



Berry Global

2024 Organizational Leadership Awardee

Berry Global Group, Inc., headquartered in Evansville, Indiana, is a leading global supplier of a broad range of innovative rigid, flexible, and nonwoven products used every day within consumer and industrial end markets. Berry, a Fortune 500 company, has over 42,000 employees and generated almost \$14.5 billion of pro forma net sales in fiscal year 2022, from operations that span over 245 manufacturing locations on six continents.

GHG reduction goal(s)

25.2% of Scope 1 and 2 emissions from 2019 to 2025, and 25.2% of Scope 3 emissions from 2019 to 2025

Net-zero by 2050

Mitigation strategies

- *100 million kWh Challenge*

In 2020 Berry Global launched an initial target to eliminate 1 million kilowatt hours (kWh) from its operations over the year – a target which was surpassed. Based on the success of this initiative, in 2021 the company committed to invest in capex energy reductions with a goal of eliminating 100 million kWh through investment, daily energy waste elimination best practice sharing, and project translation.

This 100 million kWh Challenge was implemented across the company through the combined efforts of its engineers, plant technical staff, and maintenance personnel at all manufacturing sites, and accomplished through hundreds of small projects. The 2021 challenge focused on LED retrofits, compressed air, electric motors, heating and cooling systems, water management, and energy management systems and practices. By the end of the September 2021 deadline, Berry Global had surpassed the 100 million goal and eliminated over 125 million kWh through capex efforts and 10 million kWh through energy waste elimination efforts.

The project was renewed to eliminate an additional 100 million kWh in 2022, which was once again exceeded, with over 364 initiatives implemented and estimated emissions savings of 50,000 MT CO₂e annually. These initiatives include investments in automation, compressed air projects, smart control systems, cooling technology, HVAC, Insulation, Motors and Drives, Lighting, and machine equipment replacement/upgrades. It also includes work to increase maintenance programs, process optimization, and resource efficiency.

- *More Together Strategy*

In 2022, Berry Global launched a focused initiative encouraging every person, company, and community to leverage their joint power to create change. This initiative was rightly named More Together to represent how change can come quicker, be bolder, and have greater impact when collaboration spans the entire value chain.

The More Together Strategy starts with passionate Berry team members identifying, leading, and achieving significant sustainability improvements leveraging organizational resources. By giving people the opportunity to share their “More”, the company learns what motivates them to work and succeed in a circular economy. This exchange of personal passions turns insight into action – enabling Berry team members to share and discuss their interests internally and with those they work with across the value chain. The platform enables employees, customers, and partners to post and discuss what drives them to work on sustainability projects and what actions they are taking to achieve, for example, greater reductions of greenhouse gas emissions, either through energy efficiency projects on-site, or by developing design ideas to mitigate the impact of projects and reduce scope 3 emissions.

- *Renewable energy procurement*

In 2021, as part of Berry’s commitment to achieve its SBTi approved Greenhouse Gas Emission targets, the company committed to increasing the amount of renewable energy consumed annually, both as an absolute amount, and as a percentage of total energy usage. In each year since, Berry has completed this goal. This was achieved by exploring all available avenues for investment in renewable energy solutions and opportunities to increase the amount of renewable energy procured. One such example was realized in 2021 when Berry Global announced investment in renewable energy via a long-term virtual power purchase agreement (VPPA), aligned to provide renewable energy for the company’s Spanish operations. The VPPA investment supported the construction of a solar park in Guadalajara, Spain which now provides the RECs for 70 GWh of renewable energy to Berry’s Spanish Facilities.

This investment emphasizes the continued commitment to be aggressive in the organization’s progress towards increasing its renewable energy usage and reducing

its operational carbon footprint. As well as providing Berry with renewable energy, the investment has also enabled the addition of further new renewable energy to the grid as part of one of the largest European solar park projects, strengthening the local infrastructure for renewable energy sources.

Organizational strategies

- *Scenario analysis:*

Berry Global has carried out scenario analysis of multiple transition scenarios to guide internal strategy. When developing its Impact 2025 Sustainability Strategy, Berry used the 2DS climate-related scenario to model the impact on operations in comparison to a business-as-usual pathway, such as the IEA STEPS (Stated Policies Scenario). Results of the scenario analysis determined the target for GHG emissions reductions in the company's strategy. This was set at a 25% intensity reduction in GHG emissions by 2025 from a 2016 baseline, in line with the 2DS pathway. As a direct result of the 2DS and GHG reduction targets, further global energy reduction targets were calculated, and capex availability for energy reduction projects and renewable energy sourcing was put in place. In 2022 Berry expanded its Impact 2025 strategy based on the IEA NZE2050 (Net-Zero Emissions by 2050 Scenario) pathway and RCP 2.6 Physical climate scenario, through which it identified the ability to be compatible with modeling to limit warming to 1.5 degrees Celsius by 2100; the company has also set an appropriate science-based GHG emissions reduction target, approved by the SBTi, and committed to net-zero emissions.

- *R&D investment:*

Strategy in the area of investment in R&D has been influenced by the recognition that in line with customer, consumer, and regulatory pressures the Berry Global portfolio of products needs to adapt to mitigate climate-related risk. In light of this Investment in R&D has increased over 170% from \$33 million in 2015 to \$90 million in 2021. R&D is an integral part of long-term strategy as a company.

Through an increased investment in R&D, Berry Global is advancing the sustainability strategy to reduce the climate-related impact of products. An example where this opportunity has been realized is for beverage cups produced by Berry in North America. Berry converted a line of paper cups with a PS lid to PP cups, this resulted in a GHG emissions saving of 23% and a resin reduction of 12%.

- *Executive compensation:*

In order to tie executive compensation with the Company's climate-related goals, the Compensation and Talent Development Committee determined that beginning in fiscal 2023 the short-term annual performance-based cash incentive will be

comprised of three components that are tied directly to the financial and climate-related performance of the company: (i) an Adjusted EBITDA target (70% of the award); (ii) a free cash flow target (20% of the target award); and (iii) a Greenhouse Gas emissions target (10% of the target award). The Greenhouse Gas target was set at 4.2% - the annual reduction required in line with the company's Scope 1 + 2 corporate SBTi-approved targets.

- *Supplier engagement*

Berry Global has quarterly meetings with its largest resin suppliers, where the company explores solutions to reduce their direct emissions, which in turn would decrease the emission factors associated with the resin that is purchased - the largest part of Berry's Scope 3 footprint. By supporting innovation of its suppliers to produce recycled resin, which reduces GHG emissions, Berry has secured commitments of 300 million lbs. of resin from advanced recycling from 2025. The company also uses EcoVadis IQ to analyze risk across the supply chain and identify suppliers with high levels of inherent risk. High risk suppliers are required to complete a comprehensive ESG assessment, which includes an assessment of climate risk, through the EcoVadis platform. Ensuring that high-risk suppliers undertake this assessment – and implement any corrective actions – serves to raise supplier awareness and correspondingly reduce climate risk within the supply chain.