

# Pioneering a New Way of Doing Business

Sustainability is at the heart of our business strategy – and will be a key source of our competitive advantage.

In short, our strategy is designed to reduce the embedded carbon in our products, and we are achieving it by pioneering a fundamentally new way of doing business.

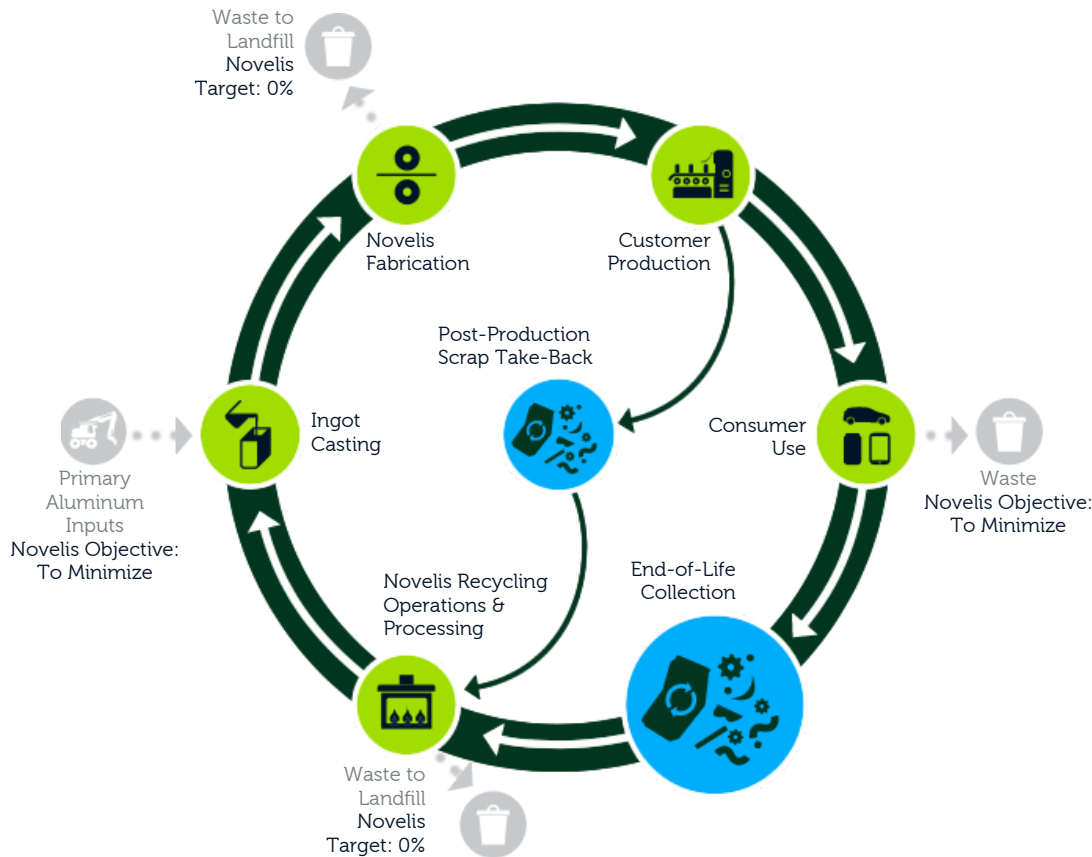
Traditionally, the aluminum industry has relied on a largely linear business model, with primary aluminum – made through a process of extracting alumina from the mined substance bauxite – as the key input. Recycling has also always been a part of the value chain, but primary aluminum has remained the predominant material input. At Novelis, for example, primary aluminum comprised an average of 70% of our aluminum inputs between FY07 and FY09, with the remaining 30% made up of recycled aluminum.

However, recycled aluminum avoids 95% of the energy use and greenhouse gas emissions associated with primary aluminum production. Consequently, Novelis believes that realizing the full sustainability potential of aluminum depends on the industry decreasing its reliance on primary aluminum by shifting toward recycled aluminum as the predominant input. Doing so will dramatically reduce our company's – and the industry's – carbon footprint, as well as our production costs, and increase the security of supply.

Novelis is leading the way toward this shift – and in doing so, we are not only strengthening our company, but also disrupting our industry and delivering value to our customers and society.

## Figure 1: Novelis' Goal: A Closed-Loop Business Model

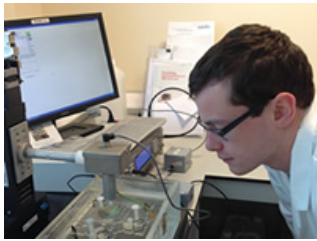
We are in the process of transforming our business model from the traditional linear one to a closed-loop and low-carbon model – driven by our ambitious target to reach 80% recycled inputs by 2020.



Our vision is that our recycled inputs will comprise 25% post-production scrap and 75% post-consumer scrap.



[Positioning Novelis to Meet Growing Demand \(meet-growing-demand.html\)](http://meet-growing-demand.html)



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