

Sustainability Reporting



Corporate Sustainability Reporting

Why not do it...

Sustainability isn't high on your corporate strategic agenda!

You believe your investors and customers don't care about it.

Your sustainability performance is far worse than you ever anticipated!

You expose past sins that could result in a lawsuit against your company.



Corporate Sustainability Reporting

Why do it?

Educes employees on issues of what is important to the C-Suite!

Identifies areas for improvement.

Establishes metrics for success.

Builds stakeholder trust.

Enhances a company's reputation for honesty and integrity.



Corporate Sustainability Reporting

The Sustainability Report

Started some decades ago, when this became somewhat of a differentiator.

Companies want customers and shareholders to know it is an important issue.

The Dow Jones Sustainability Index rates companies on their performance.

Today, more than 90% of all companies in the S&P 500 publish a sustainability report!

Ball Corporation's 2020 Sustainability Report



Image Source: Ball Corporation, 2020 Sustainability Report

Corporate Sustainability Reporting

Ball Corp's Sustainability Report

- CIRCULAR ECONOMY
- CLIMATE CHANGE
- WATER STEWARDSHIP
- RESPONSIBLE SOURCING
- SUSTAINABILITY MANAGEMENT

Download the report from Course Resource, or directly from
<https://www.ball.com/sustainability/sustainability-reporting>

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CONTACTS
We welcome your comments and questions on our sustainability efforts. Please direct them to sustainability@ball.com.
More details on our sustainability performance, best practices and updates on our progress are available at www.ball.com/sustainability.

EXTERNAL ASSESSMENTS
Ball's sustainability management and performance have again been recognized by external experts.

MEMBER Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

CDP
DRIVING SUSTAINABLE ECONOMIES

MSCI
ESG RATINGS
CCC | B | BB | BBB | C | AA | AAA

A

FTSE4Good

Corporate ESG Performance
RATED BY ISS ESG Prime

EURONEXT
vigeo eiris INDICES

Image Source: Ball Corporation, 2020 Sustainability Report

Corporate Sustainability Reporting

Ball Corp's Sustainability Report

- PRODUCT STEWARDSHIP
- OPERATIONS EXCELLENCE
- TALENT MANAGEMENT
- COMMUNITY AMBASSADORS

BALL'S 2020 SUSTAINABILITY GOALS

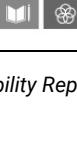
CATEGORY	SUSTAINABILITY GOALS	STATUS AS OF YEAR-END 2019	SDG
PRODUCT STEWARDSHIP	Cut the carbon footprint of our beverage cans by 25% (considering goals on multiple issues, including weight optimization, energy in can making and metal production, recycling rates). <i>(2010 baseline)</i>	Reduced carbon footprint by 26% between 2010-2019.	
	Achieve industry recycling rates targets for metal packaging products in developed markets, and work toward measurement and improvement of metal packaging recycling in emerging markets.	Contribute to increasing recycling rates of beverage cans, working through partnerships to set future recycling rate targets.	
	Deliver three major aerospace programs that will provide significant benefits in areas such as climate change, weather, drought, pollution and biodiversity measurements.	Among several projects that provide actionable environmental intelligence on air quality, land resources and ozone, Ball Aerospace partnered with customers to develop the Geostationary Environment Monitoring Spectrometer (GEMS), the Operational Land Imager (OLI) and the Ozone Mapping and Profiler Suite (OMPS).	
OPERATIONAL EXCELLENCE	Reduce three-year rolling average Total Recordable Incident Rate by 25%. <i>(2015 baseline)</i>	Reduced the 2017-2019 global average Recordable Incident Rate by 25%.	
	By year-end 2016, determine baseline for electricity, natural gas, water, waste and VOCs for our company post-close of the Rexam acquisition, and commit to bottom-up normalized targets for our global beverage can business by mid-2017. <i>(2015 baseline)</i>	Established baseline and normalized targets across global beverage operations in 2017.	
	Improve energy efficiency by 5%. <i>(2016 baseline)</i>	Increased energy efficiency 5.5% between 2016-2019.	
	Improve water efficiency by 5%. <i>(2016 baseline)</i>	Increased water efficiency 11% between 2016-2019.	
	Reduce total waste generation per unit of production by 6%. <i>(2016 baseline)</i>	Total waste generation increased in 2019; however, as our waste reduction initiatives continue, we expect waste reductions going forward.	
TALENT MANAGEMENT	Determine a science-based greenhouse gas emission reduction target by mid-2018.	1.5°C target was approved in early 2020 by the Science-Based Target Initiative.	
COMMUNITY AMBASSADORS	Enhance overall employee engagement and talent retention by assessing and continuously improving the processes that support the way we acquire, onboard, develop and move talent at Ball.	Implemented Success Factors and a more rigorous approach with company-wide employee goal setting within that system. We are continuing to evaluate the best approach for an employee listening strategy.	
	Roll out diversity and inclusion (DEI) tools globally, expand our Ball Resource Groups company-wide, and meet the criteria required to secure a place on the Diversity, Inc. Top 50 Companies for Diversity.	Expanding Diversity & Inclusion strategy and tools globally, including the expansion of resource groups to all regions.	
	Global roll out of Community Ambassadors program.	Plans from every region participated in the 2019 Global Recycling Can Challenge.	
	Establish 2030 global volunteer goal that is aligned with the UN Sustainable Development Goals.	We are still working toward establishing a volunteer goal.	

Image Source: Ball Corporation, 2020 Sustainability Report

Corporate Sustainability Reporting

Ball Corp's Sustainability Report

ECONOMIC (PROFITS)

ENVIRONMENTAL (PLANET)

SOCIAL EQUITY (PEOPLE)

DATA

Within each sustainability report we cover five calendar years, in order to provide stakeholders with trend analyses. An interactive charting tool on our website [⊕](#) allows users to filter, analyze and display data on our environmental and safety performance. Environmental, safety and employee data covers all Ball sites globally, including manufacturing facilities, major administrative offices, external warehouses and research and development facilities where we have operational control. Since 2015, the company acquired Rexam PLC in 2016, sold its steel food and steel aerosol businesses in 2018 and 2019, respectively, and sold its Chinese beverage can assets in late 2019.

FINANCIAL DATA	UNIT	2015	2016	2017	2018	2019	Change vs 2015
Net sales	\$ in millions	7,997	9,061	10,983	11,635	11,474	43 %
Comparable operating earnings ¹	\$ in millions	801	976	1,220	1,290	1,331	66 %
Free cash flow ^{1,2,3}	\$ in millions	509	(413)	922	750	950	87 %
EVA dollars ^{1,4}	\$ in millions	181	199	240	242	217	20 %
Diluted earnings per share (comparable basis) ^{1,5}	\$	1.74	1.74	2.04	2.20	2.53	45 %
Cash dividends per share ⁵	\$	0.26	0.26	0.365	0.40	0.55	112 %
Total corporate giving ⁶	\$ in millions	3.5	4	4.2	5.8	7.5	-

ENVIRONMENTAL DATA	UNIT	2015	2016	2017	2018	2019	Change vs 2015
							absolute normalized ⁷
Energy consumption	MWh in thousands	4,089	4,136	4,117	4,266	4,403	8 % -5 %
- Direct energy ⁸		1,971	1,974	1,987	2,064	2,134	8 % -4 %
- Indirect energy ⁹		2,118	2,162	2,130	2,202	2,269	7 % -6 %
Renewable energy ¹⁰		-	10	11	11	11	- -
Greenhouse gas emissions (Scope 1+2)	metric tons CO ₂ e	1,274,412	1,213,208	1,213,282	1,226,470	1,242,941	-2 % -15 %
- Scope 1 ¹¹		402,118	398,468	401,253	418,301	434,670	8 % -3 %
- Scope 2 ¹²		872,294	814,741	812,029	808,169	808,272	-7 % -20 %
- Scope 3 ¹³		-	-	8,489,022	8,293,578	8,636,045	- -
Water consumption	m ³	9,432,078	9,450,016	9,135,030	9,284,933	9,450,203	0 % -12 %
Waste generation ¹⁴	metric tons	60	64	63	62	72	19 % 4 %
- Recycled/reused		34	35	39	38	44	30 % 14 %
- Landfill	in thousands	11	11	8	8	7	-41 % -49 %
- Other treatment		15	18	16	16	21	38 % 22 %
VOC emissions	metric tons	8,940	8,510	8,760	9,705	10,012	12 % -1 %

SOCIAL DATA	UNIT	2015	2016	2017	2018	2019	Change vs 2015
Employees (year-end) ^{15,16,17}	#	15,100	18,700	18,300	17,500	18,300	21 %
- Male	% of total workforce	83 %	83 %	84 %	83 %	80 %	-4 %
- Female		17 %	17 %	16 %	17 %	17 %	0 %
- <30		13 %	15 %	15 %	17 %	20 %	54 %
- 30-50	% of total workforce	54 %	57 %	57 %	58 %	55 %	2 %
- >50		33 %	28 %	28 %	25 %	25 %	-24 %
Employee turnover ¹⁸	% of total workforce	11 %	13 %	14 %	15 %	12 %	7 %
Total recordable incident rate	recordable incidents/200k hrs worked	1.24	1.06	1.00	0.88	0.90	-27 %
Severity rate	lost work days/200k hrs worked	7.42	9.18	9.63	5.54	9.68	30 %
Work-related fatalities	#	0	0	0	0	0	0 %

¹ Non-U.S. GAAP measures should not be considered in isolation and should not be compared directly to, or substituted for, financial measures calculated in accordance with U.S. GAAP. Further discussion of non-GAAP financial measures is available in Item 7 of the Annual Report on Form 10-K.

² Free cash flow is a non-GAAP defined term under U.S. GAAP. It should not be inferred that the entire free cash flow amount is available for discretionary expenditures. The company defines free cash flow as cash flow from operating activities less capital expenditures.

³ Assumes 2007, 2008 and 2015 have been retrospectively adjusted to reflect the adoption of new accounting guidance for the preparation of the statement of cash flows that were effective January 1, 2016. Cash provided by operating activities was increased by \$30 million in 2015 as a result of adopting the new accounting guidance.

⁴ Net operating earnings after tax less a capital charge of 1% after-tax on average invested capital.

⁵ Amounts in 2016 and 2015 have been retrospectively adjusted for the two-for-one stock split that was effective on May 18, 2017.

⁶ 2015, 2016 and 2019 for North American giving, which was previously tracked.

⁷ Product group-specific normalization factors are used to calculate a normalized intensity index for Ball sites. This accounts for volume changes in production over a period, and for changes in production mix between business segments. It is set at 100 for the reference year 2015. [⊕]

⁸ Natural gas, propane, diesel, jet fuel

⁹ Renewable energy falls within indirect energy

¹⁰ Direct GHG emissions from sources owned or controlled by Ball, primarily from fossil fuels such as natural gas and diesel, burned on site. Indirect GHG emissions from purchases of electricity, heating, cooling and steam generated off site and purchased by Ball. The Scope 2 emissions reported here are market-based, while Scope 3 location-based emissions can be found on page 10.

¹¹ Indirect GHG emissions from sources owned or directly controlled by Ball, but related to our activities (e.g. purchased goods and services, business travel). Details on how to read the Scope 3 reporting criteria can be found online. [⊕]

¹² Metal manufacturing scrap not included, all of which is sent back to our suppliers and remelted

¹³ Numbers have been rounded. The increase in 2016 is due as result of our acquisition of Rexam PLC.

¹⁴ We strive to create an environment that unlocks qualities, values and potential of each employee and leverages diverse perspectives, experiences, backgrounds and cultures. As our diversity and inclusion efforts further mature, we expect to report other D&I metrics than gender and age in the future.

¹⁵ The 2015 gender and female information accounts for transgender people who choose not to identify as male or female.

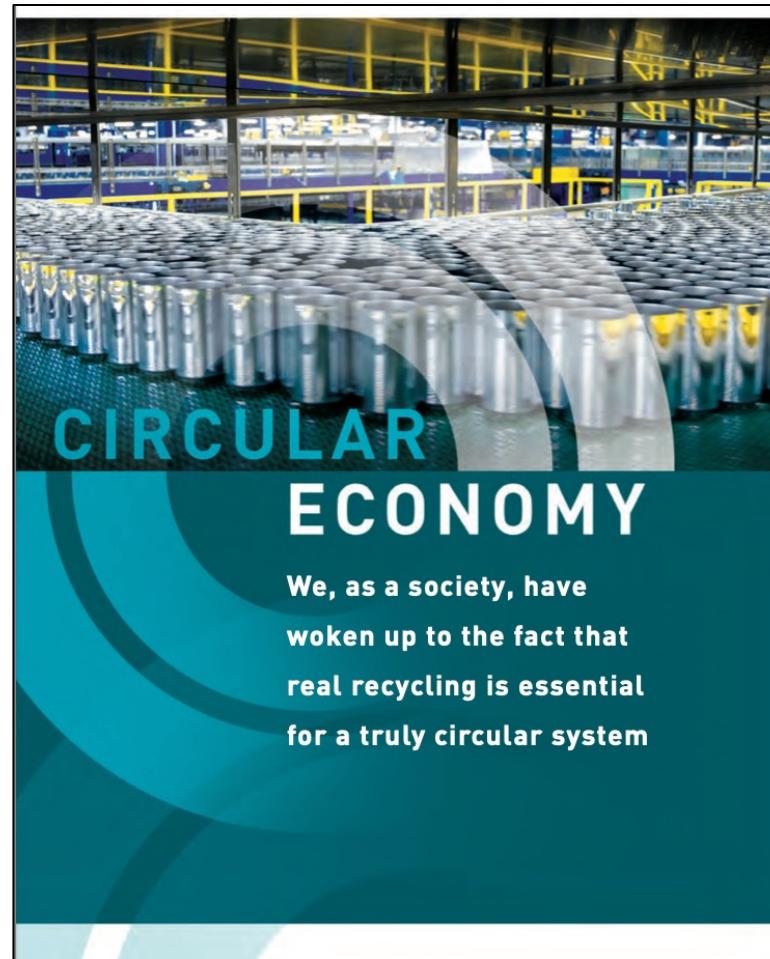
¹⁶ Included are voluntary departures and those due to dismissal, retirement and passing. 2018 and 2019 turnover do not include the divestiture of Ball's Menapac business and China beverage packaging operations.

Corporate Sustainability Reporting

Ball Corp's Sustainability Report

"This is 'real recycling,' where materials are kept in the loop at their highest economic value and function, rather than being subject to high losses and "downcycling" into products of lower value."

Ball Corp. Sustainability Report



Why we need an entirely new circular packaging system

In the last few years the world has seen a renewed concern with the undeniable fact that litter from packaging with limited recyclability is harming the planet. This has led to an urgent public debate about how to find sustainable packaging alternatives that move us toward a circular economy – one in which materials are not just used and thrown away, but are reused or recycled endlessly.

What is real circularity?

At its purest, real circularity involves the continuous recovery and reuse of materials, with nothing lost during the process on economic terms that are not a tax to society. In terms of recycling, this means that all materials are properly collected and sorted, then each part of each product is separated out and fully recycled with minimum material loss, to become part of a product of similar value. This is "real recycling," where materials are kept in the loop at their highest economic value and function, rather than being subject to high losses and "downcycling" into products of lower value.

REAL CIRCULARITY: A CIRCLE THAT NEVER ENDS



Image Source: Ball Corporation, 2020 Sustainability Report

Global Reporting Initiative (GRI)

GRI is an independent international organization, based in Amsterdam, that has pioneered sustainability reporting since 1997.

"GRI helps organizations be transparent and take responsibility for their impacts on people and the planet."

The GRI Sustainability Reporting Standards are developed with true multi-stakeholder contributions and rooted in the public interest.



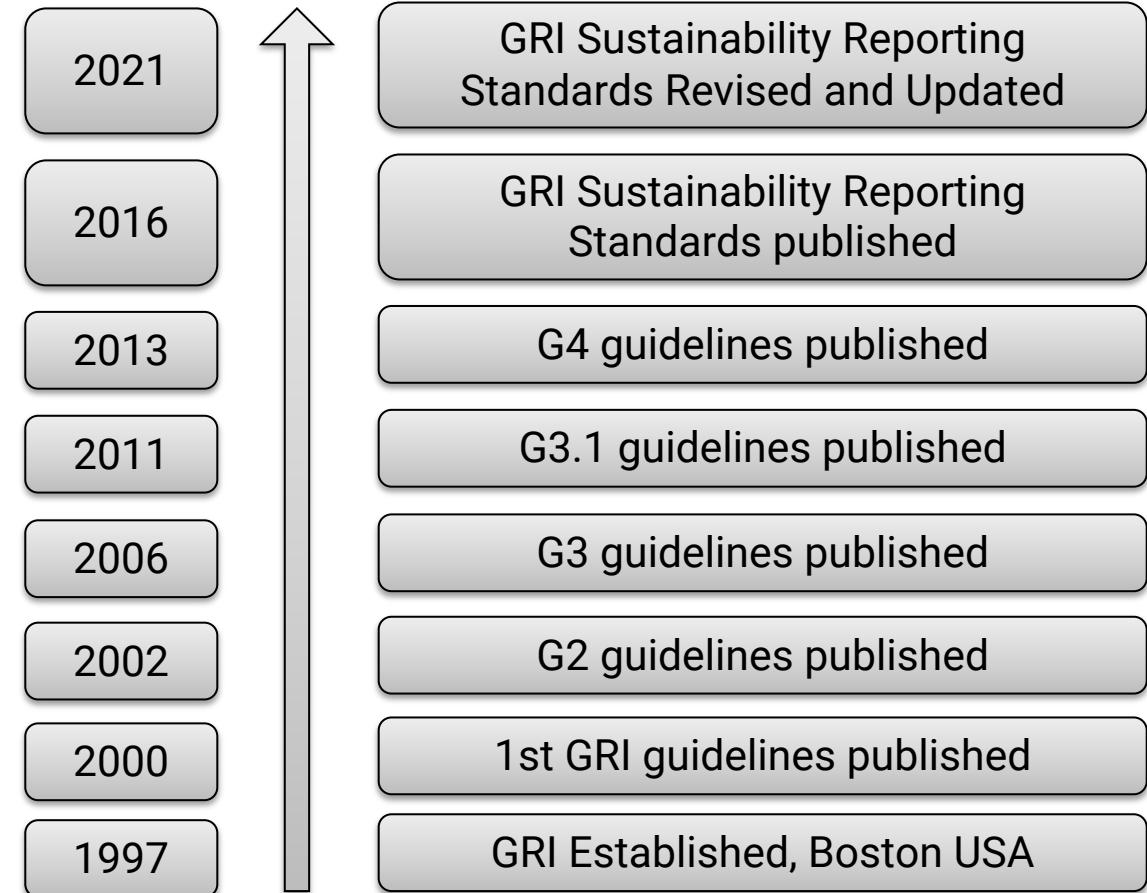
globalreporting.org

The Global Reporting Initiative...

The catastrophic Exxon Valdez oil spill in 1997 brought to light the need for corporate reporting on environmental impacts.

The non-profits “Coalition for Environmentally Responsible Economies” (“CERES”) and the Tellus Institute established guidelines for sustainability reporting.

These guidelines are updated every few years as new information / databases became available.



The GRI Sustainability Reporting Standards are now the gold standard that companies follow when creating their Sustainability Reports.

The Global Reporting Initiative (GRI)...



Guidelines on writing a sustainability report.

Specific standards for industry types.

Guidelines for specific environmental and social issues.

The Global Reporting Initiative (GRI)...

What does the GRI do?

Establish standards for corporate sustainability reporting.



<https://youtu.be/6LkrhalWIMc>

ESG: Environmental, Social & Governance



ESG: Environmental, Social & Governance

A corporate management approach that incorporates the Triple Bottom Line philosophy of People, Planet and Profits.

The goal of ESG is to measure a company's non-financial performance along its environmental and social objectives.

Increasingly, investors use ESG “scores” to rate investment opportunities based on the company’s success in achieving sustainability

Environmental Responsibility

- Carbon Footprint
- Water Footprint
- Air Pollution
- Liquid & Solid Wastes
- Materials Use

Social Responsibility

- Diversity
- Human Rights
- Child Labor
- Employee Development
- Product Safety

Corporate Governance

- CEO/Board Diversity
- Executive Compensation
- Employee Compensation
- Anti-Corruption Practices
- Anti-Competitive Practices

ESG Investing...

Increasingly, investors use ESG “scores” to rate investment opportunities based on the company’s “risk” in environmental and social issues.

Companies publish sustainability reports based on frameworks relevant to their industry.

GRI: Global Reporting Initiative

Sustainable Accounting Standards Board (SASB) Standards

EU's Corporate Sustainability Reporting Directive (CSRD)

Rating companies evaluate the reports, assesses risks and establish an ESG Rating.



Example: MSCI's rating system.

Ex. Ball Corp's ESG Rating (by MSCI)...

MSCI's Overall Rating...

MSCI
ESG RATINGS



Ball is a **leader** among 12 companies in the **containers & packaging industry**.

Ball's Rating over the last 5 Years...



Ball Corporation compared to its peers in the packaging industry.

ESG LAGGARD	AVERAGE	ESG LEADER
CORPORATE BEHAVIOR	CORPORATE GOVERNANCE	CARBON EMISSIONS
CHEMICAL SAFETY	LABOR MANAGEMENT	PACKAGING MATERIAL & WASTE

Source: <https://www.msci.com/research-and-insights/esg-ratings-corporate-search-tool/issuer/ball-corporation/IID0000000002132707>

Main Takeaways...

Companies are reporting their progress towards sustainability in periodic Sustainability Reports.

Sustainability Reports address the 3 P's: People, Planet and Profits.

Reporting standards such as the GRI's Global Reporting Initiative help companies write their reports in a way that makes it easier to compare with other companies.

ESG – Environmental, Social & Corporate Governance, is the mechanism companies are incorporating sustainability principles into its approach to management.

ESG ratings are rapidly becoming an investment tool to evaluate a company's environmental and social risks relative to others in its industry.

Sustainable business practices are becoming accepted by more and more in the business community as the way to create shared value among all stakeholders!

Next Time...

Finance for Technical Managers: The Wrap-Up!



Credits & References

Slide 1: Diagram of sustainability by Dmitry, Adobe Stock (86399715.jpeg).

Slide 2: Business covering his eyes to avoid reality by ajr_images, Adobe Stock (174940253.jpeg).

Slide 3: TRUST process, business concept by dizain, Adobe Stock (76924379.jpeg).

Slide 4: Ball Corporation 2020 Sustainability Report, downloaded from https://www.ball.com/getattachment/6e281e99-3361-4f4a-a964-ac312986bdf4/Ball-SR20-Web_FINAL.pdf (accessed June 30, 2022).

Slide 5: Image Source, Ball Corporation 2020 Sustainability Report, page 2.

Slide 6: Image Source, Ball Corporation 2020 Sustainability Report, page 4.

Slide 7: Image Source, Ball Corporation 2020 Sustainability Report, page 5.

Slide 8: Image Source, Ball Corporation 2020 Sustainability Report, pages 8-10.

Slide 9: GRI Logo Image Source, https://en.wikipedia.org/wiki/File:GRI_Logo_2015_Colour_Transparent.png (accessed June 30, 2022).

Slide 11: Image Source: "A Short Introduction to the GRI Standards", downloaded from <https://www.globalreporting.org/media/wtaf14tw/a-short-introduction-to-the-gri-standards.pdf> (accessed June 30, 2022).

Slide 12: Image Source: GRI Reporting Standards Video, <https://youtu.be/6LkrhalWIMc> (accessed June 30, 2022).

Credits & References

Slide 13: ESG concept of environmental, social, and governance by Pcess609, Adobe Stock (483986078.jpeg).

Slide 15: ESG Rating System from MSCI, <https://www.msci.com/our-solutions/esg-investing/esg-ratings> (accessed June 30, 2022).

Slide 16: Images from MSCI, <https://www.msci.com/research-and-insights/esg-ratings-corporate-search-tool/issuer/ball-corporation/IID000000002132707> (accessed June 30, 2022).

Slide 18: Almost There by rnl, Adobe Stock (52710842.jpeg).