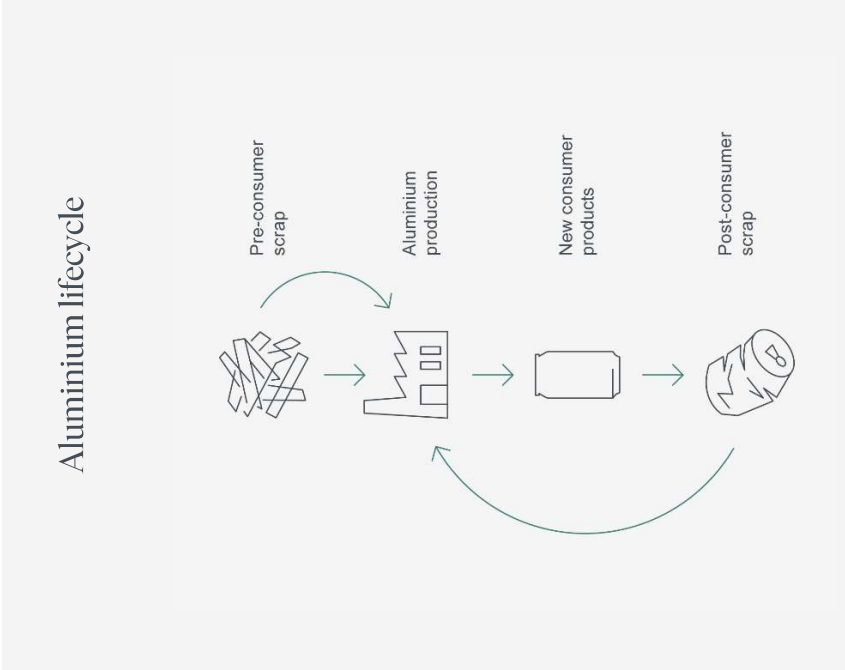


Content	Resource use and circular economy	1. Introduction	2. Business	3. Performance	4. Governance	5. Sustainability	6. Financials	7. Appendices					
Resource use and circular economy Why it matters Hydro's aluminium manufacturing processes are resource intensive and depend on non-renewable resources. Hydro's operations also generate significant resource outflows, including different waste streams. Managing resource dependencies and waste streams are key to reduce operational and compliance costs, exposures to price volatility, and supply chain disruptions in material sourcing, as well as the environmental footprint in Hydro's supply chain. Hydro's integrated value chain, including captive renewable energy generation, traceable, secure material supply, and integrated recycling operations, as well as aluminium's inherent properties of durability, lightweight, and recyclability, position the company for commercial and financial opportunities in the transition to a more circular and less resource intensive economy. Our approach Hydro's technology and decarbonization roadmap and strategic focus on metal recycling aims to contribute to a circular economy by supplying the transition to a low-carbon and resource efficient economy with sustainable materials use through partnerships and innovative business models. To enable this transition, Hydro has set up a framework to prioritize sectors, geographies, suppliers, and customers to take a proactive approach to integrate circular economy principles in business development around three main pillars: innovate for circularity, recycling and sorting, and waste to value. Hydro's Global Procedure for Environmental management company's ambition towards a circular economy by promoting efficient use of resources and continuous improvement in waste management. The procedure is approved by the EVP for People and HSE, and all employees are responsible for working in accordance with this procedure. The line management is responsibility to ensure the global procedure is implemented and the required information, training, instruction, supervision, and auditing systems are in place. Hydro is currently updating their sustainability procedures and directives to include more information about circular economy expectations. Resource inflows Hydro identifies and measures resource use by calculating resource inflows and outflows from all operations, including energy use and key materials needed for its industrial and commercial processes. Hydro's reporting on resource inflows covers the most material raw materials and inputs used in the industrial processes. Primary resource use in alumina refining and primary aluminium production is defined as a driver of potential negative impact on resource use, as these industrial processes are energy and material intensive. On the contrary, circular economy is also identified as a material opportunity for Hydro. Hydro's alumina refining and primary aluminium production depend on a reliable resource inflow of bauxite, lime, caustic soda, sulfuric acid, and flocculants in the alumina refining; coke and pitch for production of carbon anodes; aluminium fluoride and metal alloys in aluminium casting; and sulfuric acid for anodizing aluminium profiles. As Hydro has a relatively concentrated value chain, there are potential Targets and ambitions <table><tr><td>850 – 1200 kt</td><td>post-consumer scrap recycling capacity by 2030</td><td>landfill of all recoverable waste by 2040</td><td><35 %</td><td>of SPL to landfill by 2030</td></tr></table> Eliminate									850 – 1200 kt	post-consumer scrap recycling capacity by 2030	landfill of all recoverable waste by 2040	<35 %	of SPL to landfill by 2030
850 – 1200 kt	post-consumer scrap recycling capacity by 2030	landfill of all recoverable waste by 2040	<35 %	of SPL to landfill by 2030									
Increasing recycling of aluminium and developing more circular solutions Recycling is an important part of Hydro's 2030 strategy to strengthen the company's position in low-carbon aluminium. Aluminium is light, strong, and resistant to corrosion and cracking, and the inherent properties of aluminium make recycling attractive. It can be recycled infinitely without degradation in quality and recycling consumes 95 percent less energy than primary aluminium production. Hydro is a large remelter and recycler of aluminium. The company remelts its own and external process scrap, and recycles post-consumer scrap from the market. One of the main challenges related to recycling of post-consumer scrap is to make sure the quality of the metal is preserved in the recycling process, and to identify the alloys and properties of the used metal Hydro purchases. The metal must be collected and properly sorted, before being recycled back to high-quality products. Hydro has developed proprietary technology allowing it to separate different aluminium alloys and continue to develop sorting technology further through the company's R&D efforts. The Hydro CIRCAL product line, offering aluminium with at least 75 percent post-consumer scrap, has among the lowest environmental footprints in the aluminium industry.													
Resource outflows Hydro's material outflows are the alumina and aluminium products, and the waste associated with production. Hydro's bauxite mining operations generate tailings and its alumina refining generates bauxite residue. Hydro's aluminium production process generates waste in the form of spent pot linings (SPL) and anode butts from the electrolysis process, dross from metal casting and other categories of waste.													

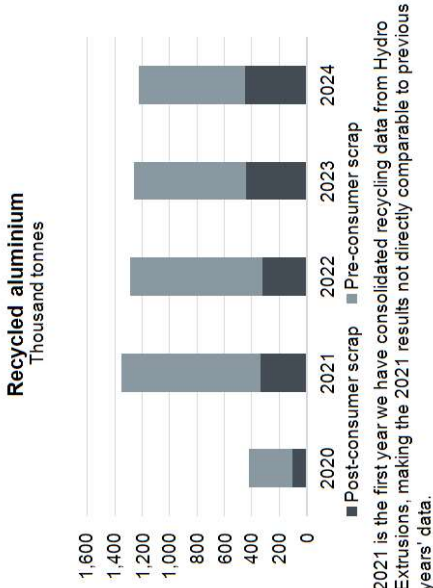
Hydro's ambition is to increase installed post-consumer scrap recycling capacity from 560,000 tonnes in 2023 to 850,000-1,200,000 tonnes in 2030. To reach its ambitions, Hydro is improving its processes to combine process scrap with post-consumer scrap recycling. The technology is being rolled out to Hydro's remelting and recycling plants as a part of Hydro's recycling improvement program. This is executed through a combination of strategic portfolio changes and improvements in operational processes.

In April 2024, Hydro opened a new recycling facility in Høyanger. The recycled aluminium will be used to lower the carbon footprint of Hydro's products even further. The facility is the first of its kind in Norway with an annual capacity to process 36,000 tonnes of post-consumer aluminium scrap.



Hydro's goal is to increase post-consumer scrap utilization through advanced sorting capabilities combined with multiple product outlets. To realize this goal, Hydro is installing its proprietary HySort sorting technology in several locations. In 2024, Hydro's Alusort JV, established together with Padnos in 2023, started operations in the U.S. Three more HySort machines are under installation in Wrexham, UK and in Alumetal's Nowa Sol plant in Poland.

Hydro has made progress on diversifying its recycled product portfolio to be able to utilize a broader range of scrap types. Hydro acquired a Polish recycled foundry alloy producer, Alumetal, in 2023 and made progress on integrating the company and realizing synergy potential with the existing extrusion ingot portfolio. An upgrade and expansion of Alumetal's Kety plant is currently underway. Operations are ramping up in Hydro's greenfield plants opened in 2023, advanced extrusion ingot recycler in Cassopolis, Michigan, USA and the forge stock plant in Rackwitz, Germany. During 2024, Hydro announced a decision to invest in the state-of-the-art specialty extrusion ingot recycler Torija in Spain with the total capacity of 120,000 tonnes.



Partnerships for circular economy

Hydro engages a broad set of stakeholders on circular economy issues. Hydro has strategic partnerships with many customers to design and develop more sustainable products. The company engages industry associations, standard setters, and local stakeholders in countries where it has significant operations, as well as with regional structures like the European Union, on topics related to the environmental and social impacts of resource use. Read more about collaboration and eco-design in our [Recycling White Paper](#).

Waste management

Hydro measures and reports on the amount of hazardous and non-hazardous waste generated from its operations, waste treatment methods, and whether the waste is directed to disposal methods like landfilling. Please see [Note E5](#) for more information.

Waste management is part of [Hydro's Global Procedure for Environmental management](#). Hydro's goal is to first minimize the amount of waste produced in its operations, and then reuse or recycle it. When this is not possible, the company shall deposit it in a secure way in compliance with regulatory standards and legal requirements. All targets related to waste is set by Hydro on a voluntary basis and are not imposed by legislation or regulations.

Tailings and bauxite residue

Tailings from bauxite extraction consist of mineral rejects from the extraction process mixed with water and flocculants. Hydro's Tailings Dry Backfill technology at the Paragominas mine allows tailings to dry in shallow areas before being excavated and returned to the mined strip from where they originated. The mined strip is then reshaped and rehabilitation initiated with the ambition of returning it to original conditions. By continuously backfilling the dry tailings, the methodology eliminates the need for new permanent tailings storage facilities (TSFs), including the need to raise existing facilities further. The operating license for this technology was received in December 2020.

Bauxite residue is a waste product of the alumina refining process. Its disposal is challenging due to large volumes and its alkaline nature. The residue is washed with water to lower the alkalinity and to recover caustic soda for reuse. Hydro's state of the art press filter technology allows for storage dry filtered stacks. This is done by pressing the residue through 74 plates of filter fabric membranes, resulting in a more compact residue, thus reducing the relative