




ABOUT OUR REPORTING

This is Ball Corporation's third biennial sustainability report. It covers calendar years 2010 and 2011 and complements our financial reporting with information on our environmental and social performance.

The report covers our sustainability priorities – innovation, operations, talent management, recycling, supply chain and community – identified as topics most material to Ball through input from customers, employees, investors and suppliers. These stakeholders also represent the primary audience for our sustainability reporting.










Unless otherwise stated, we are reporting information globally from operations where we have operational control, including joint ventures where we are the majority owner. For economic, social, energy and water data, we also include our main administrative offices in the U.S. and in Germany. We do not cover joint ventures in social data.

Acquisitions are included beginning the month after the acquisition was completed. New Ball operations whose data appears for the first time in this report include our aluminum slug manufacturing operations in North America and Europe, our extruded aluminum packaging business in Europe and an acquired metal beverage plant in China. Environmental information from the Latapack-Ball joint venture in Brazil is also included for the first time. Due to the various changes in our businesses and product mix in 2010 and 2011, we redefined how we report normalized environmental data. This allows for a meaningful comparison of our performance over time. 

Our reporting is based on the reporting framework of the Global Reporting Initiative (GRI 3.1). We assess our application to be at Level B. A detailed GRI Content Index is available at www.ball.com.

We welcome your comments and questions on our sustainability efforts. Please direct them to sustainability@ball.com.

What's Inside

-  **1** CEO Perspective
-  **2** 2011 Ball Profile
-  **4** Our Approach to Sustainability
-  **6** Innovation
-  **8** Operations
-  **18** Talent Management
-  **20** Recycling
-  **24** Supply Chain
-  **26** Community

Online Reporting

Further information on our sustainability efforts and additional information about Ball is available at www.ball.com.



This symbol indicates that additional information is available online.



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2011 was a successful year for Ball Corporation, during which our company's economic, social and environmental performance helped us create value for our stakeholders and make significant progress on our sustainability goals.

Becoming more sustainable means thinking long term, which is a key component of Ball's Drive for 10 vision that we introduced in 2011. At its highest level, Drive for 10 is a mindset around perfection, with a greater sense of urgency around our future success. Our triple bottom line approach to sustainability – emphasizing economic, social and environmental progress – is directly aligned with Drive for 10. How sustainability contributes to achieving our vision is described at the beginning of each chapter in this report.

We have been practicing sustainability for much of Ball's 132-year history, and we have made great progress on this journey. Over the past five years, we have focused on measuring and improving our sustainability performance within our facilities. We have also broadened our scope to collaborate with customers and suppliers to determine opportunities that provide the greatest sustainability impact within the supply chain of our products. During the 2010/2011 reporting period, we made progress on numerous sustainability aspects. Some of these highlights include:

Economic

- We generated over \$1 billion in free cash flow to support our efforts to be economically sustainable. Our total investment in our business was \$694 million, which helped to create jobs in our communities and position us well for the future.
- Ball's comparable diluted earnings per share grew nearly 16 percent in 2011 versus 2010, and our stock generated a total return of nearly 6 percent for shareholders.

Environmental

- We exceeded our global, 10-year greenhouse gas emissions reduction goal of 16 percent two years early, through continuous efforts to improve our energy efficiency.
- We increased the percentage share of the total waste from our facilities worldwide that is recycled from 37 to 47 percent.

Social

- We improved our safety record by reducing our total recordable incident rate by 27 percent, achieving far lower levels than our industry peers as reported by the U.S. Bureau of Labor Statistics.
- We launched the Ball Foundation to take a strategic approach to our charitable giving. Overall, we contributed more than \$6.5 million to our communities around the world.

Our company changed significantly during the reporting period. For example, we divested our plastic packaging business and became the world's largest producer of aluminum slugs, used for extruded aluminum packaging. With these changes, we learned that the way we previously reported progress on our environmental performance no longer adequately reflected the range of our businesses. We adjusted the way we normalize performance indicators to better align with our businesses and allow our stakeholders to evaluate our progress in a meaningful way. Our future performance goals for our sustainability priorities can be found in each chapter of this report.

At Ball, sustainability is the responsibility of every one of our 14,300 employees, and their efforts are the reason for our success. We are proud of our sustainability progress and believe it differentiates our company. We also know that we have many more opportunities and challenges ahead as we strive to become a more sustainable enterprise.



“Becoming more sustainable means thinking long term, which is a key component of Ball's Drive for 10 vision.”

John A. Hayes

John A. Hayes
President and
Chief Executive Officer

2011 BALL PROFILE

Ball at a Glance

Founded: 1880

Businesses: Metal packaging and aerospace

Employees: 14,300

Total sales: \$8.6 billion


Headquarters: Broomfield, Colorado

Overview and Drive For 10

Ball Corporation is a packaging and aerospace products and services company focused on achieving long-term success for Ball and our stakeholders – our shareholders, our customers, our employees, our suppliers and our communities.

About 90 percent of our annual sales and profits come from our packaging businesses, primarily our global metal beverage can business. The rest comes from our aerospace technologies and services business. The United States accounts for 62 percent of our sales, with almost all of the remaining 38 percent coming from Canada, Europe, Asia and South America.

In 2011, Ball introduced the company's Drive for 10 vision, a strategy for continued, long-term value

creation.  At its highest level, Drive for 10 is a mindset around perfection, with a greater sense of urgency around our future success.

To achieve our Drive for 10 vision, we must pursue our strategy of:

- **Maximizing** value in our existing businesses
- **Expanding** into new products and capabilities
- **Aligning** ourselves with the right customers and markets
- **Broadening** our geographic reach
- **Leveraging** our know-how and technological expertise

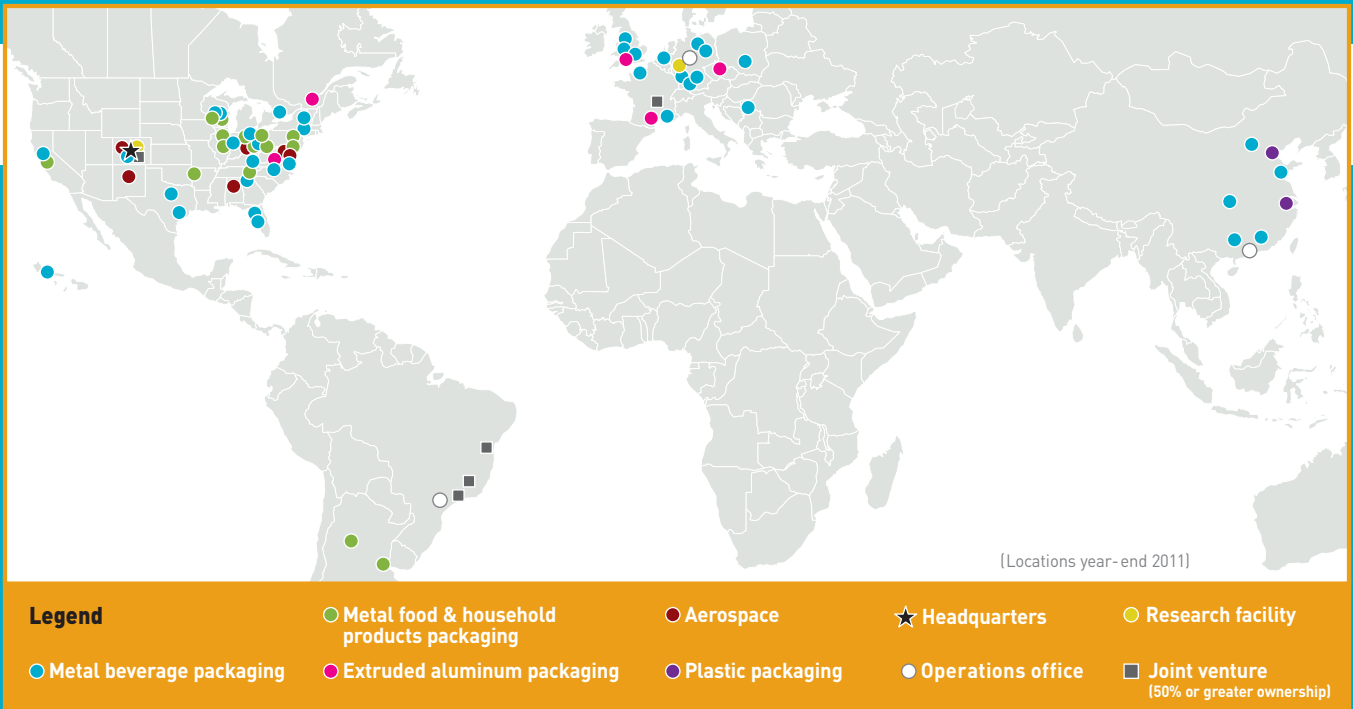
Financial Performance

Despite wider economic uncertainty in much of the world in 2011, Ball's total sales increased to \$8.6 billion from \$7.6 billion in 2010, while net earnings attributable to the company declined to \$444 million from \$468 million the year before. Comparable diluted earnings per share grew nearly 16 percent and Ball's stock price closed the year at \$35.71 per share, generating a total return to investors of nearly 6 percent.

2011 Key Figures

	Ball Corporation	North America	South America	Europe	Asia
Products	<ul style="list-style-type: none"> • Beverage cans • Food cans • Aerosol cans • Slugs • Aerospace • Plastic containers 	<ul style="list-style-type: none"> • Beverage cans • Food cans • Aerosol cans • Slugs • Aerospace 	<ul style="list-style-type: none"> • Beverage cans • Aerosol cans 	<ul style="list-style-type: none"> • Beverage cans • Aerosol cans • Slugs 	<ul style="list-style-type: none"> • Beverage cans • Plastic containers (non-beverage)
Employees (approx.)	14,300*	9,100	300*	3,400	1,500
Number of plants	62	32	6	17	7
Number of countries where we operate	12	2	2	7	1
Units of production (in billions)	73.8	47.1	3.8	18.4	4.6
Energy consumption (kWh; in billions)	3.37	2.15	0.14	0.87	0.21
Water consumption (cubic meters; in millions)	6.16	3.23	0.30	1.58	1.05
Key sustainability challenges	<ul style="list-style-type: none"> • Global alignment • Best practice sharing 	<ul style="list-style-type: none"> • Recycling of our packaging • Water • Innovation 	<ul style="list-style-type: none"> • Safety • Talent acquisition • Waste 	<ul style="list-style-type: none"> • Innovation • Talent acquisition 	<ul style="list-style-type: none"> • Talent retention • Waste • Water

* Does not include employees of Ball's Brazilian joint venture, Latapack-Ball Embalagens Ltda.



Our Businesses



METAL BEVERAGE PACKAGING

We are the largest manufacturer of metal beverage cans in the world. At our beverage can and end manufacturing facilities in the Americas, Europe and Asia, we manufacture approximately 65 billion infinitely recyclable beverage cans every year.

METAL FOOD PACKAGING

We are one of the largest producers of completely recyclable two- and three-piece steel food cans. Our manufacturing plants located throughout North America supply approximately 5 billion cans in a full range of sizes and shapes, as well as a full line of metal sheeting, specialty coatings and decorating services.



AEROSOL & SPECIALTY PACKAGING

We are the largest producer in the world of aluminum slugs used for extruded aluminum packaging and a leading manufacturer of steel and extruded aluminum aerosol cans and other metal packaging. At plants in the Americas and Europe, we manufacture extruded aluminum aerosol packaging, three-piece steel aerosol cans, metal paint cans, general line metal cans, oblong cans and decorative tins in a variety of shapes and sizes.

BALL AEROSPACE & TECHNOLOGIES CORP.

Ball Aerospace supports critical missions of national agencies such as NASA, Department of Defense and other U.S. government and commercial entities. We develop and manufacture spacecraft, advanced instruments and sensors, components, data exploitation systems and solutions for strategic, tactical and scientific applications.



OUR APPROACH TO SUSTAINABILITY

By balancing economic, environmental and social impacts in our decision making and activities, we will create long-term shared value for our stakeholders and for Ball Corporation. This is our sustainability vision, which reflects our triple bottom line approach to sustainability and contributes to Ball becoming a more successful and sustainable enterprise.

Sustainability is also part of our Drive for 10 vision, which leverages Ball's strengths to achieve continued long-term success. 🔍 Since we began a more formal approach to sustainability in 2006, we have broadened and deepened our efforts by working to embed sustainability within our operations and within the entire packaging supply chain. For example, we integrated sustainability into our annual strategic planning process to drive measurable environmental and social progress inside our operations.

Operations Embracing Sustainability

We use various tools to inform our 14,300 employees about our sustainability efforts, to explain our company's sustainability goals, to highlight improvements, to share best practices and to generate new ideas. To make sustainability more tangible for our employees, we introduced the term "Big 6" in 2008. This is a set of sustainability indicators that we can control inside our operations: safety, electricity, natural gas, water, waste and volatile organic compounds.

To drive measurable progress within our operations and to hold ourselves accountable, each plant commits to two-year sustainability goals. Progress is regularly evaluated with management and Ball's Sustainability Steering Committee reviews progress by each division on a quarterly basis. 🔍

During the reporting period, we created a measurement system for our global beverage can operations that allows



for monthly comparisons on 20 key manufacturing metrics, including the Big 6. The higher visibility of all plants' performance with respect to these metrics helps to drive progress. Another program introduced in 2011 is a best practice identification, evaluation and sharing tool. The best practices with the greatest impact are shared with and implemented in other plants.

We also introduced the R. David Hoover Sustainability Award in 2011, named after our former chief executive officer and current chairman of the board. In each of our divisions, the annual performance and improvement of each plant is analyzed in ten categories. Alongside the Big 6, aspects such as promoting regional recycling initiatives or the team player behavior of each plant, are also assessed. The most successful facility in each division receives the award. This competition further increases the engagement of plants in measuring, understanding and improving their sustainability performance.

Stakeholder Engagement and Materiality


Engaging our stakeholders is an essential part of how we do business. By listening to their ideas and needs, we better understand their expectations and can identify emerging opportunities and challenges in our markets. We regularly engage various stakeholders such as customers, employees, investors, suppliers, trade associations, governmental representatives, regulatory authorities and non-governmental organizations. On www.ball.com, we provide a summary of our stakeholder outreach efforts. 🔍

We performed an extensive sustainability materiality survey in 2009 to gather insights from various stakeholders' perspectives. Since then, corporate sustainability agendas have further evolved, new topics were put on corporate radars and existing topics became less or more important for our stakeholders and for Ball's future success. We are con-





tinually evaluating our sustainability priorities and aligning our approach and our sustainability reporting accordingly.

One major area that has become more important for many companies during this reporting period is supply chain sustainability. While Ball has cooperated with its suppliers on various sustainability-related initiatives for decades, we are now putting a stronger emphasis on better understanding our suppliers' sustainability management and performance. Where we are on this journey today and where we want to go is described on pages 24/25.

Our corporate sustainability priorities are innovation, operations, talent management, recycling, supply chain and community. The progress we have achieved during the 2010/2011 reporting period and our 2012/2013 goals for each corporate and operational priority can be found at the beginning of each chapter of this report. While we have aligned the content of this report according to our sustainability priorities, other topics that our stakeholders and Ball identified as being secondary, but still relevant for our company, are covered in our online reporting. Ball's latest sustainability materiality matrix can also be found online. 

Sustainability Governance and Risk Management

Our company culture has always been based on the highest level of integrity and ethical conduct. All Ball employees are required to understand and act according to our corporate values and our corporate compliance policies and procedures outlined in Ball's business ethics booklet. 

Ball's Sustainability Steering Committee, composed of corporate and operations executives, ensures that sustainability is fully aligned with and integrated into our strategies, as well as balanced with stakeholder expectations. 

In an increasingly volatile and uncertain global economy, risk management has become a major focus of our sustainability efforts. We use a systematic approach to identify,

CFO Perspective



Scott Morrison

Senior Vice President
and Chief Financial Officer
Ball Corporation

Why does sustainability matter to you as Ball's CFO and what do you consider to be major challenges for Ball in creating long-term shared value?

"As CFO of our company I want to be involved in Ball's sustainability efforts. While my initial interest focused on the cost saving aspect of it, it quickly became clear that sustainability includes many activities important to our company including risk reduction, reporting requirements, innovation and talent management – all of which contribute to our triple bottom line. Take water as an example. If Ball, our suppliers or our customers will find it increasingly difficult to operate in certain areas of the world in the future because of water scarcity issues, I want to know about that. A challenge for us today is that we have to better link our sustainability related performance with financial metrics."

assess and develop risk management plans in each of our businesses. This approach is based on a comprehensive risk management map process that encompasses our major risk themes – supply chain, commodity and currency volatility, human capital, financial risk and legislative action. Sustainability issues addressed within this framework include risks related to natural resources or the potential for government regulations related to packaging. Risk maps are reviewed regularly with board of director committees and updated throughout the year.

Our Sustainability Priorities

Corporate Priorities



Innovation



Operations



Talent
Management



Recycling



Supply
Chain



Community

Operational Priorities (Big 6)



Safety



Electricity



Gas



Water



Waste



VOCs



INNOVATION



By introducing product innovations and embracing new technologies, we create new value opportunities for our customers and ourselves. This drives profitable growth and reduces the environmental footprint of our products.

2010/2011 Progress Highlights


- Developed processes to integrate recycled aluminum in slug manufacturing (ReAl™)
- Installed second Alumi-Tek® line to manufacture reclosable aluminum bottles
- Launched “Suomi NPP” satellite (see below)

2012/2013 Goal Highlights

- Market launch of ReAl slugs and cans in major markets
- Reduce our aluminum use by about 6,800 metric tons in our North American beverage operations, saving approximately 75,200 metric tons of CO2 equivalents (assuming stable production volumes)
- Launch of the “Operational Land Imager” satellite to obtain data and imagery to be used in agriculture, education, business, science and government

Many successful product and process innovations, such as lightweighting our containers or increasing manufacturing speeds, have provided economic benefits to us, our customers and consumers. Many of these innovations are invisible to the consumer. Ball has also developed numerous packaging innovations designed to appeal to and add convenience or functional benefits for consumers. For example, Ball’s reclosable Alumi-Tek bottle, experienced significant growth since we introduced it in 2008. In 2011, we installed a second production line to keep up with the

rapid growth of this innovative package, creating approximately 40 new jobs in Golden, Colorado.

Because innovation is critical to growing our business and assisting our customers grow theirs, we work closely with customers and suppliers to identify and develop ideas to improve our products. We evaluate innovations through multiple lenses, including resource requirements, costs and the impact of product innovations on the recycling process. Sustainability has become increasingly important to our customers and consumers over the past decade. We believe this development favors lightweight, durable, infinitely recyclable aluminum and steel packaging. 

ReAl: A New World for Recycled Material

In 2010, Ball acquired two aluminum slug manufacturing facilities in North America, becoming the world’s largest producer of aluminum slugs. These metal disks are impact extruded to produce packaging for products such as aerosol body sprays or beer. Ball also acquired a joint venture slug facility and three extruded aluminum packaging facilities in Europe in 2011.

At that time, almost all aluminum slugs in the world were produced from virgin aluminum containing no recycled material. During 2011, Ball leveraged its global metal packaging platform and extensive packaging expertise to develop a technology innovation that allows the use of recycled material in the manufacture of slugs.

The resulting new metal alloy exhibits increased strength and enables Ball to lightweight its extruded aluminum

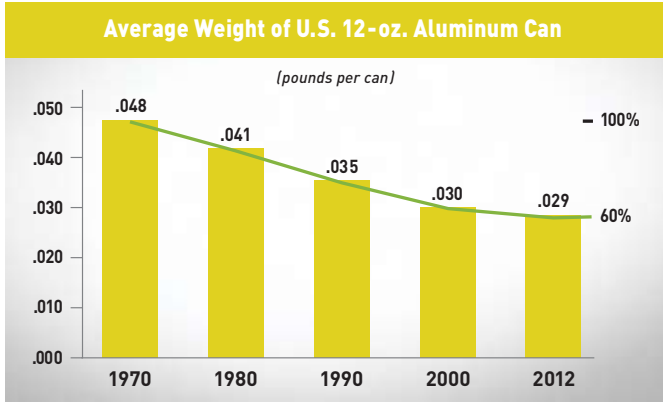
Priority in Action

The Suomi National Polar-orbiting Partnership (NPP) mission is the bridge between the nation’s Earth Observing System satellites and the next generation Joint Polar Satellite System. Suomi NPP will help scientists understand and monitor our environment on Earth and also provide vital near-term weather data to meteorologists.

Polar-orbit satellites contribute essential information for national forecasts, severe weather warnings, search and rescue operations, military contingency planning and environmental monitoring. Suomi NPP provides NASA the tools to continue its long record of environmental monitoring.

Ball Aerospace designed and built the Suomi NPP satellite bus, the Ozone Mapping and Profiler Suite instrument, integrated all instruments, and performed satellite-level testing and launch support. The Suomi NPP spacecraft bus is the eighth spacecraft built by Ball Aerospace utilizing a common satellite platform. In all, this design has more than 50 years of successful on-orbit operations. Suomi NPP successfully launched October 28, 2011.





aerosol packaging by as much as 10 percent, with further lightweighting expected in the future. We are excited about ReAl and will bring this new solution to our customers around the world in 2012 and beyond.

Lightweighting

Lightweighting – making the lightest container possible while still meeting the performance requirements of our customers and consumers – has always been a cornerstone of our approach to innovation. Throughout the value chain, we significantly reduce costs, energy and emissions by using less metal in our containers. We conduct life cycle assessments (LCA) for our products in major markets. We know from these LCAs that taking weight out of containers is one of the two main levers to reduce the environmental footprint of our packaging.

Our steel food cans have become 33 percent lighter in the past 25 years. And during our 43-year history of manufacturing beverage cans, we have worked with our suppliers to reduce the weight of cans. For example, 12-ounce beverage cans are 40 percent lighter today than they were in the 1970s.

Even very small lightweighting improvements save significant amounts of metal when multiplied by the billions of containers Ball produces annually. In 2011, we finished the conversion of our end lines in North America to the lighter-weight CDL end. This conversion saves more than 11,500 tons of aluminum annually in the U.S., equivalent to more than

127,000 metric tons of CO₂ or removing approximately 25,000 cars from the road.

Bisphenol-A (BPA)

Almost all aluminum and steel beverage and food cans use epoxy-based coatings as a barrier between the metal and the products in the can. These

METRIC TONS OF CO₂ SAVED BY CONVERSION TO CDL END IN THE U.S. ALONE:

127,000

Customer Perspective



Jimmy Yu Jiaping

Vice President of Corporate Purchasing
Brewing Operation Group
Tsingtao Brewing Company

As one of Ball's largest customers in Asia, and a company that is strongly involved in sustainability, what do you expect from Ball with respect to packaging innovations?

Packaging innovation is one of the most important elements in Tsingtao Beer's brand strategy, which emphasizes energy and style as well as heritage and intrigue. Successful innovation not only provides a refreshing, distinctive consumer experience but also maximizes the benefits of economic, social and environmental sustainability. Ball understands our need to link innovation with sustainability progress in Asia. We look forward to working closely with Ball's innovation team to continue our "win-win" partnership.

coatings have been used in cans for decades. Epoxy-based coatings utilize BPA in the adhesive that attaches the coating to the can.

Regulatory agencies in the United States, Canada, Europe, Japan, Australia and New Zealand have stated that scientific evidence has consistently shown these coatings to be safe. In March 2012, the U.S. Food & Drug Administration said that there is no compelling scientific evidence to justify new restrictions on BPA. Nevertheless, public discussion continues and Ball recognizes that significant interest exists in non-epoxy-based coatings. Ball continues to proactively work with suppliers and customers on alternative coatings that ensure that the can remains the safest form of rigid packaging in the world. In limited cases, Ball is supplying food cans that use a non-epoxy-based coating suitable for less acidic products.

Aerospace

Ball Aerospace develops groundbreaking and innovative spacecraft, sensors, systems and components that provide critical climate and environmental data to assist policy makers in decision making. Ball has developed technology that helps scientists to better understand our planet's atmosphere, ice mass, oceans, clouds and wind and that allows for precise mapping of the Earth. Key scientific discoveries about climate change and its effects on the Earth relied significantly on instruments and spacecraft built by Ball Aerospace.



OPERATIONS : ENERGY




By implementing energy management systems and leveraging our know-how and technological expertise, we continue to increase energy efficiency in our processes. This maximizes the value of our operations and reduces our corporate carbon footprint.


2010/2011 Progress Highlights

- Improved energy efficiency by 6.2 percent in our can businesses, by 10 percent in our slug business and by 16.3 percent in our aerospace business
- Exceeded our 10-year, 16 percent greenhouse gas emission reduction goal by achieving an 18 percent reduction at the end of 2010 (compared to 2002 baseline)

2012/2013 Goal Highlights

- Improve energy efficiency by 5.1 percent in our can businesses, by 1.3 percent in our slug business and maintain growth below 2.3 percent in our aerospace business
- Reduce global greenhouse gas emissions by 10 percent by 2015 (2010 baseline)

To significantly and cost effectively reduce our energy consumption, we developed a global energy strategy in 2011. It addresses energy supply and demand and requires the consideration of energy efficiency when making investment decisions. 

Our can businesses accounted for 89 percent of our total energy consumption in 2011. In these businesses, we measure our energy efficiency on a per unit of production basis. We improved energy efficiency by 6.2 percent during 2010 and 2011. In our slug and aerospace businesses, we also achieved significant energy efficiency improvements of 10 percent and more. 

A Multifaceted Approach

During 2010 and 2011, we implemented projects in all of our global operations to increase energy efficiency and decrease costs and greenhouse gas (GHG) emissions. These efforts included educational measures, optimizing machinery and processes as well as capital investment projects, such as replacing older equipment with more energy efficient units.

Ball invested approximately \$12 million in energy savings projects during the reporting period. These measures will result in estimated annual electricity savings of more than 40 million kilowatt hours and annual natural gas savings of approximately 64 million kilowatt hours. These savings exceed the annual energy consumption of an average three-line beverage can plant or more than 3,000 average U.S. households.

While our energy performance has significantly improved over the reporting period, we also recognize that changes in our businesses can negatively impact the energy efficiency of our operations. Those developments included new line startups in our Belgrade, Serbia, and Fort Worth, Texas, plants in 2011; increasing the variety of can sizes and shapes we produce; and curtailing operations in some plants, which reduced utilization and efficiency.

As a global company, we benefit greatly from exchanging

**GLOBAL INVESTMENT
IN ENERGY EFFICIENCY
MEASURES IN
2010/2011:**

\$12M



Priority in Action

The engineering team at our Oakdale, California, plant successfully completed a compressor system upgrade. During this \$500,000 capital project, four old compressors were replaced with two new 300 horsepower machines. One of the new compressors can adjust to plant compressed air demand. Through this project the plant realizes annual electricity savings of more than 1.25 million kilowatt hours, and qualified for a rebate by the regional utility company. The project also significantly reduced annual maintenance costs.

In addition, the plant implemented several measures in 2011 to capture the heat generated by its regenerative thermal oxidizer (RTO). The system takes some of the exhaust air from the RTO and blends it with fresh air to get a consistent air temperature that is fed back to ovens to reduce the amount of gas that they consume. The system also captures exhaust heat to heat the building in the winter.





information and best practices among our 62 manufacturing locations. 🔍 Membership in programs, such as the U.S. Environmental Protection Agency's "Energy Star" and the Department of Energy's "Better Buildings, Better Plants," provide further tools and technical resources to enhance our efforts and allow us to learn from other organizations.

Energy Management

We significantly improved energy data measurement and reporting capabilities during the reporting period. At the end of 2011, we had comprehensive energy information systems (EIS) installed in 13 plants, which enable us to better understand and manage the energy consuming processes in our operations and improve total system performance. Other plants are realizing significant energy savings using smaller scope energy monitoring. We will install additional energy monitoring devices in our operations going forward.

One focus area for improvement during the reporting period was line control optimization. When production lines stand still for a short period of time, not all of the equipment has to run on full power. By installing equipment that allows slowing or shutting down certain systems, such as variable-frequency drives (VFD) that control the speed of motors and pumps, we realize energy savings.

Employee Awareness and Engagement

In all our facilities, Ball employees focus on energy efficiency. Several Ball plants started formal voluntary energy conservation or broader sustainability teams during the reporting period. Our Saratoga Springs, New York, and

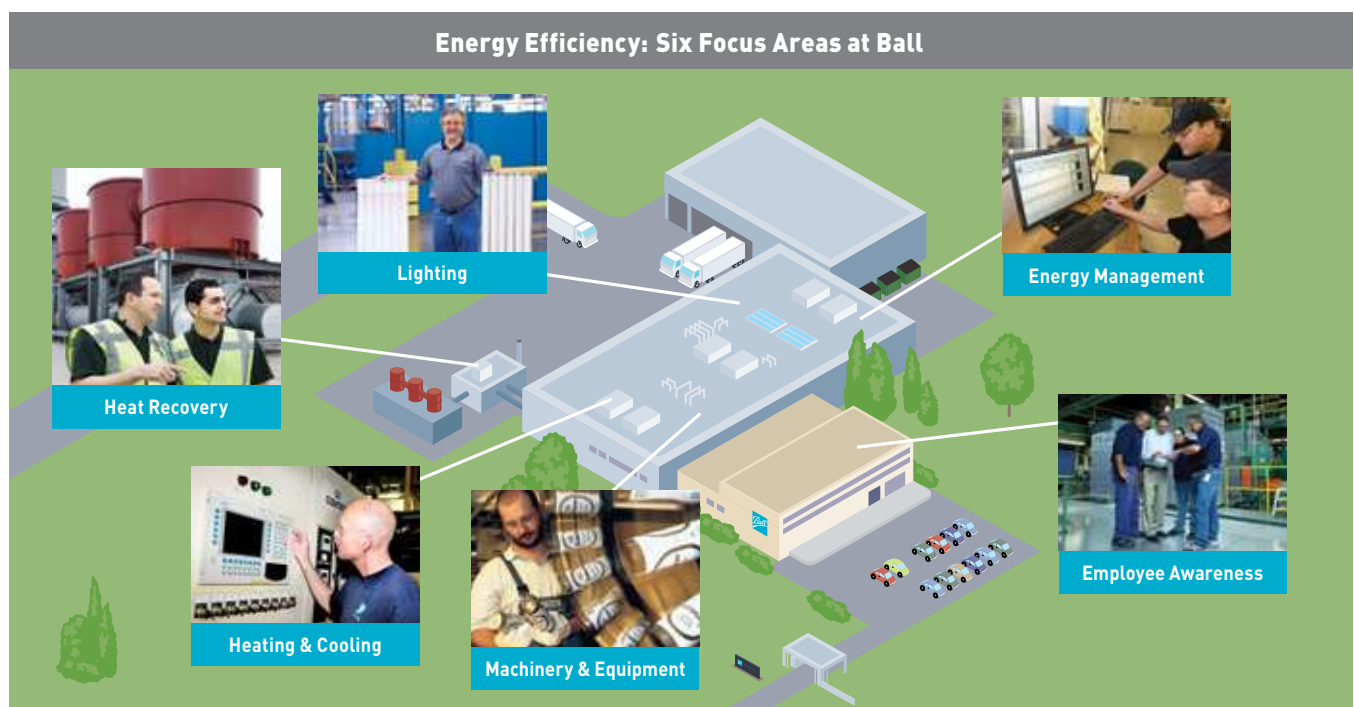
Weißenthurm, Germany, plants have been actively engaged in energy efficiency for more than a decade. Their commitment to develop and test new ideas contributed to maximizing the value of our existing businesses.

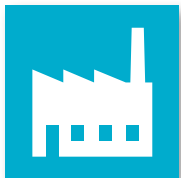
Machinery and Equipment

In an aluminum beverage can manufacturing plant, between 20 and 30 percent of the overall electricity used is consumed by air compressors. We conduct audits of our compressed air systems, reduce system pressure, minimize wasteful air uses and leaks, regulate volume and pressure and reduce demand by manufacturing equipment to optimize performance. Twenty-one of our metal beverage packaging plants worldwide now use dual air systems that supply equipment with either high or low pressure air to reduce energy use and costs.

In North America, Asia and Europe, we replaced eight older compressors with more energy efficient models during the reporting period, sometimes replacing high-pressure compressors with low-pressure units at the same time. These investments of approximately \$2 million will save 6.2 million kilowatt hours of electricity per year, which corresponds to approximately 4,300 metric tons of CO2 emissions.

Ovens can account for up to 75 percent of a beverage can plant's natural gas use and up to 20 percent of electricity use. We typically use ovens after washing and applying coatings and inks so that the containers can be further processed. During the reporting period, Ball





OPERATIONS : ENERGY

engineers developed several innovative approaches to reduce the energy consumption of ovens. We also performed oven audits in all of our European beverage can plants, identifying opportunities to substantially reduce gas consumption. We are committed to execute related projects in 2012 and expect to realize natural gas savings of approximately 10 million kilowatt hours per year, equivalent to approximately 1,900 metric tons of CO2 emissions.

Ball Aerospace accounts for only 2 percent of Ball's energy consumption, but optimization of energy use is a high priority for this business. One of the major areas of energy use occurs in cleanroom operations. These are rooms where the level of environmental pollutants such as dust and microbes is reduced to allow for the manufacture and testing of sensitive aerospace instruments and other technologies. During the reporting period, we installed VFDs to control the operation of supply fan motors within one of the larger cleanrooms. The estimated reduction in electricity is approximately 277,400 kilowatt hours per year, equivalent to more than 190 metric tons of CO2 emissions.

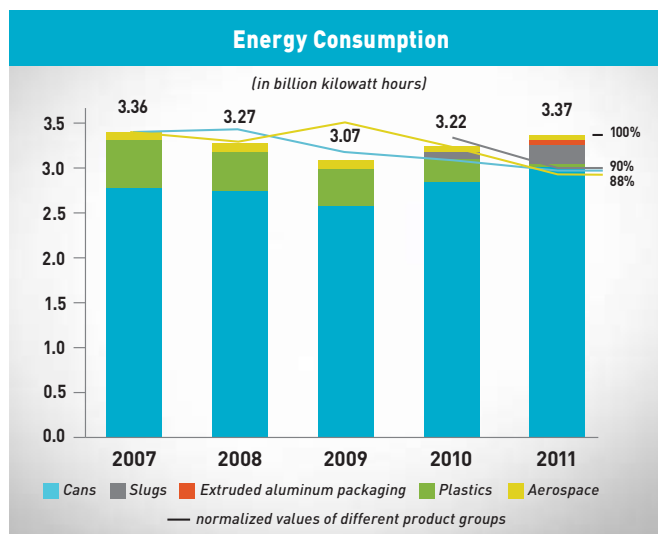
Heating and Cooling

Heating, ventilation and air conditioning (HVAC) control during the heating season has been identified as another energy efficiency opportunity. Central control systems and higher awareness of HVAC-related energy usage and costs are driving progress. We identify optimal temperatures for different areas within a plant and educate employees on

how these temperatures can be achieved with the lowest energy input. The installation of heat curtains, for example, reduces heat or cooling loss.

Heat Recovery

A regenerative thermal oxidizer (RTO) is a pollution control system that uses high temperatures to destroy volatile organic compounds emitted during can coating processes. RTOs normally operate on natural gas. When Ball bought the Fort Atkinson, Wisconsin, metal beverage can plant in 2009, the plant's heat recovery system did not operate efficiently. In 2010, Ball invested more than \$300,000 to install additional



Priority in Action

Building on the experiences from the construction of the Tres Rios, Brazil, can plant in 2009/2010, Latapack-Ball started to build another plant in Alagoinhas, Brazil, in April 2011. During the design stage of this new plant, Latapack-Ball and Ball engineers from North America included energy efficiency as a priority.

The design of the production line was optimized to reduce the need for conveying, piping and other infrastructure. We also significantly reduced the need for vacuum and compressed air by making better use of mechanical power and gravity to move cans along the line. As a result, 36 fewer motors were installed throughout the plant, as compared to previously-built plants. An energy information system will allow for continuous monitoring and improvement of energy use.

All large motors are equipped with variable-frequency drives and sensing equipment so that when cans are not being transported, the motors slow down. The outstanding performance of the compressed air system from the Tres Rios plant was copied with even less piping installed. In early 2012, the Alagoinhas plant was in the process of applying for LEED certification, a concise framework for implementing green building design solutions. Receiving this certification would reward the work that was performed to make Alagoinhas one of the most energy efficient can plants in the world.







controls and replaced ineffective heat recovery coils. This system is used today to heat water in the production process, as well as to heat the plant itself. The system reduces the plant's natural gas use by approximately 8 million kilowatt hours per year.

Lighting


Ball continues to replace old lighting with energy efficient lighting. Our plant in Shenzhen, China, for example, replaced 450-watt ceiling lighting with equally bright 180-watt lamps, saving 460,000 kilowatt hours annually.

Reducing our Corporate Carbon Footprint

In 2004, Ball committed to reduce global direct and indirect greenhouse gas emissions by 16 percent by 2012, using 2002 as a baseline.  At the end of 2010, we had exceeded that goal and reduced our global GHG emissions by 18 percent.

We remain committed to reducing our corporate carbon footprint. That is why Ball developed a new GHG reduction goal: by 2015, we will reduce our global GHG emissions by 10 percent compared to a 2010 baseline. 

Our primary effort to reduce GHG emissions has so far been directed toward increasing energy efficiency. However, Ball is also exploring cost-effective ways to use renewable energy. For example, we are investigating the installation of a 1 megawatt windmill at our Fairfield, California, plant that is projected to account for up to 9 percent of the plant's annual electricity use.

Since 2007, we have disclosed our GHG emissions annually as part of the Carbon Disclosure Project. 

Scientist Perspective



Prof. Dr. Udo Gieseler
Fachhochschule Dortmund,
University of Applied
Sciences and Arts, Germany

You analyzed innovative strategies for Ball to develop energy-self-sufficient plants. Based on your insights, what do you consider to be major challenges for Ball so we can significantly enhance energy efficiency?

Half of the energy demand at Ball's beverage can plants is supplied by natural gas, used mainly by ovens after washing and decorating. Our team has identified measures for improving the energy efficiency of curing, reducing the energy consumption by about 80 percent. One of the major remaining steps is the reduction of the discharged air. In the long-term, Ball should evaluate using infrared drying or UV-curing inks, which can lead to significant energy savings by requiring less heat for drying.

Another huge opportunity involves applying several efficiency measures at compressors, which can reduce the electricity demand by 50 percent (pressure loss, leaks, intake temperature, filter, engines). About 60 percent of the waste heat from the compressors can be used for other processes. In the long-term, Ball should consider replacing compressed air with electro-mechanical drives, which can reduce energy demand by 80 percent.



Priority in Action

Since 1974, Famosa, the leading supplier of aluminum cans in Mexico, has licensed Ball Corporation's manufacturing technologies. An initial, metric-based benchmark survey between both companies identified ways for Famosa to use energy more efficiently and reduce costs.

In late 2010, Ball visited Famosa's plant in Toluca to conduct an in-depth energy assessment and to exchange information with engineers from all three Famosa plants. The major suggestions that our energy experts provided to Famosa were low or no cost measures covering areas such as compressed air, vacuum, operational control, lighting and ovens. The overall identified potential energy savings added up to approximately 12 percent of the plants' energy use. By increasing employee awareness

and with an investment of less than \$200,000, Famosa was able to realize significant energy savings.

In October 2011, a team from Famosa visited a Ball plant for further benchmarking and exchanging of ideas. Ball recommended conducting oven audits in Mexico with a supplier that had worked with Ball. A Ball engineer attended one of these audits in Ensenada, Mexico, in November 2011 and gained several insights that will also benefit Ball's operations.



OPERATIONS : WATER



By measuring and better understanding water use in our operations, we drive efficiencies in our processes and protect the environment. This minimizes risks related to water-stressed situations that could affect business continuity for Ball and partners in our supply chain.

2010/2011 Progress Highlights

- Improved water efficiency by 0.8 percent in our can businesses, by 39 percent in our slug business and by 12 percent in our Aerospace business
- Installed electronic water meters at main consuming equipment in our North American beverage can operations

2012/2013 Goal Highlights

- Improve water efficiency by 7.2 percent in our can businesses, by 6.1 percent in our slug business, by 11.1 percent in our extruded aluminum packaging business and maintain 0 percent growth in our Aerospace business

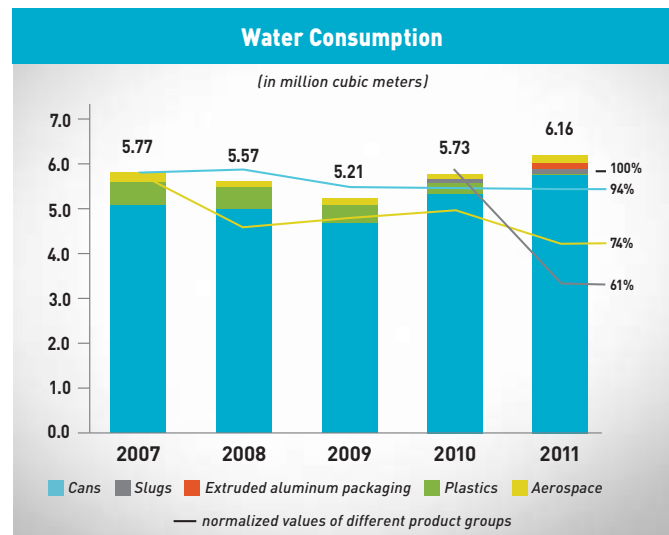
Access to fresh water is vital for consumers, our customers, our suppliers and Ball. From a product lifecycle perspective, the vast majority of water used to produce canned beverages and food is used in metal manufacturing and some of the products that are put into our packaging. That is why we discuss water-related risks and opportunities with our suppliers and customers.

Ball's major use of water is in beverage can manufacturing. At our offices and in our aerospace, metal food and aerosol packaging and slug manufacturing businesses, water is only used for cooling, cleaning, irrigation, cafeterias and restrooms.

In 2011, Ball used 6.16 million cubic meters of water worldwide. Our can businesses used 93 percent of the total, or

5.7 million cubic meters. During the reporting period, these businesses improved their water efficiency, measured on a per unit of production basis, by 0.8 percent, aiming for a 7.2 percent improvement during 2012 and 2013.

Ball operates some facilities in regions where water scarcity has been, or may become, an issue within the next decade – including parts of China, South America, the United States and Europe. In most cases, however, water supply has not been a large cost factor for our plants. This has sometimes resulted in inefficient usage in the past. We are aware of the risks that absence of clean water poses to people and businesses and are committed to



Priority in Action

Our Williamsburg, Virginia, plant installed water meters at its three washers in 2010 and made water conservation a priority. Water data is evaluated on a daily basis and ambitious water reduction goals have been set. The plant's Chief Chemical Maintainer and the Engineering Manager have become the water champions at the plant and implemented several measures to reduce water consumption. They started educating colleagues about water-related risks and opportunities in the manufacturing process. By installing the right tools and explaining how minor adjustments to the plant's various water-intensive processes can save thousands of gallons of water, employees became engaged in the plant's water conservation efforts.

As a result, plant water usage was reduced by more than 42 percent per unit of production compared to a 2009 baseline, while not affecting the quality of our products. Water metering and employee engagement in Williamsburg improved water management considerably and saved almost 79,600 cubic meters of water in 2011.





continuously optimizing water management in our facilities and to pursuing water-related opportunities.

Improving Water Use and Efficiency

Ball's most water-intensive process is washing our cans during manufacturing. On average, washers account for about two thirds of the total water consumption in a beverage can plant. To create efficiencies, Ball's washer process occurs in counter-current cascades to reuse water at different washing stages. To better understand, monitor and improve our water use, Ball is investing in water monitoring equipment and installing new water metering. By early 2012, for example, all washers in our North American and European beverage can plants were equipped with water meters. Enhanced water monitoring increases the visibility of water consumption, fosters employee awareness and enables us to better understand and optimize our systems.

In addition, we appointed local water champions in several plants. These employees analyze water data, control water-consuming equipment and drive enhancements. While our goal is to reduce water consumption as much as possible, we must also diligently monitor the quality of produced cans. If we reduce the water intake of washers too much, the quality of our cans is affected and spoilage increases.

Overall, seven plants increased water efficiency by 10 percent or more in 2011. This was achieved by constant monitoring, employee engagement, washer setting optimizations and by recycling water within our processes. Our plant in Hermsdorf, Germany, for example, invested \$75,000 to install new equipment to reuse more water in the washing process. This project saves 12,800 cubic meters of water per year, which is approximately 8 percent of the plant's annual water consumption.

In Argentina, Ball operates two aerosol can plants. These facilities do not use water in the production process. However, our employees combined the installation of new water meters that allow for daily monitoring with a training program about the responsible use of water. These measures significantly raised employee awareness and resulted in a 55 percent reduction in the plant's annual water use in 2011.

**7 PLANTS IMPROVED
WATER USE EFFICIENCY
IN 2011 BY MORE
THAN:**

10%



Treating Wastewater On-Site

By reducing water use in our plants, we also reduce the amount of wastewater we handle in our own wastewater treatment systems. These systems remove contaminants in the wastewater before we

Investor Perspective



Paal Klykken
Equity Analyst
Schroder Investment
Management
North America Inc.

Why is investors' interest in water-related risks and opportunities continuously growing and what do you consider to be a major water-related challenge for the packaging industry?

With predictions of a 30 percent global population increase by 2050, and a potential tripling in the size of the global economy over the same time period, demand for water will likely only increase. Yet over-abstraction, increasing pollution and the increasing concern over climate change are putting pressure on water supply. This disparity means that, at a global level, water demand is likely to materially exceed sustainable supply by 2030, giving rise to serious macro and micro economic issues.

These issues will have implications for the packaging industry throughout its value chain: from production, where water management strategies should focus on reducing costs, through water use efficiency improvements and pollution reduction, to the disposal of production waste and the prevention of pollutants leaching into water resources. As investors, we evaluate environmental, social and governance standards as part of our investment process, recognizing that related risks and opportunities that a company faces and manages have relevance for our investment thesis.

release it to the sewage system. Three of our plants in Asia upgraded their wastewater treatment systems during the reporting period. For example, our Hubei plant added a biological treatment process, building on the experience we gained at other plants. This upgrade enables our facilities in China to go above and beyond compliance.

An opportunity for water recycling is the use of effluent water from our wastewater treatment systems to mix lime water. We use lime slurries in some of our wastewater treatment units as a neutralizing agent and to bind suspended solids before we release water to sewage systems. By using water from the washer for mixing lime slurries, we can save on average 1,000 cubic meters of water per plant annually.



OPERATIONS : WASTE



By managing our waste streams effectively and sharing best practices, we reduce the amount of waste we generate and increase the percentage of recycling. As a result, we make best use of all incoming materials and maximize value creation.

2010/2011 Progress Highlights

- Aligned waste reporting globally according to seven waste categories
- Reduced waste to landfill in North America by 18 percentage points, exceeding our goal of 10 points
- Reduced waste to landfill in our European beverage can business by 58 percent; with that, only 1.6 percent of all waste was sent to landfills in 2011
- Added seven plants to our zero waste to landfill list: globally 13 out of 62 plants were zero waste to landfill by the end of 2011

2012/2013 Goal Highlights

- Reduce waste to landfill by another 10 percentage points, increase recycling by 10 percentage points and add 10 more facilities to our zero waste to landfill list in North America
- Reduce total waste generated per unit of production in our European beverage can business by 10 percent

Material use and waste volumes are important yardsticks used to evaluate the efficiency of our processes.

Reducing spoilage in our manufacturing processes and recycling all metal production scrap are the most obvious strategies that Ball employs to conserve resources and to generate additional revenue. Approximately 87 percent of the total waste generated by Ball is metal manufacturing scrap. All of that scrap is sent back to our suppliers and is remelted to be reused in new metal applications. We are focusing our

waste management efforts on reducing the remaining waste streams, which totaled 43,766 metric tons globally in 2011.

Accurate and consistent data regarding waste generation, waste types and disposal methods are required to systematically assess waste streams site-by-site and to define waste reduction programs. This allows us to identify a number of levers which will further reduce the total amount of waste we generate and increase the percentage that is recycled.

Reducing Waste, Increasing Recycling

In our packaging and aerospace businesses, we are working toward reducing the total amount of waste we generate and recycling as much waste as possible by diverting it from less beneficial streams such as landfill and waste-to-energy. In 2011, we recycled 48 percent of our total waste globally. To achieve further improvements, we educate our employees about the benefits of recycling, provide convenient recycling infrastructure in our facilities and cultivate a resource conservation mindset.

Minimizing Waste to Landfill

By the end of 2011, 13 of our 62 manufacturing plants sent zero waste to landfill. This is an increase of seven plants since 2009. Twenty-five percent of the total amount of waste that Ball generated in 2011 was sent to landfills. Diverting waste from landfills is particularly challenging in regions where costs for disposal in landfills are low and recycling options are limited. Our long-term goal is to minimize the amount of waste sent to landfill whenever it is

Priority in Action

In 2006, Ball Aerospace established a multi-functional team to evaluate and select a recycler for electronic waste (e-waste). It became clear that a local company from Colorado, where 82 percent of Ball Aerospace's employees are located, was aligned closely with Ball's expectations regarding environmental management and went beyond compliance in its business practices. Guaranteed Recycling Xperts (GRX) was one of very few companies that committed to following the Basel Agreement, which prohibits the shipment of e-waste to countries overseas.

In 2007, Ball nominated GRX for the Colorado Environmental Leadership Program (ELP), which recognizes companies that voluntarily go beyond compliance and are committed to continual improvement. GRX received the award and went on to implement an environmental management system that made them eligible for the highest tier of the ELP program.

Partnering with Metech, a company that merged with GRX in 2009, has been a success story for both Ball Aerospace and Metech. Since 2006, Ball Aerospace has shipped almost 200 metric tons of e-waste to Metech, including 26 metric tons in 2011.





PLANTS THAT SENT ZERO WASTE TO LANDFILL IN 2011:

13



environmentally sound and economically feasible.

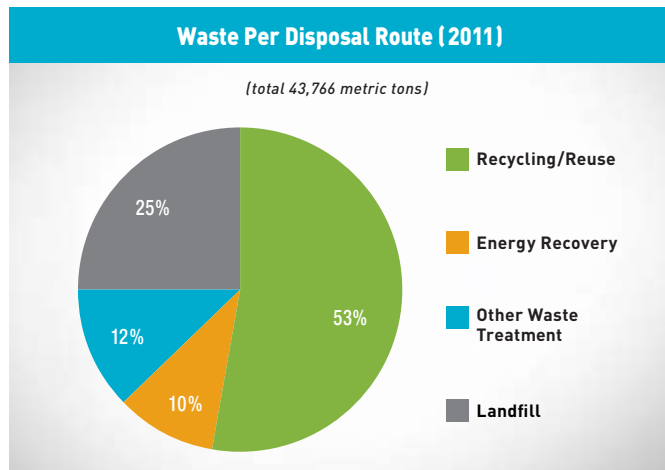
Ball engaged a by-products solutions provider in 2008 to identify, track and effectively manage all waste streams in our North American facilities. As a result, we identified numerous ways to reduce our

environmental footprint and turn waste into an economic advantage. In our North American metal beverage packaging business, we have reduced waste to landfill from 55 percent in 2008 to 29 percent in 2011. At the same time, we increased the amount recycled from 15 percent to 54 percent.

The solutions provider has also been instrumental in diverting filtercake from landfills. Filtercake, which is generated in the course of wastewater treatment, is the largest waste stream by weight in our aluminum beverage can plants. It accounts for up to 59 percent of a plant's total waste. Today, eight of our 20 North American beverage can plants send their filtercake to beneficial reuse sites, such as commercial composting facilities. Through this program alone, we were able to remove 4,471 metric tons from landfills during the reporting period. We use savings from other waste optimization programs to partially offset the additional costs for diverting filtercake from landfills.

Rethinking Waste Management

Numerous locally driven, innovative waste programs were introduced at our facilities in 2010 and 2011. Our plants in Wrexham, United Kingdom, and Bierne, France, reduced the total amount of waste per unit produced by 30 percent or more. This was achieved mainly by implementing a more effective separation technology for an oil-water mix that we previously had to dispose of in full. With the new separation,



Government Representative Perspective



John Griffiths
Welsh Minister of State for the Environment

Resource conservation and climate protection are ranked high on the political agenda. What do you consider to be a major challenge for more effective waste management in businesses?

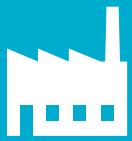
There is an increasing awareness of the resource constraints which all businesses face in the current economic climate. Businesses need to become more resource self-sufficient with more emphasis on preventing waste and increasing recycling. In the long term, we want to ensure that all wastes are seen as a resource. This may involve completely reviewing and redesigning their business models and working methods.

The biggest challenges for businesses will come from the need to change current business models, work with customers to ensure that supply chains become more sustainable and to encourage a move towards longer-life products with emphasis on such things as leasing or refurbishment rather than buying new. Businesses will also need to rethink the types of materials used, and how they are used to enable better design for disassembly and closed loop recycling.

more of the clean water can be discharged as trade effluent and the oil is recycled for blending as heating oil. Other Ball plants are now adopting this practice.

One of the cost components of waste disposal and recycling is transportation, which includes fuel, equipment and labor charges. Many of our plants operate owned or leased compactors and balers to move shrink wrap, strapping, paperboard and other material out of the general refuse waste stream. We sell this material to partially offset the disposal cost.

Accordingly, there are more trips made from Ball facilities with material that has value and fewer with material for which we must pay disposal fees. One example is our Baltimore, Maryland, plant, which sent its last load of general refuse to landfill in the fall of 2010. All of the general refuse from the plant is now stored in a waste compactor on-site until it is sent to an incinerator to be burned as fuel. This success was possible because of the plant's concerted effort to remove all recyclables from the general refuse waste stream.



OPERATIONS : SAFETY



A safe work environment has the highest priority at Ball. Through the commitment of all our employees and the use of varied safety tools, we continue to improve our safety performance, also leading to improved productivity.

2010/2011 Progress Highlights

- Reduced total recordable incident rate by 27 percent
- Expanded the implementation of formal occupational health and safety management systems according to OHSAS 18001 to all business units except Asia

2012/2013 Goal Highlights

- Reduce total recordable incident rate by 15 percent each year
- Initiate safety culture change process in at least six more plants

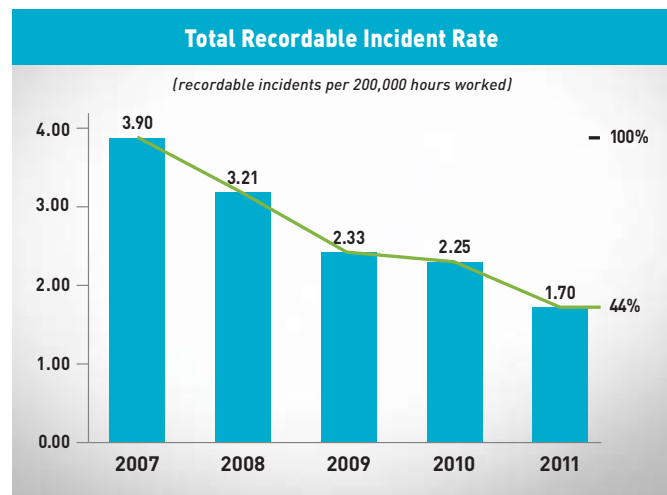
The health and safety of our employees is essential for a growing and sustainable business and ultimately impacts our success. We are making strides toward our long-term goal of zero work-related incidents and our interim goal continues to be to reduce our total recordable incident rate (recordable incidents per 200,000 hours worked) by 15 percent year over year. During the reporting period, we achieved a 27 percent reduction. Out of our 62 packaging manufacturing locations worldwide, 10 reported zero recordable accidents in 2011.

Ball has a successful safety performance track record with incident rates consistently lower than the metal can manufacturing industry as reported by the U.S. Bureau of Labor Statistics. In 2010, the incident rate for the metal can manufacturing industry was 4.9, compared to Ball's overall rate of 1.7 in 2011.

Committed to Continuous Improvement

Our commitment to health and safety comes from the most senior levels in our company. Reports about safety performance and safety management systems are routinely provided to senior level and executive management. Management commitment and active employee engagement are necessary to achieve our safety goals.

Ball directs employees to a global health and safety policy and a set of mandatory standards based on the international Occupational Health and Safety management system standard OHSAS 18001. Our health and safety management system provides the framework for continuous improvement. The implementation and effectiveness of



Priority in Action

Our food and household products packaging plant in Horsham, Pennsylvania, improved its total recordable incident rate from 5.9 in 2010 to 2.2 in 2011, a 63 percent reduction. This was accomplished through constant communication about safety philosophy and goals, regular safety training and through emphasizing accountability and rewarding successes.

The behavior-based safety (BBS) program has been expanded from one team to five, with BBS meetings held on each crew every month. Team members are trained in hazard recognition and BBS, and perform regular safety observations of their peers. Additionally, each month a supervisor takes a safety walk with an hourly employee to identify potential hazards. Employee participation in BBS is a very large part of the plant's safety success.

In addition, the plant invested in technology that enables employees in a crew meeting to provide instant feedback by casting a vote on questions about safety progress or culture. This participatory system has allowed the plant to further understand its current safety culture and identify safety improvements for 2012. Plant employees are proud of the improvement they have achieved. Everyone in Horsham understands that plant success starts with safety and has committed to being safety leaders.





the system is regularly checked by means of internal – and in many cases external – audits. The main elements of our system include policies, planning, implementation and operation, checking and corrective action and management review.

Addressing the Challenges

High noise levels, strains and sprains remain major safety challenges at Ball. Noise levels can be above 100 decibels in some of our operations. In North America, we have introduced a program to determine the most effective hearing protection for each individual employee. Engineering controls such as acoustic guarding are among other measures we are installing in our operations to reduce noise levels.

Ball is committed to the well-being of our employees by proactively empowering, supporting and engaging all employees. That is why one of our key efforts to improve safety performance is training. We provide health and safety training for our employees and contract workers. This training includes new hire induction and refresher training. Affecting the behavior of our employees represents the biggest challenge and offers the most opportunity for Ball.

Behavior-Based Safety

Eighty percent of all work-related accidents include a behavioral component. Since 2005, we have been using behavior-based safety (BBS) methods to prevent unsafe behaviors by proactively focusing on existing or potential behaviors that may lead to incidents. We enlist employees at all levels to monitor safe and unsafe behaviors and to report their observations. Plants deploying BBS routinely analyze observations made by all employees and implement corrective measures accordingly. The long-term use of BBS programs has been a major contributing factor in improving our safety performance.

Safety Culture Change

Through a long-term safety culture change process, we are working toward enabling employees to take ownership of their own safety and the safety of others. Instead of concentrating on the technical aspects of safety, such as machinery and

its use, safety culture change addresses the hidden beliefs, norms and assumptions that govern behavior.

While we have addressed safety culture using BBS in our plants over the last decade, we began implementing a more targeted process in three North

GLOBAL MANUFACTURING OPERATIONS THAT REPORTED ZERO RECORDABLE INCIDENTS IN 2011:

10

Auditor Perspective



Ali Dincmen

Director, Business Development International
Bureau Veritas Certification

Based on the insights you gained during safety audits at Ball, what are the key challenges Ball will have to address in order to become world-class on operational health and safety?

The Ball packaging facilities visited by Bureau Veritas Certification (BVC) Lead Auditors in six European countries were found to be extremely well-controlled sites internally and externally – very impressive with clear desire to exceed. This is also reflected in the level of commitment seen on all sites and from all those involved, especially taking into consideration the diverse workforce across the different countries.

Furthermore, there is a clear effort at all sites to demonstrate commitment in relation to systems compliance to OHSAS 18001:2007. There is an excellent Safety Record System noted on each site during the BVC audits. The challenge is to maintain this record. As a result, Ball is on the right path toward becoming a world-class company on operational health and safety.

American plants in 2011. Plant employees participate in a safety culture survey to assess the current safety culture of their plant. The findings and recommendations are reviewed and prioritized by plant employees. Instead of implementing programs developed by higher level management, voluntary members of grassroots teams receive training and are empowered to develop solutions and tools to continuously improve safety performance. For example, in our Wallkill, New York, plant, team employees suggested that salaried employees become more involved on the shop floor. This challenge was addressed by increasing the presence of salaried employees in the plant and improving communication.

Effective safety culture change takes time, so we are gradually implementing this formal program in our operations. In 2012/2013, at least six more North American plants will start the process. We will also develop a similar process for our European operations. A positive side effect of these grassroots activities is that motivated young leaders step up and lead the change. This helps to identify and develop talent at Ball.



TALENT MANAGEMENT



By developing and inspiring great talent at Ball, we create tremendous long-term success for our employees, our company and other stakeholders. This in turn enables us to acquire, assess, develop and engage the best talent to help us grow.

2010/2011 Progress Highlights

- Created global talent management function to develop and harmonize best practices from across all operating divisions within Ball
- Began roll out of a global human resource information system that provides consistent tools utilized throughout our operations
- Deployed global talent performance appraisal process to identify our best talent around the world and develop plans for their growth

2012/2013 Goal Highlights

- Conduct first global, bi-annual employee engagement survey
- Determine and enhance overall employee engagement index (monitored via employee engagement survey)
- Evaluate employees' perceptions on our diversity and our efforts to create a more diverse and inclusive environment at Ball (monitored via survey)
- Complete roll out of a global human resource information system
- Fully deploy an integrated succession planning process across each of our businesses

Ball has made significant progress in the past two years related to talent management. For example, we have pulled together a team of our people from around the world and engaged them in a discovery and action process to build robust talent management capabilities that are aligned with our Drive for 10 strategy. Our intent is to acquire, assess, develop and engage the best talent in the world to help us grow. And we are creating the right systems to support these efforts.

While many of our past human resources activities have been specific to geographic regions in which we operate and unique to the needs of each business, we now have begun the process of harmonizing our activities globally while recognizing regional differences. We are identifying and adopting best practices both inside and outside of Ball, developing consistent strategies, and then executing in the most practical way. This makes our businesses stronger in each region while also connecting our community of talent globally.

Since 2010, Ball has taken significant steps to improve our company's talent acquisition, talent development and organizational planning capabilities.

We believe that developing great talent, aligned with our corporate vision, will create tremendous long-term success for our employees, customers, suppliers and shareholders. Our goal is clear: we are creating a talent-first organization through the global development of programs and people.

Talent Acquisition

- We have taken a global view toward our on-boarding programs in each of our businesses and are harmonizing an approach for getting new employees acclimated culturally and fully engaged more quickly.

Priority in Action

Since 2010, the Brazilian economy has experienced significant growth. As a consequence, competition for talent is intense. Latapack-Ball started operations at the Tres Rios plant in late 2009, added a second production line in mid-2010 and started the construction of a new plant in Alagoinhas in 2011. Attracting and retaining the right people has therefore become one of our most important tasks.

We developed multiple talent management programs in 2011. For example, 30 management employees were trained in the new "Continuous Leadership Development Program." Each Latapack-Ball employee completed an average of 80 hours of training in 2011 – the best practice in Brazil is 62 hours. In Alagoinhas, the 133 new employees reached almost 80,000 total hours of training. We also hired five trainees who have the potential to grow into future leadership positions.

As a result of all our talent management efforts, Latapack-Ball was recognized as one of the best 150 Companies to Work For in Brazil. This allows us to attract and retain the best talent and contributed to the achievement of a voluntary turnover rate of less than 0.1 percent in 2011.



PERCENTAGE OF EMPLOYEES OUTSIDE NORTH AMERICA:

36%



- We are developing a global employment brand for Ball that will support our goal to become an employer of choice in the regions where we operate.

- We are developing consistent interviewing and assessment processes,

aligned with Ball's core values, to improve our quality of hiring metrics in all regions.

Talent Development

- We have created a comprehensive framework for talent development, with consistent program offerings around the world.

- We have globalized our leadership development programs, bringing together teams from Europe, Asia and the Americas.

- We have created an emerging leader program with common evaluation criteria and assessment tools to identify and develop the next generation of Ball leaders around the world.

- We are building a competency development guide to support our core set of Ball competencies globally.

- We are refining our global total rewards philosophy to further facilitate talent development and mobility.

Talent/Organizational Planning

- We have harmonized our performance management system, utilizing a single set of competencies, a single rating system and a single performance appraisal tool globally.

- In 2012, we are deploying an integrated succession planning and talent review process across each of our businesses and major functions, in addition to a global talent review. This process identifies our critical roles and major talent risk areas, informs our employee development programs and helps define our talent acquisition needs.

- We adopted a new global mobility policy and framework in 2012 to help us build a more diverse pool of leadership talent, with broader international experiences, to meet the challenges that lie ahead as we continue our global growth.

- We are globalizing our diversity and inclusion efforts in a cohesive way and have begun a systematic process of leveraging diversity of individuals and teams to unleash ideas and innovation and drive growth at Ball.

Customer Perspective



Stacey Vally Panayiotou

Vice President,
Talent Development &
Organization Effectiveness
Coca-Cola Refreshments

Based on your experiences, what do you consider to be major challenges for Ball as we build our talent management capabilities in each of our businesses around the world?

In many organizations fighting the war for talent today, leaders are asking themselves a few critical questions that will position them for success in future:

- *What is Ball Corporation's leadership brand and how does that definition need to evolve? A clearly defined vision for future leaders will ensure that Ball is among the best in attracting, developing and retaining a diverse and high performing pool of talent.*

- *Is there a common understanding of the mix of skills and experiences future leaders must possess? The diverse makeup of today's workforce will require Ball to think about this differently, as generational and other differences impact traditional career path approaches.*

- *Are the capabilities and competencies that have made Ball successful the same ones that will get you to where you want to go? Capabilities such as change leadership, innovation and execution are quickly becoming sources of competitive advantage. Successful organizations understand how to leverage their history, while considering how those capabilities need to grow, evolve or change – in order to win in the future.*

Diversity and Inclusion

In 2011, a team of emerging employee leaders within Ball's operations around the globe developed a definition of what diversity and inclusion means for our company: "We seek an environment that unlocks the unique qualities, values and potential of each employee – with diverse perspectives, experiences, competencies, cultures and aspirations – to bring about every individual's best work."

We have long believed that the broadest diversity of thought produces the best decision making and outcomes. We are beginning a systematic process of leveraging the diversity of individuals and teams to unleash ideas, innovation and drive growth at Ball. This is especially important as we expand into new markets and geographies, broaden our geographic reach and maximize value in our existing businesses.



RECYCLING



By developing and supporting innovative, effective recycling programs and educational campaigns, we substantially reduce the environmental footprint of our products. This ensures that metal packaging remains the sustainable solution and positively influences its image.

2010/2011 Progress Highlights

- Continued support of recycling initiatives on three continents
- Launched significant new recycling programs in the United Kingdom (U.K.) and France

2012/2013 Goal Highlights

- Work with industry partners to increase the U.S. beverage can recycling rate to 75 percent by 2015, the goal established by the Aluminum Association
- Expand the geographic reach of “every can counts” programs in several European countries
- Extend “metalmatters” to approximately 2 million households in the U.K.

Metal cans are the most recycled beverage and food containers in the world. They are completely and infinitely recyclable because aluminum and steel maintain their inherent properties throughout the recycling process. That is why they can be endlessly recycled into new metal products such as bicycles, bridges or cans. Recycling metals reduces the demand for primary resources and the need to mine bauxite or iron ore. Aluminum and iron are the third and fourth most abundant elements on Earth.

Recycling also saves large amounts of energy. Using recycled aluminum requires only 5 percent of the energy

needed to produce primary aluminum and reduces greenhouse gas emissions by 95 percent. 🔍 Recycling steel provides similar benefits, saving 74 percent of the energy required to produce primary steel. 🔍 The unique economic and environmental benefits of metal recycling play a vital role in making our world more resource efficient, creating jobs and protecting our climate.

Recycling programs depend on reliable markets for recycled materials and sufficient revenues to offset costs for collection and processing. Metal cans are by far the most valuable beverage containers in the recycling stream. In fact, metal cans often subsidize the recycling of other packages that have little or no value. The high demand for used metal packaging and an efficient recycling infrastructure for cans make it possible for a beverage can to be recycled and back on the store shelf in about 60 days. The economic value is also the main reason that nearly 75 percent of all aluminum and more than 80 percent of all steel ever produced is still in use today.

Cans: The World's Most Recycled Container

Recycling rates vary significantly from region to region, depending on legal frameworks; the available collection, processing and recycling infrastructure; socio-economic situations; and consumer awareness.

Recycling depends on the collection of materials from the consumer to divert the materials from the waste stream to

Priority in Action

recan Asia cooperated with the Qingdao Association for Science and Technology and COFCO Coca-Cola Beverages (Shandong) Ltd. on an environmental education program in Qingdao, China. The program ran from April 2011 to April 2012, and aimed at informing consumers about the sustainable characteristics of beverage cans and the benefits of recycling.

Children at schools, two of the city's science and technology museums and in a youth center, were able to watch a video about the life cycle of cans, including details about the recycling process. At the end of 2011, more than 21,000 people had viewed the video.

In May 2010, recan Asia organized a can-painting contest in the China National Children's Center in Beijing. The subject of the contest was “Caring for the Earth – Protect the Future.” About 50 children dealt creatively with various actions intended to help preserve the environment.



Recycling rates in Ball's major markets

(industry sources)

Region	Aluminum Beverage Can	Steel Packaging
Argentina	91% (2009)	*
Brazil	98% (2009)	49% (2007)
China	99.5%** (2009)	75% (2007)
Europe	64% (2009)	71% (2010)
North America	58% (2010)	67% (2010)

* no data available

** includes unregistered collection

the recycling stream. Hundreds of millions of consumers worldwide use our packaging. Influencing these consumers to collect and recycle those materials is challenging. Because we are just one part of the total supply chain, we focus on a collaborative approach in support of various packaging collection systems.

The metal containers we manufacture are collected in many ways, such as curbside, drop-off and deposit programs. Curbside recycling is the most convenient program – all common household recyclables can be recycled at the curb, requiring only the separation of recyclables into recycling bins. In the U.S., the most effective curbside programs provide financial incentives to recycle, such as recycling at no cost combined with weight-based cost for trash services.

In some countries, metal packaging recycling rates are close to or even greater than 90 percent. However, a number of collection programs in other countries are not performing as well. There is a tremendous amount of variation in collection systems because they are primarily managed at

the local level. Some programs have failed to keep pace with changes in material markets, collection and sorting techniques and consumer awareness. The specific collection system weaknesses in each location must be addressed in that region.

**ENERGY AND CO2
SAVED BY RECYCLING
METALS:**

**UP TO
95%**



Supplier Perspective



John Gardner

Vice President and
Chief Sustainability Officer
Novelis

Novelis committed itself to increase the recycled metal content in its own aluminum from 33 percent in 2010 to 80 percent by 2020. How do you plan to achieve that goal and what do you expect Ball to do in order to get there?

Ball is a key partner for Novelis in our joint sustainability efforts. From increasing the recycling rates of our products to minimizing the carbon footprint of the can, we are working together to find innovative ways to address the sustainability challenges of today and tomorrow. We know that the benefits of these efforts will be realized for not only our companies, but also our customers. Never before has collaboration between the members of our supply chain been more important.

We look forward to continued strengthening of our sustainability partnership with Ball, particularly on efforts to increase post-consumer recycling, innovation and increased dialogue with consumers, NGOs and other stakeholders on sustainability issues.

Ball's Support of Recycling Programs

Ball and industry partners support various recycling programs around the world. Consumer education and communication campaigns are ongoing projects – getting the message to the consumer only once will not change their recycling behavior long-term. That is why Ball continued to support various initiatives such as the Curbside Value Partnership in the U.S., Every Can Counts in the United Kingdom and the recal foundation in Poland during 2010 and 2011. In addition, two new innovative recycling programs were launched during the reporting period. Those programs researched new facets of consumer recycling behavior, created tailor-made communication and tested creative approaches in an effort to increase recycling rates (see next page).



RECYCLING

Major Recycling Programs supported by Ball in 2010 and 2011

metalmatters With 9.5 billion cans in 2011, the United Kingdom (U.K.) is Europe's largest single can market. Yet the recovery of metal cans has proved stubbornly low. To address this, the industry set a goal to increase beverage can collection rates from 54 percent in 2010 to 75 percent by 2017.

While 97 percent of all U.K. municipalities provide metal collection via curbside schemes, only about 40 percent of the available metal was captured. Ball initiated a project to better understand and address why participation was lacking. The findings were surprising: people were seeking reassurance that their effort to recycle really makes a difference.

Ball and its partners crafted an innovative communication campaign to alleviate those engagement barriers. The program was tested for eight weeks in 2011 to some 60,000 households and as a result, metal packaging recycling increased by 13 percent on average.

metalmatters was awarded the Environmental Excellence Award for the best communication campaign in 2011 by the Chartered Institution of Wastes Management. www.metalmatters.org.uk



Every Can Counts (ECC), a partnership between beverage can manufacturers and the aluminum and steel packaging and recycling industries, aims to enable and encourage consumers to recycle cans when away from home. About 30 percent of all beverage cans sold in the U.K. annually are consumed outside the home.

At the end of 2011, nearly 700 organizations were registered with the program, with almost 5,000 ECC-branded collection points at over 1,900 individual sites. ECC helped collect 51 million used beverage cans in 2011. This equates to 774 tons of aluminum and steel collected and around 5,800 metric tons of greenhouse gas emissions avoided. www.everycancounts.co.uk




Based on the success story of Every Can Counts in the U.K., Ball and partners launched a similar program in 2010 in France. "chaque canette compte" (CCC) aims to increase recycling rates of beverage cans when consumed away from home – whether it be at work or other "on the go" locations.

Through CCC, more than 2,000 can collection boxes and advertising materials have been distributed to numerous organizations. During 2011, CCC supported 22 events such as the 24 Hours of Le Mans race. At the end of 2011, 290 participating sites and 15 collection partners supported the program and collected more than one million used beverage cans. www.chaquecanettecompte.fr

Priority in Action

Our Findlay, Ohio, plant piloted a recycling scholarship contest at a regional high school in 2011. The contest involved offering five \$2,000 scholarships to those senior students that collect the most cans in a six-month period. Ball employees visited the school during the contest and explained the benefits of recycling. In November, participants brought their used beverage cans to our plant where the cans were weighed and the five winners announced. There were 34 students who participated and they collected 5,740 pounds of cans. In 2012, we will be opening the contest to all surrounding schools in Hancock County, Ohio, to involve even more students in recycling.

As part of the national "Great American Can Roundup" several Ball plants have been successfully collecting cans from local schools for several years. Adding the scholarship helped increase interest in recycling.  Our Findlay plant developed guidelines for other Ball plants that would like to organize similar events. In 2012, three Ball plants are going to host a recycling scholarship contest.



The Curbside Value Partnership (CVP) is an organization designed to grow participation in curbside recycling programs in the United States. It is funded by Ball and other organizations, including government, private industry, haulers and materials recovery facilities. CVP's goal is to launch and study education programs to increase participation in community curbside programs, while striving to make them more profitable and sustainable.



At the end of 2011, four state-wide and 27 community initiatives had been launched. CVP partners experienced an average 23 percent increase in recycling volume and an 18 percent increase in participation. Best practices are shared at www.recyclecurbside.org.

The recan fund was founded in Serbia when Ball opened its beverage can plant in Belgrade in 2005. Its mission is to inform and educate consumers on the advantages of recycling, increase environmental awareness and to instill recycling as a daily habit.



In 2011, the recan fund and the Serbian branch of TAFISA, The Association For International Sport for All, developed campaigns to promote a healthy way of living and environmental stewardship. Through this new cooperation, recan is able to promote recycling and antilittering among sportspeople. For example, recan supported the recycling efforts at Belgrade's Coca-Cola bicycle event in May 2011. www.recan.org

Although beverage can recycling rates in China are very high, the environmental benefits of recycling are not very well known. Ball launched recan Asia in 2007 to create programs to educate consumers, especially children, about the positive impacts of recycling.



recan Asia also conducted research about the behavioral aspects of consumer waste disposal so that the most effective consumer messaging and education campaigns can be developed.

Ball started the recycling organization recan in 2004 to support and improve the collection of used beverage cans in Poland. At the end of 2011, the organization operated four recycling centers, collecting approximately 10,000 metric tons of cans per year. recan cooperates closely with regional waste recycling companies, local scrap dealers, retail companies, the recal foundation and other partner organizations. www.recan.com



The recal foundation was founded in 1994 in Poland. It pursues the same goals as the recan fund in Serbia and contributed to the increase in beverage can recycling from 2 percent in 1995 to 72.5 percent in 2010.



In 2010, recal started a cooperation with TAFISA, The Association For International Sport for All. The main goal of this cooperation is to develop innovative concepts to connect sports with environmental protection. TAFISA, recal and the Polish Ministry for Sport and Tourism have invited sport schools across the country to share best practices on how they protect the environment. The best initiatives received an award and were described in a booklet so that all schools across the country could learn how to become greener. Other projects are described at www.recal.pl.



Priority in Action

The recal foundation, in cooperation with the Polish Ministry of Sports and Tourism, developed the environmental awareness campaign, "Cans for Balls." The idea is to connect two important aspects of sustainable development – sports and resource conservation. In light of the upcoming 2012 European Soccer Championships in Poland, numerous public sport fields were built in communities, the so-called "Orliks."

recal established a communication campaign for Orliks around how players can protect the environment by recycling beverage cans while doing something good for their Orlik at the same time. As an incentive to participate in recycling, the collected cans are sold and the revenues are used for buying sports equipment for the users of the Orliks.

recal, together with the recan recovery organization, provides containers for the collection of used beverage cans and recan is regularly emptying the containers, selling the collected cans to aluminum producers and then making sports equipment available to the Orliks. During the pilot phase in 2011, 20 Orliks participated in the program. The program will be rolled out to more locations in 2012.



SUPPLY CHAIN



By better understanding environmental and social risks and opportunities in our diverse supply chain, we can balance commercial imperatives and sustainability efforts. This enhances our long-term competitiveness and our ability to create shared value for all of our stakeholders.

2010/2011 Progress Highlights

- Ball's Supplier Guiding Principles accepted by all major suppliers
- Received certification from tinplate suppliers regarding the non-use of "Conflict Minerals"
- Formalized our approach to ensuring that environmental and labor standards are maintained throughout our supply chain


2012/2013 Goal Highlights

- Implement robust supply chain sustainability program, including metrics and goals
- Global alignment of our sustainability related standards for all key suppliers
- Expand and further enhance collaboration with stakeholders in our supply chain

Roughly 90 percent of our supply chain partners support our packaging businesses. The remaining suppliers and subcontractors serve our aerospace business.

Our top 100 suppliers represent the vast majority of dollars we spend on our goods and services. We focus the majority of our efforts with those suppliers in three key categories: aluminum, steel and metal coatings. Building on our rich history of more than 130 years, we have developed stable and proven relationships with our suppliers throughout all regions of the globe. Wherever Ball operates, we strive to focus on strategic rather than tactical sourcing.

By embedding a sustainability mindset into our supply chain, we can have a larger impact than if we improved only our own operational footprint. However, our supply chains are global and diverse, with many customers and suppliers who are significantly larger than Ball. We need to face the challenge to confirm that responsible business practices are maintained throughout our supply chain.

Exchanging information and ideas on sustainability issues with our suppliers is critical to improve the performance of our products. In order to lightweight our metal containers, for example, we must collaborate with our metal suppliers to develop a material that allows us to minimize the weight of the containers while maintaining their integrity. This exchange of ideas creates opportunities for Ball and our supply chain stakeholders to invest in research and development of lighter, yet structurally sound, containers and to reduce the environmental footprint of our products. 

Communicating Expectations, Assessing Performance

We expect our suppliers to conduct their operations in an environmentally and socially sustainable manner and to satisfy conditions in our set of corporate ethics. We require them to operate using responsible business practices and to abide by all applicable laws and regulations.

Ball's Supplier Guiding Principles are an important way in which we communicate and align the way our suppliers consider environmental and social aspects in their decision

Priority in Action

In 2011, Ball's plant in Oss, Netherlands, began using "eco-combis" for transporting cans to our customer, Bavaria, the second largest brewer in the Netherlands. An eco-combi is an extra-long truck, measuring approximately 80 feet in length. Our plant in Oss worked with Bavaria and the carrier, van den Heuvel, to integrate the economical trucks into the supply chain. The distance between Oss and the small village of Lieshout, Netherlands, where Bavaria is located, is about 40 kilometers.


Compared to a conventional truck, eco-combis can transport 56 percent more cans, reducing fuel usage by approximately 30 percent. On an annual basis, these trucks help us to eliminate 12,000 vehicle movements and reduce kilometers traveled by about 160,000, saving 25 tons of greenhouse gas emissions. Reduced truck movements also result in decreased administrative and operational burdens.

Because of its use of the new eco-combis, our customer, Bavaria, has received the "Lean and Green Award" from the Dutch Minister of Infrastructure and Environment.



PERCENTAGE OF OUR GLOBAL SOURCING VOLUME FROM COUNTRIES WITHIN THE OECD:
~90%



making and activities. 


The principles were developed with input from key customers, suppliers and socially responsible investment analysts, and require that our suppliers certify and demonstrate compliance with them at Ball's request.

They cover employment practices, human rights, environment, health and safety, antitrust and bribery and corruption. During the reporting period, Ball has provided this document to suppliers and has incorporated the principles as part of all new contractual relationships.

Also, we started to include a questionnaire on corporate sustainability management and performance metrics to be used in supplier assessments. With this self-assessment, we are aiming to evaluate our major suppliers while communicating our expectations at the same time. In 2012, it is Ball's intention to extend the use of self-assessments to all of our major suppliers globally. Our goal is to jointly improve transparency and performance in our supply chain.

In 2011, Ball sourced approximately 90 percent of its sourcing volume from countries within the OECD (Organisation for Economic Co-operation and Development), an international organization promoting policies that improve the economic and social well-being of people around the world. Global supply chains continue to grow and expand. That is why we assume that we will purchase more goods from countries outside of the OECD in the future. While we will strive to require suppliers from these countries to comply with our standards, this might pose additional challenges to ensure their compliance.

Collaborating for Better Products

Based on the results of intensive research – including life cycle assessments – Ball conducted with industry partners in the U.S. and Europe, we know that most of the environmental impacts of metal packaging occur during metal production.  Also, the biggest risks and opportunities with respect to social issues such as employment practices, conflict minerals and safety occur in our upstream supply chain.

Because we can achieve only so much as a single company, we are aligning our efforts with business partners inside and outside of the packaging industry, and with certain trade associations, including those for aluminum and steel. By encouraging the exchange of ideas and capabilities, we will be able to deliver more sustainable products to our customers and consumers.

SmartWay Transport Partner

Ball does not operate its own truck fleet. Through our

Investor Perspective




Julie Frieder

Senior Sustainability Analyst
Calvert Investments

As part of your overall sustainability assessment, you evaluate to what extent companies manage sustainability in their supply chains. Why is investors' interest in supply chain risks and opportunities continuously growing and what is the challenge for Ball in particular?

Sustainability can create value and drive innovation when companies use strategy, rather than legal compliance, as a starting point. Calvert commends Ball Corporation for its strategic approach. We encourage Ball to continue including sustainability metrics in business plans, engaging with stakeholders, and using materiality assessments to prioritize environmental, social and governance factors through the company's full value chain, both up and downstream.

This includes supply chain management – an area where Ball has room to improve. In the 2012 Sustainability Report, we would like to see a more robust supply chain approach, one that examines and discloses key risk factors such as material, water and energy needs, and describes systems to monitor labor, human rights and environmental performance. Supply chain management informs the complex network of suppliers, manufacturers, transporters, distributors, and vendors to support the efficient delivery of high quality products and sustainable solutions.

participation in the U.S. Environmental Protection Agency's SmartWay program, however, Ball is striving to reduce transportation-related emissions by creating incentives for our carriers to improve fuel efficiency. 

Ball's North American metal beverage packaging operations, which accounted for more than 50 percent of our global units of production in 2011, became the first SmartWay Transport Partner within the packaging industry in 2009. In 2011, 66 percent of Ball's transportation needs in North America were executed by SmartWay carriers. Among other measures, Ball asks all major carriers to become a SmartWay partner. These combined efforts have resulted in increased fuel efficiencies and a 27 percent reduction of CO2 emissions per mile between 2009 and 2011.



COMMUNITY



A healthy business depends on thriving communities. Through corporate giving and volunteerism we invest in the future of the communities that sustain us all.

2010/2011 Progress Highlights

- Formed the Ball Foundation and developed global community investment strategy
- Contributed more than \$6.5 million to our communities around the world
- Global, reported employee volunteer hours increased nearly 30 percent

2012/2013 Goal Highlights

- Measure community impact achieved through Ball Foundation grants
- Drive global community engagement strategy
- Enhance employee matching gift, giving and volunteer programs to increase participation and better measure the diversity of our community engagement

At Ball we strive to enrich the communities in which we live and work beyond traditional economic investments such as jobs, benefits and local taxes. Throughout the world, our company and employees donate money and time to support organizations, programs and civic initiatives that advance sustainable livelihoods because we believe it is important to be a good neighbor, corporate citizen and employer of choice in all our communities.

Ball Foundation

Ball has a long history of supporting charitable organizations. The five Ball brothers who founded our company in

1880 are remembered not only for their business prowess but also for their charitable activities. They were great community benefactors; in 1922 alone, according to that year's New York Times, the brothers donated \$1 million to charity, a remarkable sum for the time.

As our company has grown through the years, we have continued to support communities through corporate philanthropy and volunteerism. Today, we believe it is important to take a strategic approach to our charitable giving by supporting organizations that solve problems central to our company values and business strategy. In late 2010, we began our transition from corporate philanthropy to impact-driven community investment when we formed the Ball Foundation. 📍 Ball now directs the majority of its corporate giving in the U.S. through the Ball Foundation, and its creation is a key proof point to our commitment to sustainability.

The Ball Foundation's mission is to provide financial support to not-for-profit, U.S. organizations that sustain the communities in which we live and operate by improving and promoting education, recycling and community engagement. To achieve this, the Ball Foundation provides grants to tax-exempt organizations that meet the Ball Foundation guidelines and have measurable plans to improve communities where Ball employees live and work.

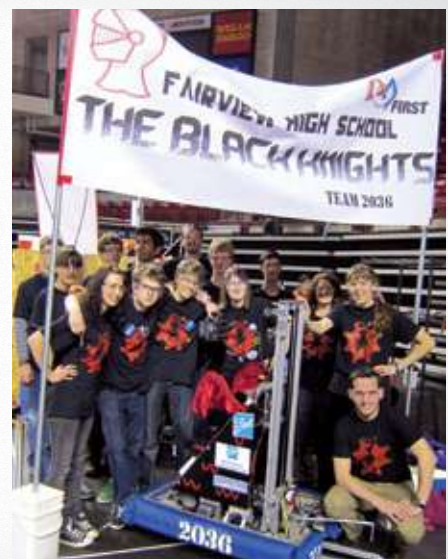
The Ball Foundation's grant-making guidelines are linked to Ball's overall corporate strategy and will play a key part in our global charitable giving efforts. While the distribution of Ball Foundation funds will be limited to the U.S., the guide-

Priority in Action

From elementary school through college, Ball Aerospace inspires students with its numerous education and outreach activities. The company actively supports Science, Technology, Engineering and Math (STEM) programs such as For Inspiration and Recognition in Science and Technology (FIRST).


The FIRST Robotics program motivates young people to pursue science and technology careers by giving them the opportunity to work side by side with high-tech professionals. Student teams and their mentors collaborate on a fun and ambitious project – designing and building a unique, complex, rugged robot.

Ball Aerospace employees mentored eight robotic teams in 2010 and 13 in 2011. Employees have served as mentors for ten years while Ball Aerospace has sponsored FIRST teams for eight years. Ball Corporation also provides financial support to the Colorado FIRST office, which organizes the statewide program. Supporting FIRST Robotics is just one example of how Ball inspires the next generation and enriches the communities where we live and work.



lines and processes created will be leveraged across our global footprint. As we move forward, this will bring more purpose, structure and transparency to our giving around the world by providing greater focus on which organizations we support and why, and by giving us the ability to track and measure the impact it makes.

Employee Giving

Our community impact extends beyond corporate giving. Employees in North America and Europe use our company's employee matching gift program to increase the impact of their personal financial gifts to nonprofits and higher educational institutions – in 2010 and 2011, Ball and our employees gave nearly \$1 million to our communities through this program. For decades Ball has also conducted employee giving campaigns for United Way, an international nonprofit organization that pools volunteer efforts and fundraising support for numerous community organizations.  Ball and its employees raised about \$2.5 million through campaigns at more than 30 locations from plant donations, employee contributions and matching funds during the reporting period.

Volunteering

Ball employees around the world reported volunteering thousands of hours to support our communities. For example, in Colorado, where Ball employs more than 3,000 people, an employee volunteer task force called Ball Employee Action & Community Outreach Network (BEACON) coordinates volunteer activities throughout the year. In 2010 and 2011, 281 BEACON volunteers contributed more than 2,500 hours of their time to our communities. Projects included repairing several Denver area homes as part of a national Rebuilding Together event, monthly staffing and help at a local food bank and cleaning up open space land.

Employees at our plants throughout North America gave their time to support self-sufficiency, health, education and more. Some examples include a food drive organized by employees at Ball's Findlay, Ohio, plant, which collected 3,100 pounds of food and supplies for a local facility that houses and assists struggling families. In addition, employees at Ball's Baltimore, Maryland, plant packed and sent steel tins to troops

in Afghanistan to be used to store their personal provisions. Our Conroe, Texas, plant hosted educational recycling field trips for hundreds of elementary and middle school students.

Ball Aerospace employees volunteered for a variety of nonprofits supporting science,

NGO Perspective



Barbara Pingrey

*President/CEO
Foothills United Way*

Ball has worked with The United Way in the United States for decades. What do you consider to be major challenges for Ball to increase employee engagement in the community through giving and volunteering, especially with younger generations?

Ball Corporation and its employees, through a long-standing partnership with United Way, lead by example in supporting the communities in which Ball's employees live and work. Foothills United Way is honored to continue that relationship today as we work together to advance the common good through community engagement.

Moving forward, the opportunities for increasing employee engagement lie in furthering corporate and individual knowledge of how organizations such as United Way effectively address the needs in the community and the value of each individual effort. Through education and partnership, Ball employees and various organizations can work together to craft long-term solutions and create a better life for everyone.

technology, engineering and math activities as part of its Education Public Outreach programs. Other volunteer groups support events like United Way's Day of Caring, Special Olympics Summer Games and a local Science Saturday event to educate children about space missions.

Our employees outside North America share their time to help benefit our communities as well. For example, our Oss, Netherlands, plant participated in a national project to encourage young children to work in a technical environment. Several groups from local schools visited the plant to learn about the can making process.

Our employee giving, matching gift and volunteer programs let our employees help drive Ball's community engagement and reflect their diverse interests by supporting causes that are important to them. We are working to automate and improve these programs to provide a venue for employees to communicate and engage with each other and our communities through giving and volunteerism.

**CHARITABLE DONATIONS
WORLDWIDE IN
2010/2011:**

\$6.5M





We know who we are.

Proud of our rich history, we recognize the whole of our company is greater than the sum of its parts. Most importantly, we believe in our people, our culture and our ability to deliver value to all our stakeholders. Though we encourage and embrace our diversity of thought, business, location and language, we are "One Ball," valuing:

- > Uncompromising Integrity
- > Being Close to Our Customers
- > Behaving Like Owners
- > Focusing on Attention to Detail
- > Being Innovative



Drive for 10

Sustainability

We must balance our economic, environmental and social impacts for greater long-term success.



We know what is important.

In order to reach our goals, we must excel in these areas:

Customer Focus

We must be viewed as a strategic partner at each of our key customers.

Operational Excellence

We must be the most competitive in terms of cost, quality and service in all the markets in which we compete by continually driving for efficiencies in all our processes.

Innovation &

Business Development

We must identify and drive profitable growth.

People and Culture Focus

We must have the best people, providing them the right support, rewards and growth opportunities to thrive.

Sustainability

We must balance our economic, environmental and social impacts for greater long-term success.



We know where we are going.

We want to be the best at everything we do, and will continually strive for perfection at Ball as we pursue our strategy of:

- > Maximizing value in our existing businesses
- > Expanding into new products and capabilities
- > Aligning ourselves with the right customers and markets
- > Broadening our geographic reach
- > Leveraging our know-how and technological expertise to provide a competitive advantage



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