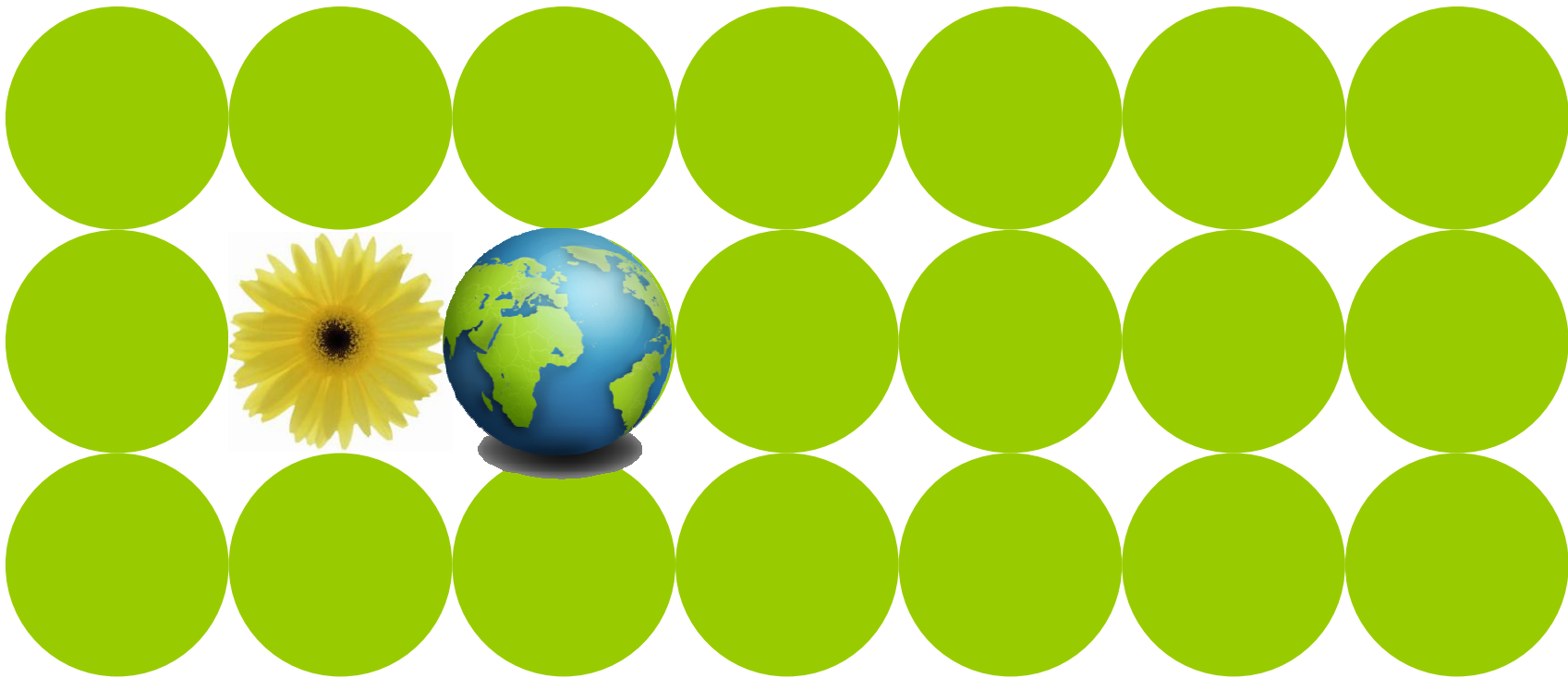


Hydro and Sustainability



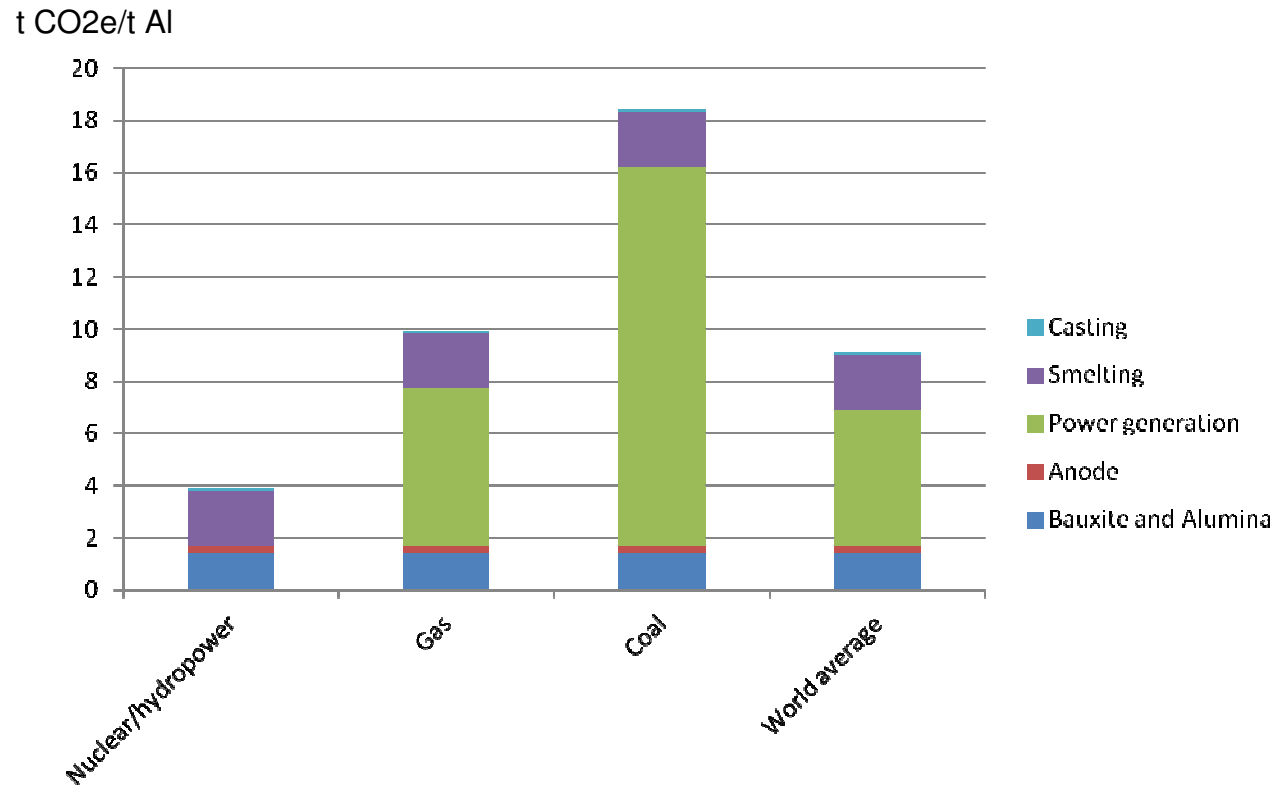
Jostein Søreide
Roadshow 2012

Global Trends

- What do the society want?
 - Sustainable
 - Green
 - Environmentally friendly
- What does this mean?
 - Low carbon footprint
 - Renewable power base
 - Recycled metal
 - Responsible value chain



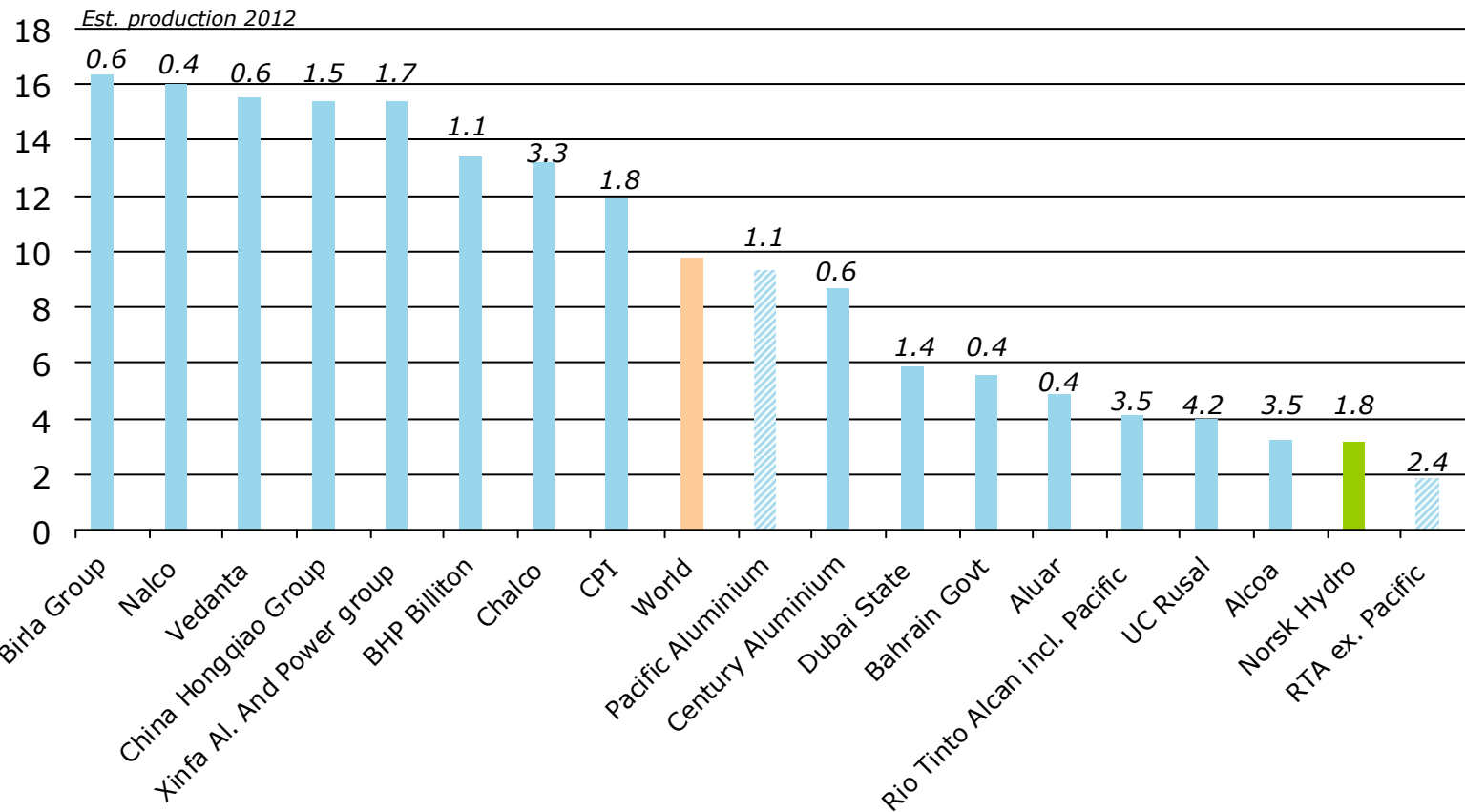
The Carbon Footprint of Aluminium



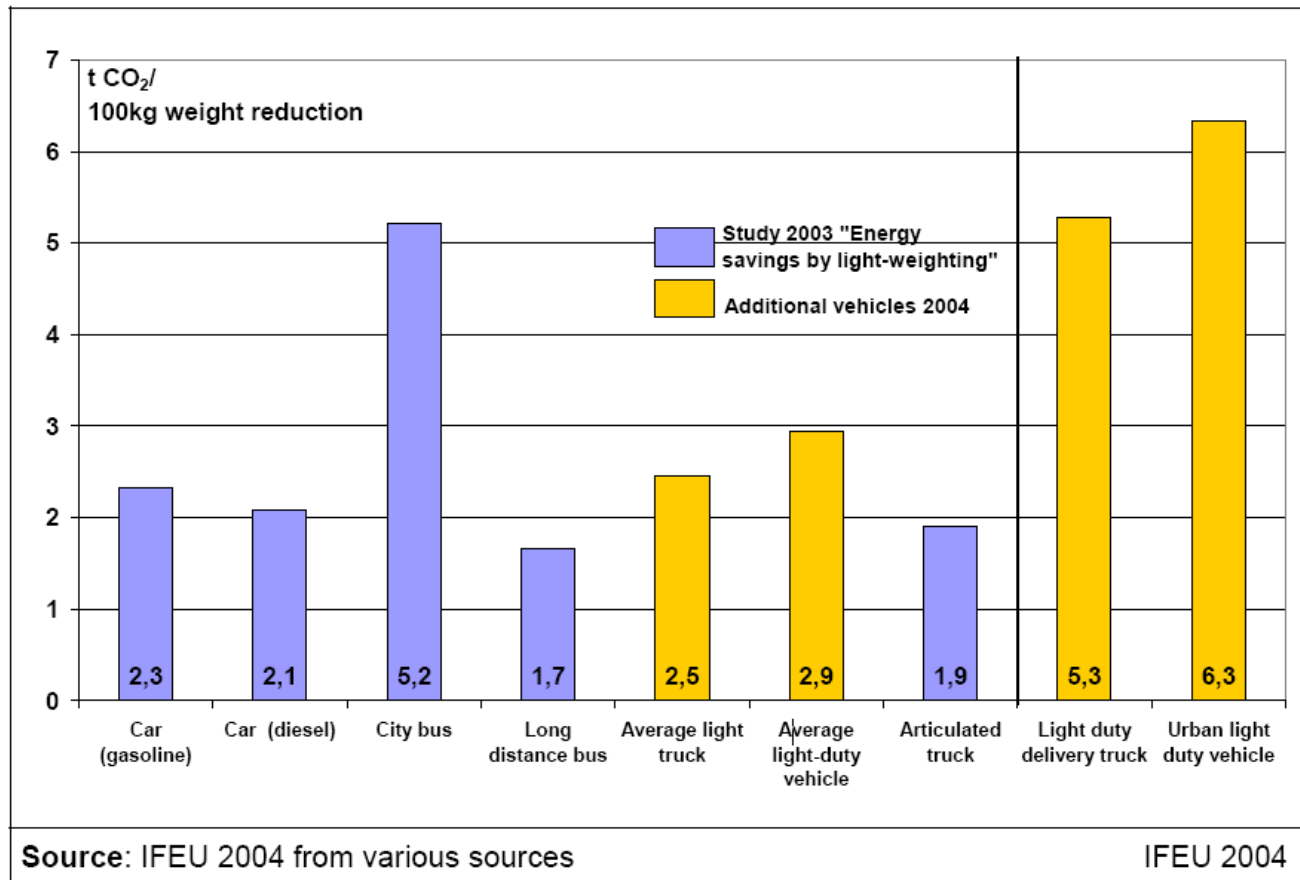
Hydro's Indirect Emissions



t CO₂/t al



The Effect of Lightweighting in Transport



Aluminium - a Part of the Solution

Emissions related to 1 kg aluminium

Production of primary aluminium

+9 kg CO₂eq

Use of 25% recycled

-3 kg CO₂eq

Reduced emissions from steel production

-3 kg CO₂eq

Use phase

-23 kg CO₂eq



1 kg aluminium = Reduction of 20 kg CO₂eq

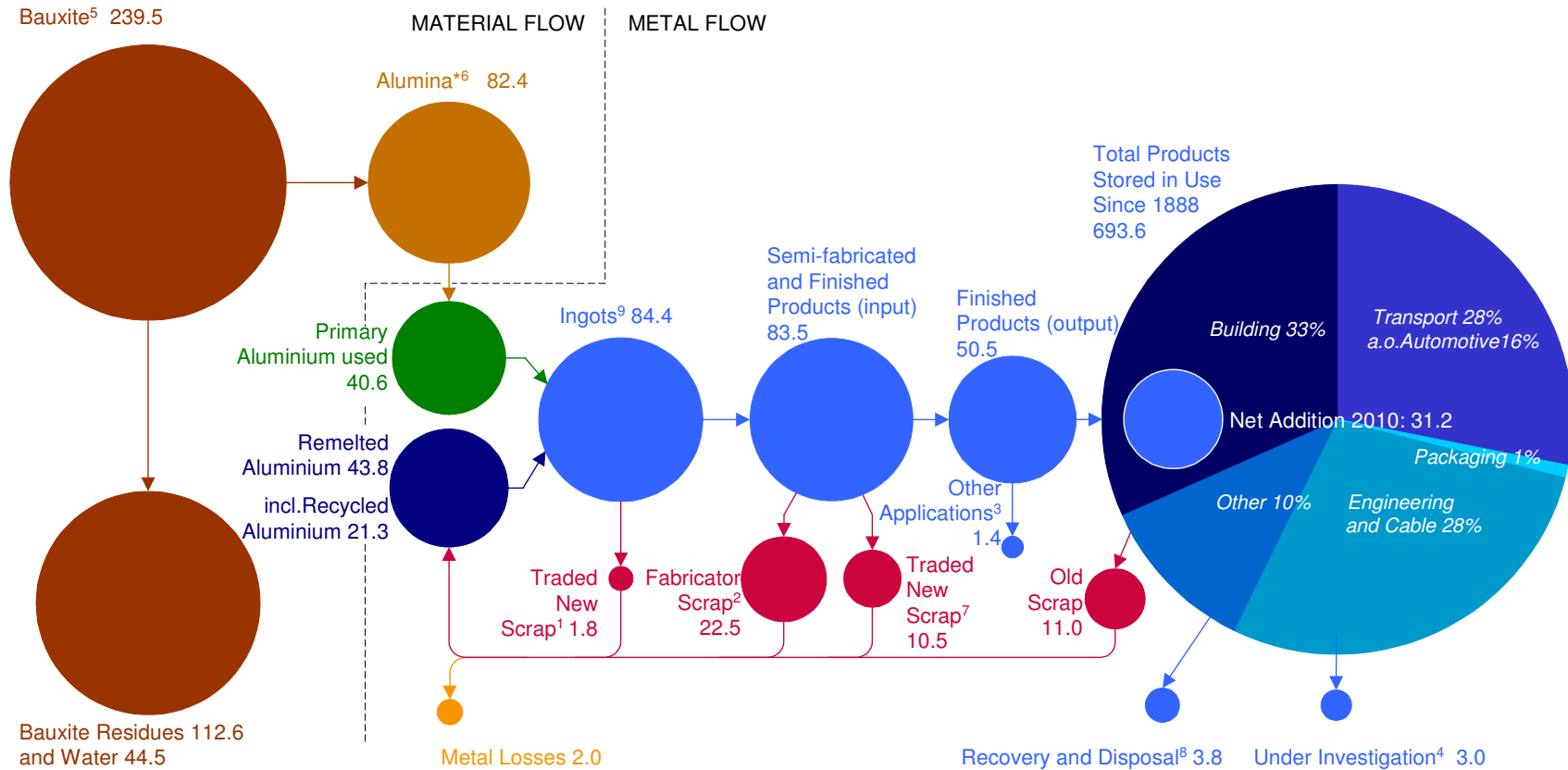


Recycling of Aluminium – a Viable Business

- Recycling of aluminium requires only 5% of the energy used in primary production of aluminium
- Aluminium can be recycled over and over again without losing quality
- Recycling rate is high
 - 95% in transport and buildings
 - 60% in packaging



Access to Aluminium Scrap – a Challenge



Values in millions of metric tonnes. Values might not add up due to rounding. *Change in stocks not shown

1 Aluminium in skimmings; 2 Scrap generated by foundries, rolling mills and extruders. Most is internal scrap and not taken into account in statistics; 3 Such as deoxidation aluminium (metal property is lost) 4 Area of current research to identify final aluminium destination (reuse, recycling, recovery or disposal); 5 Calculated based on IAI LCI report - update 2010. Includes, depending on the ore, between 30% and 50% alumina; 6 Calculated. Includes on a global average 52% aluminium; 7 Scrap generated during the production of finished products from semis; 8 Either incinerated with/without energy recovery, material recovery or disposal; 9 Estimated stock decrease 890,000 tonnes.

Hydro and Recycling

- Hydro is a large remelter of aluminium with over 30 facilities worldwide
- Hydro increased its recycled amount by 35% from 2009 to 2011
- Hydro invests in increased recycling capacity (Karmøy and Neuss) and has as an ambition to recycle 1.000.000 tonnes contaminated and used scrap in 2020

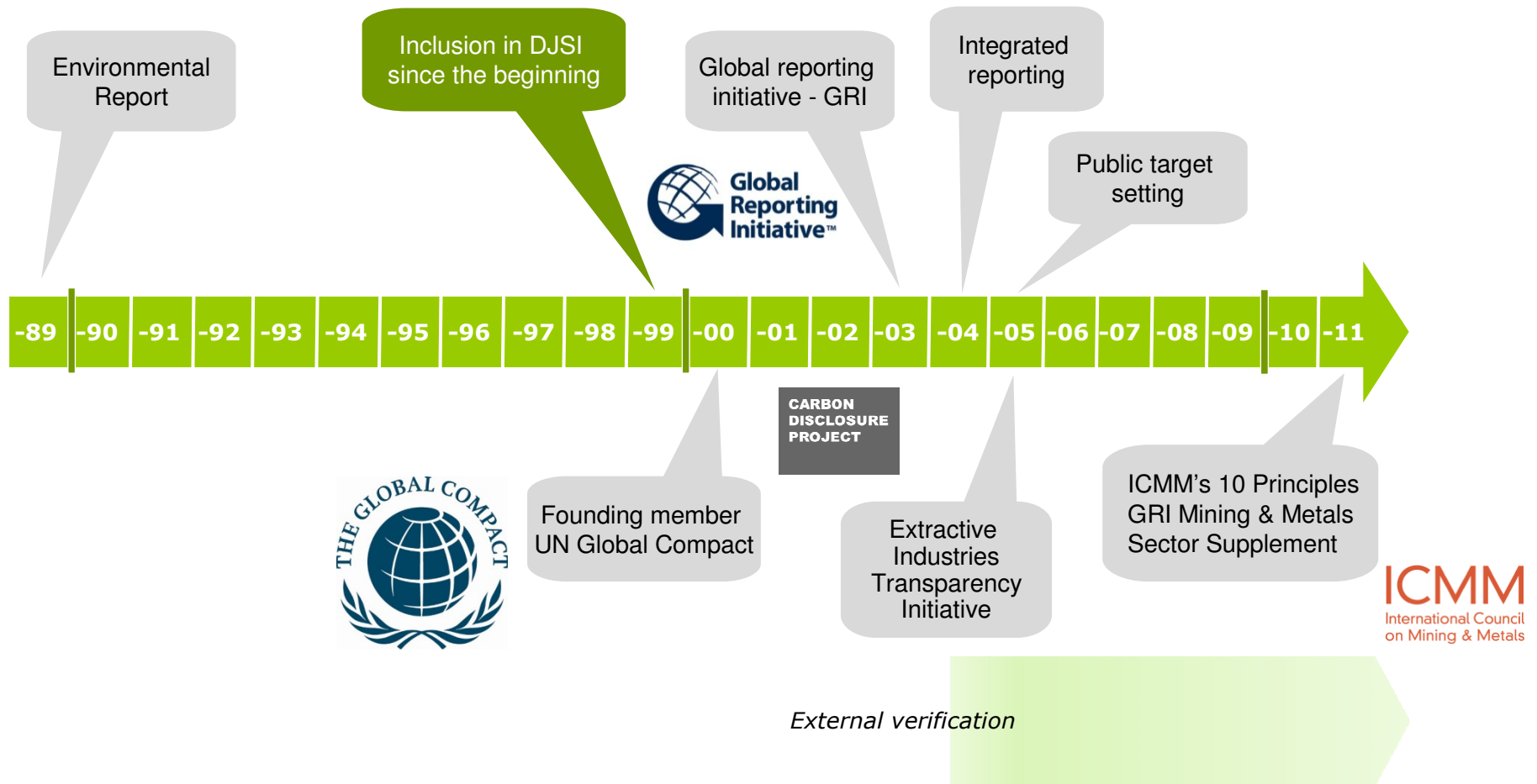


Responsible Value Chain – More than CO₂

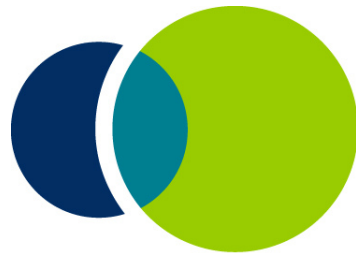
- Economical dimension
 - Corporate governance
 - Transparency
 - Codes of conduct
- Environmental dimension
 - Biodiversity/rehabilitation
 - Water management
 - Waste management
- Social dimension
 - Human rights/social responsibility
 - Local development
 - Labor practices



Reporting and Transparency



Independent review of Hydro's performance



**Dow Jones
Sustainability Indexes**
Member 2012/13



FTSE4Good

ICMM
International Council
on Mining & Metals

**Corporate
Responsibility**

Prime

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