1 285	1 353	421	438	474

Total recordable injuries, lost-time injuries, fatal accidents and sick leave⁴⁰

	2023	2022	2021	2020	2019	2018
Total recordable injuries (TRI)	237	227	296	224	278	301
Employees	174	186	251	188	229	243
Contractors	63	41	45	36	49	58
Total recordable injuries rate (TRI) ⁴¹	2,4	2,4	3,3	2,7	3,0	3,4
Employees	2,8	2,9	3,9	3,0	3,3	3,5
Contractors	1,7	1,3	1,8	1,7	2,2	3,0
Lost-time injuries (LTI)	128	115	155	119	119	147
Employees	95	90	125	102	101	118
Contractors	33	25	30	17	18	29
Lost-time injuries rate (LTI) ⁴²	1,3	1,2	1,7	1,4	1,3	1,7
Employees	1,6	1,4	1,9	1,6	1,5	1,7
Contractors	0,9	0,8	1,2	0,8	0,8	1,5
Total number of fatal accidents ⁴³	1	0	0	0	0	1
Employees	0	0	0	0	0	1
Contractors	1	0	0	0	0	0
Sick leave, percent	3,5%	4,1%	3,8%	4,2%	3,7%	3,6%
Sick leave, Norway	4,2%	5,8%	4,9%	4,5%	4,5%	4,0%
Women	4,8%	7,1%	5,7%	5,3%	5,7%	4,3%
Men	4,0%	5,4%	4,7%	4,5%	4,2%	3,5%

GRI-referanse: GRI Standards 403-9 (2018)

Community investments⁴⁴

	2023	2022	2021	2020	2019	2018
NOK million						
Community investments	48	51	30	42	50	29
Charitable donations and Sponsorships	48	25	25	14	9	60
TerPaz peace houses	27	179				
Total community investments, charitable donations and sponsorships⁵⁴	123	255	55	56	59	89

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Notes

- ¹ Amounts in NOK thousand. Salary amounts in currencies other than NOK have been converted to NOK at the annual average exchange rate (GBP/NOK) for the earning year for full year members of the Corporate Management Board (CMB), and the average exchange rate prorated to the time of service on the CMB for members entering or leaving the CMB in the earning year. Conversion of amounts in currencies other than NOK related to variable pay (STI and LTI) will be made according to the exchange rate (GBP/NOK) on the last Norwegian banking day of the earning year. All exchange rates as published by Bank of Norway (Norges Bank).
- ² Nominal annual base salary per December 31, or per the date of stepping down from the Corporate Management Board.
- ³ Salary paid is the amount of salary paid to the individual in the relevant year (including vacation pay).
- ⁴ Other benefits paid includes the total of all other cash and non-cash related benefits received by the individual in the relevant year, including, but not limited to, such items as the taxable portion of insurance premiums, car and mileage allowances and electronic communication items.
- ⁵ Pension compensation paid includes amounts paid to compensate for, as applicable, (i) future pension shortfall estimated at the time of transition from Hydro's defined benefit pension plan to the defined contribution plan in line with an arrangement applicable to all affected employees in Norway; and (ii) 12G earnings (G is the base amount in the National Insurance in Norway) being put on hold while serving on the Corporate Management Board.
- ⁶ Pension benefits includes the estimated change in the value of defined pension benefits and reflects both the effect of earning an additional year's pension benefit and the adjustment to present value of previously earned pension rights (interest element). It is calculated as the change in the Defined Benefit Obligations (DBO) calculated with stable assumptions. Pension benefits also include contributions to defined contribution plans.
- ⁷ STI earned is the amount earned in the relevant year based on performance achieved as member of the Corporate Management Board.
- ⁸ LTI earned reflects gross (pre-tax) amounts earned in the relevant year resulting in LTI shares being awarded in the following year (based on after-tax amounts).
- ⁹ Total remuneration summarizes salary paid, other benefits, pension compensation paid, pension benefits, STI earned and LTI earned.
- ¹⁰ Portion fixed is the relative size of the aggregate of salary paid, other benefits paid, compensation pension paid and pension benefits vs. total remuneration.
- ¹¹ Portion variable is the relative size of the aggregate of STI earned and LTI earned vs. total remuneration.
- ¹² In order to ensure competitiveness, a market adjustment of the CFO's base salary to NOK 4 000 000 was made effective 1 January 2023. This salary was subject to the ordinary salary adjustment in 2023.
- ¹³ The amount in the column "Other benefits paid" includes a gratuity of one month's base salary for Kallevik having served 25 years of employment with Hydro. Kallevik is active member of Hydro's defined contribution plan for pensionable salary above 12G. The annual return on benefits earned under this plan is linked to a portfolio of investments that fluctuate with market developments. Such fluctuations can impact the number presented as Pensions significantly from one year to another. In 2023, the annual return on the portfolio was positive, resulting in increased benefits earned by the individuals with a corresponding increase in pension liabilities for Hydro. In 2022, the annual return was negative.
- ¹⁴ The amount in the column "Other benefits paid" includes a gratuity of one month's base salary for Midseim having served 25 years of employment with Hydro. Midseim is active member of Hydro's defined contribution plan for pensionable salary above 12G. The annual return on benefits earned under this plan is linked to a portfolio of investments that fluctuate with market developments. Such fluctuations can impact the number presented as Pensions significantly from one year to another. In 2023, the annual return on the portfolio was positive, resulting in increased benefits earned by the individuals with a corresponding increase in pension liabilities for Hydro. In 2022, the annual return was negative.
- ¹⁵ Thuestad's previous retention agreement that vested over a 60-month period expired on 31 May 2023 and was replaced with a new 12-month agreement from 1 August 2023 (to 31 July 2024). In 2023, Thuestad earned estimated amounts of NOK 993 thousand under the new agreement and NOK 596 thousand under the previous agreement. These amounts are included in 'Salary paid' in the table.
- ¹⁶ In 2023, Warton's nominal gross home salary was GBP 547 000, which has been converted to NOK 7 148 736. Due to changes to tax relief regulations pertaining to pensions in the UK, GBP 31 600 of Warton's pension contribution was converted to salary as of 6 April 2023. The amount is fixed and is not included in the basis for variable pay (STI / LTI). Warton has an STI potential of 75 percent of base salary in line with UK market.
- ¹⁷ The differences in Christophersen's remuneration from 2022 to 2023 are attributed to short service time on the CMB in 2022 (2 months).
- ¹⁸ The differences in Rød Holm's remuneration from 2022 to 2023 are attributed to short service time on the CMB in 2022 (3 months).
- ¹⁹ "G" corresponds to the basic amount in the National Insurance in Norway, which as of 1 May 2023 amounts to NOK 118 620.
- ²⁰ See the section on Long-term incentives (LTI) plan for a description of performance measures and performance period.
- ²¹ In 2020, the CEO and the other members of the Corporate Management Board waived any variable pay (and any salary adjustment) and consequently no LTI shares were awarded in 2021.
- ²² The average of the closing prices for the Hydro share on the Oslo Stock Exchange on the sixth to tenth trading day after, and including, the day of publication of the Company's annual financial results for the earning year. The share price is calculated and confirmed by the Company's external auditor.
- ²³ The number of shares in Hydro owned as of 31 December 2023. In addition to shares held directly by the respective member of the Corporate Management Board, the number of shares includes shares held by defined members of family and/or controlled entities.
- ²⁴ The value of shareholding based on the Hydro share price at Oslo Stock Exchange at year end 2023 (NOK 68.40) compared to base salary as of 31 December 2023.
- ²⁵ The number of shares owned as of 31 December of the relevant year by members of the Board of Directors (or the number of shares owned as of the date the individual stepped down from the Board of Directors). In addition to shares held directly by the respective member of the board, shareholdings include shares held by defined members of family and/or controlled entities.
- ²⁶ Chair of the Board and Chair of the Board's Compensation and People Committee.
- ²⁷ Deputy Chair of the Board and member of the Board's Compensation and People Committee. The number of Hydro shares reported in 2022 as owned by Bjerke (21 500) was incorrect. The correct number was 20 500.
- ²⁸ Chair of the Board's Audit Committee.
- ²⁹ Member of the Board's Audit Committee. The number of Hydro shares reported in 2022 as owned and/or controlled by Kukielski (11 000) was incorrect. The correct number was 8 000.
- ³⁰ Member of the Board's Audit Committee.
- ³¹ Member of the Board's Compensation and People Committee.
- ³² Employee representative on the Board elected by the employees in accordance with Norwegian Company Laws. As such, the representative is also paid regular salary, remuneration in kind and pension benefits that are not included in the table 'Board of Directors' Remuneration'.
- ³³ The change in percentages (for total remuneration, STI, and LTI) is omitted due to the short service time on the CMB in 2022 (two months for Christophersen and three months for Rød Holm) making a comparison between the values from 2022 and 2023 irrelevant.
- ³⁴ Permanent employees as of 31 December 2023, on Norwegian payroll (excl. members of the Corporate Management Board).
- ³⁵ Total salary, fixed allowances, holiday pay, and bonus (STI), paid in 2023, divided by the number of salaried FTEs (Full Time Equivalents) as of 31 December 2023.
- ³⁶ The sum of all nominal base salaries, as of 31 December 2023, divided by the number of FTEs (Full Time Equivalents) as of 31 December 2023.
- ³⁷ Total bonus (STI) paid in 2023, divided by the number of employees eligible for bonus (STI).
- ³⁸ Information regarding the financial figures featured below may be found in Hydro's annual report section Alternative Performance Measures. The definitions of Alternative Performance Measures (i.e. Adjusted EBITDA, Adjusted Net Income, and ARoACE) have been modified during the five-year period with limited impact and are featured on an as-reported basis. Amounts referred to in Hydro's financial reporting as "Adjusted" were referred to as "Underlying" for the period 2017 -2019.
- ³⁹ Recycling data from Hydro Extrusions was consolidated into the table for the first time in 2021, making the 2021 results not directly comparable to previous years' data.
- ⁴⁰ The numbers include discontinued operations.
- ⁴¹ Number of recordable injuries per million working hours.
- ⁴² Number of lost-time injuries per million working hours.
- ⁴³ One contractor facility in consolidated operations. In addition, there was one fatality involving a contractor at our joint venture, Qatalum, which is not included in the statistics for consolidated activities.
- ⁴⁴ The amounts reported in 2022 were incorrect and have been corrected in the table. Extrusions was included in the reported numbers as of 2021.



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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.

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