

Adding More **Aluminum**

Creating Value

2014 Sustainability
Report Summary

Novelis

Letter from Our Chief Executive Officer

At Novelis, we are relentlessly focused on achieving our vision to lead our industry by producing the most innovative, technologically advanced, low-carbon aluminum flat rolled products on the market. Accomplishing this demands much more than business as usual. It requires us to pioneer a fundamentally new way of thinking and operating. It also requires a willingness to not only embrace disruption within our own company, but also to create it in our industry and the markets we serve.

At the core of our company's transformation is our unprecedented target to use 80% recycled inputs by 2020. This has implications for nearly every aspect of our business – from the design of our products and our portfolio mix, to the structure of our supply chain and relationships with our customers. But when we reach it, we will cut our absolute, life cycle greenhouse gas emissions in half. By the end of our 2014 fiscal year (FY14), we had reached 46% recycled inputs – and also made solid progress toward our other 2020 sustainability goals.

In FY14, we also continued to execute on our aggressive growth plans, and we strengthened our position as the leading supplier of aluminum sheet to the automotive industry. In addition, we marked the commercial debut of evercan™, the world's first independently certified, high-recycled-content beverage can sheet.

Our shift toward a closed-loop and low-carbon approach requires us to engage with a broader and more diverse set of stakeholders, to challenge and inform our thinking and to advance shared objectives. For example, we recently launched a new partnership with the World Wildlife Fund when we were accepted into its Climate Savers Program.

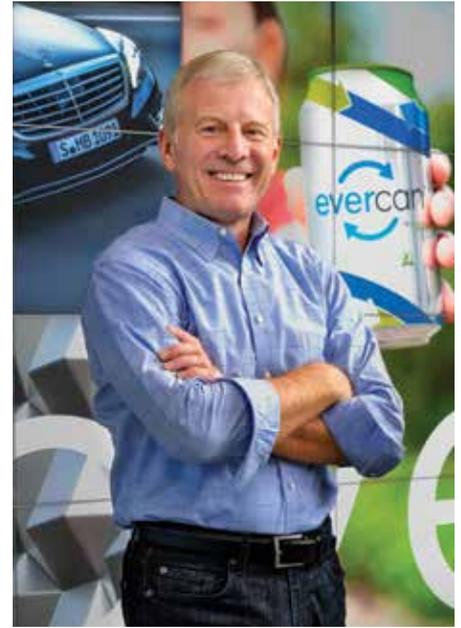
I am firmly convinced that the transformation Novelis is leading is what society wants – as well as what the planet and the global economy need – and that it will be the key driver of our company's long-term success.

Philip R. Martens

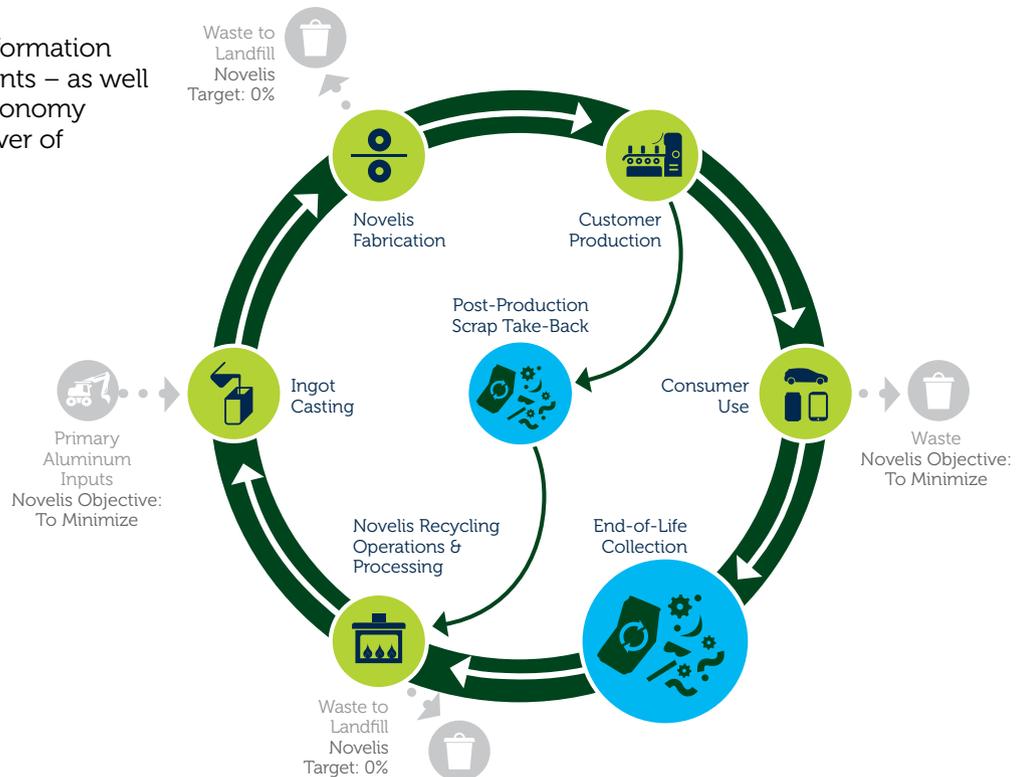
Philip R. Martens, President and Chief Executive Officer

Novelis' Goal: A Closed-Loop Business Model

We are in the process of transforming our business model from the traditional linear one to a closed-loop and low-carbon model – driven by our ambitious target to reach 80% recycled inputs by 2020.



“ I have fundamental confidence in Novelis' ability to create and apply the disruptive innovations required to drive the radical change we envision.”



Our Strategy and FY14 Highlights

Our Business Strategy

Grow our premium product portfolio

to focus on high-value, low-carbon products in the automotive, beverage can, and specialties markets

Expand production capacity

and optimize our geographic footprint to serve key markets

Expand our recycling capacity

This is a summary of our 2014 Sustainability Report. For more detailed information about Novelis' sustainability strategy, progress and performance, please read our full report at www.novelis.com/sustainability.

Sustainability Strategic Objectives

Reduce the embedded carbon in our products by increasing recycled content

Re-engineer and minimize risk within our supply chain

Maintain safe, efficient operations and minimize natural resource use

Ensure an adequate supply of talent

Maintain our social license to operate

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

Increase post-consumer recycling of aluminum

Help our customers make sustainable products that consumers want

Highlight

Reached 46% recycled content by the end of FY14

 Sourcing

Reduced energy intensity by 5% and water use intensity and absolute GHG emissions by 4% each

 Manufacturing

Invested approximately \$550 million since 2012 to triple our capacity to serve the auto industry by 2015

 Customers

Helping consumers reduce their carbon emissions. Accepted into WWF Climate Savers Program.

 Consumers

Sourcing

Novelis' sustainability strategy is driving profound changes in how we structure and manage our supply chain – and setting a new benchmark in our industry – as we work to significantly increase our use of recycled metal inputs.

We're Adding...

an unprecedented goal to reduce the embedded carbon in our products by increasing our recycled inputs to 80% by 2020.

Reached

46%

recycled metal inputs at the end of FY14, up 16 percentage points from our baseline

We're Creating...

a dramatically improved life cycle footprint and a more resilient and sustainable supply chain.

Recycled

50 billion

used beverage cans in FY14

Increasing recycled inputs is at the heart of our sustainability strategy because our most material environmental impacts and social risks occur "upstream," through our sourcing of primary aluminum. The most effective way we can reduce those impacts is by decreasing our reliance on primary aluminum. Recycled aluminum requires approximately 5% of the energy needed to produce primary aluminum, so when we reach our 80% recycled inputs goal we will cut our absolute, life cycle greenhouse gas (GHG) emissions in half.

Achieving our goal requires us to not only re-engineer our entire supply chain, but also to redesign our products and the processes we use to make them. In addition, it demands we increase our recycling capacity. In FY14, we continued our efforts to expand recycling facilities and capabilities in all our operating regions, including progressing construction of our new aluminum recycling center in Nachterstedt, Germany. The center began operations in the summer of 2014 and is projected to be the largest and most advanced recycling facility in the world.

Additionally, we continued to expand our practice of establishing, as much as possible, closed-loop agreements with our customers through which we buy back the aluminum scrap they generate during production. When we expanded our recycling operations at our Latchford plant in the U.K. in FY14, for example, we invested in new equipment for recycling automotive aluminum scrap from our long-time customer Jaguar Land Rover (JLR) – enabling both Novelis and JLR to reduce our GHG footprints.

We are also taking steps to minimize risk across our supply chain broadly by encouraging transparency, responsibility and sustainable business practices among our suppliers. In FY14, we began roll-out of our Supplier Code of Conduct – launched in FY13 – by distributing it to our key global suppliers. In FY15, we will distribute the Code to our remaining global and regional suppliers.

Manufacturing

Across our manufacturing operations, we focus on delivering strong environmental and safety performance and providing robust employee training and development programs.

We're Adding...

ambitious environmental goals to drive performance, a comprehensive safety system and world-class leadership development programs.

We're Creating...

innovative solutions to reduce the environmental impacts of our operations, and a new generation of talented engineers.

24% reduction

in our energy intensity and 17% reduction in our absolute Scope 1, 2 and 3 GHG emissions since our baseline

20% reduction

in our water use intensity and 2% reduction in our absolute waste sent to landfill since our baseline

53

young engineers in the first graduating class of our Engineering Development Program

Novelis' most significant environmental issues are our use of energy, emission of GHGs, use of water, and waste sent to landfill. We have set goals in each of these areas to help us drive progress. Compared to our baseline (an average of FY07–FY09 performance), we are making good headway toward meeting these goals.

In FY14 alone, we reduced our energy intensity and our absolute GHG emissions by 5% and 4%, respectively. Our FY14 water use intensity also decreased by 4% compared to FY13.

During the year, our absolute waste-to-landfill metric rose by 16%. This rise was due in large part to a significant increase in road construction-related wastes from our South American operations. In the absence of those wastes, we increased absolute waste to landfill in FY14 by only 1% compared to FY13. And, we made good

progress finding solutions for other reoccurring wastes, including increased recycling of dross and sludge from our South Korean facilities and of refractory waste from our North American facilities.

Alongside environmental performance, another key focus within our manufacturing operations is keeping our employees and contractors safe on the job. In 2013 we adopted a new safety recordkeeping system that is more stringent than our previous system in some respects. In part because of this change, our recordable case rate – the aggregate measure of injuries, illnesses and fatalities – increased last year, from 0.60 cases per 200,000 hours worked in FY13 to 0.99 cases in FY14. We are now addressing issues raised by the new system, such as noise levels in our plants, so we can drive decreases in this rate going forward.

Customers

We are providing value to our customers not simply as a supplier of high-quality aluminum products, but also as a key partner in developing solutions to improve the sustainability of their end products.

We're Adding...

unrivaled innovation and technology capabilities, plus aluminum sheet with ever-lower embedded carbon.



Minimum
90%
recycled aluminum in Novelis' evercan™ beverage can sheet

We're Creating...

the most advanced, sophisticated and sustainable aluminum products on the market today, and the closed-loop business models of the future.

We are
tripling
our automotive sheet capacity to reach 900 kilotons per year by 2015

Novelis' commitment to sustainability and innovation is a key differentiator for our company. Customers in our core markets of automotive, beverage can and high-end specialties are keenly focused on reducing the environmental footprints of their products. The inherent properties of aluminum – lightweight, recyclable and versatile – make it an obvious solution.

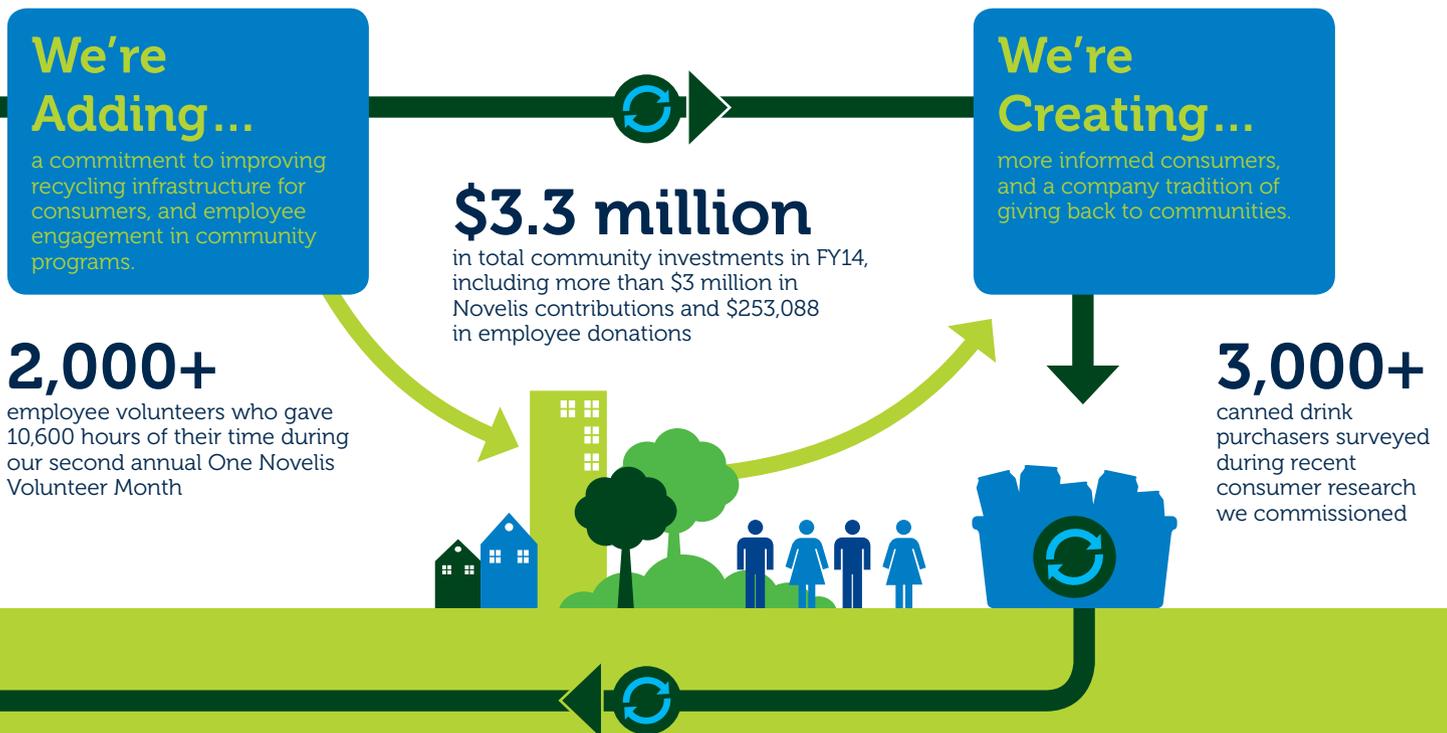
But our customers aren't just buying aluminum – they're buying *Novelis aluminum*, which means aluminum with ever-decreasing embedded carbon as we work toward our goal of using 80% recycled inputs. The benefits are clear: When we improve the sustainability profile of our products, it improves the sustainability of the end products. Achieving our goal requires collaboration with our customers to evolve the fundamental design of products and to develop new models for closed-loop manufacturing and recycling – and that's just what we're doing.

Our low-carbon product strategy is focused, in particular, on expanding our capacity to serve the automotive industry, which is increasingly turning to aluminum to lightweight vehicles. Building on our long-time partnerships with JLR and other major global carmakers, we further strengthened our position as the leading supplier of aluminum sheet to the automotive industry when we were selected in FY14 as a key supplier for Ford Motor Company's new aluminum-intensive 2015 F-150 pickup truck.

In the beverage can sector, we are continuing to innovate to enable aluminum cans to realize their full sustainability potential. FY14 marked the commercial debut of Novelis' evercan – the world's first independently certified, high-recycled-content aluminum beverage can sheet – when Red Hare Brewing Company announced it would package its craft beer exclusively in cans made of evercan. The product is a technical breakthrough and represents a huge step toward our goal of creating a 100% recycled content can.

Consumers

We are working to increase post-consumer aluminum recycling rates and engaging with consumers to better understand their viewpoints about sustainability. In addition, we seek to listen and be responsive to the needs of the communities where our facilities are located.



We engage with consumers in multiple ways. In 2014, for example, we commissioned market research on consumer views regarding recycled content in consumer products. Among the findings: People react positively toward companies that use sustainable packaging, and they would consider switching to a comparable brand that offered a more sustainable option. These findings are supportive of our efforts to offer high-recycled-content products such as evercan™.

We also work to make recycling easy and convenient for consumers. We continued to support several programs that seek to boost recycling through improved collection and infrastructure, such as Every Can Counts in Europe and the Curbside Value Partnership in the United States.

In the communities where we operate, all Novelis sites have community initiatives in place, managed through a program we call Novelis Neighbor. Our Novelis Neighbor programs have three primary areas of focus: math and science education, recycling, and safety.

We also support two major initiatives on a global basis: Habitat for Humanity and FIRST robotics.

A key Novelis Neighbor program is the One Novelis Volunteer Month – a focused effort each October to fund and execute large-scale employee volunteer projects. In October 2013, the second annual Volunteer Month, employees from 35 Novelis sites in 12 countries completed 49 community projects.

In Brazil, as part of our community efforts, we have developed relationships with several can collectors' cooperatives. The members of these cooperatives sort through recyclables to separate them by material so they can be sold. In FY14, we contracted with a local nongovernmental organization to assess these cooperatives' business needs and provide assistance as appropriate. We have also begun to purchase cans from these cooperatives.

Performance Summary

Our overall progress toward our targets continues to be strong. While there is some variability in our year-on-year performance, we believe we are firmly on track to achieve the targets.

Safety



Zero recordable cases per 200,000 hours worked

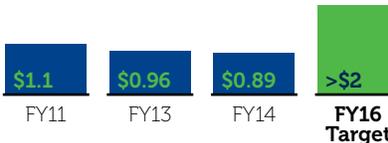


Profitability



Billion

Approximately double FY11 adjusted EBITDA by FY16



The profitability target was set in 2011 and will not be met by FY16.

Recycled metal content %



80% by 2020

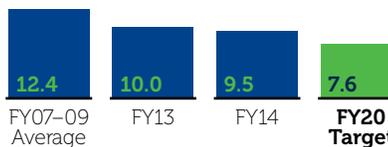


Energy usage



GJ/mt

Reduce by 39% per metric ton of sales



Water usage



m³/mt

Reduce by 25% per metric ton of sales



GHG emissions



M mt

Halve our absolute amount (Scope 1, 2 and 3)



Landfill



K mt

Zero landfilled waste

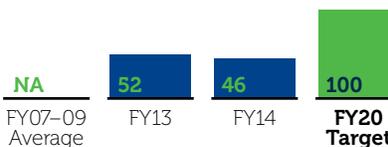


Employees



%

100% of eligible employees receive annual performance feedback



World-class leadership development program, benchmarked in the top 10% of companies

Community



100% of operations have implemented local community engagement process

Code of Conduct



Employee and supplier codes rolled out, process in place for noncompliance

Key

GJ = gigajoule
K = thousand
M = million

mt = metric tons
m³ = cubic meters

- Key**
- ⊖ Improved since baseline but not improved in most recent year
 - ← Behind schedule
 - Improving, and on track to meet target

These corporate-wide sustainability targets use the average of fiscal years 2007–2009 as a baseline and fiscal year 2020 as an end date (with the exception of the profitability target). We will review our targets for 2020 in next year's report.

Want to know more?

Visit the sustainability section of novelis.com to download our full 2014 Sustainability Report, which was prepared using the Global Reporting Initiative's G4 Sustainability Reporting Guidelines, at the Comprehensive level.

www.novelis.com/sustainability

Please contact us with any ideas, feedback or questions.

John Gardner,
Chief Sustainability Officer
Tel: +1 404 760 4483
john.gardner@novelis.com

Not just aluminum, Novelis Aluminum.™