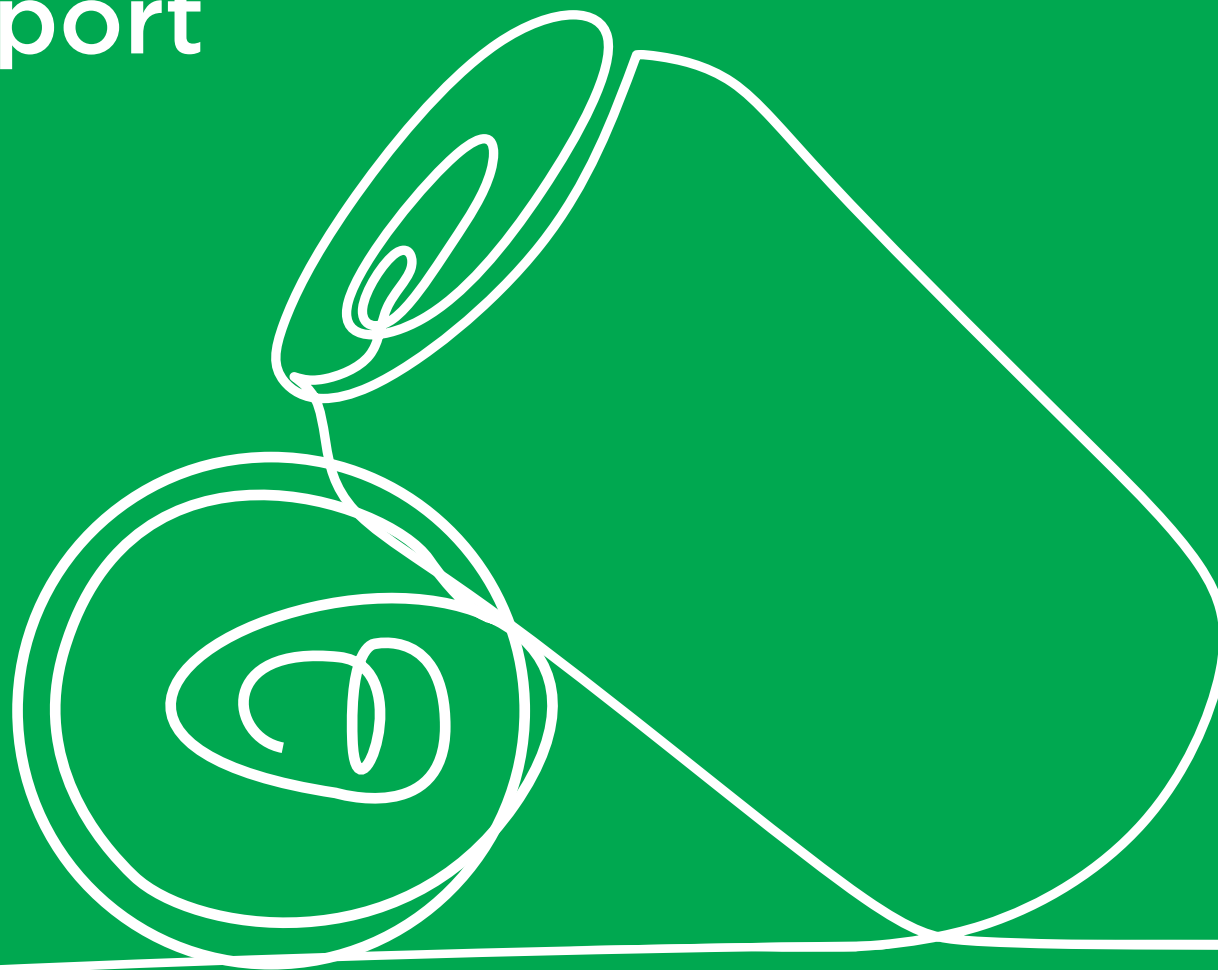


Ardagh Metal Packaging S.A.

# Green Bond Report

2023



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# Introduction

Welcome to the Green Bond Report 2023 of Ardagh Metal Packaging S.A. (AMP) for the period 2019 to 2022. This Green Bond Report details the projects and the associated results that were allocated proceeds from the \$600 million 6.000% Senior Secured Green Notes due 2027 (Green Bond) that were issued in June 2022.

AMP (NYSE:AMBP) is one of the leading suppliers of infinitely recyclable consumer metal beverage cans in the world. AMP is a leading industry player in Europe, the United States and Brazil that provides sustainable, innovative packaging solutions. AMP operates 24 production facilities in nine countries, employing more than 6,300 people with sales of approximately \$4.7 billion<sup>1</sup>. A partner of choice for beverage companies, AMP is known for its high quality and high level of customer service and is an independent pure play metal beverage can producer of scale in the market today.



24 production facilities<sup>1</sup>



6,300 employees<sup>1</sup>



\$4.7 bn revenue<sup>1</sup>

1. As of December 31, 2022.



# Leadership message

Welcome to our second Green Bond Report which provides an update on how AMP's green bond financing directly contributes toward our sustainability strategy and delivering value for our stakeholders – while continuing to provide sustainable packaging solutions for a circular economy. Even as many global industries face pressures amid geopolitical challenges and unusually high unprecedented inflation levels, the infinitely recyclable metal beverage can remains the strong choice of beverage brands and consumers for both sustainability and package integrity.

Our organisation and our industry have committed to continuing to drive improvement beyond the inherent environmental advantages of metal beverage cans, which are marked by the highest recycle rate and recycled content rates in the beverage packaging space. We focus on continuous improvement in all aspects of our business to deliver long-term, sustainable success for our stakeholders.

But that is truly just the beginning. We see our product's environmental leadership as a starting point for greater leveraging of best practices and increased innovation to advance and accelerate the sustainability advantages of AMP and the beverage cans we produce.

That means our investors are partners on this journey, both as shareholders and as investors in our Green Bond. They have an evolved view of fiduciary duty, one that embraces the positive relationship between relevant environmental, social and governance issues and sustained financial performance. It's through direct investments with the proceeds from our Green

Bond that allows us to partner with our investors in taking stronger steps toward achieving our sustainability objectives, while delivering leading business efficiencies and associated returns.

These sustainability objectives are anchored by our three pillars: Emissions, Ecology and Social. These pillars target emissions, material, waste, energy and water reductions while driving team diversity and inclusion and improving the communities we do business in.

We are proud to provide a progress report on our Green Bond projects and the results they have helped deliver across emissions reduction, energy intensity and renewable energy. These results have been supported by a strong investment in the light weighting of metal beverage cans, energy efficiency programmes, renewable energy sources, clean transportation and sustainable waste and water management processes.

AMP strengthened its commitment to the Aluminium Stewardship Initiative (ASI), which is a multi-stakeholder programme that promotes measurable and continual improvements in key environmental, social and governance impacts. The ASI recently certified our centralised operational and quality assurance functions at our regional research centre in Bonn, Germany, and our metal beverage can production facility in La Ciotat, France, against stringent sustainability measurements.

In addition, we recently joined key aluminum industry leaders in teaming up with the Mission Possible Partnership (MPP) and the Aluminum Forward 2030 coalition, launched by the International Aluminum Institute (IAI). Both initiatives are driven by strong actions in the short-term to transition the aluminium industry to net zero greenhouse gas (GHG) emissions by 2050. We're proud to be a part of this community of like-minded industry leaders who, together

with our customers and suppliers, have agreed on substantial investments in net zero initiatives this decade.

These actions demonstrate our commitment to delivering on our sustainability strategy and having this pathway confirmed and approved by a world-class third-party assessment organisation provides our stakeholders with the assurance that we are on the right track. This is why in 2022 we secured approval from the Science Based Targets initiative (SBTi) for our GHG emission reduction targets. SBTi approved our 2030 plan to reduce absolute scope 1 and 2 GHG emissions by 42%, as is consistent with the Paris Agreement to achieve a trajectory to limit global warming to 1.5 degrees Celsius. Our plan to reduce absolute scope 3 GHG emissions by 12.3% meets the SBTi's criteria for ambitious value chain goals and is in line with best practices.

We are very proud of our recent accomplishments and are excited for our next stage of growth and development. Our Green Bond provides an opportunity for others to join us on this journey, invest in our capabilities and share in our achievements. Please enjoy this latest report detailing our strategy and progress to date as we invest in more sustainable projects, businesses and communities while generating financial returns.



**Oliver Graham**

CEO  
*Ardagh Metal Packaging*

# Sustainability strategy

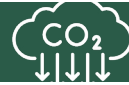


## Our sustainability filter

Sustainability only has a sustainable impact if it is economically viable both long and short term



# Sustainability goals and targets



## Minimise our GHG emissions

Our global decarbonisation programme focuses on emissions from operations (Scope 1 and Scope 2) and supply chain (Scope 3)

- 100% renewable electricity
- 42% reduction in Scope 1 and Scope 2 GHG emissions\*
- 12.3% reduction in Scope 3 GHG emissions\*
- 10% reduction in VOC (volatile organic compounds) emission intensity



## Minimise our ecological impact

Reduce our impact on the environment and promote circular economy

- 20% reduction in water use intensity
- Zero waste to landfill\*\* by 2025

*Agreement on AMP long-term sustainability goals and targets  
(2030 target year compared with 2020 base year, unless otherwise noted)*

*\*Approved by Science-based Targets Initiative (SBTI)*

*\*\*Zero waste to landfill for operational waste streams where allowable by regulation*

# Governance

The objective of issuing Green Financing Instruments is to assist in financing AMP's initiatives to lower our own carbon footprint as well as increase our investment in sustainable projects to transition to a circular economy. The issuance of these Green Financing Instruments will also enable AMP to engage with those investors who are committed to allocating capital in support of these objectives.

Green Financing Instruments include Green Bonds, Green Loans, Green Hybrids, Green Private Placements, Green Project Finance and any other financial instrument where the proceeds can be exclusively allocated to finance or re-finance in part or in full new and/or existing Eligible Green Projects and/or assets as defined here.

AMP follows a framework designed to ensure any Green Financing Instruments issued by Ardagh and/or its subsidiaries are aligned with market best practices outlined by the International Capital Market Association ("ICMA") 2018 Green Bond Principles<sup>1</sup> and the Loan Market Association ("LMA") 2018 Green Loan Principles<sup>2</sup>. This includes the following sections:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

The framework also describes the approach to external review, as recommended by the ICMA 2018 Green Bond Principles<sup>1</sup> and the LMA 2018 Green Loan Principles<sup>2</sup>. The framework will apply to any Green Financing Instrument issued by AMP

and will be applied as long as any such instrument is outstanding.

Any updated version of this framework will either maintain or improve the current levels of transparency and reporting disclosures, including the corresponding external review. The full Ardagh Green Bond Financing Framework is available on AMP's website. The following details the allocation of Green Bond proceeds directly supporting AMP's Sustainability Strategy objectives.

AMP has retained ISS Corporate Solutions to provide a second party opinion (SPO) on Ardagh's Green Financing Framework to confirm alignment with the ICMA 2018 Green Bond Principles<sup>1</sup> and the LMA 2018 Green Loan Principles<sup>2</sup>. The SPO is available at [ardaghmetalpackaging.com](http://ardaghmetalpackaging.com).

Green Bond Details		SSN/SUN	Coupon		Amount Issued (\$ Equivalent) <sup>4</sup>	Maturity date	Use of proceeds
Issuers	Ardagh Metal Packaging <sup>3</sup>	Senior Secured Note	6.0%	USD	600,000,000	June 15, 2027	An amount equal to the net proceeds from the issuance of the Green Bond was allocated to fund, in whole, "Eligible Green Projects," which is defined in the Green Bond framework, and which generally refers to projects that meet our Green Bond Eligibility Criteria.
Issue date	June 1, 2022	<b>Total Outstanding Green Bond:</b>			<b>600,000,000</b>		
Issued amount	\$600 million						
Net proceeds	\$590.2 million						

1. Green Bond Principles 2018 (International Capital Market Association acting as secretariat to the Principles). | 2. [LMA Green Loan Principles December 2018](#). | 3. Issuers are Ardagh Metal Packaging Finance PLC and Ardagh Metal Packaging Finance USD LLC. The parent guarantor is Ardagh Metal Packaging SA. | 4. This is at the prevailing exchange rate at the time of debt issuance.

# Green bond allocation

The following results detail the spend by category of the allocated proceeds of the Green Bond from July 1, 2019 to December 31, 2022. 100% of the proceeds of the Green Bond have been allocated, and have been split into investments across six of the eligible categories. The proportional allocation between existing projects is 39.5% and new projects is 60.5%. While eligible projects focused on a variety of solutions across all regions of our operations, they shared the common objective of advancing our sustainability strategy. Impact and performance data on the following pages cover fiscal years 2019 through 2021. On an annual basis, key sustainability performance metrics undergo third-party limited assurance. Due to timing, 2022 performance metrics will be included in the AMP sustainability report due to be published later this year.

Total AMP Green Bond net proceeds:<sup>1</sup>  
**\$590.2m**

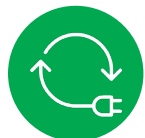
## Spend by category:<sup>2</sup>



Eco-efficient and/or circular economy adapted products, production technologies and processes: **\$568.5m**



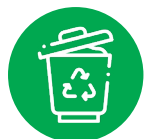
Sustainable water and wastewater management: **\$1.2m**



Energy efficiency: **\$5.2m**



Renewable energy: **\$10.7m**



Pollution prevention and control: **\$2.0m**

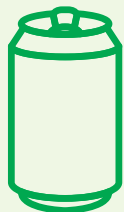


Clean transportation: **\$2.6m**

<sup>1</sup>. Report of Independent accountants on page 14. | <sup>2</sup>. A list of Eligible Green Projects, and allocated amounts, financed through Ardagh's Green Financing Instruments may be made available subject to confidentiality and non-disclosure agreement.

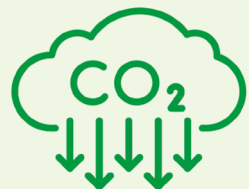


# Green bond impact metrics



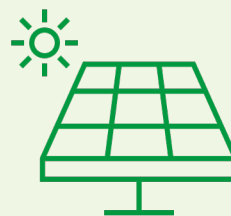
**70%**

recycled content<sup>1</sup>



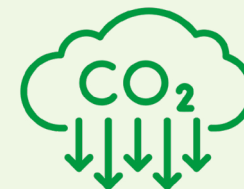
**373k**

metric tons of CO<sub>2</sub>e were reduced — scope 3 GHG emissions<sup>2</sup>



**17%**

of electricity demand sourced from renewable sources<sup>1</sup>



**3k**

metric tons of CO<sub>2</sub>e were reduced — scope 1+2 GHG emissions<sup>2</sup>



**77L**

of water per 1000 beverage cans produced<sup>1</sup>



**47,400**

metric tons of waste diverted from landfill<sup>2</sup>



**70%**

of AMP's global operations have achieved zero waste to landfill status<sup>1</sup>

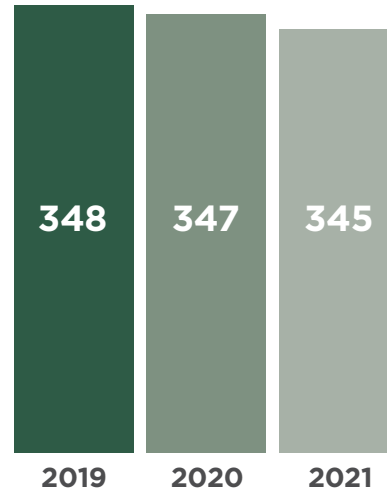
## Performance

The proceeds of our Green Bond help to implement our sustainability strategy, including our commitments to increase recycled content in our metal beverage cans, improve water efficiency, increase energy efficiency and support material and waste reductions. From 2019 to 2021, we made progress against these goals, as illustrated here. Additional information on activities and initiatives supporting our sustainability strategy is available within the sustainability section of our [corporate website](#).

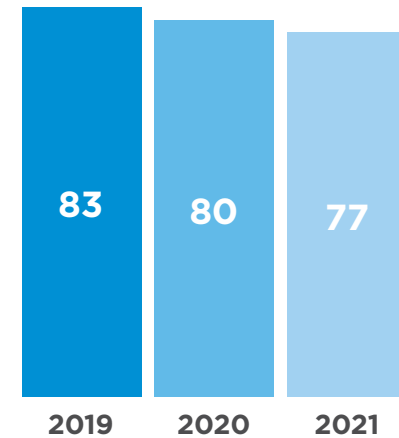
*1. Recycling includes disposal methods such as: recycling, fuel blending, chemical treatment and incineration with energy recovery.*



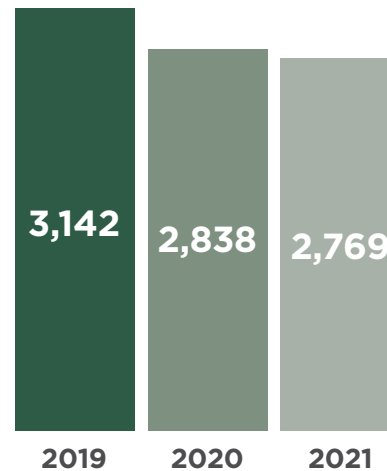
Reduce scope 1+2 GHG emissions by 42% by 2030 ('000 tCO<sub>2</sub>e)



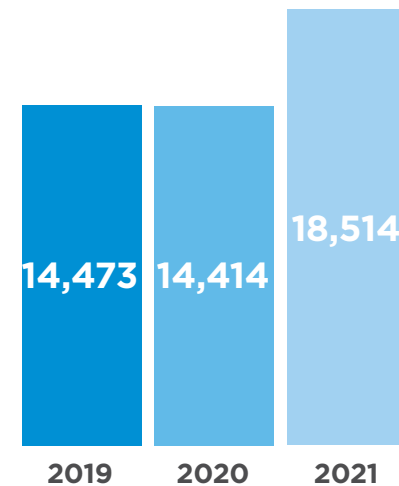
Reduce water use intensity by 20% by 2030 (L/1000 units)



Reduce scope 3 emissions by 12.3% by 2030 ('000 tCO<sub>2</sub>e)



Waste recycled<sup>1</sup> (metric tons)





# Featured eligible green projects

The projects described here illustrate how the Green Bond proceeds are being used to deliver on our Sustainability Strategy.

## AMP drives sustainability efforts through data-driven energy optimisation

Our obligation to gain control over our energy use has never been clearer. By leveraging data to streamline energy efficiencies, we can reduce our overall energy consumption, curtail our greenhouse gas emissions, minimise costs and secure our energy supply. The use of data to guide and substantiate this initiative allows AMP to grow the company's understanding of its energy management goals and capabilities.

- In 2020, we launched our Renewable Energy Programme, a strategic initiative focused on projects that support our goal of achieving 100% renewable electricity by 2030. Through this programme we have sourced 34% of electricity demand for AMP - South America from renewable sources, including solar, wind and hydropower. These efforts contributed to the elimination of an estimated 11,400 metric tons of CO<sub>2</sub>e.
- AMP - South America has initiated the replacement of all propane forklifts with electric versions. By converting to electric, the team is paving the way for decarbonising its forklift trucks, absorbing one ton of carbon annually - or equal to the natural efforts of more than 230 trees. These vehicles also reduce fire and safety hazards inherent with fuel tanks; the full transition to electric forklifts in all facilities in South America is expected to be completed by 2025.
- LED lighting retrofit programmes across AMP - North America facilities have resulted in the avoidance of 13,100 metric tons of CO<sub>2</sub>e annually. There have been 1,752 light fixtures changed to LED, saving an estimated 27,000MWh of electricity annually.
- Data from energy audits across our North American and European manufacturing locations revealed outdated equipment such as vacuum pumps and air compressors were causing increased electricity consumption and GHG emissions. Old equipment was replaced with new, energy-efficient models. The results of these upgrades were significant; in our AMP - North America Fairfield, CA plant alone, we've seen a 3% reduction in GHG emissions.

## A focus on continuous improvement in water conservation

At AMP, we take water stewardship seriously. Our motivation goes beyond regulatory constraints and utility costs that affect our bottom line. Access to fresh water is essential to everyone; by continuously monitoring usage and reducing consumption through advancements in recirculation, treatment and recycling, we do our part to conserve one of the world's most precious resources. Key examples of AMP's commitment to achieving its water usage reduction target can be found in our European and South American operations:

- In 2022 at our Valdemorillo location in Spain, we implemented an active counterflow system upgrade that allows for significant improvement in our efforts to reduce water usage by the optimisation and control of washer overflow.
- Our Alagoinhas production facility in Brazil utilises a Membrane Biological Reactor (MBR) which serves as an on-site wastewater treatment process. The MBR enables us to treat wastewater from the facility and discharge it safely under the parameters defined by Brazil's Environmental Agency.

Projects like this have enabled AMP to achieve a 3% reduction in water usage on an intensity basis in 2021. As such, we are tracking on target toward our 2030 goal of a 20% reduction in water use intensity compared to a 2020 base year.





## AMP promotes the circular economy through operational eco-efficiency

As a leader in our industry, Ardagh Metal Packaging must address global challenges caused by emissions and resource consumption. That is why we are committed to producing infinitely recyclable beverage cans of the highest quality for brand owners around the world.

This commitment begins with the concept of eco-efficiency – a resource management strategy that focuses on doing more with less. The following projects are clear examples of how AMP aims to minimise our environmental footprint while optimising the efficiency of our production processes:

- AMP's \$1.8 billion business growth initiative is an investment programme involving the sustainable construction of new, infinitely recyclable metal packaging capacity across Europe, North America and South America. These facilities – such as our newest plant in Huron, Ohio – leverage best practices focusing on zero waste to landfill, renewable energy sources, improved water usage processes and lower emissions.
- Increased use of and recycling of metal packaging can be a cornerstone of a circular economy and a strong step forward in achieving carbon neutrality. Our strategy focuses on increasing global recycling rates by partnering with our suppliers, customers and local stakeholders. By utilising recycled aluminum, we can eliminate up to 95% of energy and associated GHG emissions. In fact, we increased recycled content in our aluminum beverage cans to 70% in 2021, up from 62% in 2020, further reducing our scope 3 emissions.
- AMP is also continuously working on the reduction of the weight of its products. Lightweight products/containers result in a reduction of GHG emissions and energy usage due to less material input.



Independent Limited Assurance report to Ardagh Metal Packaging Holdings SARL ('AMP') related to the 'Schedule of Net Proceeds' for the AMP Group June 2022 Green Bond as at 20 April 2023.

### What we looked at: scope of our work

AMP engaged Deloitte to perform limited assurance procedures that the AMP 'Schedule of Net Proceeds' (the 'Subject Matter') as at 20 April 2023 for the AMP Group June 2022 Green Bond (the 'Green Bond') was prepared in accordance with the 'Alignment with the Green Bond Principles and Green Loan Principles' Section on "Management of Proceeds" set out in Ardagh Group's Green Financing Framework, September 2021 (the 'Applicable Criteria'), hereafter referred to as the 'Framework'

### What standards we used: basis of our work, criteria used and level of assurance

We carried out limited assurance procedures in accordance with the International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000").

To achieve limited assurance, ISAE 3000 requires that we review the processes, systems, and controls in place for the allocation of the Green Bond proceeds, on which we provide assurance. It does not include detailed testing for each of the green projects listed in the Schedule of Net Proceeds, or of the operating effectiveness of processes and internal controls. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We are not required to carry out an audit conducted in accordance with International Standards of Auditing (Ireland). Consequently, our conclusion is not expressed as an audit opinion.

### What we did: key limited assurance procedures

To form our conclusions, we undertook the following procedures:

- Obtained an understanding of Ardagh Group's definition of Eligible Green Projects and the process for selection of projects.
- Obtained an understanding of the Governance process for review and approval of the eligible green projects.
- Interviewed management and those charged with operational responsibility on the process and controls for the allocation of net proceeds.
- Obtained and reviewed the Schedule of Net Proceeds per AMP's 'Green Financing Register' to ascertain whether the sample of all projects within the schedule have met the eligibility criteria as defined by the Ardagh Group's Green Financing Framework, September 2021.
- For a sample of projects, reviewed source documentation invoices to match the allocation of net proceeds.

Note our examination was not conducted for the purpose of evaluating AMP's impact metrics, thus, we did not audit or opine on the sufficiency, appropriateness or accuracy of the impact reporting criteria, accounting impact methodology or the environmental impact of the green projects listed in the Schedule of Net Proceeds. Accordingly, we do not express an opinion or any other form of assurance other than on whether the allocation of the Green Bond Net Proceeds was performed in accordance with the "Management of Proceeds" set out in the Framework.

### Our independence and competence in providing limited assurance to AMP

- We complied with Deloitte's independence policies, which address and, in certain cases, exceed the requirements of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants*, and in particular preclude us from taking financial, commercial, governance and ownership positions which might affect, or be perceived to affect, our independence and impartiality, and from any involvement in the preparation of the Schedule of Net Proceeds.
- We have confirmed to AMP that we have maintained our independence and objectivity throughout the engagement period and in particular that there were no events or prohibited services provided which could impair our independence and objectivity.
- Our team consisted of a combination of Chartered Accountants with professional assurance qualifications and professionals with many years' experience in providing sustainability assurance.
- In performing our work, we applied International Standard on Quality Management 1 and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Roles and responsibilities

### AMP:

AMP were responsible for the provision of information and decision-making in connection with the scope of our work. In addition, AMP were also responsible for the following:

1. The Directors were responsible for the preparation of the AMP 'Schedule of Net Proceeds'. They were responsible for data collection and data aggregation in respect of net proceeds and maintaining appropriate performance management and internal control systems from which the reported information is derived.
2. Provision of sufficient access and making available all necessary records, correspondence, and information to allow the successful completion of the Services.
3. Provision of such explanations and evidence that we considered necessary to carry out our work, which included a written representations in the form of a management representation letter from AMP's Senior Executives.
4. Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Schedule of Net Proceeds to ensure that it was free from material misstatement, including whether due to fraud or error.

### Deloitte:

Our responsibility was to independently express conclusion on the Subject Matter as defined within the scope of our work above to AMP in accordance with our letter of engagement dated 17 April 2023. Our work has been undertaken so that we might state to AMP those matters we are required to state to them in a limited assurance report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than AMP for our work, for this report, or for the conclusions we have formed. For the avoidance of doubt, our procedures did not extend to any Schedule of Net Proceeds other than the version provided to us by AMP on 20 April 2023.

## Limitations

This assurance report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than AMP for any purpose or in any context. Any party other than AMP who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, Deloitte will accept no responsibility or liability in respect of our report to any other party.

## What we found: our assurance conclusion

Based on the scope of our work, the evidence obtained, and the limited assurance procedures undertaken, nothing has come to our attention that causes us to believe that AMP have not, in all material respects, prepared the Schedule of Net Proceeds from the Green Bond issued by AMP Group in June 2022 is in accordance with the 'Alignment with the Green Bond Principles and Green Loan Principles' Section on the "Management of Proceeds" set out in the Ardagh Group's Green Financing Framework, September 2021



**Eileen Healy**  
Partner

**For and on behalf of Deloitte Ireland LLP**

Deloitte & Touche House, Earlsfort Terrace, Dublin 2

30 June 2023



# Forward-looking statements

This report contains forward-looking statements that are based on the current expectations and beliefs of AMP. Forward-looking statements are not historical facts and are inherently subject to known and unknown risks and uncertainties, many of which are beyond our control. Statements in this report that could be deemed forward-looking statements include, but are not limited to, any statements related to our sustainability targets, goals, commitments, focus areas, programmes, impact, outcomes, results, savings or progress towards any of the same (including with respect to Eligible Green Projects), as well as statements related to anticipated future operating performance and results of AMP.

We caution you that the forward-looking statements presented in this report are not a guarantee of future events, and that actual events may differ materially from those made in or suggested by the forward-looking statements contained in this report. Certain factors that could cause actual events to differ materially from those discussed in any forward-looking statements include those set forth in the Risk Factors section and under any “Forward-Looking Statements” or similar heading in AMP’s Annual Report on Form 20-F for the year ended December 31, 2022 filed with the U.S. Securities and Exchange Commission (the “SEC”) and any other public filings made by AMP with the SEC. In addition, new risk factors and





uncertainties emerge from time to time, and it is not possible for us to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual events to differ materially from those contained in any forward-looking statements. Under no circumstances should the inclusion of such forward-looking statements in this report be regarded as a representation or warranty by us or any other person with respect to the achievement of results set out in such statements or that the underlying assumptions used will in fact be the case. You are cautioned not to place undue reliance on these forward-looking statements, and unless otherwise noted, AMP is providing this information as of the date of this report and does not undertake any obligation to update any forward-looking statements contained in this report as a result of new information, future events or otherwise.

Further, this report has been prepared for information purposes only and is not intended to modify or add any covenant or other contractual obligation undertaken by AMP under the Green Bond or the related indenture. This report should not be construed as, and does not constitute, an offer, recommendation, or solicitation to buy, hold or sell an interest in any securities.

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