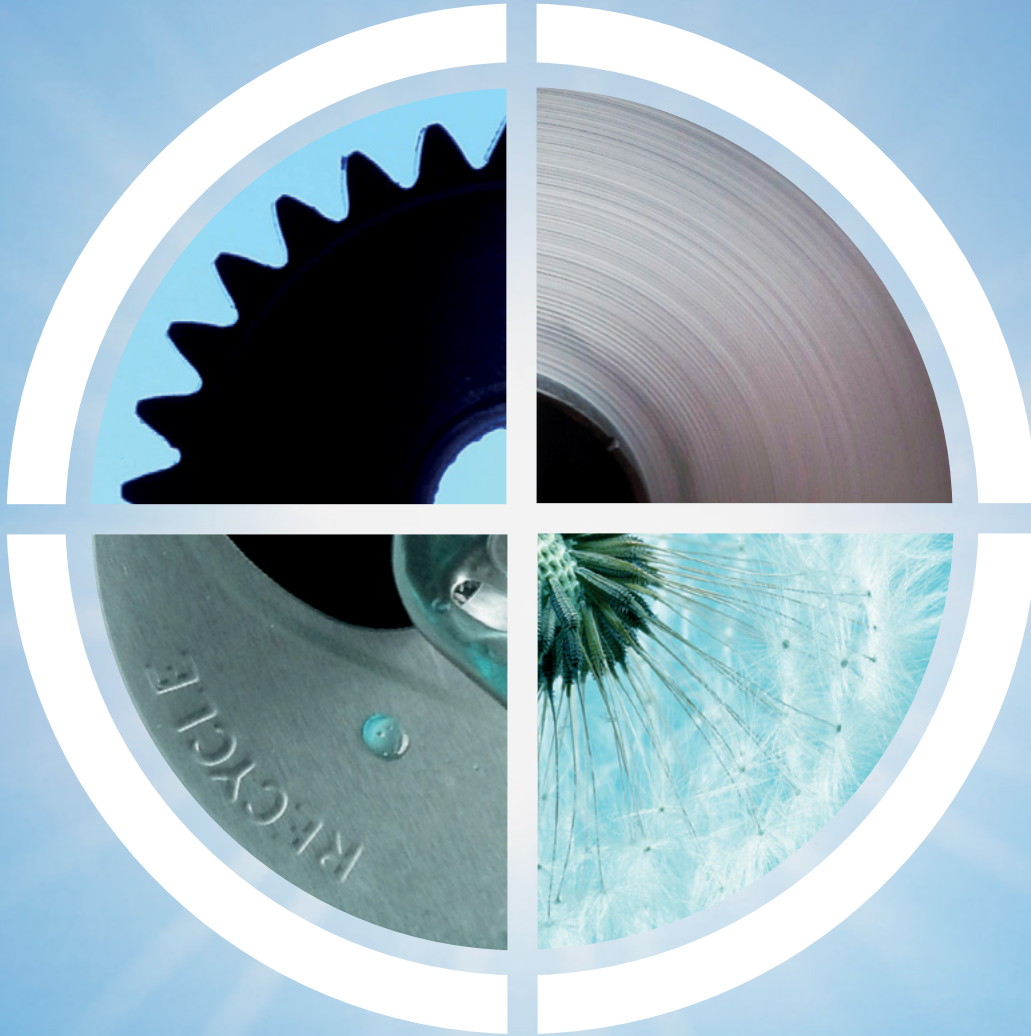


# Capturing Opportunities

2015 Sustainability Report Summary



# Novelis

# Letter from Our Chief Executive Officer

Around the world, demand for aluminum is growing fast. With our innovative, high-recycled-content products and unmatched global footprint, Novelis is uniquely positioned to meet that demand and provide value to our customers.

Our strategy is focused on capturing growth in the premium flat rolled product (FRP) market, while maximizing the amount of recycled content we use in our products. Our commitment to sustainability has helped make Novelis the world leader in aluminum rolling and recycling today, and it will be a key part of maintaining our leadership in the future.

Since 2011, we've invested nearly \$2 billion to dramatically expand our production capacity and our recycling operations. These investments enabled us to achieve record total shipments in fiscal year 2015 (FY15) and finish out the year at a record 53% recycled content rate, for an average of 49% recycled inputs for the year.

After this period of rapid investment and significant organizational change, we are now intensifying our focus on driving operational excellence in all we do. This will translate into a more moderated pace of investment in the near term, and likely more moderated progress toward some of our sustainability goals. In 2011, we set out an extremely ambitious goal to achieve 80% recycled inputs by 2020. We have made, and will continue to make, significant progress towards this goal but are unlikely to reach it within that timeframe.

On a personal note, after nine years with Novelis, 2015 saw me take on a new role within the company. I am honored to lead this great organization, and to work with so many exceptionally talented, dedicated and hard-working people around the world. I believe there are immense opportunities ahead for Novelis, and I look forward to working alongside my colleagues to seize them.



**Steve Fisher**

President and Chief Executive Officer

By making our  
products using nearly

**50%**  
recycled metal,

in FY15, Novelis has cut our absolute GHG emissions by 13% in five years, while increasing aluminum production by 5% over the same period.



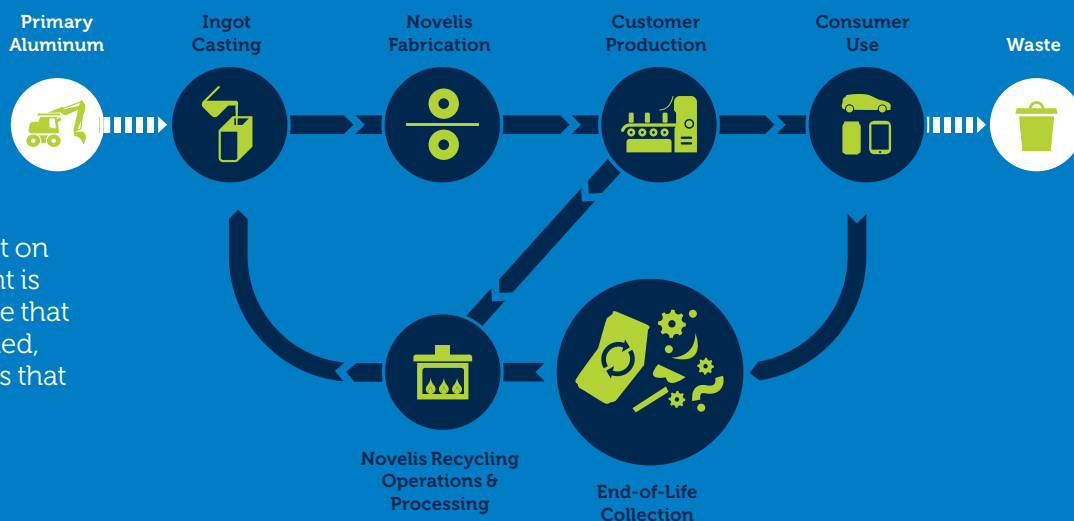
# Sustainability is Central to Novelis' Business

The inherent properties of aluminum – lightweight, strong and infinitely recyclable – mean that substituting it for other materials has the potential to meet demanding performance requirements, while also reducing energy use and greenhouse gas (GHG) emissions. The benefits are all the more pronounced when aluminum is recycled, since recycling aluminum requires just 5% of the energy – and generates just 5% of the associated GHG emissions – compared to producing primary aluminum.

Novelis is leveraging aluminum's unique properties to meet the needs of our customers, while also providing them with solutions to reduce the risks associated with growing global carbon constraints. Since embarking on an effort in 2011 to transform our company by dramatically expanding our production capacity and our recycling operations, we have made solid progress. We know, however, that achieving our strategy requires collaboration. That's why we are partnering with a broad range of stakeholders inside and outside our industry to advance common sustainability objectives.

## A Means to a Beginning

Making products that are recyclable is not sufficient on its own; equally important is actively working to ensure that those products are recycled, and then used in products that continue the cycle.



## Sustainability Strategic Objectives

While our increased use of recycled aluminum is central to our shift toward a lower-carbon, increasingly circular business model, it's just one element of our broader sustainability strategy, which is focused on the following key objectives at each stage of our value chain:

### Sourcing

- Reduce the embedded carbon in our products by increasing recycled content.
- Re-engineer and minimize risk within our supply chain.

### Manufacturing

- Maintain safe and efficient operations and minimize natural resource use.
- Ensure an adequate supply of talent.
- Maintain our social license to operate.

### Customers

- Provide value to our customers, in particular by helping them meet their sustainability objectives.

### Consumers

- Increase post-consumer recycling of aluminum.
- Help our customers make sustainability products that consumers want.



Sourcing

# Rewinding Our Raw Materials

# 49%

Increasing recycling requires shifting our raw material inputs away from primary aluminum and toward scrap aluminum. Doing so dramatically reduces the life cycle environmental footprint of our – and our customers' – products. It also increases the security of aluminum supply and, over time, reduces costs. While increasing our recycled inputs is, on the surface, a sourcing issue, achieving it in practice requires taking steps at all stages of the product life cycle and has implications for nearly every part of our business. We've made tremendous progress.

By the end of FY15, we reached a 53%

## recycled inputs

run rate, for an average of 49% recycled inputs for the full year, up from our baseline of 30% (FY07–09 average).



Since 2011, we have nearly

## doubled Novelis' recycling capacity,

solidifying our position as the world's largest aluminum recycler.

In October 2014, we opened the

## world's largest

and most technologically advanced aluminum recycling center in Nachterstedt, Germany.





Manufacturing

# Less Impact with More Input

Through FY15, we **decreased our energy intensity**

and our water intensity by 22% each, our absolute GHG emissions by 13%, and our absolute waste to landfill by 2%, compared to our FY07–09 average baseline. We recycled 77% of the wastes we generated in FY15.

The manufacturing stage of our value chain encompasses the environmental performance of our operations; the safety, engagement and development of our employees; and our efforts to give back to the communities where our facilities are located. We seek to reduce our most significant environmental impacts: energy use, GHG emissions, water use and waste sent to landfill. We have a robust, behavior-based safety system focused on identifying and mitigating injury risks, particularly the most serious ones. We provide technical training for our engineers, scientists, technologists and technicians, as well as leadership training for all people managers. And we help to fund community initiatives in three areas that align with our business – safety, math and science education, and recycling – through our global Novelis Neighbor program and partnerships with Habitat for Humanity and FIRST® robotics.



We donated

**\$3.5 million**

in FY15, including corporate contributions and employee donations. During our One Novelis Volunteer Month, our employees volunteered at 33 sites across 13 countries, positively impacting approximately 25,000 people.

Our safety performance in FY15 was mixed. We improved our recordable case rate by 14% compared to the prior year. However, we were deeply saddened to experience two fatalities. As a result, we have

**redoubled our focus**

on recognizing and preventing serious incidents.

\$3.5m



Customers

# Reaching Further by Working Together

Our customers include some of the most well-respected brands in the world and, like Novelis, they are facing a growing set of sustainability imperatives – and opportunities. Our customers are increasingly turning to lightweight, infinitely recyclable aluminum to improve the sustainability profile of their products. And, with our commitment to sustainability and exceptional research and technology capabilities, these customers are increasingly turning to Novelis to meet their needs.

Since 2011, we have

**tripled our automotive sheet capacity,**

solidifying our position as the leading supplier of aluminum FRP to the automotive industry. In FY15, we opened a wholly owned facility in Changzhou, China – that country's first facility dedicated to producing heat-treated aluminum sheet for the automotive industry.



Novelis has received certification from SCS Global Services for the world's first

**certified, high-recycled-content**

beverage can body sheet, as well as for high-recycled-content can end sheet production in North America.

In FY15, we launched the first product in a new portfolio of certified, high-recycled-content aluminum for specialty applications called

**evercycle™,**

which is designed for aluminum food containers and certified to contain 100% recycled aluminum.



# 50 billion

## The End is Just the Beginning

To maximize the benefits of recycling, we need consumers to recycle more of their used beverage cans (UBCs) – as well as other aluminum-containing products, such as electronics – instead of throwing them away. Consumers have a key role to play in our efforts to “close the loop” on aluminum production. We support initiatives such as The Recycling Partnership, ThinkCans, MetalMatters and Every Can Counts, among others, aimed at increasing consumer recycling through better education, curbside residential programs, away-from-home recycling options, and can drives and fundraisers.

Novelis is the

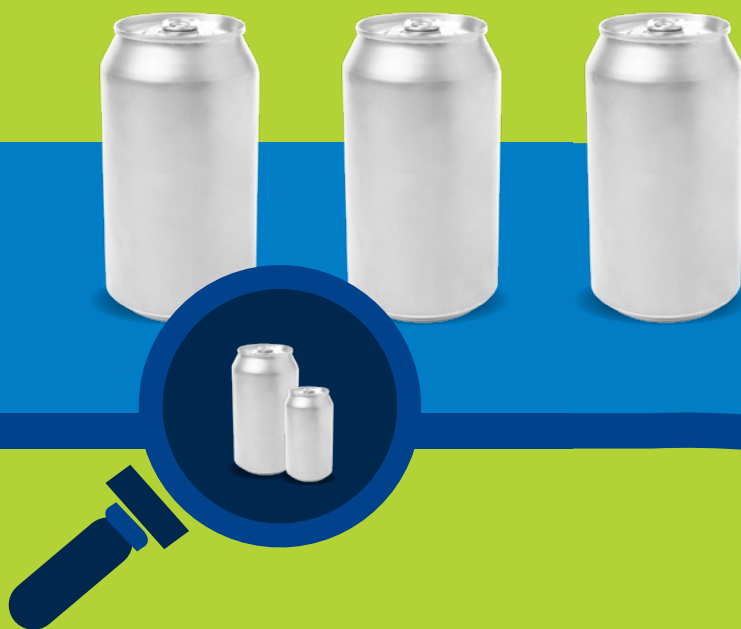
### leading recycler of UBCs

in the world, and we now process more than 50 billion UBCs each year. Post-consumer recycled aluminum – most of which is UBCs – accounts for roughly two-thirds of our total scrap inputs.

In FY15, Novelis opened

### two new

aggregation centers for aluminum cans in the United Kingdom, bringing our total in that country to nine. We also have “street-level” scrap collection networks in Vietnam and Brazil.



Novelis' ThinkCans program has for years promoted recycling education and awareness in the United Kingdom. In FY15, approximately

### 50,000 users

viewed the ThinkCans website ([www.thinkcans.net](http://www.thinkcans.net)) – up 30% from the previous year.





## About Novelis

Novelis Inc. is the global leader in aluminum rolled products and the world's largest recycler of aluminum. We sold our remaining smelter in FY15, so we are now solely an aluminum converter (converting aluminum ingots into flat rolled product) and recycler. We supply premium aluminum sheet and foil products to the transportation, packaging, construction, industrial and consumer electronics markets throughout North America, South America, Europe and Asia. Novelis is part of the Aditya Birla Group, a multinational conglomerate based in Mumbai, India.

## About Aluminum

Primary aluminum is made using a two-step process: first by extracting alumina from the mined substance bauxite, and then by putting the alumina through the energy-intensive process of smelting. Aluminum is highly valued for its light weight, strength and wide variety of end uses, as well as its inherent sustainability properties. Aluminum can be infinitely recycled, meaning the quality is not degraded in the recycling process. Recycling aluminum has tremendous environmental benefits – it avoids 95% of the energy use and greenhouse gas emissions associated with primary aluminum production.

## Contact:

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Present in

**11**  
**countries**  
on 4 continents

**11,560**  
**employees**

**\$11.1**  
**billion**  
of net sales in FY15

Shipped  
**3,050 kt**  
**of aluminum**  
**FRP**  
in FY15

# Novelis

**Not just aluminum, Novelis Aluminum.™**