

Green Bond Report

Annual Report 2023



Novelis

Letter to Stakeholders



We stand at a moment of both tremendous need and tremendous opportunity as technologies begin to emerge to meet growing demand for green energy and sustainable materials.

Steve Fisher
President and Chief Executive Officer, Novelis Inc.

There has never been a better time to invest in our planet. We stand at a moment of both tremendous need and tremendous opportunity as technologies begin to emerge to meet growing demand for renewable energy and sustainable materials.

While Novelis has long been the sustainability leader in the aluminum industry, we have never considered that position to be the sum of our environmental commitment. Two years ago, we established ambitious goals for reductions in carbon emissions, energy use, water use and landfill waste. We also successfully completed an issuance of a 500M EUR Green Bond in March of 2021 to finance or refinance new and existing projects to help us meet those goals. While those projects, which are highlighted in this Green Bond report, are only a portion of Novelis' investments to improve our sustainability profile, they are making a meaningful difference.

For example, new recycling centers are expected to provide the low-carbon metal inputs needed to produce sustainable aluminum for our customers worldwide. The first fully integrated aluminum plant to be built in the United States in four decades will be powered with renewable energy and will help us meet growing demand for the beverage packaging and automotive markets.

These projects demonstrate that every day Novelis is living its Purpose of Shaping a Sustainable World Together. Innovation is driving change, moving our company and our customers toward a more circular economy, and spurring what we hope will be real, impactful progress as more companies strive to deliver goods and services that benefit both people and the planet.

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 2026

Since 2011, we've invested more than **\$1 billion** allowing us to continue to increase the recycled content of our products, which are already at industry-leading levels. **And we're not stopping there.**

Management Assertion

Novelis Inc. asserts that an amount equal to \$280 million of the 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 7 in the 36 months prior to the issuance through March 31, 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 6 of this Green Bond Report.

Earth Day Highlight

Novelis is releasing the company's second Green Bond report around Earth Day in honor of the day's theme for 2023:

"Invest in our Planet."

As an industry leader in sustainability, we are dedicated to investing in renewable energy technologies and pollution prevention and control processes aimed at reducing carbon emissions from the aluminum recycling and manufacturing processes. We take our responsibility to invest in our planet seriously, which is why we hope our efforts inspire other companies to do the same.

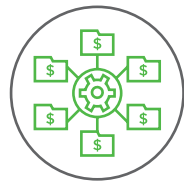
Our First Green Bond Report



In May 2022, we released our first annual Green Bond report, which highlighted how we are financing a lower-carbon, more circular economy through expenditures that align with our environmental sustainability priorities. With Novelis' Purpose of Shaping a Sustainable World Together at the heart of what we do, we have made considerable progress in furthering our sustainability efforts in the last year.

Project Selection Approach

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



1. Use of Proceeds



2. Process for Project Evaluation and Selection



3. Management of Proceeds



4. Reporting

Eligibility Criteria

We intend to allocate an amount equal to the net proceeds from the sale of any 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 with the issuance date of any Green Bond, or in the 36 months prior to any such issuance.

GBP Category	Eligible Projects and Examples
Renewable Energy	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.
Pollution Prevention & Control	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.

Governance

A Green Bond Committee comprised of the CEO, CFO, CSO, Regional Presidents, and VP 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 will undergo an internal process including final review and approval by our CFO.

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

Green Bond Proceeds Allocated and Associated Carbon Benefits

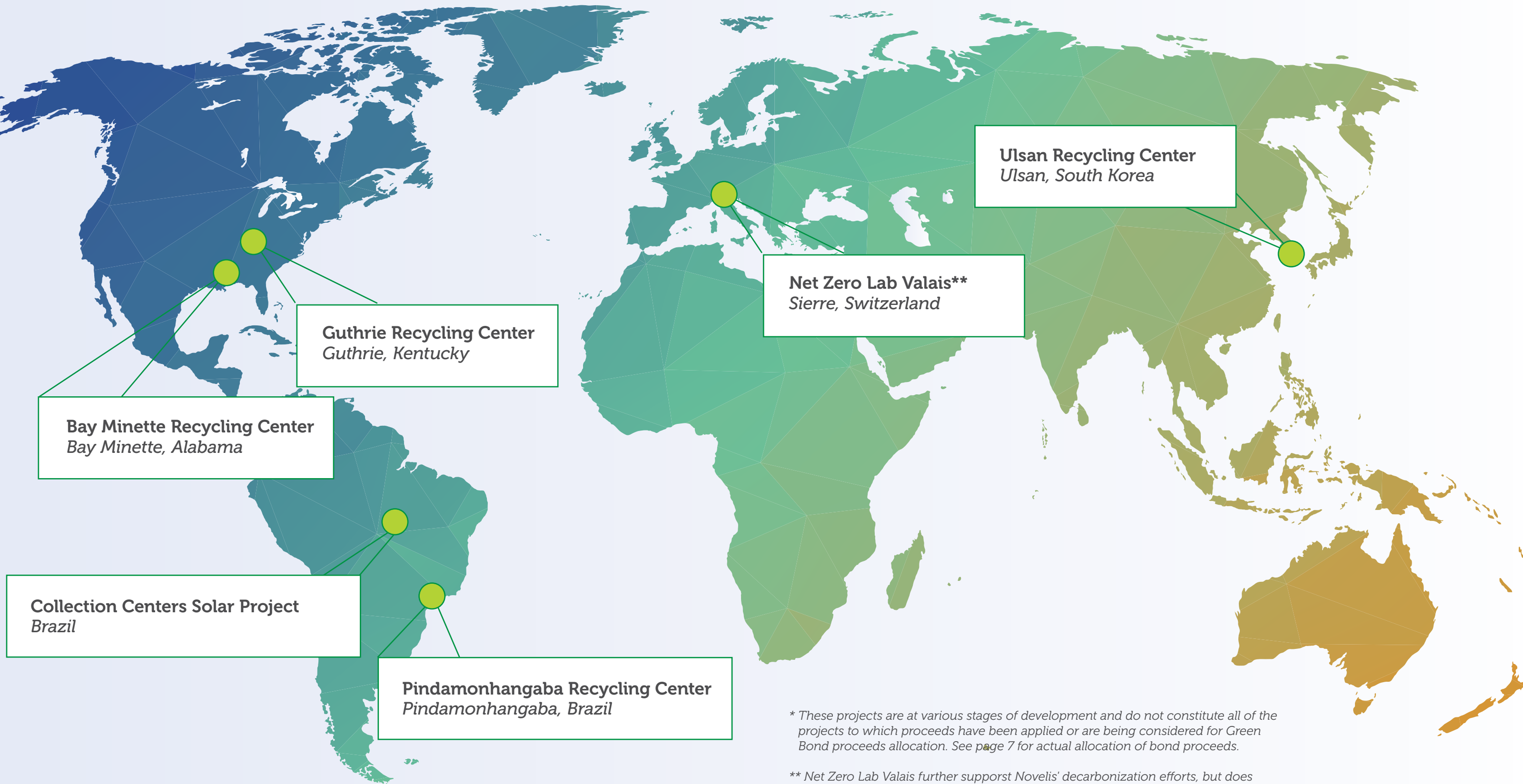
Following completion of Novelis' identified Green Bond projects, carbon emissions are expected to reduce by more than 3 million tons annually*

Project Green Category	Project Name & Description	Location	Status	Spend through March 31, 2023 (\$M)
Renewable Energy	Collection Centers Solar Project (Brazil) – Installation of photovoltaic solar modules on the roof of Novelis South America's 14 collection centers, supplying all the energy to the centers.	Brazil	In-Progress	.5
Pollution Prevention & Control – Recycling	Yeongju Recycling Center – Increase casting capacity by additional 40kt per annum through adding an additional casting pit and further upgrade required ancillary and related equipment.	Yeongju, South Korea	Complete	14
	Nachterstedt Recycling Plant – Addition of a scrap storage hall, scrap processing equipment and rail extension to safely and efficiently feed the scrap to the SIG, Norf Remelt and Sierre Remelt.	Nachterstedt, Germany	Complete	6
	Pindamonhangaba Recycling Center – Investment in South America Pindamonhangaba plant to increase recycling capacity.	Sao Paulo, Brazil	Complete	103
	Latchford APEX – The project proposes to increase the UBC content in the input mix by 48kt by adding a shredder and decoater. This project will also provide a small boost in the throughput of the recycle center.	Latchford, UK	In-Progress	2
	Greensboro Plant – Will enable the increase of sheet ingot capacity.	Georgia, USA	In-Progress	37
	Guthrie Recycling Center – The project will include recycle, remelt, and casting expansion that is expected to enable additional 240kt of sheet ingot capacity, significantly offsetting primary-based 3rd party sheet ingot purchases.	Kentucky, USA	In-Progress	76
	Norf Furnace – Adding a third furnace to allow Norf to absorb higher volume of pre-consumer scrap and reducing the need of prime.	Norf, Germany	In-Progress	4.5
	SIG Recycling Projects – New SIG Furnace will help process end-of-life capsules and increase center's output by 30-35kt. Also an increase in UBC content at SIG and improvement on melt loss.	Nachterstedt, Germany	In-Progress	4
	Ulsan Recycling Center – Expected to expand capacity and capability to process recycled aluminum to reduce our carbon footprint.	Ulsan & Yeongju, South Korea	In-Progress	15
	Bay Minette Recycling Plant – Expected initial 600kt of finished aluminum capacity per year for the beverage container market, with flexibility for automotive production. The new recycling center is expected to increase recycling capacity by 15 billion cans per year when fully operational.	Alabama, USA	In-Progress	18
Total use of Net Proceeds for Eligible Green Projects				280
Net Proceeds from the Issuance of the Senior Green Notes**				588

*Carbon emissions estimate includes projects that have incurred spend and those included in the Featured Projects. Calculation aligns with the GHG Protocol.

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

Featured Projects*



* These projects are at various stages of development and do not constitute all of the projects to which proceeds have been applied or are being considered for Green Bond proceeds allocation. See page 7 for actual allocation of bond proceeds.

** Net Zero Lab Valais further supportst Novelis' decarbonization efforts, but does not fit within the Green Bond Framework and thus is excluded from the allocated use of proceeds.

Advancing Sustainable Solutions in the Beverage Packaging Market

As beverage companies are increasingly turning to aluminum due to consumer demand for more recyclable and sustainable packaging, at Novelis, we are investing globally to increase our capacity for recycling used beverage cans.



Pindamonhangaba Recycling Center (Brazil)

In 2022, Novelis completed the Pindamonhangaba Recycling Center expansion by adding a new recycling line and a fifth remelt line. This investment allowed the center to reach a recycling capacity of 490 kt per year.

The expansion is expected to reduce the company's carbon emissions by more than 600,000 tons annually, while also positively impacting the local community with the addition of 90 permanent positions to the plant.



Bay Minette Recycling Center (USA)

In 2022, Novelis broke ground on the first fully integrated aluminum mill to be built in the U.S. in 40 years. The new \$2.5 billion facility includes a recycling center for used beverage cans (UBCs). Once fully operational, the recycling center is expected to increase Novelis' UBC recycling capacity by 15 billion cans per year.

Novelis aims to make the Bay Minette facility carbon neutral for Scopes 1 and 2. The company has also launched a partnership with Baldwin County to provide recycling bins and education at all county-owned buildings. As it builds its presence in the state, Novelis plans to invest in additional opportunities to encourage and incentivize Alabamans to recycle more.

Driving the Future of Circularity

With a growing need for lightweight, low-carbon materials, automakers are relying on Novelis to provide groundbreaking and sustainable solutions to power the next generation of vehicles.

An important component of the circular economy for the automotive industry are closed loop recycling programs, which preserve the value of aluminum alloys and allow for infinite re-use.



Guthrie Recycling Center (USA)

Novelis' \$365 million investment in the Guthrie Recycling Center, which is expected to have an annual casting capacity of 240 kilotonnes of sheet ingot, is expected to reduce the company's carbon emissions by more than one million tons each year. The company broke ground on the recycling center in May 2022.

The center will enable Novelis to grow its automotive closed-loop-recycling programs in North America. Through closed-loop recycling, the company takes back the aluminum remaining after automotive parts are stamped from aluminum sheets and remakes it into the same product for new vehicle production. The center will also be able to process aluminum from vehicles at the end of their useful life.



Ulsan Recycling Center (South Korea)

Novelis' \$50 million investment to build the Ulsan Recycling Center will expand the company's capacity and capability to process scrap aluminum. Upon completion, the Ulsan Recycling Center is expected to have an annual casting capacity of 100 kilotonnes of low-carbon sheet ingot.

The company broke ground on the new facility in November 2022, and full operation is expected to start in early 2024. This investment will further enhance the company's ability to deliver innovative, value-added products and services in the premium automotive and specialties markets.

Decarbonizing with Renewables

Novelis has set goals to reduce its carbon footprint by 30% by 2026, and to achieve carbon neutrality by 2050 or sooner. To help achieve these targets, Novelis is committed to implementing various energy-efficient measures and recycling initiatives. Moreover, Novelis is investing in renewable energy sources to decarbonize its operations.



Collection Centers Solar Project (Brazil)

In 2022, Novelis invested in the installation of nearly 1,000 photovoltaic solar panels at its 14 strategically distributed used beverage can collection centers in Brazil. These centers collect and clean used aluminum beverage cans and then prepare and package them to be shipped to the company's Pindamonhangaba plant to be recycled.

The solar panels, which are estimated to reduce carbon emissions by approximately 230 tons per year, can generate 600 MWh per year of clean energy, which will make collection centers self-sufficient from an energy point of view.



Innovative Efforts at the Net Zero Lab Valais Support Novelis' Decarbonization Ambitions*

In March 2023, Novelis and its Suisse-based research and development partners completed Net Zero Lab Valais' first year of operations. During this time, the company approved an investment in a new electrical pusher furnace, which will allow the plant to pre-heat sheet ingots with renewable electricity instead of natural gas, saving around 4,500 tons CO₂e per year and up to 180,000 tons CO₂e over the furnace's lifetime.

The lab partners also completed a project to transfer waste heat from the casting process in Novelis' Sierre plant to the Technopôle—a nearby building complex. The energy supply, corresponding to power around 200 KW, covers about one-third of the Technopôle's total energy demand.

Novelis and OIKEN, a local energy provider and partner of the Net Zero Lab Valais, intend to further expand this energy ecosystem with the goal to supply a substantial part of the Sierre region's energy demand before 2030.

Modeling an optimized system for the plant's energy sourcing, conversion, and reuse is the goal of an ongoing systemic study that began with the launch of Net Zero Lab Valais in 2022. The goal of research and development projects is to find ways in which Novelis can reach carbon neutrality for Scopes 1 and 2 emissions at our Sierre plant by 2030, and then extend them to our other plants around the world.

* Initiatives listed on page 13 further support Novelis' decarbonization efforts, but do not fit within the Green Bond Framework and thus are excluded from the allocated use of proceeds.

Disclaimer

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Report of Independent Accountants



To the Management of Novelis Inc.

We have examined the management assertion of Novelis Inc. reported on Page 3 of this Green Bond Report, that an amount equal to \$280 million of the 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 7) in the 36 months prior to the issuance and through March 31, 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 7 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 \$280 million of the 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 March 31, 2023 is fairly stated, in all material respects.

PricewaterhouseCoopers LLP

Atlanta, Georgia
April 21, 2023



Novelis Purpose
Shaping A Sustainable World Together

Novelis