

Ball Corporation
Sustainability Report
2010



*Balancing Our Activities
Creating Shared Value*



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Online Reporting

More detailed information on our sustainability progress, as well as additional information about Ball Corporation, is available at www.ball.com.




This symbol throughout the report indicates that additional information is available online.

About Our Reporting

This is Ball Corporation's second biennial sustainability report. It covers calendar years 2008 and 2009 and complements our financial reporting.

This report reflects our focus on Ball's five sustainability priorities – packaging, energy, water and waste, safety and talent management. These priorities were identified based on a sustainability materiality analysis and feedback from customers, employees, investors and suppliers who are the primary audiences for our sustainability reporting.

Our reporting is based on the Reporting Framework of the Global Reporting Initiative (GRI). We have assessed our application of the framework to be at Level B. A detailed GRI Content Index is available online. 

Unless otherwise stated, we are reporting on data gathered globally from Ball majority-owned production operations which account for more than 99 percent of the company's worldwide production volume. For economic and social data as well as for data on energy and water, we also include our main administrative offices in the U.S. and in Germany in our reporting. Fourth quarter 2009 data from the four North American metal beverage packaging plants acquired in October 2009 is included.

We welcome your questions and comments on our sustainability efforts. Please direct them to:

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Senior Management Perspective



John A. Hayes
President and chief
operating officer

R. David Hoover
Chairman and chief
executive officer

◆ *How does this sustainability report build on Ball's 2007 report?*

Hoover: The 2007 report was our first, and we needed to provide detailed background information about Ball Corporation and our approach to sustainability. We're a 130-year-old company, so we had a lot of ground to cover. This time we are emphasizing our progress. This report is about what we have achieved since 2007 and our goals going forward.

Hayes: We also focus on more specific priorities. While we continue to concentrate on important issues such as recycling and energy efficiency, with more experience under our belt we have zeroed in on more measurable and actionable goals and objectives – including what we call our “Big 6” (page 4). Also, we are putting a greater portion of information online as we shorten the hard copy report.

◆ *What does sustainability mean to Ball?*

Hoover: Sustainability has become a more significant part of our operations, just like quality and efficiency. Sustainable practices were part of the way Ball operated for decades – we just didn't call them that. Today, those practices are more recognized and even expected by stakeholders. We created a formal sustainability initiative to better focus on what we already do and to identify new actions we need to take to reach our goals. We and our customers, suppliers and investors, know that sustainability offers opportunities, and it has become a differentiator for our company.

Hayes: The meaning of “sustainability” is also better understood now. It isn't only environmental impact. For Ball, it is as much about economic and social benefit

as it is environmental benefit – the triple bottom line. It's a broader perspective, and it is more inclusive of our various stakeholder groups and of the expectations of Ball as a public company.

◆ *What have you found to be the biggest challenge in Ball's sustainability journey?*

Hayes: Two things stand out. The first is that Ball, by itself, can only effect so much change. We are one part of a much larger supply chain for our products, and it is vital that we work together with suppliers, customers and others to make real improvements. The second thing is you must begin a major, formal sustainability initiative the right way, creating systems to monitor and gather data. Because what gets measured – correctly – gets done. That's how you know when you are making progress.

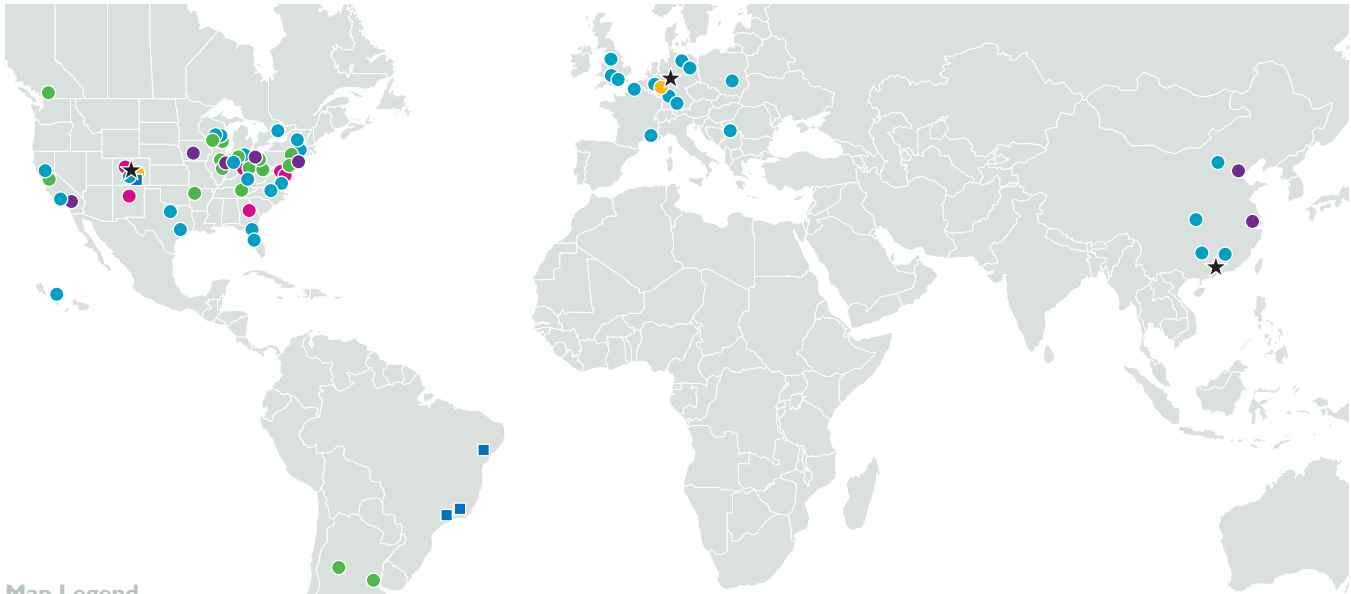
◆ *Has the global economic downturn slowed Ball's sustainability efforts?*

Hoover: It has actually made our sustainability efforts more important. Many of them are tied to improving efficiency through reducing energy and resource use. That helps manage costs.

Hayes: The downturn has helped Ball and our employees focus even more on controlling what we can control – and that focus certainly includes many of our sustainability initiatives. Our employees know that our sustainability efforts empower us and are continuing to drive progress to help us achieve our goals.

R. David Hoover *John A. Hayes*

Ball in Profile



Map Legend

- Metal beverage packaging
- Metal food & household products packaging
- Plastic packaging
- Aerospace
- Research facility
- Joint venture (50% or greater owned)
- ★ Headquarters

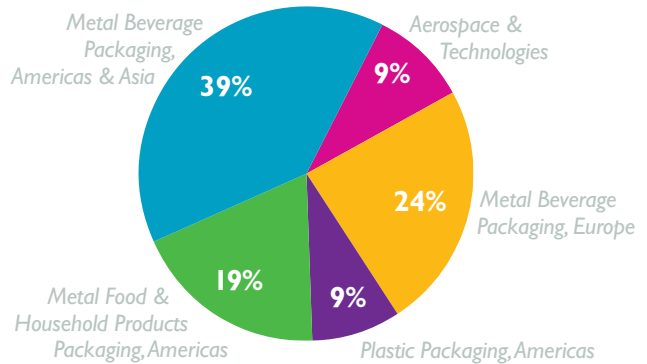
Ball Corporation, founded in 1880, is one of the largest packaging companies in the world. We produce recyclable metal and plastic packaging for beverages, foods and household products. About 91 percent of our total sales come from packaging. In 2009, Ball Corporation manufactured more than 62 billion containers. Approximately 85 percent of those containers were made of aluminum or steel. The rest were manufactured from polyethylene terephthalate (PET), high density polyethylene (HDPE) or polypropylene.

The remainder of our sales come from Ball Aerospace & Technologies Corp. Our aerospace business provides technologies and services to commercial and governmental customers. Among its achievements are high-resolution imaging satellites that have helped map the planet and science instruments that provide data on environmental changes on Earth.

Ball Corporation employed approximately 14,000 people in 11 countries at the end of 2009. A quarter of our workforce is based in Europe, China, Canada and South America.

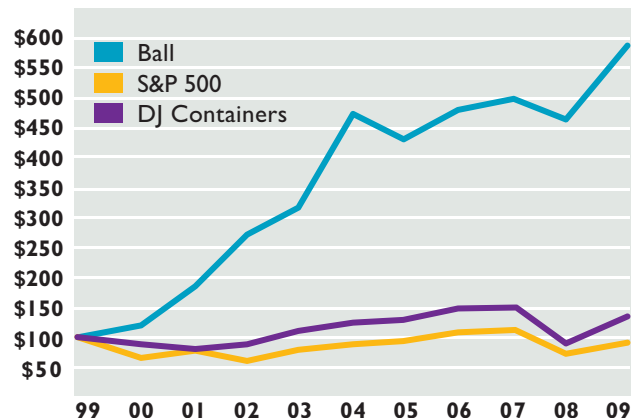
Ball Corporation reported full-year 2009 net earnings of \$387.9 million, or \$4.08 per diluted share, on sales of \$7.35 billion.

2009 Net Sales by Reporting Segment



Ball Stock Performance vs. Standard & Poor's 500 Composite Index vs. Dow Jones Containers & Packaging Index

Comparison of Year-End Value of \$100 Invested December 31, 1999




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Accomplishments & Challenges 2008-2009

Accomplishments

Strong Financial Performance During Difficult Economic Times

During a time when the world economy experienced extreme volatility, Ball's overall financial performance was a record for the company. Net earnings increased 21.4 percent over 2008. In 2009, the company's total return to shareholders, including the reinvestment of dividends paid, was 25.5 percent. 

Sustainability Steering Committee Formed

To ensure sustainability is aligned and integrated with Ball's long-term business strategy, Ball created an executive level sustainability steering committee in 2009 (page 4).

Sustainable Packaging Leadership Awards



Ball received Canadian Packaging Magazine's 2008 Best-of-Show Eco-Choice Award for PET Plasmamax-coated wine bottles. Judges cited the reduction in greenhouse gases related to transportation of wine in the lighter-weight plastic bottles compared to glass bottles.

Sustainability Software Implementation

To ensure timeliness and accuracy in reporting sustainability metrics and progress against goals, Ball began implementing a global information management system.


Global Environmental Health & Safety Conference

Seventy Ball environmental health and safety employees from 40 facilities met for a three-day program in February 2009 to learn, share best practices and collaborate on ways to improve performance.

Ceres-ACCA Award for Best First-Time Reporter

Ball's first sustainability report was awarded co-Best First-Time Reporter in the 2009 Ceres-ACCA North American Sustainability Awards. Our report was recognized for its comprehensive approach to sustainability and demonstrated commitment to stakeholder engagement.

Supplier Guiding Principles

Ball began implementing Supplier Guiding Principles (SGP) in 2009 with new requests for proposals. The SGP outlines minimum expected sustainability guidelines for Ball's suppliers and contractors. 

FTSE4Good Membership

Ball was selected for the FTSE4Good Index Series on the London Stock Exchange in May 2009. The FTSE4Good criteria are designed to reflect a broad consensus on what constitutes

good corporate responsibility practice globally.



Challenges

Reduced Demand Leads to Plant Closures, Staff Reductions

Due to softer sales in parts of the metal can and PET markets, Ball ceased operations in eight manufacturing facilities and announced staff reductions, reducing our workforce by approximately 8 percent. These actions, while unfortunate, were necessary to align supply with demand.

Bisphenol-A

Scientific evidence evaluated by regulatory agencies worldwide has consistently shown that human exposure to Bisphenol-A (BPA) from epoxy can coatings is well below safe exposure limits. However, a debate continues over BPA. We are working with coating suppliers and others to find non-epoxy coatings that can consistently meet the needs of our customers and consumers.

Diversity

Our diversity statistics remain flat despite a commitment

and focus on improvement. We initiated more training and awareness programs and launched a senior level diversity steering committee to improve our performance (page 20).

Full Conversion to Lighter-Weight CDL Can Lid Delayed





The planned full conversion to our can end using less aluminum (CDL) was delayed for two years in certain facilities due to the need to meet higher requirements in some of our customers' operations and a slowdown in capital spending. We plan to complete this project by the end of 2011 (page 9).

Additional and up-to-date accomplishments and challenges can be found at www.ball.com. 

Our Approach to Sustainability

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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. It reflects our triple bottom line approach to sustainability and underlines our conviction that creating shared value for our stakeholders and for ourselves contributes to Ball becoming a more successful and sustainable enterprise, as stated in our company's core purpose. 

Ball has embraced sustainable practices for decades. We reduced the amount of materials used in our products; reduced energy consumption, emissions, water and waste; improved employee safety; supported recycling collection programs and created value for our shareholders. Our company culture has always been based on the highest level of ethical conduct. One of Ball's core values and most important cultural assets is integrity. To ensure we act with integrity at all times, all employees are required to understand and follow, among other policies, Ball's corporate compliance policies and the policies in the Ball business ethics booklet. 

We began a more formal approach to sustainability in 2006. Since then we have broadened and deepened our efforts by working to embed sustainability within our operations.

Strategic Focus

During our strategic planning process in 2008, sustainability was identified as one of the company's five critical issues to make Ball Corporation fit for the future. This decision instilled sustainability into our planning process and institutionalized our objective to drive measureable environmental and social progress inside our operations, while still focusing on our economic goals.


Ball named a sustainability steering committee (SSC) comprised of corporate and operations executives to ensure that sustainability is fully aligned and integrated with our strategies, as well as balanced with our stakeholders' expectations. The SSC crafted our sustainability vision and long-term objectives (page 5), which provide a directional guide to our efforts. The SSC approves our sustainability reporting and reviews progress toward our goals. The chairman of the SSC reports our sustainability progress to the Nominating/Corporate Governance Committee of our Board of Directors.

Ball's five sustainability priorities are based on a sustainability materiality survey we performed in 2009 to gather insight from various stakeholders' perspectives (page 7).

Tying Sustainability to Operations

To more clearly link Ball's sustainability goals from our first report to our employees so they can be engaged and take action every day, we created the concept "Big 6" in 2008. These are major environmental and social impact areas that we can control inside our operations: electricity, natural gas, water, waste, volatile organic compounds (VOC) and safety. Reduction of greenhouse gas emissions is also a major priority and is achieved through energy efficiency improvements. The "Big 6" is integrated into our sustainability priorities (page 5) with the exception of VOC, which are addressed on our website. To drive measureable progress within our operations and to hold ourselves accountable, each Ball division commits to two-year sustainability goals. The divisional goals are aggregated to a corporate goal (page 5). Progress on goals is reviewed quarterly with management and the SSC.

Accurate data collection is integral to our sustainability management process. We began the implementation of a global sustainability information management system that will be fully operational in 2010. This system will provide consistent and timely reporting of global sustainability metrics. It will improve reporting capabilities at the facility level and aggregate corporate data to track progress toward our goals.

To further engage worldwide employees to drive results, we produced sustainability videos targeted to our packaging employees. This visually highlighted improvements to facilitate sharing best practices and generating ideas in our plants, as well as explaining our company's sustainability goals. The videos were produced in six languages. 

Managing Risk

In an increasingly volatile and uncertain global economy, Ball works to manage risk effectively. We use a systematic approach to identify, 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 are addressed within this framework such as risks related to natural resources or the potential for government regulations relating to packaging types. Risk maps are reviewed regularly with board of director committees and updated throughout the year.

Our Sustainability Vision

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.

Our Sustainability Priorities and Long-Term Directions



Packaging

We will develop the lightest weight, most recycled, consumer preferred packaging for the markets in which we compete.



Energy

We will significantly and cost effectively reduce our energy consumption.



Water & Waste

We will reduce our water usage and send zero waste to landfill.



Safety

We will have zero accidents in our facilities.



Talent Management

We will recruit, develop and retain talented, diverse employees who share our core values and reflect our communities.

Progress On Goals Stated in 2007 Report

Complete conversion to lighter-weight CDL end in U.S. and expand capacity in Europe. ●

Use 25 percent recycled HDPE in plastic pails or achieve 10 percent source reduction.*

Collaborate on collection and recycling projects in the markets where we operate. ●

Work with metals industry to complete Life Cycle Assessments. ●

Reduce greenhouse gas emissions globally by 16 percent by 2012 (2002 baseline). ●

Complete implementation of an energy management system in our European plants. ●

Analyze water usage in our packaging facilities to determine inefficiencies. ●

Reduce hazardous waste by 150,000 pounds in food and household products packaging plants in 2008. ●

Determine types and quantities of waste generated in North American packaging plants and divert waste to recycling. ●

Evaluate potential use of isopropyl alcohol from our aerospace business as a product in the printing industry instead of disposing of it. ●

Reduce total recordable incident rate by a minimum of 15 percent globally in 2008. ●

Implement formalized health and safety management systems. ●

Implement behavior-based safety programs at new plants in Europe.**

Increase diversity in the applicant pool by 20 percent in the U.S. by 2012. ●

Reduce turnover of female and minority employees by 20 percent in the U.S. by 2012. ●

- Achieved
- On plan
- Behind plan

* Ball's plastic pail business was sold in 2009.

** Plants did not become operational.

2010-2011 Goals

Reduce a 20-oz. PET bottle weight 22 percent, saving 6.5 million pounds of resin annually.

Complete CDL end project in U.S. and Europe, saving 10,646 tons of aluminum annually.

Active engagement and support of our joint worldwide recycling collection programs.

Reduce energy consumed per 1,000 units produced globally by 7.3 percent.

Reduce greenhouse gas emissions globally by 16 percent by 2012 (2002 baseline).

Reduce water consumed per 1,000 units produced globally by 4.8 percent.

Reduce waste to landfill in North America by 10 percent.

Align waste reporting globally according to Ball's standard definitions (page 17).

Reduce total recordable incident rate by 15 percent each year.

Complete implementation of formalized health and safety management systems.

Enhance employee development so that 75 percent of new positions can be filled internally.

Increase diversity in the applicant pool by 20 percent in the U.S. by 2012.

Reduce turnover of female and minority employees by 20 percent in the U.S. by 2012.

Engaging Stakeholders

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. They, in turn, learn more about Ball and how we can work together to create shared value.

We regularly engage various stakeholders such as customers, employees, investors, suppliers, trade associations, governmental representatives and regulatory authorities and nongovernmental organizations. Dialog with stakeholders along the packaging value chain, from material suppliers to recycling organizations, is particularly important to Ball. It provides the opportunity to discuss how to maximize the contribution of our packaging to sustainable development. As stated in Ball's Five Keys to Success, we aim to be "close to customers." It is our goal to be the supplier of choice by offering high-quality products, responding to customers' needs and doing our part in contributing to their sustainability goals. Packaging schools and forums, plant visits and face-to-face meetings from executive to managerial levels are just some examples of how we engage with our customers.

Ball participates in projects that seek to reach consensus on packaging and its role in the movement toward sustainability. For example, together with retailers, consumer goods companies, material suppliers and other manufacturers, Ball developed a guide for corporate decision makers, *Packaging in the Sustainability Agenda*, (available at www.europen.be) in 2009. We also participate in the Global Packaging Project, led by the Consumer Goods Forum, to develop common, globally accepted definitions and principles of metrics for packaging in the

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Examples of Our Stakeholder Engagements in 2008/2009

| | |
|--|---|
| Customers | <ul style="list-style-type: none"> ◆ Packaging Solutions Forum / packaging schools  ◆ Face-to-face meetings from executive to managerial levels ◆ Sustainability events of customers ◆ International projects on packaging and sustainability ◆ Customer technical service  ◆ Customer satisfaction surveys |
| Suppliers | <ul style="list-style-type: none"> ◆ Collaboration on collection and recycling projects ◆ Development of new materials ◆ Supplier Guiding Principles  ◆ Life Cycle Assessments |
| Employees | <ul style="list-style-type: none"> ◆ Internal communications such as videos, intranet, employee magazine, town hall events |
| Shareholders/Investors | <ul style="list-style-type: none"> ◆ Investor and shareholder meetings and presentations  ◆ Conference calls ◆ Plant tours |
| Nongovernmental Organizations | <ul style="list-style-type: none"> ◆ Questionnaires and discussions |
| Governmental Representatives and Regulatory Authorities | <ul style="list-style-type: none"> ◆ Meetings and plant tours |
| Communities | <ul style="list-style-type: none"> ◆ Local community engagement initiatives  |

Case Study: Collaboration on Life Cycle Assessments

Ball and industry partners collaborated on two Life Cycle Assessments (LCA) on beverage cans beginning in 2007. Both studies were commissioned by can manufacturers and the metal industries and conducted by external LCA professionals. Through the involvement of suppliers and professionals, we were able to get up-to-date and accurate data on the environmental impacts of beverage cans (page 15).

We shared and discussed LCA insights with customers, retailers and regulatory authorities. Based on the LCA results, we identified the processes that result in the highest impacts and the most effective options to reduce those impacts. Those results will make it easier to initiate new projects with our supply chain partners to further optimize the environmental impact of beverage cans.



context of sustainability. The results will be presented in 2010 (www.ciesnet.com).

Ball has been a member of the Sustainable Packaging Coalition (SPC) since 2006. The SPC is an industry working group dedicated to transforming packaging into a system that encourages economic prosperity and a sustainable flow of materials. We participate in various results-oriented projects that provide an opportunity for SPC members to collaboratively share best practices.

In some countries, the packaging we produce is regulated. Therefore, we monitor and participate in public policy discussions when appropriate to protect and enhance our business.

We are also involved with a range of professional organizations and trade associations to promote a healthy business climate and to stay informed on developments that may influence our businesses. Ball is a member of multiple national and international organizations. In addition, our businesses and facilities are expected to be members of the appropriate local chambers of commerce, manufacturers' associations and other interest groups to promote discussions with local decision makers on a variety of business matters that could affect our facilities.

Our Sustainability Priorities

Sustainability encompasses a broad range of issues. We are focusing our efforts where we can have the greatest impact. The sustainability materiality process we initiated in 2009

was helpful in fine-tuning our approach to sustainability and reporting.

The results of that analysis, shown in the box below, reflect the outcome of an online survey we conducted in 2009, insights from stakeholder meetings and internal assessments. Senior management and internal subject experts assessed the current or potential impact on Ball (horizontal axis) and external stakeholders provided insights into how significant they consider certain sustainability issues to be for Ball (vertical axis). While all issues are important to Ball, in the upper right corner of the table are the issues that this analysis identified as most significant, or "material," to Ball.

We grouped these issues into five sustainability priorities:

- ◆ Packaging
- ◆ Energy
- ◆ Water & Waste
- ◆ Safety
- ◆ Talent Management

The packaging, energy and safety priorities came directly from this analysis. We added water and waste and talent management because our senior management considered them very significant for Ball. We will continue this process in the future to verify that we are focusing our efforts on the right issues.

This report covers information on the five priorities. Additional information on issues that were identified as less significant but still important to Ball and our stakeholders are covered in our online reporting.

| Results of the 2009 Sustainability Materiality Process | | | | |
|---|-------------------------|---|--|-------------------------|
| Significance for Ball from an External Stakeholder's View | Very Significant | | Life Cycle Assessment Collection and recycling Material use / lightweighting Innovations Energy efficiency Greenhouse gas emissions Safety | |
| | Significant | Renewable energy Pollutant emissions Community engagement Bribery and corruption Child labor Forced labor Freedom of association | Recycled content Product carbon footprints Hazardous substances Discrimination and harassment Bisphenol-A Talent management Human rights Business ethics Legal compliance Customer relationship management Water and wastewater Waste | |
| | Less Significant | Chemical use Spills and other incidents Supply chain management Wellness Employee volunteering Charitable donations Public policy Support of small and minority businesses | Environmental management systems Volatile organic compounds Economic contributions Diversity | |
| | | Less Significant | Significant | Very Significant |
| Current or Potential Impact on Ball | | | | |



Packaging

Our long-term direction is to develop the lightest weight, most recycled, consumer preferred packaging for the markets in which we compete.

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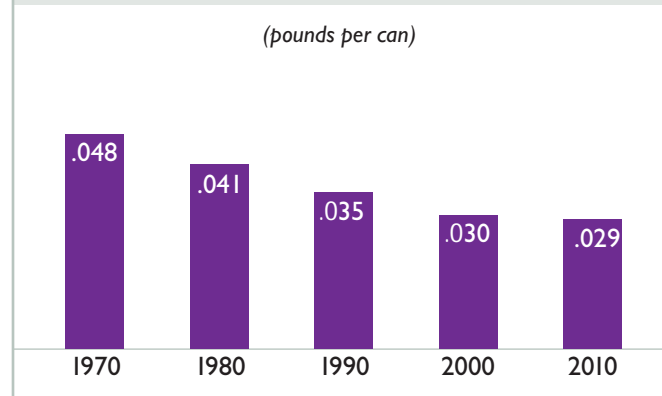
Packaging Innovation & Sustainability

Because innovation is critical to maintaining our competitive edge and helping our customers maintain theirs, we work with customers and suppliers to identify and develop ideas to improve our products and grow profit.

Metal and plastic resin costs are significant factors in the production of cans and bottles. The transformation of bauxite and ore – to primary aluminum or steel – is energy intensive. Plastic resins are derived from petroleum and natural gas derivative. We save a great deal of costs, energy and reduce emissions by using less metal or plastic in our containers.

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 sustainable product innovations. Lightweighting saves significant amounts of aluminum, steel or resin taking into account the billions of containers Ball produces every year. We continue to develop new ways to further reduce the weight of our containers while maintaining their integrity. In 2009, for example, Ball began a project to lightweight a 20-oz. sports drink PET bottle by reducing the gram weight and neck finish. This single project, when completed in 2010, will save approximately 6.5 million pounds of PET resin annually.

Average Weight of U.S. 12-oz. Aluminum Can



Although progress was delayed on our lighter-weight CDL can end project in the U.S., we are on track to complete this conversion by the end of 2011. The delay was due to the need for an enhanced design for the end to meet certain additional requirements in some of our customers' operations and a slowdown in capital spending. We are also converting lines in our newly acquired end plant in Gainesville, Fla., in 2010. When complete, this entire project will save 10,076 tons of aluminum annually in the U.S., equivalent to 138,546 metric tons of CO₂ (or removing approximately 26,500 cars from the road).

Our packaging innovation teams implemented a global, web-based innovation management software in 2009.

Case Study: Colorado Recycling Forums

In Colorado, where our corporate headquarters is located, we are a main sponsor of the Colorado Association for Recycling (CAFR). Recognizing a need to educate the many communities in Colorado that are not involved in influencing collections, we awarded a \$10,000 grant to CAFR to provide an educational forum on the various collection programs and benefits of recycling.

We hosted two workshops titled "Implementing Recycling in the Green Economy" in 2009 that were attended by more than 100 people – most of them municipal employees. The workshops included presentations by national and state experts on strategies, options and benefits for increasing recycling in local communities. Another workshop is planned for southern Colorado in 2010.

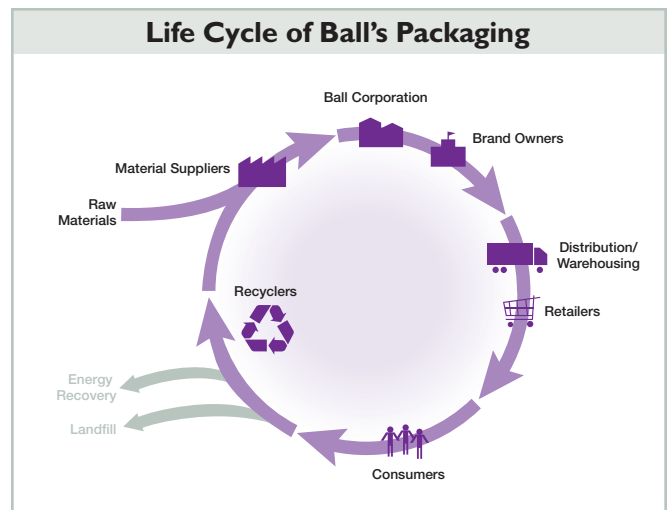


Ideas are entered and assessed, and innovation projects are developed and tracked. We evaluate innovations through multiple lenses including resource requirements, cost and the impact of product innovations on the recycling process. This approach allows us to invest wisely, invite our customers to join our innovation process at any key phase, and ensure overall project quality and product viability.

Life cycle thinking considers an entire process from extraction of materials, manufacturing, and use to recycling of a product and evaluates the impact of each of these processes and the resulting consequences throughout the supply chain. By understanding where in the life cycle the significant environmental impacts occur (page 15), we can better understand where to focus improvements. For the production of metal cans, we collaborated with metal suppliers on life cycle analyses in Europe and the U.S. These studies show that the extraction and processing of raw materials create the major environmental impacts related to the environmental footprint of beverage cans, and that there is a clear correlation between can collection rates and environmental performance. This drives our involvement in supporting recycling collection activities.

The Value of Recycling

Recycling programs depend on reliable markets for the recycled materials and sufficient revenues to offset costs for collection and processing. The price paid for recycled metals and plastics generates revenue that helps offset the costs of recycling programs. The benefits of recycling are effectively reusing the embedded energy and natural resources needed to manufacture packaging, rather than wasting them in a landfill. Increasing recycling of materials is also an often overlooked way to significantly reduce greenhouse gas (GHG) emissions.



Using feedstock from recycled sources uses less energy and reduces GHG emissions compared to virgin feedstock. Recycled aluminum saves 95 percent of the energy and GHG emissions required to produce aluminum from virgin materials. The energy savings related to recycling of steel is 74 percent. The average total recycled content in aluminum beverage and steel food cans is 68 percent and 33 percent, respectively, in the U.S. according to the most recent industry statistics. Using recycled PET can save up to half the energy compared to using virgin PET. Use of recycled material in our packaging continues to be a high priority due to environmental benefits and growing customer requests. Ball increased the average post-consumer recycled content (PCR) in our PET bottles to 6.5 percent in 2009. Recycled material can be much higher in PET bottles depending on customer requirements. For example, Ball developed a hot-fill bottle containing 40 percent PCR for a beverage customer.

Metal can recycling has had a long history of success because it is economically and environmentally

Case Study: Launch of Lighter-Weight CDL End in Europe

Our CDL end debuted on the European market in March 2009. We will more than double the output of the CDL end manufactured at the Deeside, U.K., plant to approximately 1.8 billion ends during 2010.

Ball, in collaboration with others, developed the lighter-weight end in 2005. After a successful market introduction in the U.S., a global Ball team worked together to introduce this end to the European market.

This end saves significant resources. It weighs approximately 10 percent less than its predecessor while maintaining its integrity. When all 1.8 billion ends in Deeside are made this way, we will save more than 570 tons of aluminum every year. Due to additional coating savings and more efficient transport, this project will result in annual CO₂ emissions savings of more than 6,400 tons through the life cycle of the ends.





Packaging *continued*


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advantageous. Metal beverage and food cans are 100 percent infinitely recyclable, without loss of quality in a material-to-material process (aluminum-to-aluminum, steel-to-steel). In terms of the containers that we manufacture:

- ◆ The global aluminum can recycling rate was 69 percent in 2007 – the highest recycling rate for any beverage container – providing feedstock for cans and other high-quality aluminum products.
- ◆ The global steel can recycling rate was 68 percent in 2007, providing feedstock for cans and other high-quality steel products. More than 7 million metric tons of steel cans were recycled in 2007. In the U.S., steel food cans have the highest recycling rate of any food container.
- ◆ The U.S. PET recycling rate was 27 percent in 2008, providing feedstock for a wide variety of manufacturing applications, including fiber for carpet and apparel; strapping; sheet; food, beverage and nonfood bottles and containers.
- ◆ The U.S. HDPE recycling rate was 29 percent in 2008, providing feedstock for a variety of manufacturing applications including nonfood bottles, plastic lumber and garden products.
- ◆ The U.S. polypropylene recycling rate was 11 percent in 2008, providing feedstock for nonfood containers.

Ball's Support of Collection Systems

Recycling depends on the collection of materials from the consumer to divert the materials from the waste stream to 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 part of a vast packaging supply chain across several continents, we focus on a collaborative approach in support of various packaging collection systems. 

The metal and plastic containers we manufacture are collected in recycling programs, such as curbside, drop-off and deposit. Curbside recycling is the most convenient – 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, many collection systems 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. Many 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 can only be addressed in that location.

Ball, together with others in our industry, is actively engaged in the major regions where we operate to help meet these challenges. In the U.S., we support the Curbside Value Partnership (CVP) along with others in the industry. The CVP is a comprehensive program that helps to increase the recycling of all household recyclables. CVP provides free education tools and resources for

Case Study: Every Can Counts in the U.K.

Ball and industry partners launched the “Every Can Counts” (ECC) program in the U.K. in 2008. About 8.5 billion beverage cans are sold in the U.K. every year and more than 50 percent are recycled.

People in the U.K. are well aware of the benefits of recycling and are in the habit at home. However, they may not be used to recycling in other areas of their lives. One of the first steps in the program was to better understand the drivers and barriers to establishing collection programs for beverage cans consumed away from home. Based on these insights, programs were established to encourage consumers to recycle more “on the go” (www.everycancounts.co.uk).

The ECC model will be utilized in France in 2010, building on the experiences in the U.K. and starting the roll-out in the Dunkerque region, where Ball operates a beverage can plant.



communities to design, implement and measure a communication campaign. Additionally, visitors to www.RecycleCurbside.org can view and download best practices from communities across the country. In 2008 and 2009, nine communities plus the state of Georgia partnered with CVP, reaching approximately 5 million households. CVP partners have experienced an average 23 percent increase in recycling volume and an 18 percent increase in participation.

When Ball opened beverage can plants in two European countries, recycling programs were established for each country – “recal” in Poland and “recan” in Serbia. The purpose was to increase recycling rates by educating consumers – especially young people – on the advantages of recycling, and to increase environmental awareness and instill recycling as a daily habit.

In Serbia we are also a founding member of SEKOPAK, the new packaging recovery scheme that started its operations in 2009. SEKOPAK, supported by fillers and other packaging companies, is responsible for setting up curbside collection for packaging in Serbia.

In France, as in many countries, away-from-home recycling is a major weakness of the recycling system. We are working with our customers, retailers and packaging companies on improvements by broadening collection in offices and public places.

In China, we are replicating the success of our European “recan” program. Environmental education activities in the schools of Ezhou city, near our Hubei plant, were initiated in October 2009. A can recycling competition enhances student awareness of the benefits of recycling. Ball will continue to broaden our reach by expanding this initiative to more cities in China.

Stakeholder Perspective: Customer

What do you think are the central challenges for Ball Corporation and SABMiller with respect to collection and recycling of our packages?



Andy Wales
Group Head of Sustainable Development, SABMiller

Packaging is an important part of SABMiller’s environmental footprint, particularly in terms of carbon. Therefore, efficient design, ability to reuse and recycling of consumer packaging are important priorities for us. We are keen to work with suppliers who are prepared to openly share their environmental data and work in partnership to integrate sustainability issues into the design of their products, while protecting product quality.

It is also important that there are robust systems in place in our respective markets to ensure that collection and recycling can be facilitated. We encourage our suppliers to explore partnerships with our local businesses, local government bodies and civic organizations to promote recycling.

Our corporate headquarters and North American beverage packaging plants participate in the annual America Recycles Day Aluminum Can Challenge, a grassroots effort to demonstrate the importance of recycling in our communities. In 2009, Ball facilities recycled almost 32 tons of aluminum, raising nearly \$40,000 for a variety of charities and schools.

Case Study: Partnerships Improve China’s Recycling Rates

Although the recycling rate in China is greater than 90 percent, the efficiency and standards in the collection and separation of materials needs improvement. These issues reduce recovery yield. To improve the yield, Ball Asia Pacific, Ltd., is focused on providing environmental education in schools and improving community recycling programs.

Coinciding with the 2008 Beijing Olympics, Ball partnered with local governmental and provincial agencies in Tsingtao on an educational and collection event. Approximately 100,000 school children in 130 schools were educated on the energy savings and environmental benefits of recycling aluminum cans and learned how to properly recycle cans.

In Shenzhen, we partnered with a major retailer on a collection campaign. Through 2009, a total of more than 10 tons of aluminum cans and PET bottles were collected.





Energy

Our long-term direction is to significantly and cost effectively reduce our energy consumption.

12

Increasing Energy Efficiency

Ball used 11 million gigajoules of energy in 2009, an 11 percent decrease from 2007. Our energy efficiency, which we measure as per 1,000 units produced, improved by 9 percent in the same time period. Ball's goal is to further improve energy efficiency by 7.3 percent by 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, improving operations and major capital investment projects such as replacing older existing equipment with more energy efficient units. Another contributing factor was ceasing operations at eight plants, allowing for consolidated production volumes in other plants, making them more efficient.

Technology and Equipment

Ball invested more than \$36 million in energy savings projects in 2008 and 2009. These investments will save approximately 390,000 gigajoules annually. This corresponds to the annual energy consumption of more than 2,000 average U.S. households.

We are using comprehensive energy information systems (EIS) in 13 plants, which enable us to better understand and manage the energy consuming processes in our operations and improve total system

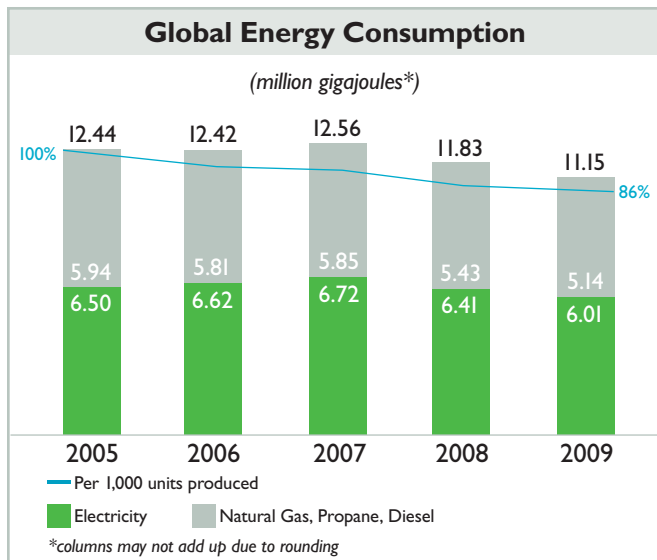
performance (case study on page 14). Other plants are realizing significant energy savings using smaller scope energy monitoring. EIS increases awareness of energy consumption and potential savings and ultimately contributes to improved energy efficiency.

Compressed air use in our plants consumes the most energy in our operations. Production motors, ovens, HVAC (heating, ventilation, air conditioning), vacuum pumps and chillers are other high energy consuming equipment. Our major focus is on optimizing the performance of compressed air systems. We reduced system pressure, minimized wasteful air uses and leaks, regulated volume and pressure and reduced demand by manufacturing equipment. Fourteen of our metal beverage packaging plants now have dual air systems supplying equipment with either high or low pressure air to reduce energy use and costs.

A regenerative thermal oxidizer (RTO) is a pollution control system that uses high temperature to destroy volatile organic compounds (VOC) emitted during the can coating processes. They normally operate using natural gas. We replaced certain inefficient incineration devices with more energy efficient units in 2009. A new RTO in Weirton, W. Va., has a thermal efficiency rate of 93 percent, saving approximately 69,000 gigajoules of natural gas and 3,479 tons of CO₂ per year. By installing VOC concentrators in the RTOs in our Bierne, France, and Hermsdorf, Germany, plants, we reduced annual energy consumption by 37,200 gigajoules, saving approximately 2,000 tons of CO₂ emissions every year.

We also upgraded lighting to improve energy efficiency across all of our divisions. More than 80 percent of lighting in Ball's North American packaging facilities has been upgraded. In China, we replaced more than 850 lights in three plants with energy efficient lights.

We conducted a vacuum conservation project in our Fairfield, Calif., plant in 2009 and identified two projects with a payback of less than a year that will significantly reduce our vacuum supply and demand, resulting in annual savings of approximately 4,680 gigajoules of electricity or 1,110 tons of CO₂.



Awareness and Employee Involvement

The ideas and the creativity of our employees often result in process innovations that improve energy efficiency. Employees can direct their ideas to plant management or through an online suggestion board on our global internal portal. Suggestions are reviewed to determine feasibility and we follow up by sharing success stories.

Visibility and education are other important factors for energy awareness. Our facilities in North America observed Energy Awareness Month in October 2009. We provided a variety of communications on our portal and in our facilities about how to use less energy at our plants, in our offices and at home, as well as some success stories from our businesses.

In many Ball plants, employees are working diligently to increase energy efficiency. By doing so, they attract the interest of others, raise awareness and motivate them to contribute. For example, our Milwaukee, Wis., plant, participated in the state's Focus on Energy initiative and installed three large energy efficiency projects. The plant's projects included a heat recovery system that captures waste heat from the RTO and uses it to supply heated water to the can washing system; energy management controls for HVAC; and replacement of nearly 600 light fixtures with high efficiency models. Together the projects save an estimated 11,952 gigajoules and more than \$700,000 in energy costs annually. As a result of these efforts, the plant received the Governor's Award of Excellence in Energy Efficiency. This is one of many examples of significant progress our employees are achieving.

Benchmarking and Best Practice Sharing

As a global company we benefit greatly from exchanging best practices among our sites and divisions. By learning from each other, we make available consistent global

Stakeholder Perspective: Suppliers

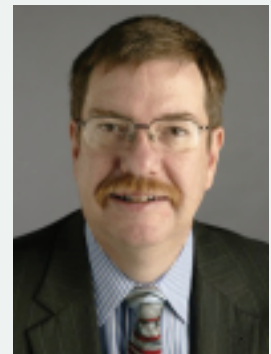
What do you think are the central challenges for Ball Corporation with respect to the overall carbon footprint of aluminum cans?

We believe we need a strong partnership with Ball and others across the supply chain to continue to make substantial improvements in the carbon footprint of the aluminum can. We can make the best improvement by increasing collection and recycling. This is why working together in supporting the Curbside Value Partnership and other ways to build consumer awareness on the importance of recycling is critically important.



Jean Marc Germain
President, Novelis North America for Novelis Inc.

Ball and Alcoa partner in a supply chain that delivers, recycles and returns the can to the consumer in 60 days. Carbon reduction and the results of the aluminum can life cycle analysis dictates we raise recycling rates. Alcoa and Ball have collaborated with others in the industry on various initiatives such as the Curbside Value Partnership. We need to accelerate these efforts to reduce the carbon footprint of the aluminum can.



Kevin Anton
Alcoa Vice President & Chair, Sustainability Committee

Case Study: Smart Use of Compressed Air in Delran

In our plastic packaging plants, high pressure compressed air is used for blowing preforms (uninflated bottles) into finished form. In Delran, N.J., compressed air recycling and compressor control systems were installed. The air recycling system captures some of the high pressure compressed air used to make the bottles and reuses the air for low pressure compressed air requirements. The compressor control system monitors the demand and manages the operation of 15 high pressure compressors (a combined 7,000hp). To closely match air supply to process demand, the system shuts down or starts compressors as process demand changes. By shutting down the idle compressors, the plant has reduced its energy usage by 18,700 gigajoules per year, saving approximately 4,442 tons of CO₂ emissions.





efficient processes across our operations. Energy champions from our metal beverage packaging plants met in September 2009 at our Saratoga Springs, N.Y., plant. The focus of the meeting was to learn about EIS, how to optimize energy use and share individual experiences. The exchange of knowledge and team spirit are the cornerstones for the continued success of our energy saving improvements.

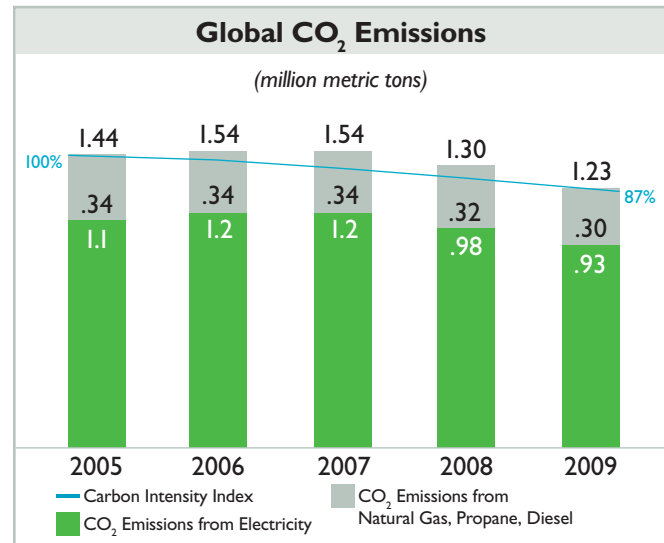
We utilize our internal portal to share comprehensive information on energy use and best practices for each packaging division. Efficiency opportunities by process and equipment type, assessments, goals and historical usage information are provided in detail to drive results. Membership in programs, such as U.S. Environmental Protection Agency's (EPA) Energy Star, provides further tools and training to enhance our efforts and learn about successes in other businesses.

Comprehensive and complete data enables us to develop appropriate solutions across our operations. The new software solution for collecting sustainability metrics of every Ball plant (page 4) contributes to increased transparency and better benchmarking of our plants.

Reducing Greenhouse Gas Emissions

Accurate accounting of GHG emissions is essential to implementing effective reduction strategies. Ball introduced a global reporting framework in 2009 that allows tracking of our energy efficiency and GHG emissions and consistent reporting to the sustainability steering committee. We have participated in the EPA Climate Leaders' program since 2002 and the Carbon Disclosure Project (CDP) since 2006, where we disclose our GHG emissions.

In 2008, Ball Corporation committed to reduce direct and indirect GHG emissions by 16 percent by 2012, using 2002 as a baseline. This commitment originated from our membership in the Climate Leaders' program. The Climate Leaders' goal was committed to in 2004 for our North American operations and expanded to a corporate goal in 2008. The scope of the original Climate Leaders' goal included the facilities where we have operational control, whereas our sustainability reporting scope includes facilities under our financial control. In addition, the calculations of CO₂ intensity are slightly different between the two scopes. We use "per 1,000 units produced" normalization for sustainability reporting purposes, while Climate Leaders' Carbon Intensity Index is based on a more complex formula. Until our Climate Leaders' goal ends in 2012, we will collect GHG emissions data for both scopes, but report against the Climate Leaders'



Case Study: Energy Information System in Europe

Ball implemented an energy information system (EIS) in 2008 and 2009 in all 12 European plants. Electricity, gas and water measurement devices were installed on the most energy intensive equipment. Through advanced metering systems and software, real-time energy information and consolidated data for all machines is provided online.

The EIS enables us to continuously measure energy efficiency and to better understand energy consumption in our complex manufacturing process. Performance of energy consuming equipment can be managed effectively and we are able to identify and quickly react to anomalies. By constantly monitoring and tracking energy consumption, we are increasing awareness on energy efficiency and related costs. We estimate that the annual energy savings realized by the EIS will be approximately 2 percent of our energy costs in Europe, which corresponds to more than \$1 million per year.



scope (chart on page 14). The Climate Leaders' GHG emissions data is reviewed each year by the EPA.

Compared with the 2002 baseline, at the end of 2009 we achieved a 13 percent GHG emissions reduction. Although we are making progress, some developments in our business had a negative impact on energy efficiency. The unexpected softening of demand as a result of the global economic downturn negated some of our progress: the fewer containers we produce in a certain time frame, the lower the energy efficiency. For example, if we halve the production on an average beverage can line, energy efficiency decreases by more than 25 percent. Also, new energy-intensive equipment was installed for environmental protection purposes and for manufacturing some new products that resulted in higher energy consumption.

Our primary effort is directed toward increasing energy efficiency, which is where we can have the greatest impact on reducing GHG emissions. However, Ball continues to explore cost-effective ways to use renewable energy. For example, we plan to install solar panels on the 34,000-square-meter roof of our La Ciotat, France, plant. The annual power output will be approximately 4,900 gigajoules, thus avoiding 120 tons of CO₂ emissions per year. We expect the first power to be delivered in the first half of 2011.

Determining the Carbon Footprint of Our Products

Ball Corporation has evaluated the environmental impacts of our products for more than 20 years and has used this information to better understand the overall environmental footprint of our containers. Life Cycle Assessments (LCA) and product related CO₂ emissions are important to our business. Packaging is often classified in European legislation based on its environmental credentials, for example, and some countries impose CO₂ related taxes.

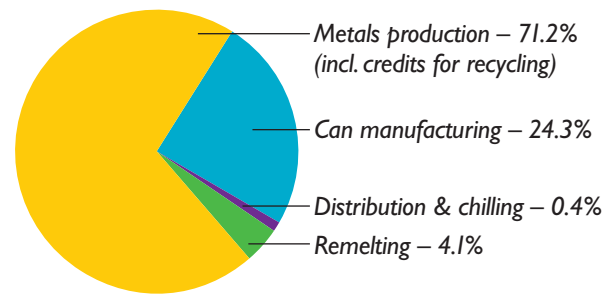
Case Study: Small Steps, Big Differences at Ball Aerospace

Ball Aerospace accounts for only 2 percent of Ball's energy consumption, but continuous optimization of energy use is still a high priority for the division. Lighting and HVAC (heating, ventilation, air conditioning) are the main focus areas for reduction. More than 100 high intensity discharge light fixtures were replaced with efficient, high output fluorescent lights in 2009. Annual energy consumption will be reduced by 650 gigajoules, reducing approximately 154 tons of CO₂ emissions.

An energy analysis of the HVAC motors in clean rooms revealed significant energy losses due to belt slippage on larger motors. The V-belts on these motors were replaced with synchronous belt systems in 2009. Depending on the size of the motor, the new belts reduce energy use by up to 15 percent. The estimated reduction in electricity consumption is 620 gigajoules per year.

Carbon Footprint of a 50cl Aluminum Can (16.9 oz)*

(average Western European aluminum can recycling rate of 61.8%)



* PE International, BCME (2009) together with the European Aluminium Association (EAA) and the Association of European Producers of Steel for Packaging (APEAL): Life Cycle Inventory and Impact Analysis for Beverage Cans

Ball is a member of Beverage Can Makers Europe (BCME), a trade association that conducted an extensive LCA for beverage cans in 2009. The study showed that the manufacturing stage of the beverage can accounts for approximately 24 percent to the overall carbon footprint of the beverage can throughout its life cycle (without considering the impacts of the beverage). More than two-thirds of the carbon footprint is derived from the production of the metal.

Regardless of where in the packaging value chain environmental impacts occur, all potential improvements along the chain need to be considered. Ball continues to work to further reduce our impact during can manufacturing. Upstream, metal suppliers are continuously working to reduce environmental impacts related to metal production. Our customers, our suppliers and Ball are focused on increasing recycling rates to save resources (pages 8-11). With every can collected and recycled, the carbon footprint of the next can is substantially reduced.





Water & Waste

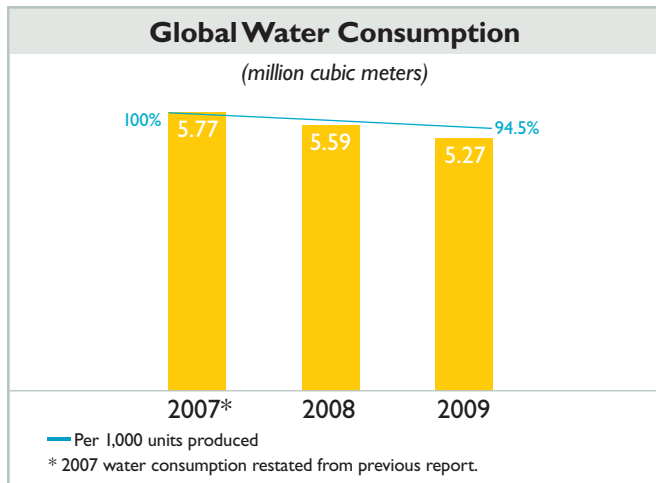
Our long-term direction is to reduce our water usage and send zero waste to landfill.

16

Ball is focused on the continuous improvement of our manufacturing processes to increase efficiencies. We have successfully introduced innovative production techniques and, supported by our environmental management systems, reduced water consumption and diverted more waste to beneficial reuse.

Water

Ball used 5.27 million cubic meters of water in 2009, an 8.6 percent decrease from 2007. Water consumption per 1,000 units produced also decreased 5.5 percent in the same timeframe. Our goal is to further reduce water consumption by 4.8 percent per 1,000 units produced by the end of 2011.



Ball's various North American packaging facilities have been conducting annual water surveys since 2008. Data is collected centrally and best practices are identified and shared. These plants began implementing more than 50 water efficiency projects in 2009 that are expected to save approximately 365,000 cubic meters of water every year.

We modified our cascade washing process and are now reusing water in La Ciotat, France. We save approximately 15,000 cubic meters of municipal water per year and reduce the amount of wastewater released to treatment systems. We plan to implement this measure in five more European plants in 2010, resulting in annual water savings of more than 75,000 cubic meters.

Ball Aerospace completed three projects in 2009 that eliminated single pass domestic water systems. Through the installation of closed chilled water loops and non-water cooled pumps, annual water usage was reduced by approximately 5,000 cubic meters.

Waste

Material use and waste volumes are important yardsticks used to evaluate the efficiency of our processes. Ball employs a number of strategies to minimize raw material use such as recycling all process scrap within our facilities and making process improvements to reduce spoilage.

Case Study: Biological Wastewater Treatment in China

Biological wastewater treatment removes organic substances in the wastewater generated during our manufacturing processes so that treated effluent can be in compliance and safely released.

Since 1996, Ball's Beijing, China, plant has successfully applied biological wastewater treatment. The plant further upgraded its facilities in 2009. Based on the experience from Beijing, our Shenzhen facility added the process in 2008. Our Hubei plant started the wastewater treatment plant upgrade project in late 2009 and can build upon the experience from the other two plants.

By adopting this proven technology and achieving safe effluent discharge qualities, the biological treatment process enables each of our plants in China to go beyond compliance and below legal limits.

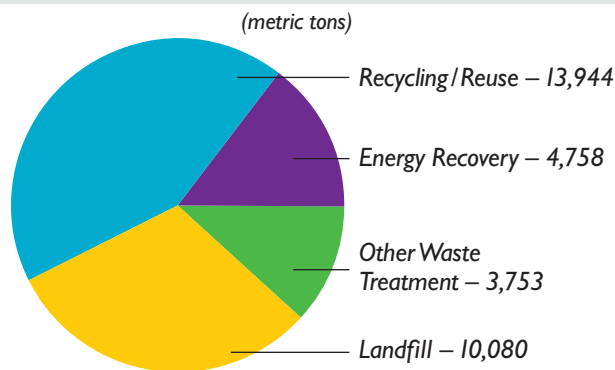


Waste reduction, reuse and recycling minimize disposal costs and provide environmental benefits such as resource conservation. We generate additional revenue when we recycle valuable materials such as plastic strapping. By emphasizing the importance of recycling, we are cultivating a conservation mindset.

A number of locally driven, innovative plant recycling initiatives were introduced at our facilities. For example, our manufacturing plant in Chestnut Hill, Tenn., began recycling oil absorbent materials. The materials are processed to remove the oil fluids, which then are fuel blended for reuse. After cleaning, the processed absorbent fiber is recycled. These efforts, along with a comprehensive waste sorting and educational effort, have increased the plant's recycling rate to 85 percent and saved approximately \$52,000 in annual costs.

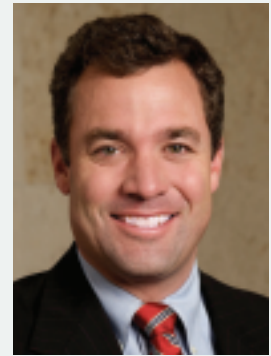
Approximately 87 percent of the total waste generated by Ball is metal and resin manufacturing scrap, which we recycle for environmental and economic benefit. We are focusing our efforts on reducing the remaining waste streams which totaled 33,483 metric tons globally in 2009. One of the main challenges for us is to report on different

2009 Waste Generated by Waste Treatment Method in North America and Europe



Stakeholder Perspective: Investor

What do you think are the central challenges for Ball Corporation with respect to resource efficiency?



Scott Stutzman
Research Analyst,
Janus Capital Group

Sustainability is emerging as a major investment theme. Over half of the cost of producing a can is in materials. If this can be reduced, everyone throughout the supply chain wins. Ball has been focused on sustainability and this has resulted in lowering the cost to produce a can by using less resources and energy. This allows Ball to provide cans at a lower cost to their customers and it could increase profits for Ball and its shareholders. As an investor, I am looking to Ball to find new ways to further lightweight its containers, as well as reduce energy and water consumption.

waste categories in a timely, reliable and consistent way throughout our global operations. Waste classifications and disposal methods vary from country to country. For example, a certain waste might be recycled in one region, but has to be landfilled in another region. Together with our waste management contractors across the globe, we started to address this challenge and can now collect and consolidate waste data against the categories shown in the chart to the left. We are reporting this data for our North American and European facilities for 2009. Our South American and Asian locations start reporting against these metrics in 2010.

Case Study: Waste Management in North America

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 found numerous ways to reduce our environmental footprint and turn waste into an economic advantage.

One example was a filter cake composting project in our Golden, Colo., plant in 2009. Filter cake, which accumulates in the course of wastewater filtration, is the largest waste stream by weight in our metal beverage packaging plants. This project will result in the avoidance of an estimated 576 tons of filter cake being landfilled. Instead, the filter cake will be shipped to a commercial composting facility near our plant. This program represents a 75 percent decrease in total landfill waste at this plant. We plan to divert these by-products in other plants beginning in 2010.





Safety

Our long-term direction is to have zero accidents in our facilities.

18

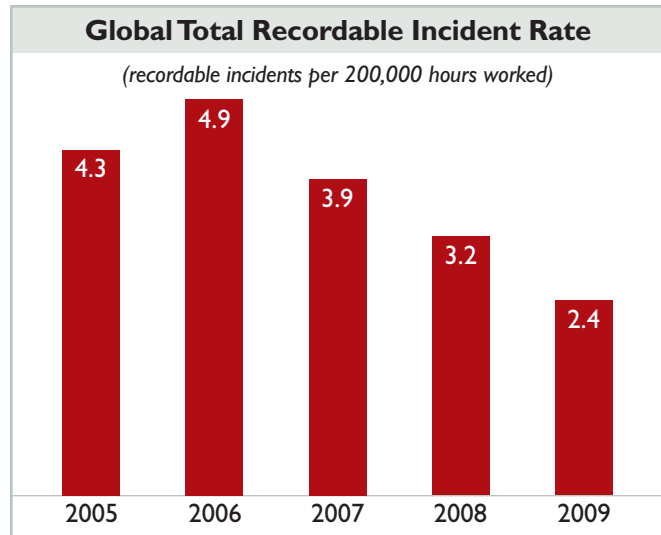
Employee safety is part of Ball’s culture and requires the active commitment of every employee and of the company. We provide safety standards, tools and training for all employees. Ball has had a successful track record related to safety performance, with consistently lower incident rates (injuries that require treatment beyond first aid per 200,000 hours worked) than in our industries as reported by the U.S. Bureau of Labor Statistics. In 2008, the rate for the metal can manufacturing industry was 5.9 and for plastic packaging manufacturing was 5.6, compared to Ball’s overall rate of 2.4.

Safety leadership in each of our businesses completed a comprehensive analysis of occupational health and safety management systems (OHSMS) to define a minimum set of global criteria for Ball Corporation’s global OHSMS standard. While each division within Ball has a successful safety program, developing a global standard with specific minimum requirements will work to further enhance our safety culture. Ball’s new global OHSMS standard is a compilation of the two leading OHSMS standards – Occupational Health and Safety Assessment Series (OHSAS) 18001 and ANSI Z-10. All Ball manufacturing facilities will be held to the new safety management standard.

Health and Safety Performance

Continuous improvement, accountability and active involvement of employees are the most important factors in consistent safety performance. Safety performance is reviewed with Ball’s management on a monthly basis to ensure progress is being made toward our long-term goal of zero accidents.

The key performance indicator of our safety record is our total recordable incident rate. It will take incremental progress to reach our long-term safety goal. We set a goal to reduce our incident rate by 15 percent in 2008



Case Study: Corporate OHSAS Certificate in Europe

Ball Packaging Europe committed to become a world-class safe workplace in 2005 and four years later was certified under Occupational Health and Safety Assessment Series (OHSAS) 18001. Ball’s European business is one of the first to be granted certification according to the internationally recognized safety standard. Companies are normally granted certification on a plant-by-plant basis, and not as an entire entity.

The best measurement of safety success is our total recordable incident rate, which declined by more than 50 percent for Ball Packaging Europe from 2005 to 2009 to 1.27 recordable incidents per 200,000 hours worked.



compared to 2007, and we exceeded that goal by reducing our total incident rate by 24 percent. We further reduced our rate by 27 percent in 2009 versus 2008 (chart on page 18). Our goal in 2010 and 2011 is to further reduce our total incident rate by 15 percent each year.

Components of Ball's Health and Safety Program

The following 10 elements are the main components of Ball's safety program:

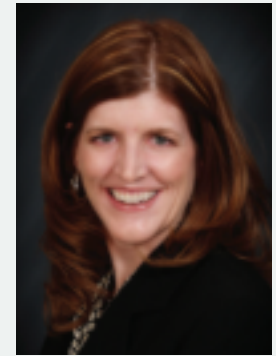
- ◆ Management commitment
- ◆ Ownership and trust
- ◆ Employee engagement
- ◆ Communication and awareness
- ◆ Behavior change
- ◆ Education and training
- ◆ Adherence to standard
- ◆ Measurement and analysis
- ◆ Medical case management
- ◆ Continuous improvement

Continuous improvement pertains to our entire program. One important aspect to improving safety is to change unsafe behaviors by proactively and nonconfrontationally focusing on behaviors that may lead to incidents. Ball utilizes the behavior-based safety approach, which targets specific worker behaviors, and enlists employees at all levels to monitor behaviors and take appropriate actions as needed as well as documenting those actions. By documenting unsafe behaviors, we can follow up to address the underlying issue.

Safety risk management, a fundamental aspect of Ball's health and safety program, is practiced at all our plants. Through risk assessments, we determine which areas have the highest health and safety hazards. We share this

Stakeholder Perspective: New Ball Employee

What do you think are the central challenges in merging AB InBev plant safety management systems/procedures with Ball's approach?



Tracie Sorvillo
Manager, Environmental Health & Safety, Columbus, Ohio, Metal Beverage Packaging Plant

The biggest challenge is learning and adapting to the new systems and procedures while simultaneously maintaining current safety programs. Becoming part of Ball Corporation in 2009 provided additional opportunities to share best practices and improve our safety systems in the plant. This will ultimately make us a safer facility by adding the Ball programs that complement and strengthen our previous programs.

information throughout our operations to improve our safety performance. For example, high noise levels exist inside Ball's can plants due to the use of high-speed heavy equipment. This can lead to hearing loss without proper use of hearing protection. Ball requires hearing protection for all employees, as well as acoustic guarding and other measures. In Europe, Ball continuously works to reduce noise at the source and will share these practices globally. We also require annual audiometric testing.

Another fundamental aspect of how Ball operates is maintaining our facilities to a high standard of cleanliness. This practice helps to foster pride in our workplaces and promote safe practices.

Case Study: Changing Safety Culture in Argentina

When Ball acquired plants in Garin and San Luis, Argentina, in 2006, the plants had a total recordable incident rate of 14.6. The existing safety program had minimal structure and little management support. In 2009, these two plants improved their combined incident rate to 8.0 – a 55 percent improvement from 2006. This improvement was the result of a safety culture change through management commitment to making safety a priority.

Elements that helped change the culture included starting every meeting with a safety review, implementing behavior-based safety, safety training for managers and supervisors, ensuring employees used the proper safety equipment, installing additional machine guarding and segregating the storage of hazardous materials. These efforts demonstrated to employees that management was committed to making health and safety a priority.





Talent Management

Our long-term direction is to recruit, develop and retain talented, diverse employees who share our core values and reflect our communities.

20

Talent management is one of Ball Corporation’s critical issues. We have a six-step, global “people strategy” to ensure that our 14,000-plus employees continue to be our greatest asset. Human resource leaders in each of our businesses worked together on this strategy, building on the best aspects already in place within Ball.

Ensuring Core Competencies

Our competency modeling tool identifies the knowledge, experience, skill and behaviors required for successful performance in each job. We incorporated these competencies into recruiting, performance, development and succession planning. Our goal is to ensure 100 percent adoption of this system by 2012. One of our five Keys to Success is to behave like owners of the company and we believe this tool will help instill that sense of ownership in our employees.

Finding the Right People

To ensure that our candidate pool is qualified and diverse, we use a variety of recruitment practices. We attended 47 professional and diversity career fairs and 49 college and military recruiting venues in North America in 2008 and 2009, which helped us identify more than 600 potential new employees. We post job openings internally, giving employees the first chance to advance within the company. More than 75 percent of open positions were filled internally during 2008 and 2009. We have a summer internship program and hired more than 75 interns in the past two years, eight of whom became full-time Ball employees.

Case Study: Leadership Training

Ball offers a five day Fundamentals of Leadership class which has been designed to develop the skills and effectiveness of supervisors and managers across the company. It is held three times a year at our corporate offices for employees in the U.S. A similar class was developed for employees in Europe and Asia.

Through the class, employees gain greater understanding of our business and culture, clarity on their management roles and responsibilities, building relationships and getting results, leading people and what resources can support them in their jobs.

Specific modules are based on topics including understanding communication styles, change management, listening skills, sustainability, environmental and safety performance, understanding diversity, coaching for performance, employment laws and labor relations. In the 11 years we have conducted this class, 1,270 employees have participated.

Diversity Statistics

| Ball Corporation | 05 | 06 | 07 | 08 | 09 |
|----------------------------------|-----|-----|-----|-----|-----|
| Total women in workforce | 15% | 16% | 16% | 18% | 18% |
| Women in senior management | 17% | 18% | 18% | 17% | 18% |
| Ball’s North American Operations | | | | | |
| Total minorities* in workforce | 15% | 19% | 19% | 20% | 21% |
| Minorities* in senior management | 8% | 8% | 8% | 8% | 7% |
| *includes women | | | | | |

Our diversity initiative is designed to engage current employees as we continue to attract new talent. We conducted diversity awareness training for 62 senior managers in the past two years and developed a program, “respect in the workplace,” which has been attended by 377 employees. We also established five specific employee resource groups for veterans, women, African Americans, Hispanic and Asian Americans. The intent is to identify and give recommendations for creating a more inclusive workplace. We developed partnerships for recruiting from diverse student populations like the one highlighted in the Thurgood Marshall case study on page 21.

To further our progress, Ball organized a diversity steering committee made up of senior leaders that oversees and emphasizes our diversity initiatives; increasing the number of women and minorities in management positions; increasing diversity in the applicant pool; increasing hiring



of women and minorities; reducing turnover of women and minorities; and improving diversity awareness throughout the company.

Diversity awareness is included in Ball's Fundamentals of Leadership training program for new and emerging leaders (case study page 20).

Ensuring Employee Continuity

Our succession planning process helps to ensure that we are developing our employees with the appropriate skills they need to advance, and our recruiting efforts are designed to fill the gaps. We began a formal talent review process in 2008 with each operating division to discuss critical positions and emerging talent. We completed at least one review for each division since then and scheduled two for each division in 2010, concluding with a global rollup.

Developing the Right Skills

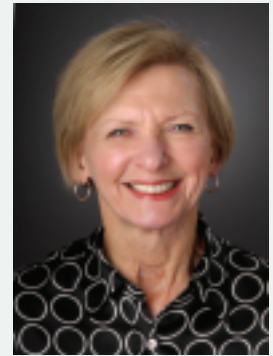
We offer comprehensive learning opportunities to employees to develop their skills and advance their careers which helps foster employee engagement and improves retention. Our internal training program includes courses on leadership and management. In 2008 and 2009, 381 employees attended these classes from across our global operations. Ball also offers more than 300 free courses online. We have provided more than \$2.2 million to 599 North America employees in the past two years to assist in their pursuit of college degrees.

Managing Performance

Setting clear expectations and assessing employees against those expectations by providing useful feedback are essential. We redesigned our performance management review process in 2008 to increase participation. Currently, 92 percent of employees participate in an annual review process and we expect to be at 100 percent in 2010. Our standard performance review now also includes a section on how

Stakeholder Perspective: Ball Employee

What do you think are the central challenges for Ball with respect to developing a diverse workforce?



Annelle Paschall
Manager, Employment Practices and Diversity

Diversity and inclusion are key elements of talent management at Ball. Our objective is to attract a diverse mix of employees to support our strong belief in the value of diversity.

Our challenge is to recruit a diverse candidate pool for job openings. In our hiring practices, we have processes in place to cast a wider net for a qualified diverse candidate pool to fill open positions. We also have programs in place to inform employees of the value of diversity.

employees contribute to Ball's sustainability – including diversity – and workplace safety initiatives.

Increasing Employee Engagement

Competitive wages and benefits, quarterly employee meetings, open houses and volunteer and social events are examples of how we increase employee engagement. Our voluntary turnover rate is world class – less than 6 percent of our workforce turns over in a year. In 2008 and 2009, our turnover rate was 5.5 percent and 2.8 percent, respectively, more than half due to retirements. More than 42 percent of our global operations are organized in labor unions and we have not experienced any work stoppages in our operations since 1998. Our low turnover rate and good relationship with unions helps to improve productivity and morale.

Case Study: Thurgood Marshall College Fund Leadership Institute

Ball was a sponsor of the Thurgood Marshall College Fund Leadership Institute, Recruitment Conference and Career Fair in 2008 and 2009. Our involvement supports their mission: "To develop and prepare a new generation of leaders by providing leadership development, scholarships, resources, opportunities and advocacy to Public Historically Black Colleges & Universities, students and alumni."

The conference draws students from 47 historically black public colleges. Workshops are available during the conference for students to gain additional skills; Developing Teamwork and Project Management Skills and Resume Writing and Interview Skills are two in which Ball participated. In 2008, two interns recruited from the institute worked at Ball the following summer; at the 2009 conference, Ball recruited nine interns for 2010.





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