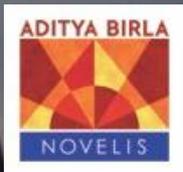
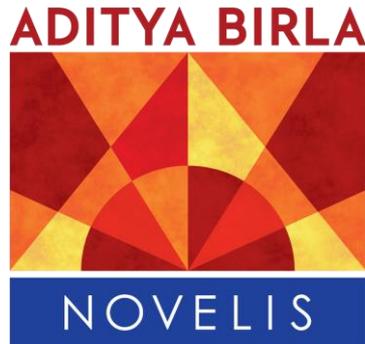


NOVELIS SUPPLIER AWARENESS TRAINING ON THE ALUMINIUM STEWARDSHIP INITIATIVE (ASI)

Novelis Europe
Metal Procurement Department
Version 1.0 (24-11-2020)



Novelis



Novelis is an aluminium Flat Rolled Products Company, a Certified Member of the Aluminium Stewardship Initiative (ASI) and committed to its principles



ASI is a standards-setting and certification organisation that recognises and fosters the responsible production, sourcing and stewardship of aluminium.

- What does ASI stand for?
- ASI concept and standards
- The aluminium value chain and ASI requirements
- Novelis ASI metal type definitions
- What does Novelis expect from its suppliers on ASI?
- ASI conformity statement



WHAT DOES ASI STAND FOR?

- ASI is short for **Aluminium Stewardship Initiative** and is an end-to-end mass balance certification system to guarantee that material is '**responsible aluminium**'
- Background History
 - **2009** Multi-stakeholder group on 'responsible aluminium'
 - **2010** Report issued recommending a third-party certification system
 - **2011** Agreement to develop ASI work program
 - **2012** IUCN (International Union for Conservation of Nature) appointed as coordinator for multi-stakeholder standards-setting process
 - **2014** ASI Performance Standard published
 - **2015** ASI incorporated and governance models developed
 - **2016** First AGM (Annual General Meeting), Constitution adopted, certification model in development
 - **2017** Finalisation of program for year-end launch and ASI Chain of Custody Standard published
 - **2018** Start of the first ASI certifications

- The ASI system is based on two standards which need to be externally verified:
 - The **Performance Standard (PS)** defines environmental, social and governance principles and criteria, with the aim to address sustainability issues in the aluminium value chain. This is similar to an ISO-certification, but much wider in scope (Social & Governance)
 - The **Chain of Custody Standard (CoC)** sets requirements for the creation of a Chain of Custody (i.e. “a path of full traceability”) through the value chain. It sets the framework for how aluminium is deemed ‘**ASI eligible**’ and how this is measured and reported



Also see: <https://aluminium-stewardship.org/asi-standards/>

THE ALUMINIUM VALUE CHAIN & ASI REQUIREMENTS

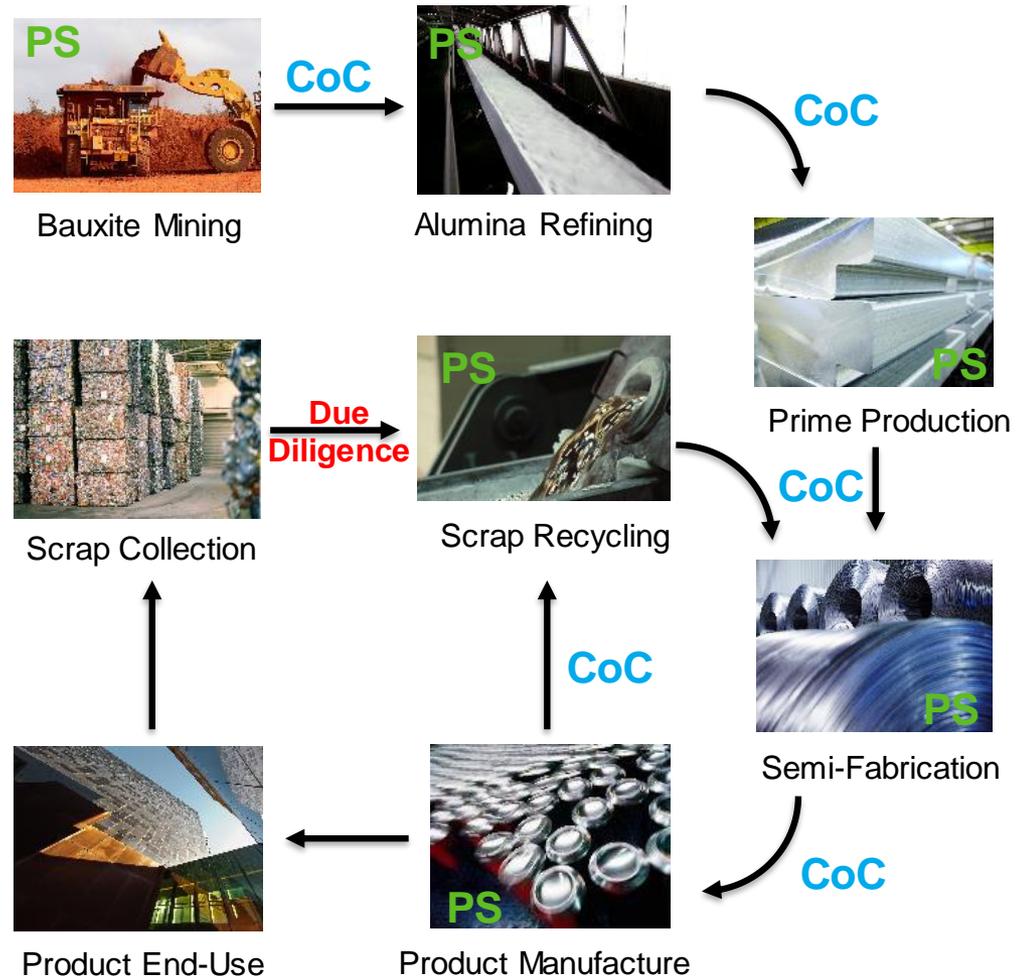
For aluminium to become ASI-certified and to reach the end-user, the ASI-standards (**PS** & **CoC**) need to be applied in the value chain as follows:

All processes up-to the final product end-use must be **ASI-PS** and **ASI-CoC** certified:

- Bauxite Mining
- Alumina Refining
- Prime Production
- Semi-Fabrication
- Product Manufacture

For the Scrap Recycling there are two scenario's:

- Scrap returns from manufacturers (“pre-consumer scrap”) are also required to be **ASI-PS** & **ASI-CoC** certified
- For so-called “post-consumer” scrap returns, Novelis needs to carry out an **ASI Due Diligence check** with its scrap supplier (see slide 8)



At Novelis, we define 4 main types of incoming metals for which specific requirements ensure ASI eligibility:

Metal Type	Description	Requirements for ASI eligibility
Sheet Ingot	Rolling ingots meant for direct processing at Novelis' hot mills	Suppliers need to be ASI-PS and ASI-CoC Certified
Prime	Unalloyed aluminium from smelters meant for re-melting at Novelis' cast houses	Suppliers need to be ASI-PS and ASI-CoC Certified
Pre-Consumer Scrap	Scrap originating from aluminium processing facilities (OEM's). This material can be supplied either directly by the producers or indirectly via traders. For instance: Class scrap, OEM Auto scrap, ...	<ul style="list-style-type: none"> • The OEM source needs to be ASI-PS and ASI-CoC Certified • Traders/suppliers do not need to be ASI certified <u>unless</u> they re-process the metal (e.g. shredding, baling, mixing, ...)
Post-Consumer Scrap	So-called „end-of-life“ material that was in use by consumers. For instance: UBC's, used printing plates, building scrap, MLC, ...	Novelis needs to perform an ASI Due Diligence check for the specific supplier (see slide 8)

WHAT DOES NOVELIS EXPECT FROM ITS SUPPLIERS ON ASI?

IN GENERAL: to supply **ASI-eligible metal**, we expect our suppliers to:

- read and accept the Novelis Code of Conduct (<https://novelis.com/download/novelis-supplier-code-of-conduct/>) or supply Novelis with the company's Code of Conduct that covers similar ethical principles
- read and accept this training document (especially slide 9)

ADDITION #1: to supply ASI-eligible **Sheet Ingot, Prime or Pre-Consumer Scrap**, a supplier:

- must be **ASI-PS** and **ASI-CoC** certified
- must attach an ASI-certificate with each metal delivery

ADDITION #2: to supply ASI-eligible **Post-Consumer Scrap**, Novelis needs to perform an **ASI Due Diligence check** with its suppliers according to §7 of the **ASI-CoC** Standard:

- Novelis must be able to assess the risks of non-compliance of its responsible sourcing policies → the acceptance of the Code of Conduct and this training document form the basis for this risk assessment. However, if necessary, Novelis may also perform supplier audits to assure adherence of the ASI standards
- Novelis has installed a general complaints platform to voice concerns on non-compliance (<https://secure.ethicspoint.com/domain/media/en/gui/57484/index.html>)

ASI CONFORMITY STATEMENT

Novelis is an aluminium Flat Rolled Products Company and is a Member of the Aluminium Stewardship Initiative (ASI). ASI is a standards-setting and certification organisation that recognises and fosters the responsible production, sourcing and stewardship of aluminium. As an ASI Certified Member/ASI Member seeking Certification, we commit to and have/are seeking independent third-party verification that we:

- *Source aluminium responsibly*
- *Work against corruption in all its forms*
- *Respect human rights in line with the UN Guiding Principles on Business and Human Rights*
- *Not contribute to armed conflict or human rights abuses in conflict-affected or high risk areas*
- *Establish processes through which stakeholders can raise concerns about the aluminium supply chain*

This policy articulates our commitment to due diligence towards our suppliers in the aluminium value chain, to use our influence to prevent abuses being committed by others. We will not deal with, and will discontinue engagement with, direct suppliers where we identify a reasonable risk that they are committing, are sourcing from, or are linked to any party committing:

- *Human rights abuses, including torture, cruel, inhuman or degrading treatment; forced or compulsory labour; the worst forms of child labour; war crimes; violations of international humanitarian law, crimes against humanity or genocide*
- *Bribery or corruption, including offering, promising, giving or demanding bribes, particularly in relation to payments to politically exposed persons for the purposes of facilitating undue advantage for extracting, trade, transport and/or export of bauxite, alumina or aluminium*
- *Direct or indirect support to any non-state armed groups who illegally control mine sites or transportation routes, or illegally tax or extort money at extraction, transport, trading or export of bauxite, alumina or aluminium*

The undersigned acknowledges that it has read and understands the Novelis ASI conformity statement and agrees to operate according to the same ethical principles:

Supplier Company Name: _____ Date: _____

Name & Function of Signatory: _____ Signature: _____