

# Metrics Matter

## Calculating the Recycled Content of Rolled Aluminum

### Executive Summary

Increasing the percentage of recycled material used to manufacture rolled aluminum products is the most impactful step Novelis and our fellow downstream producers can take to reduce the carbon footprint of our products – not only in the immediate timeframe, but over the longer-term horizon as well.

The challenge for the aluminum industry today is that protocols for determining recycled content in general leave a considerable amount of room for interpretation for what counts as recycled content for aluminum products. We recognized this and embarked on a concerted effort to drive alignment within multiple industry groups. As these various working groups contemplate this topic, it's important we raise our voice.

As the leader in aluminum recycling and the company with the highest amount of recycled aluminum in our products, Novelis calculates the effective recycled content of a given coil shipped to a customer by subtracting the percentage of primary in the coil we roll from a baseline of 1.00 and then adjusting for handling painted or coated scrap and metal loss from "run-around" scrap generated in our rolling operations. We believe this calculation, **Effective Recycled Content = (1.00 minus prime content) + adjustment**, should be the industry standard.

We use this approach for our internal reporting and have subjected this international standards-based methodology to review and approval by a respected third party, [TrueNorth Collective, a sustainability consulting group with metals manufacturing and environmental reporting expertise](#). The high level of transparency and objectivity embedded in this approach allows us to share our estimated recycled content metrics externally with confidence.

We encourage our fellow producers and supply chain partners to adopt this methodology to measure and report recycled content.

The standards-based methods we use to calculate and communicate the benefits of aluminum recycling are

critical metrics we all need to employ in support of our goal of driving down carbon emissions.

Only when we all come together to collaboratively assess, report and promote the tremendous benefits of aluminum recycling will our collective claims of carbon reduction be recognized and appreciated.

As the largest purchaser and recycler of aluminum in the world, Novelis is contributing its expertise to develop recycled content standards for aluminum.

This approach offers a roadmap for the creation of a single, universally accepted methodology for measuring the recycled content in aluminum products.

#### Product Recycled Content Formula

**Net Primary:** sheet ingot, coil, prime, alloys and hardeners (after melt loss)

**Adjustment:** coated scrap, runaround melt loss

RC% =

*Customer Shipments - Net Primary + Adjustment*

*Customer Shipments*