



## **Novelis Report for FY 2024 on Fighting Against Forced Labour and Child Labour in Supply Chains**

### **Introduction**

This report describes the actions taken by Novelis Inc. (“Novelis,” or the “Company”) during the financial year beginning April 1, 2023, and ending March 31, 2024 (“FY 2024”), to prevent and reduce the risk that forced labour or child labour is used at any step in its operations and supply chains pursuant to the requirements of Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”). In this report, Novelis uses the term “modern slavery” to encompass slavery, servitude, human trafficking, forced labour (as defined in the Act), and child labour (as defined in the Act).

Novelis is committed to respecting human rights and to preventing forced labour and child labour occurring in any of its own operations or throughout its supply chains. Novelis is a signatory to the United Nations Global Compact, which includes a commitment to the elimination of all forms of forced and compulsory labour and the effective abolition of child labour, and also seeks to align its due diligence practices with internationally recognised standards such as the UN Guiding Principles on Business and Human Rights.

Novelis is committed to continuously improving its systems and controls to better identify, assess and address risks of forced labour or child labour across its business and supply chains. In FY 2024, Novelis worked on strengthening its responsible procurement practices, including by developing a Responsible Sourcing Policy, reviewing its Human Rights and Forced Labour policy, and exploring how best to augment its supply chain due diligence processes.

### **Our Structure, Activities, and Supply Chains**

Novelis is a leading producer of flat-rolled aluminum products and the world’s largest recycler of aluminum. Novelis produces aluminum sheet and light gauge products primarily for use in the beverage packaging, automotive, aerospace and specialties (including building & construction, signage, foil & packaging, commercial transportation, and commercial and consumer products) markets. Novelis is a Canadian corporation formed under the *Canada Business Corporations Act* with its global headquarters in Atlanta, Georgia. Novelis has one active manufacturing facility in Canada – located in Kingston, Ontario – that produces specialty and industrial products for marine, transportation, and industrial applications with aluminum cold rolling, finishing, and annealing equipment.

As of the end of FY 2024, Novelis is the global parent company of 32 manufacturing operating facilities through its regional subsidiaries on four continents: Novelis Corporation in North America, Novelis do Brasil Ltda. in South America, Novelis Korea Limited and Novelis (China) Aluminum Products Co., Ltd. in Asia and Novelis Deutschland GMBH and Novelis AG in Europe. Novelis has approximately 13,000 employees worldwide, of which approximately 300 are based in Canada, and Novelis globally has annual revenue of more than CAD \$25.5 billion for FY 2024.

Novelis has a broad supply chain, sourcing thousands of different materials from an extensive network of domestic and international suppliers and distributors. The inputs required for Novelis’ operations are substantially comprised of the following:

- **Primary Aluminum**: Primary aluminum is aluminum that is mined, refined, and smelted into ingots of pure aluminum. Novelis relies on its suppliers for this input material and has focused on developing long-standing partnerships with key suppliers. Over 90% of Novelis' North American primary aluminum purchases are from smelters located in the U.S. and Canada. Nearly all of Novelis' primary aluminum need globally is supplied via producers and traders under the London Metal Exchange ("LME") guidelines and policies ("LME Registered Brands").
- **UBC Scrap/Remelt Scrap Ingot (RSI)/Class Scrap**: Novelis purchases scrap aluminum, including both post-consumer and post-manufacturing scrap, to be melted down and flat-rolled back into products for its customers. For its North American business, Novelis sources its post-manufacturing scrap from North American beverage packaging producers and automotive stamping production. Novelis sources its post-consumer scrap, primarily comprised of used beverage cans, from the North American aluminum scrap market.
- **Other Materials**: Novelis' manufacturing process also requires various materials to mix with aluminum to create different aluminum alloys (each appropriate for different applications). Alloying materials include zinc, magnesium, manganese, and silicon, among others. Coatings and paints serve to enhance corrosion resistance, improve surface appearance, and add colour for aesthetic purposes. These materials are sourced from multiple countries, including the U.S., China, South Africa, and Brazil.

Novelis' Kingston, Ontario, facility serves as an aluminum finishing plant with cold rolling, finishing and annealing equipment. As such, input materials for Novelis' Canadian operations are nearly entirely comprised of aluminum coils from its North American subsidiary's (Novelis Corporation) operations in Oswego, New York, much of which is processed at Novelis' Kingston facility and is then exported back to the U.S. The Oswego, New York, plant sources all of its primary aluminum from producers and traders who are LME Registered Brands.

## **Our Policies and Due Diligence Processes**

In the aluminum supply chain, as well as our other supply chains – as with any global supply chain – there may be modern slavery risks. Novelis implements a range of policies and due diligence measures to identify, assess and manage such risks.

### Policies

Novelis is committed to ensuring it meets all legal requirements in each country in which it operates and that it serves. Novelis has in place policies designed to ensure that it effectively mitigates the risk of modern slavery in its business and supply chains, and regularly reviews and updates such policies as needed. Key policies include:

- **Company Code of Conduct**: Novelis employees must comply with the Novelis Code of Conduct, which sets out the standard of ethics and respect for human rights and individual liberties that Novelis expects from all of its employees. All employees are expected to conduct themselves in a manner that assures customers, suppliers, and fellow employees are treated with respect, fairness, and dignity. If an employee becomes aware of illegal practices or observes behaviours or circumstances that the employee believes violate the Code of Conduct, Novelis encourages the employee to report the matter immediately, in line with the Company's whistleblowing policy.
- **Supplier Code of Conduct**: Novelis expects every supplier to comply with the standards set out in this Code as minimum requirements. Novelis suppliers must ensure that they do

not commit and are not involved in any human rights violations and adhere to a number of standards relating to prohibition of forced labour (including, for example, providing fair remuneration and not forcing any person to work against his or her will) and child labour (namely not employing workers younger than the permissible age of employment in the relevant country or otherwise depriving them of schooling opportunities). Novelis also asks its suppliers to require their own suppliers to adopt similar standards, and suppliers are required to use reasonable efforts to promote compliance with the Novelis Supplier Code of Conduct within their own supply chains.

In line with international human rights due diligence standards, Novelis is committed to continually improving its due diligence processes and is in the process of updating or developing a number of policies. In the course of this reporting year, Novelis strengthened policies and procedures with respect to modern slavery, including by revising its Human Rights and Forced Labour Policy and developing its Responsible Sourcing Policy, which both now provide further guidance to employees on expectations with respect to the prohibition of modern slavery in Novelis' operations and supply chains and responsibilities with respect to management of risk, including in the procurement context.

### Risk Identification, Assessment and Mitigation

Novelis takes steps to identify and mitigate risks in its own operations. In 2015, Novelis became a member of the Aluminium Stewardship Initiative ("ASI"). Since then, many of Novelis' facilities, including the Kingston plant, have been certified under the ASI Performance Standard. The certification process includes auditing and in-person interviews relating to topics such as human rights, workers' rights, forced labour, child labour, and responsible sourcing.

Novelis is implementing monitoring of supplier compliance with the Novelis Supplier Code of Conduct through self-assessments, questionnaires/surveys, third-party audits at supplier sites, and certifications. The supplier questionnaire, which will be sent to suppliers on an annual basis, for example, covers topics including forced labour, child labour, workers' rights, health and safety, and ethical conduct. During the reporting period, Novelis has also taken steps to further enhance its monitoring of suppliers, including by implementing a rigorous process for auditing whereby suppliers will be expected to develop and implement corrective action plans for gaps identified through assessments and audits, including with respect to any standards regarding modern slavery.

Suppliers are encouraged to be transparent with Novelis about supply chain challenges. Suppliers must inform Novelis immediately about breaches in their supply chains related to human rights risks as outlined in the Novelis Supplier Code of Conduct, as far as such breaches have an impact on Novelis, and work to remedy all such violations, if necessary, with the support of Novelis.

While Novelis' recycling business is several steps removed from the mining and production of primary aluminum, Novelis is committed to assessing and seeking to address potential risks deeper in the supply chain. For example, one potential area of modern slavery risk in the sector could be in the mining and refining of bauxite into alumina as such production activities may occur in jurisdictions with a high prevalence of modern slavery according to the Global Slavery Index. To address this potential risk, over 90% of the primary aluminum inputted into Novelis' North American business is purchased from the LME and thus is subjected to the LME's human rights standards. To trade aluminum on the LME, a company must first undergo a rigorous certification process that ensures the metal meets strict quality, ethical, and sustainability standards. Once a member, the aluminum to be traded must be LME-approved, requiring producers to adhere to specific production and ethical standards, including compliance with the Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for

Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. The LME's Responsible Sourcing Policy requires all suppliers to conduct due diligence on their supply chains, which is aligned with international standards such as the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. The LME requires third-party audits on listed brands to assess compliance with the LME's responsible sourcing standards, including labor practices. Suppliers found to be in violation of these standards may face sanctions, including removal from the LME's list of approved suppliers.

In FY 2024, Novelis launched a pilot supply chain due diligence platform program in the European Union that would further enhance the assessment of modern slavery risks in its supply chain. The digital platform uses artificial intelligence to predict, detect, and classify supply chain risks using data from a variety of public, private, and shared sources. If successful, Novelis may consider expanding this program globally.

In addition, by virtue of being the world's largest aluminum recycler, Novelis is working to reduce the amount of primary aluminum required for the production of its aluminum products (and consequently reduce the potential for modern slavery risk).

### Grievance Mechanisms

Any party, including Novelis employees and workers in our supply chain, can use Novelis' third-party operated Ethics Hotline, which is in place in each of the countries in which the Company operates, to report concerns or suspected violations of the Novelis Code of Conduct and other company policies. The Ethics Hotline information is available on Novelis' website and the hotline can be accessed by email and by phone. Novelis will investigate, address, and respond to suspected policy violations reported to the Ethics Hotline. Novelis does not tolerate retaliation against anyone who reports suspected violations of law or policy in good faith.

Under the Novelis Supplier Code of Conduct, Novelis suppliers are required to establish an appropriate complaint mechanism to enable persons to raise concerns about human rights risks, including violations of human rights obligations linked to the supplier's economic activities or in their supply chain.

### Remediation

If any risk of modern slavery is flagged through Novelis' due diligence processes, we take steps to investigate and mitigate the risk, which may include remediation of any actual adverse impact identified. As we have not identified any specific instances of modern slavery in Novelis' operations and supply chains during the reporting period, the implementation of remediation measures have not been necessary. We have also not identified any instances of loss of income of the vulnerable families as a result of the steps Novelis has taken to eliminate risks of forced labour or child labour, and remediation has therefore not been necessary.

### **Training**

Novelis requires that all employees receive training on the Novelis Code of Conduct, which includes a section on human rights and preventing modern slavery. Novelis is also implementing a more detailed training programme for its global procurement team to equip them to identify and respond appropriately should they identify any risk of modern slavery in our supply chains.

### **Our Effectiveness in Combating Slavery and Human Trafficking**

Novelis is continually working to ensure that respect for human rights and a commitment to preventing modern slavery pervade its operations and supply chains. Novelis periodically reviews

the effectiveness of the measures it takes to ensure that forced labour and child labour are not being used in its business and supply chains, including by monitoring whistleblowing reports from employees and from members of the public. The Company also monitors whether investigations are undertaken by law enforcement agencies and regulators that indicate that modern slavery practices have been identified.

### **Statement of Approval**

This report is made pursuant to section 11 of the Act and constitutes our report for the financial year ending on March 31, 2024. It was reviewed and approved by the board of directors of Novelis Inc. on May 3, 2024, pursuant to paragraph 11(4) of the Act.

This report is approved and attested, as required under subsection 11(4) and subsection 11(5) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*.

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Steve Fisher  
President & CEO, Novelis Inc.  
I have the authority to bind Novelis Inc.