

Green Bond Report

2024



Novelis

Letter to Stakeholders



“Achieving our ambitions for sustainable growth, carbon neutrality and advancing the world toward a truly circular economy depends heavily on forward-thinking investments. Having allocated all funds raised through our Green Bond, we are excited to see these critical projects advance our company purpose of Shaping a Sustainable World Together.”

The 2020s are proving to be a watershed period in Novelis’ evolution as a leading provider of low-carbon, sustainable aluminum solutions that advance business, industry and society toward a circular economy. At the beginning of this decade, we announced our intention to reduce CO₂ equivalent emissions from our global operations 30% by our 2026 fiscal year and to become carbon neutral by 2050...and we’re well on the way.

In support of those objectives, we issued a 500M EUR Green Bond in 2021 to finance new and existing renewable energy and pollution prevention and control projects. In this Green Bond report we are happy to share that we have met the Green Bond spend, with each fulfilled financial commitment moving us closer to our goals.

As you will see in the pages that follow, initiatives funded by the Green Bond include facilities on four continents, the centerpiece of which is a state-of-the-art aluminum rolling and recycling plant in Bay Minette, Alabama. The expansive design includes 2.66 million square feet under one roof on 3,000 acres of land and represents a dramatic increase in rolling and recycling capacity for Novelis—and another step toward circularity for our customers and our industry.

Although we’ve met the spend commitment of our Green Bond, our commitment to sustainability is never ending. We are aiming for a carbon-neutral future for aluminum – built on a global, circular economy – and every day we innovate and collaborate with our customers to move us closer to that future.

A handwritten signature in black ink, appearing to read 'S. Fisher', with a long horizontal line extending to the right.

Steve Fisher
President and Chief Executive Officer, Novelis Inc.

Overarching Ambition

Novelis' ambition is to be the world's leading provider of low-carbon, sustainable aluminum solutions that advance our business, industry, and society toward the benefits of the circular economy.

Novelis is addressing the challenges of climate change by developing and implementing innovative circular business practices that significantly lower the carbon emissions of our manufacturing operations.

The following goals support this ambition:

**Carbon
Neutral**

By 2050 or sooner

+

30%

CO₂e
absolute reduction
by FY2026*

Between fiscal year 2012 and 2022, we invested approximately **\$700 million** in recycling capacity and capabilities, increasing the recycled content of our products to be one of the highest levels in the industry. And we haven't stopped there.

Project Selection Approach

The four core components of the Green Bond Principles (GBP)* ensure alignment with the Novelis Green Bond Framework.



Use of Proceeds



Process for Project Evaluation and Selection



Management of Proceeds





Reporting

Eligibility Criteria

We have allocated an amount equal to the net proceeds from the sale of this Green Bond issuance to finance or refinance, in whole or in part, one or more new or existing Eligible Projects. "Eligible Projects" include expenditures made by us or any of our subsidiaries beginning 36 months prior to the issuance date of this Green Bond.

Governance

A Green Bond Committee comprised of the Chief Executive Officer, Chief Financial Officer, Chief Sustainability Officer, Regional Presidents, and Vice President of Sustainability is responsible for the assessment and selection of Eligible Projects, ensuring alignment with the Novelis Green Bond Framework. In addition, projects allocated from the issuance proceeds underwent an internal process including final review and approval by our Chief Financial Officer.

GBP Category	Eligible Projects and Examples
 <p>Renewable Energy</p>	<p>Investments for new renewable energy generation. Investments may include: Power Purchase Agreements ("PPAs") and the investment in or installation of renewable energy generation, such as solar and wind, with direct emissions of less than 100g CO₂ e/KWh.</p>
 <p>Pollution Prevention & Control</p>	<p>Expenditures related to the acquisition, production, construction, maintenance, operation, improvements and R&D of circular economy processes that enable the reduction of primary metal aluminum usage, collection and aluminum scrap closed-loop-recycling centers.</p>

* The GBP is administered by the International Capital Market Association (ICMA).

Green Bond Proceeds Allocated and Associated Carbon Benefits

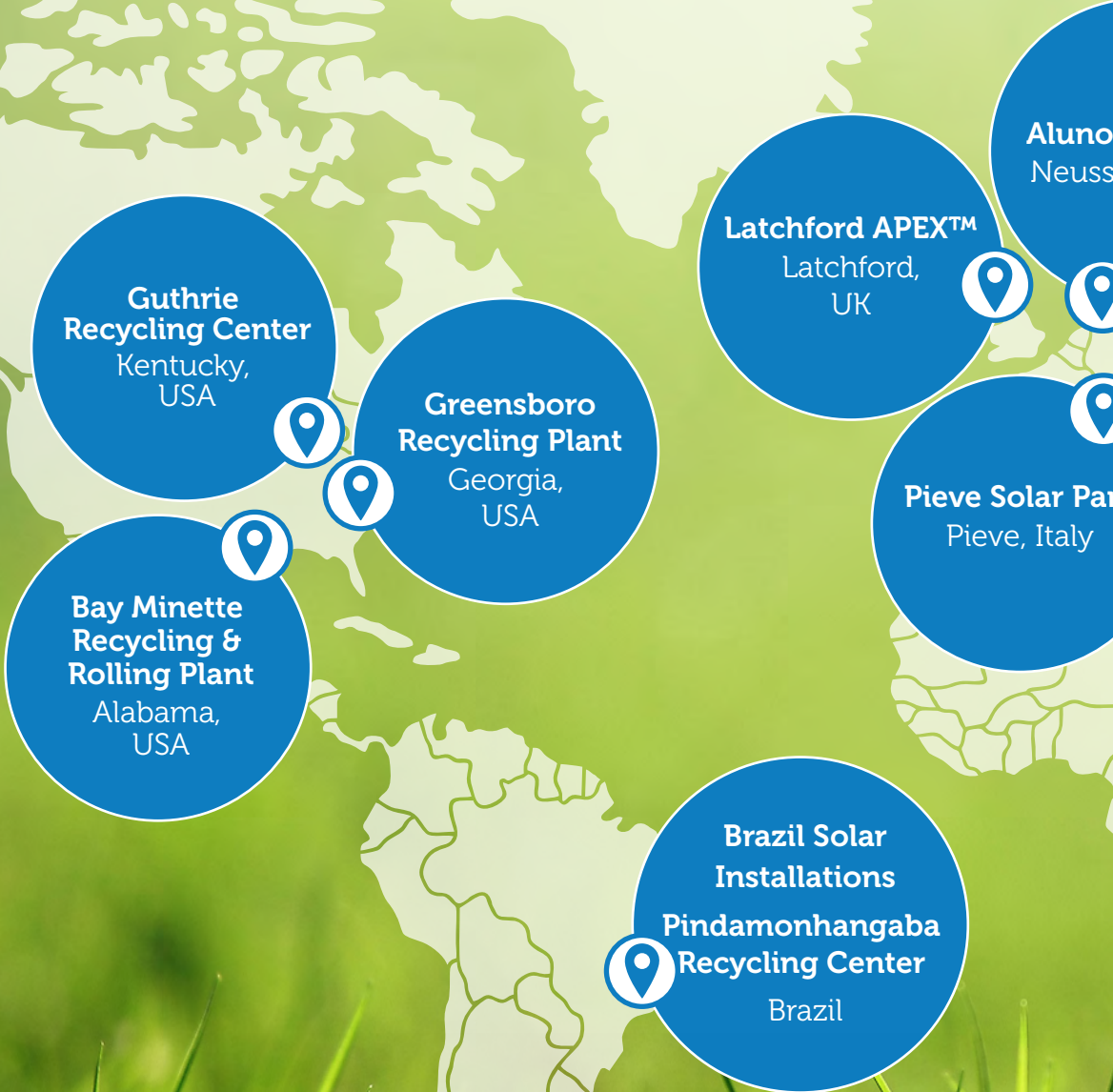
Following completion of Novelis' identified Green Bond projects, carbon emissions are expected to be reduced by more than 3 million tonnes annually*

Green Category	Project Name & Description	Location	Status	Spend through Sep. 2023 (\$USD in millions)
Renewable Energy	Pieve Solar Park – Install a solar park at Pieve plant with an annual generation of around 4,000 Mwh (12% of the plant's electricity demand)—reducing carbon emissions by 1,450 tonnes annually.	Pieve, Italy	Complete	1
	Brazil Solar Park – Install photovoltaic solar modules on the roof of Novelis South America's 14 collection centers, supplying all the energy of the centers with a renewable energy source.	Brazil	Complete	1
Pollution Prevention & Control – Recycling	Yeongju Recycling Center – Increase casting capacity by an additional 40kt per annum through adding an additional casting pit and upgrading ancillary and related equipment.	Yeongju, South Korea	Complete	14
	Nachterstedt Germany Recycling Plant – Addition of a scrap storage hall, scrap processing equipment and rail extension to safely and efficiently feed the scrap to the Nachterstedt Recycling Center, Norf Remelt and Sierre Remelt.	Nachterstedt, Germany	Complete	6
	Pindamonhangaba Recycling Center – Investment in Pindamonhangaba plant to increase recycling capacity.	Pindamonhangaba, Brazil	Complete	103
	Latchford APEX™ – The APEX-GL casting technology introduced at Novelis Latchford will reduce ingot butt swelling, improves end-to-end production efficiency and allow the plant to cast at higher speeds.	Latchford, UK	In-Progress	2
	Greensboro Recycling Plant – Will enable the increase of sheet ingot capacity.	Georgia, USA	Complete	37
	Guthrie Recycling Center – The greenfield project, which includes recycling, remelt and casting, will enable an additional 240kt of sheet ingot capacity, significantly offsetting primary-based, third-party sheet ingot purchases.	Kentucky, USA	In-Progress	170
	Alunorf Recycling Furnace – Adding a third furnace to allow Alunorf to further expand annual recycling capacity by more than 50kt.	Neuss, Germany	Complete	7
	Nachterstedt Recycling Projects – New furnace will help process end-of-life coffee capsules, improve melt loss and increase recycling production output at Nachterstedt.	Nachterstedt, Germany	In-Progress	5
	Ulsan Recycling Center – Expected to expand capacity and capability to process recycled aluminum to reduce our carbon footprint.	Ulsan, South Korea	In-Progress	24
	Bay Minette Recycling & Rolling Plant – Expected to create up to 1,000 new jobs and an initial 600kt of finished aluminum goods capacity per year focused on the beverage packaging and automotive markets, with flexibility for specialties production. The addition of a new recycling center for used beverage cans is expected to increase the company's recycling capacity by 15 billion cans per year when fully operational.	Alabama, USA	In-Progress	218
	Total use of Net Proceeds for Eligible Green Projects.			588
Net Proceeds from the Issuance of the Senior Green Notes**			588	

*Carbon emissions estimate includes total amounts from projects that have incurred spend. Calculation aligns with the GHG Protocol, not subject to assurance.

**500M EUR issuance equivalent to \$588M USD at time of offering on March 31, 2021.

Projects*





arf Furnace
Germany

**Nachterstedt
Recycling
Plant**
Nachterstedt,
Germany

**Yeongju
Recycling Center**
Yeongju,
South Korea

**Ulsan
Recycling Center**
Ulsan,
South Korea

** These projects are at various stages of development and do not constitute all of the projects to which proceeds have been applied for this Green Bond proceeds allocation. See page 5 for actual allocation of bond proceeds.*

Bay Minette, AL, USA Fully Integrated Aluminum Rolling and Recycling Plant

Novelis is building a state-of-the-art, fully integrated aluminum rolling and recycling plant in Bay Minette, Alabama. The \$4.1 billion project represents a significant addition of both recycling and rolling capacity to support our customers' growth plans.

The new facility, which Novelis broke ground on in October 2022, will primarily serve the rapidly growing beverage packaging and automotive markets in North America. It will bolster our recycling capabilities and footprint, contributing to carbon reduction and advancing a more circular economy.

The plant is expected to have an initial finished goods production capacity of approximately 600kt of rolled aluminum, dedicated to beverage packaging and automotive markets, with flexibility for specialties markets. The facility includes a recycling center for used beverage cans (UBCs) and automotive scrap. Once fully operational, it is expected to increase Novelis' UBC recycling capacity by 15 billion cans per year.

The facility is anticipated to be commissioned in fiscal year 2027, marking a significant milestone in Novelis' growth story.

Pieve, Italy, Onsite Solar Park

Novelis has completed a \$2.4 million initiative to decarbonize its production facility in Pieve, Italy. This is a strategic endeavor encompassing the establishment of the company's first onsite solar park.

The implementation of the solar park, comprising 5,535 solar panels, was completed in five months, commencing power generation in the first half of calendar year 2024. Upon reaching full operational capacity, this solar installation is poised to curtail carbon emissions by a significant 1,450 tonnes annually, while concurrently delivering an estimated annual energy output of around 4,000 Mwh – equivalent to approximately 12% of the plant's total electricity demand.

Beyond its environmental benefits, the solar park's integration with the Italian national grid is expected to ensure that surplus energy generated while the plant isn't running can be harnessed by neighboring communities, further amplifying Novelis' positive impact beyond the confines of the production site.

Neuss, Germany, New Recycling Furnace and Batch Intelligence System

The Alunorf plant in Neuss, Germany, a joint venture of Novelis and Speira, is one of the world's largest aluminum rolling and recycling plants, producing close to 1.5 million tonnes of semi-finished, flat rolled aluminum coils per year.

The plant has successfully commissioned its third recycling furnace, a significant step toward even more sustainable aluminum production. The third recycling furnace expanded the plant's recycling capacity by more than 50kt a year. The new furnace allows around 50% more production scrap to be melted down and fed into the casting process. Replacing the usage of primary material with recycling scrap can save up to 415kt of CO₂ per year. In addition, Alunorf also installed a "Batch Intelligence System," an innovative logistics and furnace charging system to help further reduce the use of primary aluminum, resulting in around 500kt less CO₂ emissions.

This will result in alloys containing a higher amount of recycled aluminum, making Novelis' rolled products even more sustainable. The investment is an important step toward a more circular economy and supports our goal to reduce our carbon footprint by 30% by FY2026.



Management Assertion

Novelis Inc. asserts that an amount equal to the total net proceeds of \$588 million from the March 31, 2021, issuance of the €500 million, 3.375% Senior Notes due April 15, 2029, were used to finance new or existing Renewable Energy and Pollution Prevention & Control projects as set forth in the table on page 5 in the 36 months prior to the issuance through September 30, 2023.

Novelis Inc. is responsible for the completeness, accuracy, and validity of this management assertion. The definition of eligible projects used in connection with the offering and contained in Novelis Inc.'s Green Bond Framework is summarized on page 4 of this Green Bond Report.

Disclaimer

The information and opinions contained in this Novelis Green Bond Report (the "Report") are provided as of the date of this Report and are subject to change without notice. None of Novelis, its subsidiaries or any of its affiliates assume any responsibility or obligation to update or revise any such statements, regardless of whether those statements are affected by the results of new information, future events or otherwise. This Report represents current Novelis policy and intent and is not intended to, nor can it be relied on, to create legal relations, rights or obligations. This Report may contain or incorporate by reference public information not separately reviewed, approved or endorsed by Novelis and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Novelis as to the fairness, accuracy, reasonableness or completeness of such information. This Report may contain statements about future events and expectations that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally identified through the inclusion of words such as "aim," "anticipate," "believe," "drive," "estimate," "expect," "goal," "intend," "may," "plan," "project," "strategy," "target" and "will" or similar statements or variations of such terms and other similar expressions. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such statements. None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of assumptions, fully stated in the Report. Actual results and capital and other financial conditions may differ materially from those included in these statements due to a variety of factors, including without limitation the factors and uncertainties summarized under "Forward-Looking Statements" and "Risk Factors" in our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are filed with the SEC and available on the SEC's website at www.sec.gov and available on our website at investors.novelis.com/sec-filings. Any such forward looking statements in these materials speak only as of the date of these materials and Novelis does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward looking statements were made. This Report is provided for information purposes only and does not constitute a recommendation regarding the purchase, sale, subscription or other acquisition or disposal of any debt or other securities of Novelis or any member of Novelis ("securities"). This Report is not and is not intended to be, and does not form part of or contain an offer to sell or an invitation to buy, or a solicitation of any offer or invitation to buy, any securities issued by Novelis or any member of Novelis. If any such offer or invitation is made, it will be done so pursuant to separate and distinct documentation in the form of an offering memorandum or other equivalent document and a related pricing term sheet (the "Offering Documents") and any decision to purchase or subscribe for any securities pursuant to such offer or invitation should be made solely on the basis of such Offering Documents and not these materials. In particular, investors should pay special attention to any sections of the Offering Documents describing any risk factors. The merits or suitability of any securities or any transaction described in these materials to a particular person's situation should be independently determined by such person. Any such determination should involve, inter alia, an assessment of the legal, tax, accounting, regulatory, financial, credit or other related aspects of the securities or such transaction and prospective investors are required to make their own independent investment decisions.

Report of Independent Accountants



To the Management of Novelis Inc.

We have examined the management assertion of Novelis Inc. reported on Page 9 of this Green Bond Report, that an amount equal to the total net proceeds of \$588 million from the March 31, 2021 issuance of the €500 million 3.375% Senior Notes due April 15, 2029 were used to finance new or existing Renewable Energy and Pollution Prevention & Control projects (as set forth in the table on Page 5) in the 36 months prior to the issuance and through September 30, 2023. Novelis Inc.'s management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

Only the information in the table on Page 5 and the management assertion of Novelis Inc. is part of our examination engagement. The other information in this Green Bond Report has not been subjected to the procedures applied in our examination engagement, and accordingly, we make no comment as to its completeness and accuracy and do not express an opinion or provide any assurance on such information.

In our opinion, management's assertion that an amount equal to the total net proceeds of \$588 million from the March 31, 2021 issuance of the €500 million 3.375% Senior Notes due April 15, 2029 were used to finance new or existing Renewable Energy and Pollution Prevention & Control projects in the 36 months prior to the issuance and through September 30, 2023 is fairly stated, in all material respects.

A handwritten signature in blue ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

Atlanta, Georgia
August 20, 2024



Novelis