

RESPONSIBLE INVESTMENT IN BURMA

BALL CORPORATION

July 2015

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## **Executive Summary**

Ball is at an early engagement stage in Myanmar. It is committed to operating in a responsible way, considering the concerns and interests of all stakeholders. We are constantly working on plans to ensure we will be in a strong position to implement our global standards in one of the most sensitive markets in which we are present.

All of our company policies and procedures apply in Myanmar, as they do in every country or territory in which we work, and we welcome feedback from all stakeholders concerned.

Our primary mission in Myanmar is to establish a profitable business that enriches the welfare of all of our stakeholders and contributes in a positive way to the development of Myanmar in a crucial stage of its democratic transition.

## 1. Submitter

Ball Corporation

## 2. Acknowledgement

By signing this public report, Ball Corp. acknowledges that it will be made public. No information included in items 1 through 8 of the U.S. Government Report is exempt from public disclosure under the Freedom of Information Act Exemption 4. As such, no redactions have been made to items 1 through 8.

## 3. Point of Contact for Public Inquiries

Jim Peterson  
Vice President Marketing & Corporate Affairs

## 4. Overview of Operations in Myanmar

(a) Name(s) of companies, including all subsidiaries operating in Myanmar covered by this report

Ball Asia Pacific (Yangon) Metal Container Limited ("BAPY")  
Registered Address: Lot No. A-15, A-16 Class (A) Area. Thilawa Special Economic Zone, Thanlyin township, Yangon Division, Myanmar.

(b) Nature of business in Myanmar

Ball will undertake medium scale manufacturing with the target for initial production starting at the beginning of 2016. Ball will manufacture and distribute aluminum cans.

(c) Location of operations in Myanmar

The manufacturing site will be at Thilawa Special Economic Zone (TSEZ), Yangon, Myanmar.

(d) Approximate maximum number of employees in Myanmar during reporting period

We currently employ 17 staff members in Myanmar. Fourteen are Myanmar nationals, one is a U.S. citizen engaged on a full-time basis and the other is a U.S. citizen working on a contract basis, and one Chinese citizen working on a full-time basis. Our current Country Manager is a very experienced Myanmar national who has worked for a number of local and international companies in Myanmar for more than 30 years.

## 5. Human Rights, Worker Rights, Anti-Corruption and Environmental Policies and Procedures

### (a) Due Diligence Policies and Procedures

Full details of our policies are available on our website ([www.ball.com](http://www.ball.com)).

Initially, Ball conducted a fact-finding mission in December 2012 to identify opportunities in respect to legal and financial issues, potential local partners, customers, market size, potential locations for a factory and to conduct an assessment regarding market entry. As part of this assessment, Ball followed its standard stakeholder engagement procedure, which encompasses:

- Understanding stakeholder perspectives
- Addressing current issues of concern
- Generating new ideas by increasing diversity of thought
- Creating win-win situations
- Providing early warning of future issues and analyzing impacts
- Mitigating risks and managing impacts
- Demonstrating transparency and accountability

Upon completion of the assessment, Ball identified Thilawa Special Economic Zone (TSEZ) as its preferred location to set up a factory. Thilawa SEZ is being developed by Myanmar Japan Thilawa Development (MJTD).

Ball believes that through its actions, it has demonstrated to the Myanmar government and the SEZ Management Committee that companies investing in Thilawa SEZ, and their customers, have an interest in ensuring that the rights of those in the communities affected by the creation of the Zone are respected. As an investor, Ball intends to continue to play a leadership role in community engagement around the Zone, and to adopt an approach to employment, sub-contracting and social investment that supports local people and affected communities.

### **Link to Ball Corporation's Human Rights Policy**

### (b) Anti-Corruption Policies & Procedures

Ball has a zero tolerance policy for corruption or bribery. At this stage, we have trained our team in Yangon on our policies and understand the procedures we will undertake should there be any breach of these policies. We require all our staff to comply with or exceed the laws enforced in every country in which we operate. We have a strict standard to which we expect all of our employees to perform. We conducted the first sanctions and anti-bribery compliance training for our Yangon and Hong Kong staff in August 2014.

We will conduct the second sanctions and anti-bribery compliance training for our staff and key contractors on July 2, 2015, in Yangon and also over the coming months as our operations develop, we will implement training methods to ensure all new members of staff fully understand and comply with this policy. As a company, wherever we operate we strictly adhere to the U.S. Foreign Corrupt Practices Act (FCPA) and other relevant laws.

**[Link to Ball Corporation's Business Ethics Handbook](#)**

(c) Community & Stakeholder Engagement Policies & Procedures

Community and stakeholder engagement will become an increasingly important area for us as we expand our operations, but we are already sensitive to potential impacts and the reactions of local communities and other stakeholders. We have put considerable effort into making sure the livelihoods of the displaced communities have been restored or exceed the position they were in before the Thilawa SEZ project began.

In addition to vocational training, MJTD, with Ball's support, has made an active effort to engage personnel from the dislocated communities by offering them employment at Thilawa SEZ. Ball currently employs 5 members of staff at our site under our Contractor's project. According to MJTD reports and JICA's local team of experts, there are now a total of 8 10 people from the relocation site working at Thilawa SEZ sites. This number should increase significantly over the coming months.

By localizing our manufacturing, our customers can save on freight costs, enabling them to reinvest into building their brands and strengthening their business in Myanmar. Furthermore, localizing can manufacturing will reduce our carbon footprint and ease congestion at Myanmar's ports. This local production also allows consumers in Myanmar access to U.S./international quality products and brands at a more affordable price.

We have made concerted efforts to ensure our plant design helps us to operate in a sustainable manner.

**[Link to Ball Corporation's Global Environmental Policy](#)**

(d) Grievance Policies & Procedures

We try to encourage early resolution of work place issues through open communication as this helps to maintain a positive and productive working environment. According to the nature of the grievance (or whistle-blowing), alternative lines of communication are in place according to the nature and sensitivity of the concern. Clearly, this will become a more significant process to have in place once our factory is established. We will implement measures as required according to our international standards.

Ball has an established procedure in place in all our factories for reporting any suspected breaches of corporate compliance. Ball believes it has a total legal and ethical responsibility to conform to all applicable laws, rules, regulations and directives of all countries in which the Corporation and its subsidiaries operate. This includes multiple global hotlines for different regions and languages allowing for caller anonymity. Guidance and contact details are prominently displayed in all our offices and factories, and are updated on an annual basis or more frequently as required.

**Link to Ball Corporation's Business Ethics Handbook**

(e) Global Sustainability Policies

Community and stakeholder engagement is critical to our sustainability-related policies, such as our Human Rights Policy. We are committed to meeting or exceeding the expectations of all of our stakeholders, which include, but are not limited to staff, local communities, NGOs, customers, suppliers, contractors, the local and national government, the judicial system and the environment.

**Link to Ball Corporation's Global Health and Safety Policy**

(f) Sustainable Business Practice

Throughout our plants, we work to a basic principle, "Reduce-Reuse-Recycle." In practice at Thilawa SEZ, this is demonstrated by a range of different initiatives that we are incorporating into the plant design:

- Almost "Zero" Waste Water Discharge

We will use a water treatment system supplying 100 cubic meters of water per day for general production use. We will also produce 100 cubic meters of deionized water for can rinse. Our waste water treatment system has a design capacity of 200 cubic liters and therefore we will be able to attain 100% waste water recycling (i.e. zero liquid discharge).

- Rainwater Harvesting

All rainwater that lands on the 15,000 square meters of buildings is collected in gutters, routed to sumps via downspout and then pumped to the large on-site storage tank. The water is then filtered and used in the facility production process and landscaping. We will aim to use 100% rainwater supply as and when it is available.

- Solar Panels and Windmill Powered External Lighting

We will use solar water heating for offices and other uses, saving energy and money. This will include solar and wind powered streetlights

- Low Energy Consumption Conveying and Packing

Our spiral conveyors and our system design will use 60% less than systems in conventional beverage can manufacturing plants. The utilization of spiral conveyors instead of traditional vacuum elevators will also eliminate spoilage in the event of power outages. We have Variable Frequency Drives on all conveyor motors. We can reduce the amount of air conveyors by replacing them with mechanical mass conveyors in our system design. The load-sharing compressors we use require less energy than standard compressors. We are installing low energy consuming LED & LVD lighting in our offices, warehouse and on the production floor. We are installing transparent panels the for top 3 meters of the full perimeter of the main building to minimize the need for artificial lighting and take advantage of natural light. We are installing sensor-activated lighting in our offices and other limited use areas.

#### (g) Supplier Code of Business Conduct

All of our suppliers are expected to perform in accordance with our codes of conduct and company ethics. In our early stages of entry into Myanmar, we are negotiating with potential suppliers of goods or services. Any that we come to terms with will be expected to sign an agreement to meet our company standards.

All of our contracts with suppliers include anti-corruption/anti-bribery wording to ensure our suppliers understand how we do business. This is part of an educational experience for our suppliers and, as appropriate, we will actively support them to rectify any issues identified.

**[Link to Ball Corporation's Supplier Guiding Principles](#)**

**[Link to Ball Corporation's Responsible Sourcing Framework](#)**

## **6. Arrangements with Security Service Providers**

Nothing to report at this stage. In due course, any security providers will be vetted and monitored to ensure they understand our corporate standards and meet our expectations regarding human rights in the performance of their duties. Globally, Ball has the goal to participate in the "Voluntary Principles on Security & Human Rights". (<http://www.voluntaryprinciples.org/>).

## **7. Property Acquisition**

We have not acquired ownership of property in Myanmar. We have a leasehold on land that we plan to develop at the Thilawa Special Economic Zone (SEZ).

## 8. Transparency

Payments made to the Myanmar Government or Government entities since Ball started operations in Myanmar are:

- Personal income tax (Aug 14 – Jun 15) US\$46,228 – Inland Revenue Department
- Land lease (Aug 14 – Jun 15) US\$3,012,300 – MJTD (10% owned by the Myanmar Government)

## Conclusion

We are committed to performing our business in Myanmar in a fully responsible manner. We are in the process of identifying stakeholders that will benefit from or be impacted by our operations, and will endeavor to ensure they are all satisfied with our actions and activities.

We are still in the early stages of our engagement in Myanmar, but have concerted plans in place to ensure our project in Myanmar meets all our global commitments. 2015 will be an exciting year for Ball in Myanmar as we develop our factory site and start production. During the next 6 months, we will ensure that we implement policies and procedures across the board.

We are excited by our opportunities in Myanmar and want to be recognized as an exemplary corporate citizen, working in a transparent and responsible manner.

### Ball Corporation

Ball Asia Pacific (Yangon) Metal Container Limited

By: \_\_\_\_\_

Name: **Janice L. Rodriguez**

Title: **Assistant General Counsel and Assistant Corporate Secretary**