Flexfilm Limited

Annual Report and Financial Statements

For the year to 30 September 2021

Registered number 03379307

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Flexfilm Limited

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Flexfilm Limited

Directors and professional advisers

Directors:	A S Green A Harris M W Miles J K Greene
Secretary:	D Hamilton
Registered Office:	Sapphire House Crown Way Rushden England NN10 6FB
Head Office:	96 Port Glasgow Road Greenock PA15 2UL
Independent Auditors:	Ernst & Young LLP George Square Glasgow G2 1DY
Bankers:	National Westminster Bank Plc

Flexfilm Limited

Directors' report for the year to 30 September 2021

The directors present their report and the audited financial statements of the Company for the year to 30 September 2021. The Company does not meet the criteria to present a Strategic Report.

Directors
The following persons served as directors during the year and up to the date of signing of this report:

A S Green
A Harris
M W Miles
J K Greene

Principal Activities and Business Review
The principal activity of the Company during the year was the production of plastic films and polythene products for the purposes of packaging.

The profit for the financial year amounted to £539,128 (18 months to 30 September 2020: loss of £173,830). At 30 September 2021 the Company had net assets of £2,118,733 (30 September 2020: £1,579,605).

Total sales for the financial year were £10,011,128 (18 months to 30 September 2020: £10,822,955). Sales volumes for the year were 4,740 tonnes (18 months to 30 September 2020: 6,309 tonnes).

The increase in sales and profit is driven by an increased customer base following the closure of our Hereford site. In addition, an operational review to align sales and products per site resulted in better production efficiencies and increased gross profit margin.

The ongoing Covid-19 pandemic and other geopolitical events continues to have a modest effect on the results. The Company will continue to evaluate the potential impacts and closely monitor developments as they arise.

Going forward it is anticipated that the Company will continue to see an improved level of performance based on higher sales volumes and a favorable mix of both customers and products.

Going Concern
Flexfilm Limited is a wholly owned subsidiary of Berry Global Group, Inc. As outlined in the business review on page 3, the economic uncertainty experienced as a consequence of Covid-19 has had a modest effect on the financial result of the group as a whole. As a wholly owned subsidiary of Berry Global Group, Inc., Flexfilm Limited relies upon group facilities to support its activities. Berry Global Group, Inc. has written to the Company confirming that it is able to provide support, and it will provide support, should it be necessary up to 30 June 2023.

The directors of the Company have assessed the ability of the parent to provide support. The Group's facilities and the rationale for preparing the Group financial statements under the going concern basis are disclosed in full in the annual report and financial statements of Berry Global Group, Inc. Having reviewed the financial position of the group and assessed the assurances given, the directors have concluded that there is no material uncertainty casting doubt on the ability of the Company to continue as a going concern and thus the going concern basis of accounting has been adopted in preparing the financial statements of Flexfilm Limited.

Directors' report for the year to 30 September 2021 (continued)

Political Donations
The Company did not make any political donations in the financial year (18 months to 30 September 2020: £nil).

Employee involvement
We have continued to encourage the development of employee involvement in the Company. Management meets regularly with employee representatives to discuss matters of mutual interest and to provide opportunities for employees to contribute to the success of the business. Employees are informed about the Company's trading and financial situation and other matters of concern to them by briefing meetings, circulars and notice boards.

Disabled employees
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company is continued and that appropriate training is arranged.

Share capital
Information relating to share capital of the Company is given in Note 14 to the financial statements.

Dividends
No dividends were proposed during the financial year (18 months to 30 September 2020: £nil).

Financial Risk Management

Financial risk management is carried out by the central treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks.

Financial Instruments

The Company does not use any complex financial instruments.

Appointment of Auditors

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board

A Harris
Director 26 May 2022

Statement of Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLEXFILMS LIMITED

Opinion

We have audited the financial statements of Flexfilm Limited for the year ended 30 September 2021 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 18, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 September 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern until 30 June 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLEXFILMS LIMITED (continued)

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.
We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- The directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirements to prepare a Strategic Report.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework, being United Kingdom Accounting Standards, including FRS 101 and the Companies Act 2006, and the relevant tax compliance regulations in the UK.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLEXFILMS LIMITED (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including (continued)

- We understood how the company is complying with those frameworks by making enquiries of management, those charged with governance, and those responsible for legal and compliance procedures. We corroborated our enquiries through the review of board minutes and any correspondence with relevant counterparties and noted that there was no contradictory evidence.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by making enquiries of management from various parts of the business and performing a walkthrough of the financial statement close process. We also considered performance targets and their propensity to influence efforts made by management to manage results.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included a review of board minutes and legal expenses to identify any non-compliance with laws and regulations. In addition, we completed procedures to conclude on the compliance of the disclosures in the financial statements with all applicable requirements. We involved tax specialists in the audit to consider any non-compliance with tax legislation. We also utilised data analytical tools to review for potential non-compliance with laws and regulations and tested manual journal entries to supporting evidence.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Janie McMinn (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Glasgow

26 May 2022

Flexfilm Limited

Profit and loss account for the year to 30 September 2021

	Note	12 months to 30 September 2021 £	18 months to 30 September 2020 £
Turnover	2	**10,011,128**	10,822,955
Cost of sales		**(8,748,816)**	(9,978,976)
Gross profit		**1,262,312**	843,979
Distribution costs		**(335,913)**	(454,063)
Administrative expenses		**(399,818)**	(483,633)
Operating profit/(loss)	3	**526,581**	(93,717)
Net interest income/(expense)	5	**15,938**	(76,442)
Profit/(loss) before taxation		**542,519**	(170,159)
Tax on profit/(loss)	6	**(3,391)**	(3,671)
Profit/(loss) for the financial year/period		**539,128**	(173,830)

All of the activities of the Company are classed as continuing.

The Company has no items of other comprehensive income other than the results for the financial year as set out above.

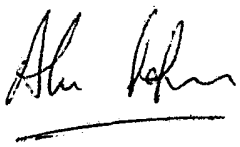
Flexfilm Limited

Balance Sheet at 30 September 2021

	Note	30 September 2021 £	30 September 2020 £
Fixed assets			
Plant and equipment - owned	*7*	**609,341**	446,141
Plant and equipment - leased	*7*	**173,143**	241,381
Investments	*8*	**1**	1
Deferred tax asset	*12*	**30,249**	33,640
		812,734	721,163
Current assets			
Stocks	*9*	**717,933**	494,517
Trade and other receivables	*10*	**8,128,953**	6,701,228
		8,846,886	7,195,745
Current liabilities			
Trade and other payables: amounts falling due within one year	*11*	**(7,367,711)**	(6,103,771)
Lease liabilities	*13*	**(108,802)**	(92,998)
		(7,476,513)	(6,196,769)
Net current assets		**1,370,373**	998,976
Total assets less current liabilities		**2,183,107**	1,720,139
Non current liabilities			
Lease liabilities	*13*	**(64,374)**	(140,534)
Net assets		**2,118,733**	1,579,605
Equity			
Called up share capital	*14*	**200,100**	200,100
Capital redemption reserve		**750,000**	750,000
Retained earnings		**1,168,633**	629,505
Total shareholders' funds		**2,118,733**	1,579,605

The notes on pages 12 to 25 form part of these financial statements.

These financial statements on pages 9 to 25 were approved by the directors and authorised for issue on 26 May 2022 and are signed on their behalf by:



A Harris
Director

Company registration number: 03379307

Flexfilm Limited

Statement of Changes in Equity for the year ended 30 September 2021

	Called Up Share Capital £	Capital Redemption Reserves £	Retained Earnings £	Total shareholders' Funds £
At 1 October 2020	**200,100**	**750,000**	**629,505**	**1,579,605**
Profit for the financial year	-	-	**539,128**	**539,128**
At 30 September 2021	**200,100**	**750,000**	**1,168,633**	**2,118,733**

	Called Up Share Capital £	Capital Redemption Reserves £	Retained Earnings £	Total shareholders' Funds £
At 1 April 2019	200,100	750,000	778,525	1,728,625
Impact of change in accounting policy Adoption of IFRS16 - Leases	-	-	24,810	24,810
At 1 April 19 adjusted	200,100	750,000	803,335	1,753,435
Loss for the financial period	-	-	(173,830)	(173,830)
At 30 September 2020	200,100	750,000	629,505	1,579,605

Flexfilm Limited

Notes to the Financial Statements

1. Accounting Policies

Basis of Preparation

Flexfilm Limited (the "Company") is a private company limited by shares and incorporated and domiciled in England, United Kingdom.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with the Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and on the historical cost basis. The amendments to FRS 101 (2020/21 Cycle) issued in May 2021 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Berry Global Group, Inc., includes the Company in its consolidated Annual Report and financial statements. The consolidated Annual Report and financial statements of Berry Global Group, Inc. are prepared in accordance with U.S. GAAP and are available to the public and may be obtained from 101 Oakley Street, Evansville, Indiana, United States, 47710. Consequently, the exemption to prepare consolidated accounts has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- IAS 1: Presentation of financial statements in respect of: statement of cash flows including comparatives and statement of compliance with all IFRS;
- IAS 1: Presentation of financial statements' comparative information requirements in respect of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets;
- IAS 24: Related party disclosures' to disclose relation party transaction entered into between two or more wholly owned members of a group;
- IAS 8: Accounting policies, changes in accounting estimates and errors' for the disclosure of new standard not yet effective; and
- IAS 24: Related party disclosures in respect of key management compensation.

As the consolidated financial statements of Berry Global Group, Inc. include the equivalent disclosures the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 7: Financial Instruments: Disclosures; and
- IFRS 13: Fair value measurement in respect of the disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities.

1. **Accounting Policies (continued)**

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going concern
Flexfilm Limited is a wholly owned subsidiary of Berry Global Group, Inc. As outlined in the business review on page 3, the economic uncertainty experienced as a consequence of Covid-19 has had a modest effect on the financial result of the group as a whole. As a wholly owned subsidiary of Berry Global Group, Inc., Flexfilm Limited relies upon group facilities to support its activities. Berry Global Group, Inc. has written to the Company confirming that it is able to provide support, and it will provide support, should it be necessary, up to 30 June 2023.

The directors of the Company have assessed the ability of the parent to provide support. The Group's facilities and the rationale for preparing the Group financial statements under the going concern basis are disclosed in full in the annual report and financial statements of Berry Global Group, Inc. Having reviewed the financial position of the group and assessed the assurances given, the directors have concluded that there is no material uncertainty casting doubt on the ability of the Company to continue as a going concern and thus the going concern basis of accounting has been adopted in preparing the financial statements of Flexfilm Limited.

Turnover recognition
Turnover from the sale of goods and services is measured at the fair value of the consideration, net of rebates, trade discounts, VAT and other sales-related taxes. Turnover from the sale of goods and services is recognised when the Company has transferred the significant risks and rewards of ownership of the goods and services to the buyer, the amount of turnover can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

Taxation
The tax expense represents the sum of the current taxes payable and deferred tax.

The current tax payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date and any adjustment to tax payable in respect of prior periods.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

1. **Accounting Policies (continued)**

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised using tax rates that have been enacted or substantively enacted by the balance sheet date. Tax is charged or credited in the income statement, except when it relates to items charged or credited through the statement of other comprehensive income, in which case the deferred tax is also dealt with through the statement of other comprehensive income.

Tangible fixed assets
Items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged to the income statement on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. Depreciation begins when the asset is available for use. The estimated useful lives are as follows:

Plant & Equipment - 10%, 25% or 33% straight line as appropriate

Residual values and useful lives are reassessed annually.

Assets held under finance leases/hire purchase are capitalised and depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

Impairment of tangible assets
At each balance sheet date, the Company reviews the carrying amounts of its tangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately in the income statement.

Investments
Investments in subsidiaries are stated at cost less provisions for impairment in the Company accounts.

1. Accounting Policies (continued)

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Trade and other receivables

Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one period or less (or in the normal operating cycle of the business, if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables..

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Trade and other payables

Trade and other payables are stated at amortised cost.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Interest

Interest is recognised in income or expense using the effective rate of interest method. Financing fees are amortised over the expected life of the related facility.

Related party transactions

The Company has taken advantage of the exemption contained with FRS101 and has therefore not disclosed transactions or balances with entities which are wholly-owned subsidiaries of the Group.

1. Accounting Policies (continued)

Foreign currencies
Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Gains and losses arising on retranslation are included in income and expense for the period. Non-monetary assets and liabilities carried at historical cost that are denominated in foreign currencies are translated at the rates prevailing at the date when the historical cost was determined.

Employee benefits
Defined contribution scheme
Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Leases

i) Identification of a lease
At inception of a contract the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset the Company assesses whether:

- the contract involves the sole use of a specific identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has the right to substitute the identified asset for a similar asset then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset.

ii) As a lessee
The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Leases (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise.

Generally the lease liability represents the present value of contractual future lease payments including optional renewal periods where the group is reasonably certain to exercise the extension option.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'Property, plant and equipment' and discloses the corresponding lease liability in the statement of financial position.

Short-term leases and leases of low-value assets
The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Key accounting estimates and judgements

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Areas requiring the directors to make judgements, estimates and assumptions are highlighted in these accounting policies and throughout the notes to the financial statements.

Key estimation and judgement areas are as follows:

Stocks
The recoverability and value of stocks are kept under constant review and an estimated provision is made where appropriate in line with disclosures in note 9.

Debtors
The recoverability of debtors are kept under constant review and an estimated provision is made where appropriate.

Key accounting estimates and judgements (continued)

Lease accounting

The application of IFRS 16 requires significant estimation and judgement, particularly around the calculation of the incremental borrowing rate and determining the lease term when there are options to extend or terminate early.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The company used incremental borrowing rates specific to each lease and the rates range between 5.61% and 6.12% translating to an average rate of 5.64% for external leases.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For property leases the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate)

Most extension options in vehicles leases have not been included in the lease liability, because the Company could replace the assets without significant cost or business disruption

2. Turnover

The turnover and loss before taxation are attributable to the one principal activity of the Company. An analysis of turnover is given below:

	12 months to 30 September 2021	18 months to 30 September 2020
	£	£
United Kingdom	**9,469,104**	9,131,510
Overseas	**542,024**	1,691,445
	10,011,128	10,822,955

Notes to the Financial Statements (continued)

3. Operating profit/(loss)

Operating profit/ (loss) is stated after charging / (crediting):

	12 months to 30 September 2021	18 months to 30 September 2020
	£	£
Depreciation of owned fixed assets	64,554	87,868
Depreciation of leased fixed assets	107,381	160,289
Auditors' remuneration		
- Audit fees	14,044	8,118
Operating lease costs:		
- Plant and equipment	(671)	18,085
- Other	708	6,762
Cost of inventories expensed in the profit and loss account	7,232,795	7,220,493
Net (gain) on foreign currency translation	(6,322)	(7,513)

4. Staff Costs

The monthly average number of staff employed by the Company during the financial year amounted to:

	12 months to 30 September 2021	18 months to 30 September 2020
	Number	Number
Number of administrative staff	1	1
Number of operational staff	28	28
	29	29

The aggregate payroll costs of the above were:

	12 months to 30 September 2021	18 months to 30 September 2020
	£	£
Wages and salaries	864,400	1,293,040
Social security costs	77,378	108,034
Other pension costs	23,081	31,985
	964,859	1,433,059

Notes to the Financial Statements (continued)

4. Staff Costs (continued)

The directors did not receive any emoluments from the Company in respect of their service to the Company during the financial year (18 months to September 2020: £nil). A number of the Company's directors are remunerated through the ultimate and immediate parent Company as well as fellow subsidiary undertakings.

5. Net interest income/(expense)

	12 months to 30 September 2021	18 months to 30 September 2020
	£	£
Intercompany interest income/(expense)	**27,028**	(52,118)
Other interest	**(1,587)**	-
Lease interest expense	**(9,503)**	(24,324)
Net interest income/(expense)	**15,938**	(76,442)

6. Tax on profit/(loss)

	12 months to 30 September 2021	18 months to 30 September 2020
	£	£
Current tax income		
Current Year	**-**	-
Adjustments for prior years	**-**	-
Deferred tax (income) / expense		
Origination of temporary differences	**15,135**	8,295
Impact of change in tax rates	**(7,027)**	(3,863)
Adjustments for prior years	**(4,717)**	(761)
	3,391	3,671
Total tax expense in profit and loss account	**3,391**	3,671

Notes to the Financial Statements (continued)

6. Tax on profit/(loss) (continued)

Factors affecting the income tax expense

The difference between the income tax expense for the year and the standard rate of corporation tax in the UK is explained below:

	12 months to 30 September 2021 £	18 months to 30 September 2020 £
Reconciliation of effective tax rate		
Profit/(loss) before taxation	**542,519**	(170,159)
Current tax at 19% (2020: 19%)	**103,079**	(32,330)
Permanent differences	-	-
Capital allowances excess of depreciation	-	(7,582)
Group relief surrendered - not paid for	**(87,944)**	40,891
Other timing differences	-	3,453
Impact of change in tax rates	**(7,027)**	-
Adjustments to tax charge in respect of previous periods	**(4,717)**	(761)
Total tax charge in profit and loss account	**3,391**	3,671

UK Finance Bill 2021 was substantively enacted on 24 May 2021, which included the increase in main rate of UK corporation tax from 19% to 25%, effective 1 April 2023. This will increase the company's future current tax charge accordingly. The company's deferred tax liabilities at 30 September 2021 have been recalculated accordingly, based on the Group's best estimate of the timing of the unwind of existing temporary differences. On 29 September 2017, the UK Government invoked Article 50 of the Treaty of Lisbon, notifying the European Council of its intention to withdraw from the European Union (the 'EU'). On 24 December 2020 the UK and the EU entered into EU-UK Comprehensive Trade Agreement having received Royal Assent. The agreement respects the autonomy of the UK and EU respectively. The treaty, beyond expressing transparency and mutual areas of co-operation was silent on UK tax laws and rates. The directors have continued to assess the impact and have not identified any significant matters affecting the financial statements.

7. Plant and Equipment

Owned assets	Plant and equipment £
COST	
At 1 October 2020	2,819,927
Additions	139,330
Transfers	142,332
At 30 September 2021	3,101,589
ACCUMULATED DEPRECIATION	
At 1 October 2020	2,373,786
Charge for the period	64,554
Transfers	53,908
At 30 September 2021	2,492,248
NET BOOK VALUE	
At 30 September 2021	**609,341**
At 30 September 2020	446,141

Right-of-use - leased assets	Land & buildings	Plant and equipment	Total £
COST			
At 1 October 2020	373,961	27,709	401,670
Impact of Adoption of IFRS16			
Additions	-	39,143	39,143
Disposals	-	-	-
At 30 September 2021	373,961	66,852	440,813
ACCUMULATED DEPRECIATION			
At 1 October 2020	143,997	16,292	160,289
Charge for the period	100,142	7,239	107,381
Disposals	-	-	-
At 30 September 2021	244,139	23,531	267,670
NET BOOK VALUE			
At 30 September 2021			**173,143**
At 30 September 2020			241,381

8. Investment

	£
COST AND NET BOOK VALUE	
At 30 September 2021 and 30 September 2020	**1**

Subsidiary undertakings	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Jordan Plastics Limited	Northern Ireland	Ordinary shares	100%	Discontinued Operations

The registered office of Jordan Plastics Limited is The Soloist Building, 1 Lanyon Place, Belfast, Northern Ireland, BT1 3LP.

9. Stocks

	30 September 2021	30 September 2020
	£	£
Raw materials	**572,603**	430,891
Work in progress	**33,128**	17,065
Finished goods	**112,202**	46,561
	717,933	494,517

10. Trade and Other Receivables

	30 September 2021	30 September 2020
	£	£
Trade debtors	**2,078,798**	1,496,241
Amounts owed by group undertakings	**6,027,506**	5,180,932
Prepayments and accrued income	**22,649**	24,055
	8,128,953	6,701,228

11. Creditors: amounts falling due within one year

	30 September 2021	30 September 2020
	£	£
Trade creditors	**2,180,560**	1,279,764
Bank Overdraft	**120**	4,341
Other taxation and social security	**158,803**	273,800
Other creditors	**3**	347
Accruals and deferred income	**997,176**	785,476
Amounts owed to group undertakings	**4,031,049**	3,760,043
	7,367,711	6,103,771

12. Deferred Tax Asset

The movement in the deferred taxation asset during the year was:

	Accelerated Capital Allowances 30 September 2021	**Other timing differences 30 September 2021**	**Total 30 September 2021**	Accelerated Capital Allowances 30 September 2020	Other timing differences 30 September 2020	Total 30 September 2020
	£		**£**	£	£	£
At 1 October 2020/ 1 April 2019	**(17,151)**	**50,791**	**33,640**	(9,449)	46,760	37,311
Credit/(Charge) to income	**(14,475)**	**11,084**	**(3,391)**	(7,702)	4,031	(3,671)
At 30 September 2021/30 September 2020	**(31,626)**	**61,875**	**30,249**	(17,151)	50,791	33,640

13. Lease liabilities

	30 September 2021	30 September 2020
	£	£
Lease liabilities falling due within one year	**108,802**	92,998
Lease liabilities falling due after more than one year	**64,374**	140,534
	173,176	233,532

Notes to the Financial Statements (continued)

13. Lease liabilities (continued)

Lease liabilities are initially measured at the present value of future lease payments, discounted using the Company's incremental borrowing rate. See note 1 for further disclosure on lease liabilities.

The total cash outflow for leases in the year was £108,760 (18 months to 30 September 2020: £174,269)

14. Called Up Share Capital

	30 September 2021	30 September 2020
	£	£
Allotted, called up and fully paid:		
200,100 (2020: 200,100) ordinary shares of £1	**200,100**	200,100
	200,100	200,100

15. Related Party Transactions

Transactions with wholly owned subsidiaries of Berry Global Group, Inc. are not disclosed on the basis of exemption contained in FRS 101.

There were no other related party transactions during the year (18 months to 30 September 2020: nil)

16. Financial Instruments

The fair value of financial instruments is equal to their carrying value.

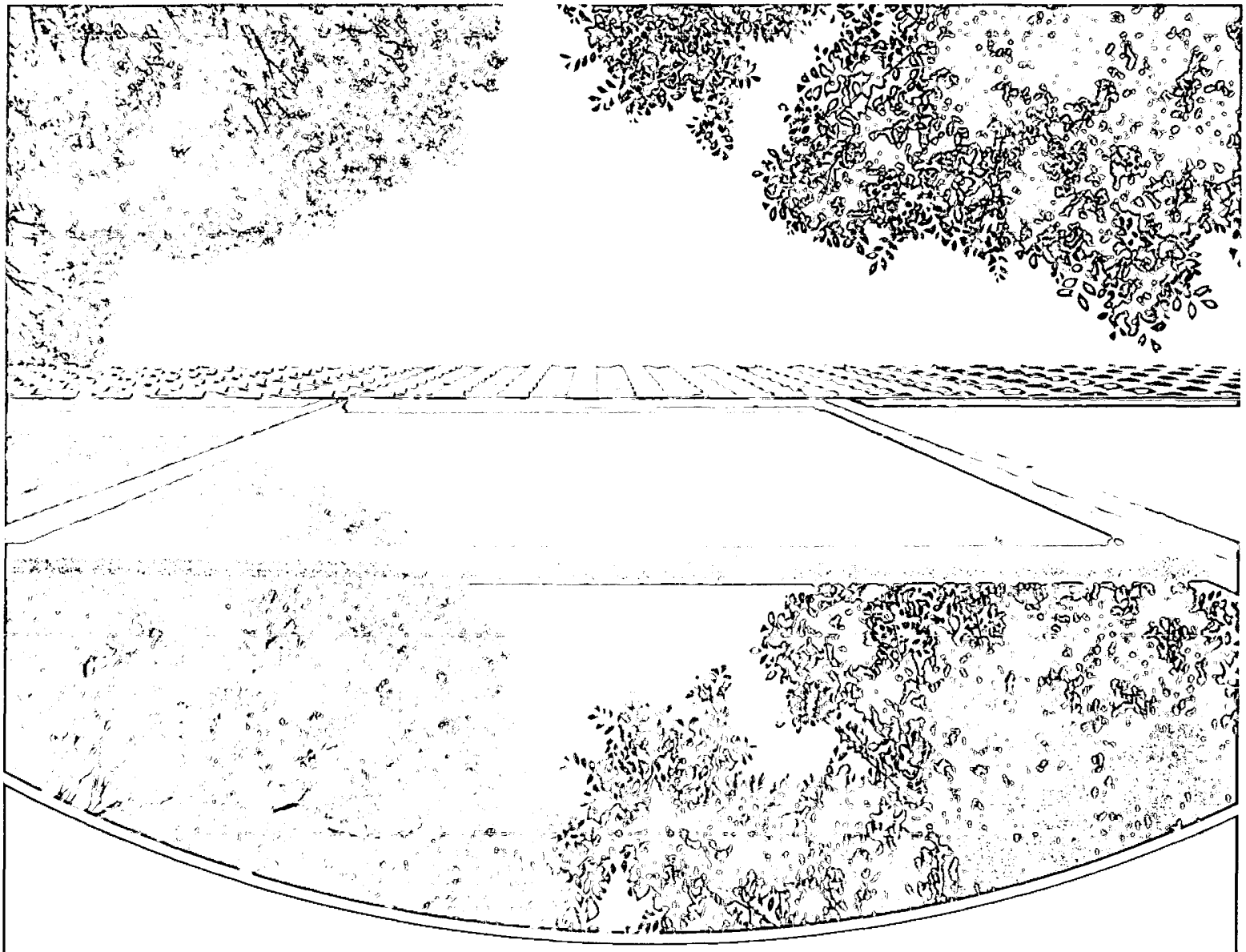
17. Contingent Liabilities

The Company has a contingent obligation under the Group VAT registration at 30 September 2021 amounting to £525,000 (30 September 2020: £5,387,000).

18. Ultimate Parent

The ultimate parent company undertaking of the only group of undertakings for which group financial statements are drawn up and of which the Company is a member is Berry Global Group, Inc. Copies of the Annual Report and consolidated financial statements may be obtained from 101 Oakley Street, Evansville, Indiana, United States, 47710.

The immediate parent company is British Polythene Industries Limited which is registered in England and Wales. Copies of this company's financial statements can be obtained at 96 Port Glasgow Road, Greenock, PA15 2UL.



Leadership for the Future

2021 ANNUAL REPORT

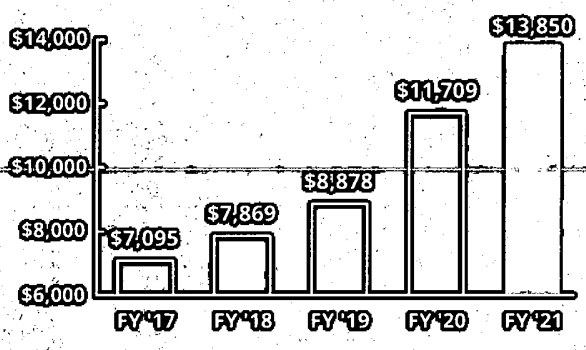
INNOVATION FOR THE WORLD
SOLUTIONS FOR YOU

Berry

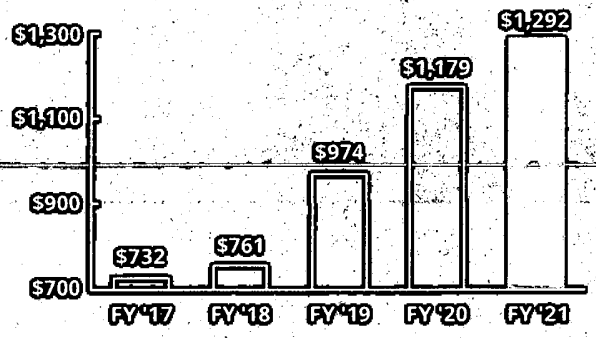
2021 Fiscal Review*

FISCAL YEARS ENDED	OCTOBER 2, 2021	SEPTEMBER 26, 2020	% CHANGE
Net Sales	$13,850	$11,709	18%
Operating Income	1,292	1,179	10%
Operating EBITDA	2,224	2,157	3%
Free Cash Flow	904	947	-5%

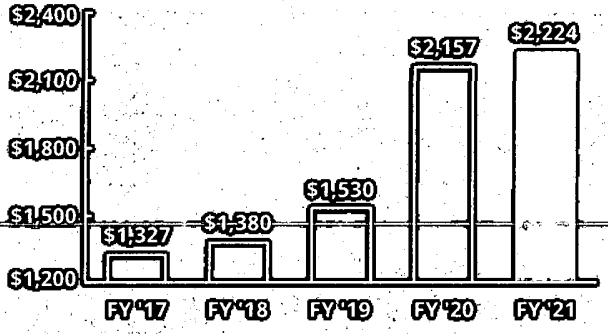
Net Sales



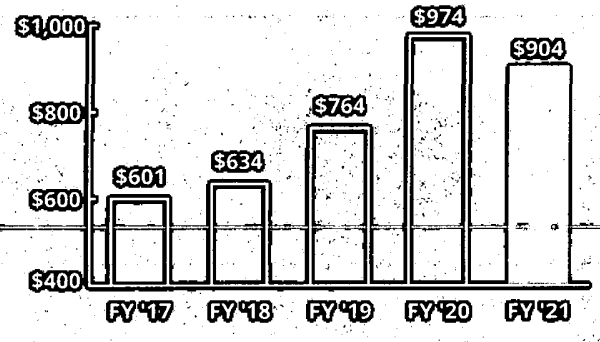
Operating Income



Operating EBITDA

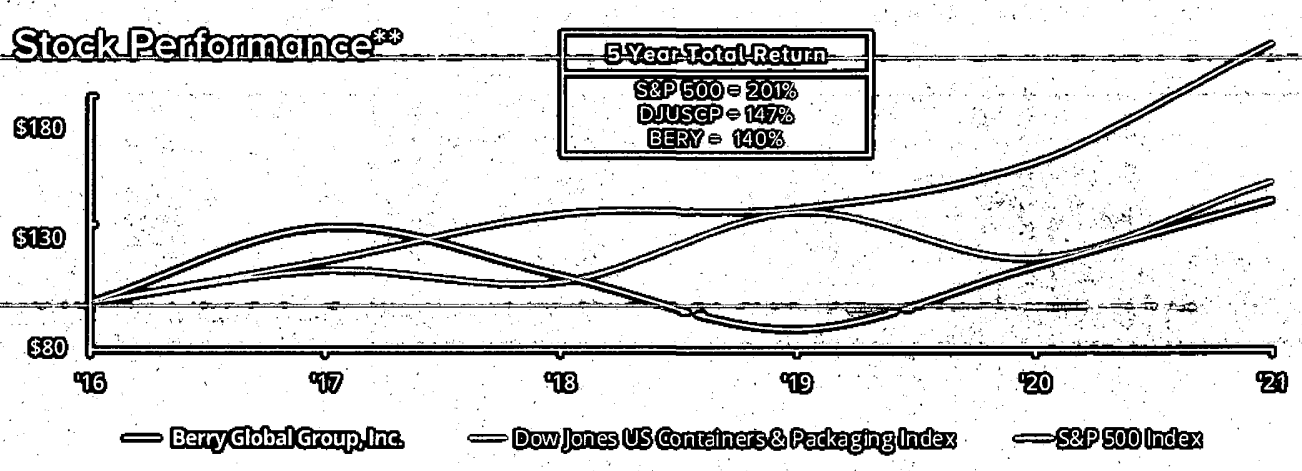


Free Cash Flow



*In millions of dollars, except stock performance data. Operating EBITDA and adjusted free cash flow are non-GAAP financial measures. See reconciliation located within this document.

Stock Performance**



**Total cumulative return based on $100 invested at beginning of the period vs. the S&P 500 and DJ US Containers & Packaging. Assumes reinvestment of dividends.

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The major markets in which the Company sells its products are highly competitive. Areas of competition include service, innovation, quality, and price. This competition is significant as to both the size and the number of competing firms. Competitors include but are not limited to Amcor, Silgan, Aptar, Pactiv Evergreen, 3M, and Fitesa.

Raw Materials

Our primary raw material is polymer resin. In addition, we use other materials such as butyl rubber, adhesives, paper and packaging materials, linerboard, rayon, polyester fiber, and foil, in various manufacturing processes. While temporary industry-wide shortages of raw materials have occurred, we have historically been able to manage the supply chain disruption by working closely with our suppliers and customers. Supply shortages can lead to increased raw material price volatility, which we experienced in fiscal 2021. Increases in the price of raw materials are generally able to be passed on to customers through contractual price mechanisms over time and other means. We expect supply chain challenges to continue into fiscal 2022 and will continue to work closely with our suppliers and customers in an effort to minimize any impact.

Patents, Trademarks and Other Intellectual Property

We customarily seek patent and trademark protection for our products and brands while seeking to protect our proprietary know-how. While important to our business in the aggregate, sales of any one individually patented product is not considered material to any specific segment or the consolidated results.

Environmental and Sustainability

We focus our sustainability efforts on product stewardship, operational excellence, human capital management and community engagement. We believe there will always be a leading role for Berry's product offerings due to our ability to promote customer brands by providing superior clarity, protection, design versatility, consumer safety, convenience, cost efficiency, barrier properties, and environmental performance. Sustainability is comprehensively embedded across our business, from how we run our manufacturing operations more efficiently to the investments we are making in sustainable packaging innovation. We collaborate with customers, suppliers, and innovators to create industry-leading solutions which offer lighter weight products, enable longer shelf-life, and protect products throughout supply chains.

We believe responsible packaging is the answer to achieving less waste and that responsible packaging requires four things — innovative design, continued development of renewable and advanced raw materials, waste management infrastructure, and consumer participation. Berry is committed to responsible packaging and has (1) targeted 100% reusable, recyclable, or compostable packaging by 2025, (2) significantly increased our use of circular materials by entering into offtake agreements for both mechanically recycled and advanced recycled materials as well as expanded our own recycling operations in North America and Europe in order to meet our targeted 30% circular materials by 2030, and (3) worked to drive greater recycling rates around the world. With our global scale, deep industry experience, and strong capabilities, we are uniquely positioned to lead the way in the design and development of more sustainable packaging.

We also work globally on continuous improvement of employee safety and engagement, energy usage, water efficiency, waste reduction, recycling as well as reducing our Green House Gas (GHG) emissions. Our teams are dedicated to improving the circularity and reducing the carbon footprint of our products. We anticipate higher demand for products with lower emissions intensity where polymer resins based products are inherently well positioned since they typically have lower GHG emissions per functional unit compared to heavier alternatives such as paper, metal and glass. Additionally, there is also significant work being done on the use of recycled and bio content, which has lower associated GHG emissions compared to other virgin materials.

Human Capital and Employees

Overview

Never before in Berry's long history has our mission of 'Always Advancing to Protect What's Important' been more critical as we are proud to work alongside our customers to supply products that are truly essential to everyday life. The safety and supply of necessities such as food, medicines, sanitizing products, and protective healthcare apparel has never been more vital. We continue to prioritize the health and well-being of the communities we serve as well as our employees and their families, as our global teams remain dedicated to continuingly working seamlessly with our business partners to ensure critical key supply chains remain uninterrupted and operational.

Ethics

Good corporate governance and transparency are fundamental to achieving our vision of becoming the premier packaging solutions provider in all our markets. Our employees are expected to act with integrity and objectivity and to always strive to enhance our reputation and performance. We maintain a Global Code of Business Ethics which is attested by every Berry employee and provides the Company's framework for ethical business. We provide targeted annual training across the globe to reinforce our commitment to ethics and drive adherence to the laws in each jurisdiction in which we operate.

Available Information

We make available, free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments, if any, to those reports through our internet website as soon as reasonably practicable after they have been electronically filed with the SEC. Our internet address is www.berryglobal.com. The information contained on our website is not being incorporated herein.

In the event of a catastrophic loss of one of our key manufacturing facilities, our business would be adversely affected.

While we manufacture our products in a large number of diversified facilities and maintain insurance covering our facilities, including business interruption insurance, a catastrophic loss of the use of all or a portion of one of our key manufacturing facilities due to accident, labor issues, weather conditions, natural disaster, pandemic or otherwise, whether short or long-term, could result in significant losses.

Employee retention, labor cost inflation or the failure to renew collective bargaining agreements could disrupt our business.

As of the end of fiscal 2021, we employed approximately 47,000 employees with approximately 20% of those employees being covered by collective bargaining agreements. The collective bargaining agreements covering a majority of these employees expire annually and as a result, are due for renegotiation in fiscal year ending 2022 ("fiscal 2022"). Our relations with employees under collective bargaining agreements remain satisfactory and there have been no significant work stoppages or other labor disputes during the past three years. However, we may not be able to maintain constructive relationships with labor unions or trade councils and may not be able to successfully negotiate new collective bargaining agreements on satisfactory terms in the future.

Labor is subject to cost inflation and availability, due to external factors, such as the COVID-19 pandemic and workforce participation rates, that are beyond our control. As a result, there can be no assurance we will be able to recruit, train, assimilate, motivate and retain employees in the future. The loss of a substantial number of these employees or a prolonged labor dispute could disrupt our business and result in significant losses.

We depend on information technology systems and infrastructure to operate our business, and increased cybersecurity threats, system inadequacies, and failures could disrupt our operations, compromise customer, employee, vendor and other data which could negatively affect our business.

We rely on the efficient and uninterrupted operation of information technology systems and networks. These systems and networks are vulnerable to increased cybersecurity threats and more sophisticated computer crime, energy interruptions, telecommunications failures, breakdowns, natural disasters, terrorism, war, computer malware or other malicious intrusions.

We also maintain and have access to sensitive, confidential or personal data or information that is subject to privacy and security laws, regulations, and customer controls. Despite our efforts to protect such information, security breaches, misplaced or lost data and programming damages could result in production downtimes, operational disruptions, transaction errors, loss of business opportunities, violation of privacy laws and legal liability, fines, penalties or negative publicity could result in a negative impact on the business. While we have not had material system interruptions historically associated with these risks, there can be no assurance that these advanced and persistent threats will prevent future interruptions that could result in significant losses.

Financial and Legal Risks

Our substantial indebtedness could affect our ability to meet our obligations and may otherwise restrict our activities.

We have a significant amount of indebtedness, which requires significant interest payments. Our inability to generate sufficient cash flow to satisfy our debt obligations, or to refinance our obligations on commercially reasonable terms, would have a material adverse effect on our business, financial condition and results of operations. Additionally, servicing the interest obligations of our existing indebtedness could limit our ability to respond to business opportunities, including growing our business through acquisitions or increased levels of capital expenditures.

Goodwill and other intangibles represent a significant amount of our net worth, and a future write-off could result in lower reported net income and a reduction of our net worth.

We have a substantial amount of goodwill. Future changes in market multiples, cost of capital, expected cash flows, or other external factors, may adversely affect our business and cause our goodwill to be impaired, resulting in a non-cash charge against results of operations to write off goodwill or indefinite lived intangible assets for the amount of impairment. If a future write-off is required, the charge could result in significant losses.

Our international operations pose risks to our business that may not be present with our domestic operations.

Foreign operations are subject to certain risks that are unique to doing business in foreign countries. These risks include fluctuations in foreign currency exchange rates, inflation, economic or political instability, shipping delays in

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 2. PROPERTIES

Our primary manufacturing facilities by geographic area were as follows:

Geographic Region	Total Facilities	Leased Facilities
US and Canada	109	20
Europe	128	26
Rest of world	45	28

Item 3. LEGAL PROCEEDINGS

Berry is party to various legal proceedings involving routine claims which are incidental to our business. Although our legal and financial liability with respect to such proceedings cannot be estimated with certainty, we believe that any ultimate liability would not be material to the business, financial condition, results of operations or cash flows.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

Discussion of Results of Operations for Fiscal 2021 Compared to Fiscal 2020

The Company's U.S. based results for fiscal 2021 and fiscal 2020 are based on a fifty-three and fifty-two week period, respectively. Business integration expenses consist of restructuring and impairment charges, acquisition and divestiture related costs, and other business optimization costs. Tables present dollars in millions. A discussion and analysis regarding our results of operations for fiscal year 2020 compared to fiscal year 2019 can be found on Form 8-K, Exhibit 99.1 filed with the SEC on September 2, 2021.

Consolidated Overview

	Fiscal Year			
	2021	**2020**	**$ Change**	**% Change**
Net sales	**$13,850**	$11,709	$2,141	18%
Cost of goods sold	**11,352**	9,301	2,051	22%
Other operating expenses	**1,206**	1,229	(23)	(2)%
Operating income	**$ 1,292**	$ 1,179	$ 113	10%

Net sales: The net sales growth is primarily attributed to increased selling prices of $1,429 million due to the pass through of inflation, organic volume growth of 4%, a $331 million favorable impact from foreign currency changes, and a $131 million increase from extra shipping days in fiscal 2021. These increases were partially offset by fiscal 2020 divestiture sales of $190 million. The organic volume growth was primarily due to organic growth investments, continued recovery of certain markets that had previously been facing COVID-19 headwinds, and higher demand in our advantaged health and hygiene products as the result of COVID-19.

Cost of goods sold: The cost of goods sold increase is primarily attributed to organic volume growth, product mix, inflation, an increase from foreign currency changes, and extra shipping days in fiscal 2021. These increases were partially offset by fiscal 2020 divestiture cost of goods sold of $157 million.

Operating Income: The operating income increase is primarily attributed to a $100 million increase from the organic volume growth, a $55 million favorable impact from foreign currency changes, a $37 million decrease in business integration, and a $22 million benefit from extra shipping days in fiscal 2021. These improvements are partially offset by a $75 million impact from inflation and product mix, a $19 million increase in depreciation and amortization, and fiscal 2020 divestiture operating income of $18 million.

Consumer Packaging International

	Fiscal Year			
	2021	**2020**	**$ Change**	**% Change**
Net sales	**$4,242**	$3,789	$453	12%
Cost of goods sold	**3,416**	3,000	416	14%
Other operating expenses	**509**	516	(7)	(1)%
Operating income	**$ 317**	$ 273	$ 44	16%

Net sales: The net sales growth in the Consumer Packaging International segment is primarily attributed to increased selling prices of $130 million due to the pass through of inflation, organic volume growth of 3%, and a $227 million favorable impact from foreign currency changes, partially offset by fiscal 2020 divestiture sales of $22 million. The organic volume growth was primarily due to organic growth investments and recovery of certain markets that had previously been facing COVID-19 headwinds.

Cost of goods sold: The cost of goods sold increase is attributed to inflation, organic volume growth, an increase from foreign currency changes, and an increase in depreciation, partially offset by a decrease in business integration activities and fiscal 2020 divestiture cost of goods sold.

Operating Income: The operating income increase is primarily attributed to a $23 million increase from the organic volume growth, a $40 million favorable impact from foreign currency, and an $18 million decrease in business integration activities, partially offset by a $33 million unfavorable impact from price cost spread.

Cost of goods sold: The cost of goods sold increase is attributed to inflation, organic volume growth, an increase from extra shipping days in fiscal 2021, and an increase from foreign currency changes.

Operating Income: The operating income increase is primarily attributed to a $36 million increase from the organic volume growth, a $48 million favorable impact from price cost spread, an $8 million benefit from extra shipping days in fiscal 2021, and a favorable impact from foreign currency changes.

Other expense, net

	Fiscal Year			
	2021	**2020**	**$ Change**	**% Change**
Other expense, net	**$51**	$31	$20	65%

The Other expense increase is primarily attributed to foreign currency changes related to the remeasurement of non-operating intercompany balances.

Interest expense, net

	Fiscal Year			
	2021	**2020**	**$ Change**	**% Change**
Interest expense, net	**$336**	$435	$(99)	(23)%

The interest expense decrease is primarily the result of repayments on long-term borrowings and recent refinancing activities (see Note 3).

Income tax expense

	Fiscal Year			
	2021	**2020**	**$ Change**	**% Change**
Income tax expense	**$172**	$154	$18	12%

The income tax expense increase is primarily attributed to higher pre-tax book income. Our effective tax rate for fiscal 2021 was 19% and was positively impacted by 3% from permanent foreign currency differences and 2% from change in foreign valuation allowance. These favorable items were partially offset by other discrete items. Refer to Note 6. Income Taxes for further information.

Comprehensive Income

	Fiscal Year			
	2021	**2020**	**$ Change**	**% Change**
Comprehensive Income	**$988**	$394	$594	151%

The increase in comprehensive income is primarily attributed to a $174 million increase in net income, a $123 million favorable change in currency translation, a $188 million favorable change in the fair value of interest rate hedges and a $109 million favorable change from unrealized gains on the Company's pension plans. Currency translation gains are primarily related to non-U.S. subsidiaries with a functional currency other than the U.S. dollar whereby assets and liabilities are translated from the respective functional currency into U.S. dollars using period-end exchange rates. The change in currency translation was primarily attributed to locations utilizing the euro, British pound sterling, Brazilian real and Chinese renminbi as their functional currency. As part of the overall risk management, the Company uses derivative instruments to reduce exposure to changes in interest rates attributed to the Company's floating-rate borrowings and records changes to the fair value of these instruments in Accumulated other comprehensive income (loss). The change in fair value of these instruments in fiscal 2021 versus fiscal 2020 is primarily attributed to a change in the forward interest curve between measurement dates.

Liquidity and Capital Resources

Senior Secured Credit Facility

We manage our global cash requirements considering (i) available funds among the many subsidiaries through which we conduct our business, (ii) the geographic location of our liquidity needs, and (iii) the cost to access international

following customary circumstances: the sale of the capital stock of such guarantor if such sale complies with the indentures, the designation of such guarantor as an unrestricted subsidiary, the defeasance or discharge of the indenture or in the case of a restricted subsidiary that is required to guarantee after the relevant issuance date, if such guarantor no longer guarantees certain other indebtedness of the issuer. The guarantees of the guarantor subsidiaries are also limited as necessary to prevent them from constituting a fraudulent conveyance under applicable law and any guarantees guaranteeing subordinated debt are subordinated to certain other of the Company's debts. Parent also guarantees the Issuer's term loans and revolving credit facilities. The guarantor subsidiaries guarantee our term loans and are co-borrowers under our revolving credit facility.

Presented below is summarized financial information for the Parent, Issuer and guarantor subsidiaries on a combined basis, after intercompany transactions have been eliminated.

	Year Ended October 2, 2021
Net sales	$7,070
Gross profit	1,503
Earnings from continuing operations	318
Net income	$ 318

Includes $15 million of income associated with intercompany activity with non-guarantor subsidiaries.

	October 2, 2021	September 26, 2020
Assets		
Current assets	**$ 2,293**	$ 1,417
Noncurrent assets	**5,979**	6,153
Liabilities		
Current liabilities	**$ 1,533**	$ 841
Intercompany payable	**629**	572
Noncurrent liabilities	**11,083**	11,936

Critical Accounting Policies and Estimates

We disclose those accounting policies that we consider to be significant in determining the amounts to be utilized for communicating our consolidated financial position, results of operations and cash flows in the first note to our consolidated financial statements included elsewhere herein. Our discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of financial statements in conformity with these principles requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results may differ from these estimates under different assumptions or conditions.

Pensions. The accounting for our pension plans requires us to recognize the overfunded or underfunded status of the pension plans on our balance sheet. For these sponsored plans, the relevant accounting guidance requires that management make certain assumptions relating to the long-term rate of return on plan assets, discount rates used to determine the present value of future obligations and expenses, salary inflation rates, mortality rates and other assumptions. We believe that the accounting estimates related to our pension plans are critical accounting estimates because they are highly susceptible to change from period to period based on the performance of plan assets, actuarial valuations, market conditions and contracted benefit changes. The selection of assumptions is based on historical trends and known economic and market conditions at the time of valuation, as well as independent studies of trends performed by our actuaries.

We review annually the discount rate used to calculate the present value of pension plan liabilities. The discount rate used at each measurement date is set based on a high-quality corporate bond yield curve, derived based on bond universe information sourced from reputable third-party indices, data providers, and rating agencies. In countries where there is no deep market in corporate bonds, we have used a government bond approach to set the discount rate.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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All schedules have been omitted because they are not applicable or not required or because the required information is included in the consolidated financial statements or notes thereto.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures

We maintain "disclosure controls and procedures," as such term is defined in Rule 13a-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

In connection with the preparation of this Form 10-K, management evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of October 2, 2021. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective as of October 2, 2021.

Management's Report on Internal Controls over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision and with the participation of our management, the Company conducted an evaluation of the effectiveness of our internal control over financial reporting using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that the Company's internal controls over financial reporting were effective as of October 2, 2021.

The effectiveness of our internal control over financial reporting as of October 2, 2021, has been audited by the Company's independent registered public accounting firm, as stated in their report, which is included herein.

Changes in Internal Controls over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended October 2, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. OTHER INFORMATION

None.

Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

1. Financial Statements

   The financial statements listed under Item 8 are filed as part of this report.

2. Financial Statement Schedules

   Schedules have been omitted because they are either not applicable or the required information has been disclosed in the financial statements or notes thereto.

3. Exhibits

   The exhibits listed on the Exhibit Index immediately following the signature page of this annual report are filed as part of this report.

Item 16. FORM 10-K SUMMARY

None.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that address the measurement and valuation of the UK defined benefit pension obligation. This included management's review of the UK defined benefit pension obligation calculations and the significant actuarial assumptions used by management.

To test the UK defined benefit pension obligation, we performed audit procedures that included, among others, evaluating the methodology used and the significant actuarial assumptions described above and testing the completeness and accuracy of the underlying data, including the participant data used by management. We involved our actuarial specialists to assist with our audit procedures. We compared the actuarial assumptions used by management to historical trends and evaluated the change in the defined benefit pension obligation from prior year due to the change in service cost, interest cost, actuarial gains and losses, benefit payments, contributions and other activities. In addition, we evaluated management's methodology for determining the discount rate that reflects the maturity and duration of the benefit payments and is used to measure the defined benefit pension obligation. As part of this assessment, we compared management's selected discount rate to an independently developed range of reasonable discount rates. To evaluate the mortality rate assumption, we assessed whether the information is consistent with publicly available information, and whether any market data adjusted for entity-specific factors were applied.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1991.

Indianapolis, Indiana
November 18, 2021

Berry Global Group, Inc.

Consolidated Statements of Income
(in millions of dollars)

	Fiscal years ended		
	October 2, 2021	**September 26, 2020**	**September 28, 2019**
Net sales	**$13,850**	$11,709	$8,878
Costs and expenses:			
Cost of goods sold	**11,352**	9,301	7,259
Selling, general and administrative	**867**	850	583
Amortization of intangibles	**288**	300	194
Restructuring and transaction activities	**51**	79	(132)
Operating income	**1,292**	1,179	974
Other expense	**51**	31	155
Interest expense	**336**	435	329
Income before income taxes	**905**	713	490
Income tax expense	**172**	154	86
Net income	**$ 733**	$ 559	$ 404
Net income per share (refer to Note 11):			
Basic	**$ 5.45**	$ 4.22	$ 3.08
Diluted	**$ 5.30**	$ 4.14	$ 3.00

Berry Global Group, Inc.

Consolidated Statements of Comprehensive Income
(in millions of dollars)

	Fiscal years ended		
	October 2, 2021	**September 26, 2020**	**September 28, 2019**
Net income	**$733**	$ 559	$ 404
Currency translation	**124**	1	(104)
Pension and postretirement benefits	**49**	(60)	(43)
Derivative instruments	**82**	(106)	(83)
Other comprehensive income (loss)	**255**	(165)	(230)
Comprehensive income	**$988**	$ 394	$ 174

See notes to consolidated financial statements.

Berry Global Group, Inc.

Consolidated Statements of Changes in Stockholders' Equity
(in millions of dollars)

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
Balance at September 29, 2018	$ 1	$ 870	$(156)	$ 719	$1,434
Net income	—	—	—	404	404
Other comprehensive loss	—	—	(230)	—	(230)
Share-based compensation	—	27	—	—	27
Proceeds from issuance of common stock	—	55	—	—	55
Common stock repurchased and retired	—	(3)	—	(69)	(72)
Balance at September 28, 2019	$ 1	$ 949	$(386)	$1,054	$1,618
Net income	—	—	—	559	559
Other comprehensive loss	—	—	(165)	—	(165)
Share-based compensation	—	33	—	—	33
Proceeds from issuance of common stock	—	30	—	—	30
Acquisition[a]	—	22	—	—	22
Adoption of ASC 842	—	—	—	(5)	(5)
Balance at September 26, 2020	$ 1	$1,034	$(551)	$1,608	$2,092
Net income	—	—	—	733	733
Other comprehensive income	—	—	255	—	255
Share-based compensation	—	40	—	—	40
Proceeds from issuance of common stock	—	60	—	—	60
Balance at October 2, 2021	$ 1	$1,134	$(296)	$2,341	$3,180

(a) Represents noncontrolling interest

See notes to consolidated financial statements.

1. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

Berry Global Group, Inc.'s ("Berry," "we," or the "Company") consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. ("GAAP") pursuant to the rules and regulations of the Securities and Exchange Commissions. Periods presented in these financial statements include fiscal periods ending October 2, 2021 ("fiscal 2021"), September 26, 2020 ("fiscal 2020"), and September 28, 2019 ("fiscal 2019"). The Company's U.S. based results for fiscal 2021 are based on a fifty-three week period. Fiscal 2020 and fiscal 2019 were fifty-two week periods. In October 2020, the Company reorganized portions of its four operating segments in order to better align our various businesses for future growth. The Company has recast all prior period amounts to conform to this new reporting structure. The Company has evaluated subsequent events through the date the financial statements were issued.

The consolidated financial statements include the accounts of Berry and its subsidiaries, all of which includes our wholly owned and majority owned subsidiaries. The Company has certain foreign subsidiaries that report on a calendar period basis which we consolidate into our respective fiscal period. Intercompany accounts and transactions have been eliminated in consolidation.

Revenue Recognition and Accounts Receivable

Our revenues are primarily derived from the sale of non-woven, flexible and rigid products to customers. Revenue is recognized when performance obligations are satisfied, in an amount reflecting the consideration to which the Company expects to be entitled. We consider the promise to transfer products to be our sole performance obligation. If the consideration agreed to in a contract includes a variable amount, we estimate the amount of consideration we expect to be entitled to in exchange for transferring the promised goods to the customer using the most likely amount method. Our main sources of variable consideration are customer rebates. There are no material instances where variable consideration is constrained and not recorded at the initial time of sale. Generally, our revenue is recognized at a point in time for standard promised goods at the time of shipment, when title and risk of loss pass to the customer. The accrual for customer rebates was $104 million and $104 million at October 2, 2021 and September 26, 2020, respectively, and is included in Other current liabilities on the Consolidated Balance Sheets. The Company disaggregates revenue based on reportable business segment, geography, and significant product line. Refer to Note 10. Segment and Geographic Data for further information.

Accounts receivable are presented net of allowance for credit losses of $21 million and $25 million at October 2, 2021 and September 26, 2020, respectively. The Company records its current expected credit losses based on a variety of factors including historical loss experience and current customer financial condition. The changes to our current expected credit losses, write-off activity, and recoveries were not material for any of the periods presented.

The Company has entered into various factoring agreements, including customer-based supply chain financing programs, to sell certain receivables to third-party financial institutions. Agreements which result in true sales of the transferred receivables, which occur when receivables are transferred without recourse to the Company, are reflected as a reduction of trade receivables, net on the consolidated balance sheets and the proceeds are included in the cash flows from operating activities in the consolidated statements of cash flows. The fees associated with transfer of receivables for all programs were not material for any of the periods presented.

Research and Development

Research and development costs are expensed when incurred. The Company incurred research and development expenditures of $90 million, $79 million, and $50 million in fiscal 2021, 2020, and 2019, respectively.

Share-Based Compensation

The Company utilizes the Black-Scholes option valuation model for estimating the fair value of stock options and amortizes the estimated fair value on a straight-line basis over the requisite service period. The share-based compensation plan is more fully described in Note 9. Stockholders' Equity.

Goodwill

The changes in the carrying amount of goodwill by reportable segment are as follows:

	Consumer Packaging International	Consumer Packaging North America	Engineered Materials	Health, Hygiene& Specialties	Total
Balance as of fiscal 2019	$1,664	$1,691	$733	$963	$5,051
Foreign currency translation adjustment	32	—	—	(16)	16
Final RPC purchase price valuation	303	(151)	7	—	159
Held for sale	—	—	(40)	(13)	(53)
Balance as of fiscal 2020	$1,999	$1,540	$700	$934	$5,173
Foreign currency translation adjustment	**36**	**1**	**(1)**	**2**	**38**
Dispositions	**(19)**	—	—	—	**(19)**
Balance as of fiscal 2021	**$2,016**	**$1,541**	**$699**	**$936**	**$5,192**

In fiscal year 2021, the Company completed a qualitative analysis to evaluate impairment of goodwill and concluded that it was more likely than not that the fair value for each reporting unit exceeded the carrying amount. We reached this conclusion based on the strong valuations within the packaging industry and operating results of our reporting units, in addition to leveraging the quantitative test performed in fiscal 2020. As a result of our annual impairment evaluations the Company concluded that no impairment existed in fiscal 2021.

Deferred Financing Fees

Deferred financing fees are amortized to interest expense using the effective interest method over the lives of the respective debt agreements. Pursuant to ASC 835-30, the Company presents $77 million and $85 million as of fiscal 2021 and fiscal 2020, respectively, of debt issuance and deferred financing costs on the balance sheet as a deduction from the carrying amount of the related debt liability instead of a deferred charge.

Intangible Assets

The changes in the carrying amount of intangible assets are as follows:

	Customer Relationships	Trademarks	Other Intangibles	Accumulated Amortization	Total
Balance as of fiscal 2019	$3,407	$397	$161	$(1,185)	$2,780
Foreign currency translation adjustment	53	7	3	(2)	61
Amortization expense	—	—	—	(300)	(300)
Final RPC purchase price valuation	(137)	118	(25)	—	(44)
Netting of fully amortized intangibles	—	—	(10)	10	—
Balance as of fiscal 2020	$3,323	$522	$129	$(1,477)	$2,497
Foreign currency translation adjustment	**32**	**4**	**(1)**	**(2)**	**33**
Amortization expense	—	—	—	**(288)**	**(288)**
Netting of fully amortized intangibles	**(26)**	**(1)**	**(6)**	**33**	—
Balance as of fiscal 2021	**$3,329**	**$525**	**$122**	**$(1,734)**	**$2,242**

Customer relationships are being amortized using an accelerated amortization method which corresponds with the customer attrition rates used in the initial valuation of the intangibles over the estimated life of the relationships which range from 5 to 17 years. Definite lived trademarks are being amortized using the straight-line method over the estimated life of the assets which are not more than 15 years. Other intangibles, which include technology and licenses, are being amortized using the straight-line method over the estimated life of the assets which range from 5 to 14 years. The Company has trademarks that total $248 million that are indefinite lived and we test annually for impairment on the first day of the fourth quarter. We completed the annual impairment test of our indefinite lived trade names utilizing the qualitative method in 2021 and the relief from royalty method in fiscal 2020 and 2019 and noted no impairment.

The accumulated balances related to each component of other comprehensive income (loss), net of tax before reclassifications were as follows:

	Currency Translation	Defined Benefit Pension and Retiree Health Benefit Plans	Derivative Instruments	Accumulated Other Comprehensive Loss
Balance as of fiscal 2018	$(175)	$ (13)	$ 32	$(156)
Other comprehensive income (loss)	(104)	9	(107)	(202)
Net amount reclassified from accumulated other comprehensive income (loss)	—	(52)	24	(28)
Balance as of fiscal 2019	$(279)	$ (56)	$ (51)	$(386)
Other comprehensive income (loss)	1	3	(137)	(133)
Net amount reclassified from accumulated other comprehensive income (loss)	—	(63)	31	(32)
Balance as of fiscal 2020	$(278)	$(116)	$(157)	$(551)
Other comprehensive income (loss)	**124**	**(5)**	**70**	**189**
Net amount reclassified from accumulated other comprehensive income (loss)	—	**54**	**12**	**66**
Balance as of fiscal 2021	**$(154)**	**$ (67)**	**$ (75)**	**$(296)**

Pension

The accounting for our pension plans requires us to recognize the overfunded or underfunded status of the pension plans on our balance sheet. The selection of assumptions is based on historical trends and known economic and market conditions at the time of valuation, as well as independent studies of trends performed by our actuaries. Pension benefit costs include assumptions for the discount rate, mortality rate, retirement age, and expected return on plan assets. Retiree medical plan costs include assumptions for the discount rate, retirement age, and health-care-cost trend rates. Periodically, the Company evaluates the discount rate and the expected return on plan assets in its defined benefit pension and retiree health benefit plans. In evaluating these assumptions, the Company considers many factors, including an evaluation of the discount rates, expected return on plan assets and the health-care-cost trend rates of other companies; historical assumptions compared with actual results; an analysis of current market conditions and asset allocations; and the views of advisers.

Net Income Per Share

The Company calculates basic net income per share based on the weighted-average number of outstanding common shares. The Company calculates diluted net income per share based on the weighted-average number of outstanding common shares plus the effect of dilutive securities.

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make extensive use of estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities and the reported amounts of sales and expenses. Actual results could differ materially from these estimates. Changes in estimates are recorded in results of operations in the period that the event or circumstances giving rise to such changes occur.

Recently Issued Accounting Pronouncements

Credit Losses

Effective September 27, 2020, the Company adopted ASU 2016-13, Financial Instruments — Credit Losses (Topic 326). The new standard requires entities to measure all expected credit losses for most financial assets held at the

Facility	Maturity Date	October 2, 2021	September 26, 2020
1.50% First Priority Senior Secured Notes[a]	July 2027	**434**	436
4.50% Second Priority Senior Secured Notes	February 2026	**300**	500
5.625% Second Priority Senior Secured Notes	July 2027	**500**	500
Debt discounts and deferred fees		**(77)**	(85)
Finance leases and other	Various	**78**	121
Retired debt	Various	—	2,493
Total long-term debt		**9,460**	10,237
Current portion of long-term debt		**(21)**	(75)
Long-term debt, less current portion		**$9,439**	$10,162

(a) Euro denominated

Fiscal 2021 Activity

In fiscal 2021, the Company issued $800 million aggregate principal amount of 0.95% first priority senior secured notes due 2024, $1,525 million aggregate principal amount of 1.57% first priority senior secured notes due 2026, and $400 million aggregate principal amount of 1.65% first priority senior secured notes due 2027. The proceeds were used to prepay various more expensive secured notes and a portion of the outstanding Term loan. Debt extinguishment costs of $27 million, primarily comprised of deferred debt discount and financing fees, were recorded in Other expense, net on the Consolidated Statements of Income upon the extinguishment of a portion of the Term loans and prepayments on the notes.

Berry Global, Inc. Senior Secured Credit Facility

Our wholly owned subsidiary Berry Global, Inc.'s senior secured credit facilities consist of $3.4 billion of term loans and an $850 million asset-based revolving line of credit. The availability under the revolving line of credit is the lesser of $850 million or based on a defined borrowing base which is calculated based on available accounts receivable and inventory.

The term loan facility is payable upon maturity. The Company may voluntarily repay outstanding loans under the senior secured credit facilities at any time without premium or penalty, other than customary "breakage" costs with respect to eurodollar loans. All obligations under the senior secured credit facilities are unconditionally guaranteed by the Company and, subject to certain exceptions, each of the Company's existing and future direct and indirect domestic subsidiaries. The guarantees of those obligations are secured by substantially all of the Company's assets as well as those of each domestic subsidiary guarantor.

Despite not having financial maintenance covenants, our debt agreements contain certain negative covenants. We are in compliance with all covenants as of October 2, 2021. The failure to comply with these negative covenants could restrict our ability to incur additional indebtedness, effect acquisitions, enter into certain significant business combinations, make distributions or redeem indebtedness.

Future maturities of long-term debt as of fiscal year end 2021 are as follows:

Fiscal Year	Maturities
2022	$ 21
2023	14
2024	812
2025	817
2026	6,525
Thereafter	1,348
	$9,537

Interest paid was $318 million, $430 million, and $330 million in fiscal 2021, 2020, and 2019, respectively.

The effect of the Company's derivative instruments on the Consolidated Statements of Income is as follows:

Derivative instruments	Statements of Income Location	2021	2020	2019
Cross-currency swaps[a]	Interest expense	**$(8)**	$(25)	$(19)
Cross-currency swaps[b]	Other expense	—	—	41
Foreign exchange forward contracts	Other expense	—	—	99
Interest rate swaps	Interest expense	**69**	32	2

(a) Designated

(b) Not designated

The amortization related to unrealized losses in Accumulated other comprehensive loss is expected to be $9 million in the next 12 months. The Company's financial instruments consist primarily of cash and cash equivalents, long-term debt, interest rate swap agreements, cross-currency swap agreements and capital lease obligations. The fair value of our long-term indebtedness exceeded book value by $133 million as of fiscal 2021, and $26 million as of fiscal 2020. The Company's long-term debt fair values were determined using Level 2 inputs as other significant observable inputs were not available.

Non-recurring Fair Value Measurements

The Company has certain assets that are measured at fair value on a non-recurring basis when impairment indicators are present or when the Company completes an acquisition. The Company adjusts certain long-lived assets to fair value only when the carrying values exceed the fair values. The categorization of the framework used to value the assets is considered Level 3, due to the subjective nature of the unobservable inputs used to determine the fair value. These assets that are subject to our annual impairment analysis primarily include our definite lived and indefinite lived intangible assets, including goodwill and our property, plant and equipment. The Company reviews goodwill and other indefinite lived assets for impairment as of the first day of the fourth fiscal quarter each year, and more frequently if impairment indicators exist. The Company determined goodwill and other indefinite lived assets were not impaired in our annual fiscal 2021, 2020, and 2019 assessments.

Included in the following tables are the major categories of assets and their current carrying values that were measured at fair value on a non-recurring basis in the current year, along with the impairment loss recognized on the fair value measurement for the fiscal years then ended:

	2021				
	Level 1	Level 2	Level 3	Total	Impairment
Indefinite lived trademarks	**$—**	**$—**	**$ 248**	**$ 248**	**$—**
Goodwill	**—**	**—**	**5,192**	**5,192**	**—**
Definite lived intangible assets	**—**	**—**	**1,994**	**1,994**	**—**
Property, plant and equipment	**—**	**—**	**4,677**	**4,677**	**1**
Total	**$—**	**$—**	**$12,111**	**$12,111**	**$ 1**

	2020				
	Level 1	Level 2	Level 3	Total	Impairment
Indefinite lived trademarks	$—	$—	$ 248	$ 248	$—
Goodwill	—	—	5,173	5,173	—
Definite lived intangible assets	—	—	2,249	2,249	—
Property, plant and equipment	—	—	4,561	4,561	2
Total	$—	$—	$12,231	$12,231	$ 2

6. Income Taxes

The Company is being taxed at the U.S. corporate level as a C-Corporation and has provided U.S. Federal, State and foreign income taxes. Significant components of income tax expense for the fiscal years ended are as follows:

	2021	2020	2019
Current			
U.S.			
Federal	**$ 56**	$ 84	$ 60
State	**14**	12	11
Non-U.S.	**175**	154	67
Total current	**245**	250	138
Deferred:			
U.S.			
Federal	**17**	(29)	(47)
State	**(6)**	(13)	(3)
Non-U.S.	**(84)**	(54)	(2)
Total deferred	**(73)**	(96)	(52)
Expense for income taxes	**$172**	$154	$ 86

U.S. income from continuing operations before income taxes was $276 million, $206 million, and $229 million for fiscal 2021, 2020, and 2019, respectively. Non-U.S. income from continuing operations before income taxes was $629 million, $507 million, and $261 million for fiscal 2021, 2020, and 2019, respectively. The Company paid cash taxes of $200 million, $243 million, and $115 million in fiscal 2021, 2020, and 2019, respectively.

The reconciliation between U.S. Federal income taxes at the statutory rate and the Company's benefit for income taxes on continuing operations for fiscal years ended are as follows:

	2021	2020	2019
U.S. Federal income tax expense at the statutory rate	**$190**	$150	$103
Adjustments to reconcile to the income tax provision:			
U.S. state income tax expense	**11**	6	9
Federal and state credits	**(10)**	(14)	(8)
Share-based compensation	**(8)**	(4)	(12)
Tax law changes	**11**	—	—
Withholding taxes	**13**	15	—
Changes in foreign valuation allowance	**(14)**	(8)	13
Foreign income taxed in the U.S.	**12**	9	3
Rate differences between U.S. and foreign	**(8)**	(6)	7
Sale of subsidiary	**16**	—	(38)
Permanent foreign currency differences	**(30)**	—	—
Other	**(11)**	6	9
Expense for income taxes	**$172**	$154	$ 86

Uncertain Tax Positions

The following table summarizes the activity related to our gross unrecognized tax benefits for fiscal years ended:

	2021	2020
Beginning unrecognized tax benefits	**$168**	$165
Gross increases – tax positions in prior periods	**9**	13
Gross decreases – tax positions in prior periods	**(6)**	(12)
Gross increases – current period tax positions	**6**	—
Gross increases – from RPC acquisition	**—**	7
Settlements	**(4)**	(1)
Lapse of statute of limitations	**(14)**	(4)
Ending unrecognized tax benefits	**$159**	$168

As of fiscal year end 2021, the amount of unrecognized tax benefit that, if recognized, would affect our effective tax rate was $136 million and we had $43 million accrued for payment of interest and penalties related to our uncertain tax positions. Our penalties and interest related to uncertain tax positions are included in income tax expense.

As a result of global operations, we file income tax returns in the U.S. federal, various state and local, and foreign jurisdictions and are routinely subject to examination by taxing authorities throughout the world. Excluding potential adjustments to net operating losses, the U.S. federal and state income tax returns are no longer subject to income tax assessments for years before 2017. With few exceptions, the major foreign jurisdictions are no longer subject to income tax assessments for year before 2014.

7. Retirement Plans

The Company sponsors defined contribution retirement plans covering substantially all employees. Contributions are based upon a fixed dollar amount for employees who participate and percentages of employee contributions at specified thresholds. Contribution expense for these plans was $45 million, $40 million, and $26 million for fiscal 2021, 2020, and 2019, respectively.

The North American defined benefit pension plans, which cover certain manufacturing facilities, are closed to future entrants. The majority of the retirement benefit obligations in the United Kingdom ("UK") are defined benefit pension plans, and are closed to future entrants. The assets of all the plans are held in a separate trustee administered fund to meet long-term liabilities for past and present employees.

Most of the Company's German operations provide non-contributory pension plans. There is no external funding for these plans although they are secured by insolvency insurance required under German law. In general, the plans provide a fixed retirement benefit not related to salaries and are closed to new entrants. Germany represents $102 million of Mainland Europe's total underfunded status.

The net amount of liability recognized is included in Employee Benefit Obligations on the Consolidated Balance Sheets. The Company uses fiscal year end as a measurement date for the retirement plans.

	2021				2020			
Change in Projected Benefit Obligations (PBO)	**North America**	**UK**	**Mainland Europe**	**Total**	**North America**	**UK**	**Mainland Europe**	**Total**
Beginning of period	**$361**	**$888**	**$192**	**$1,441**	$344	$827	$206	$1,377
Service cost	**—**	**1**	**4**	**5**	—	—	1	1
Interest cost	**8**	**15**	**1**	**24**	10	15	1	26
Currency	**1**	**48**	**2**	**51**	—	31	13	44
Actuarial loss (gain)	**(12)**	**(28)**	**9**	**(31)**	30	41	(7)	64
Benefit settlements	**(3)**	**—**	**(5)**	**(8)**	(6)	—	(16)	(22)
Benefits paid	**(17)**	**(36)**	**(7)**	**(60)**	(17)	(26)	(6)	(49)
End of period	**$338**	**$888**	**$196**	**$1,422**	$361	$888	$192	$1,441

Fiscal 2021 Asset Category	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 55	$ —	$ —	$ 55
U.S. large cap comingled equity funds	84	—	—	84
U.S. mid cap equity mutual funds	50	—	—	50
U.S. small cap equity mutual funds	2	—	—	2
International equity mutual funds	14	271	—	285
Real estate equity investment funds	7	86	101	194
Corporate bond mutual funds	6	—	—	6
Corporate bonds	—	157	40	197
International fixed income funds	81	161	—	242
International insurance policies	—	—	52	52
Total	$299	$675	$193	$1,167

Fiscal 2020 Asset Category	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 18	$ 18	$ —	$ 36
U.S. large cap comingled equity funds	72	27	—	99
U.S. mid cap equity mutual funds	49	16	—	65
U.S. small cap equity mutual funds	3	16	—	19
International equity mutual funds	12	99	—	111
Real estate equity investment funds	3	158	91	252
Corporate bond mutual funds	10	—	27	37
Corporate bonds	—	146	—	146
International fixed income funds	66	209	—	275
International insurance policies	—	—	51	51
Total	$233	$689	$169	$1,091

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid for the fiscal year end:

	North America	UK	Mainland Europe	Total
2022	$19	$ 35	$ 7	$ 61
2023	19	36	7	62
2024	19	36	8	63
2025	20	38	7	65
2026	19	38	7	64
2027-2031	94	209	49	352

Net pension expense included the following components as of fiscal years ended:

	2021	2020	2019
Service cost	$ 5	$ 1	$ 2
Interest cost	24	26	17
Amortization of net actuarial loss	9	5	1
Expected return on plan assets	(51)	(46)	(24)
Net periodic benefit expense (income)	$(13)	$(14)	$ (4)

Our defined benefit pension plan asset allocations as of fiscal years ended are as follows:

Common stock was reduced by the number of shares retired at $0.01 par value per share. The Company allocates the excess purchase price over par value between additional paid-in capital and retained earnings.

Equity Incentive Plans

The Company has shareholder-approved stock plans under which options and restricted stock units have been granted to employees at the market value of the Company's stock on the date of grant. In fiscal 2021, the Company amended the 2015 Berry Global Group, Inc. Long-Term Incentive Plan to authorize the issuance of 20.8 million shares, an increase of 8.3 million shares from the previous authorization.

The Company recognized total share-based compensation expense of $40 million, $33 million, and $27 million for fiscal 2021, 2020, and 2019, respectively. The intrinsic value of options exercised in fiscal 2021 was $58 million.

Information related to the equity incentive plans as of the fiscal years ended are as follows:

	2021		2020	
	Number of Shares (in thousands)	Weighted Average Exercise Price	Number of Shares (in thousands)	Weighted Average Exercise Price
Options outstanding, beginning of period	**11,460**	**$40.84**	10,263	$37.82
Options granted	**1,946**	**54.22**	2,562	45.60
Options exercised	**(1,961)**	**32.23**	(1,223)	24.96
Options forfeited or cancelled	**(143)**	**48.72**	(142)	45.05
Options outstanding, end of period	**11,302**	**$44.54**	11,460	$40.84
Option price range at end of period	**$3.04 – 54.33**		$3.04 – 54.33	
Options exercisable at end of period	**5,260**		5,599	
Weighted average fair value of options granted during period	**$ 16.36**		$ 14.26	

Generally, options vest annually in equal installments commencing one year from the date of grant and have a vesting term of either four or five years and an expiration term of 10 years from the date of grant. The fair value for options granted has been estimated at the date of grant using a Black-Scholes model, generally with the following weighted average assumptions:

	2021	2020	2019
Risk-free interest rate	**0.5%**	1.7%	2.5%
Dividend yield	**0.0%**	0.0%	0.0%
Volatility factor	**30.4%**	27.2%	26.3%
Expected option life	**6.0 years**	6.5 years	6.5 years

The following table summarizes information about the options outstanding as of fiscal 2021:

Range of Exercise Prices	Number Outstanding	Intrinsic Value of Outstanding	Weighted Remaining Contractual Life	Weighted Exercise Price	Number Exercisable	Intrinsic Value of Exercisable	Unrecognized Compensation	Weighted Recognition Period
	(in thousands)	(in millions)			(in thousands)	(in millions)	(in millions)	
$3.04 – 54.33	11,302	$193	6.6 years	$44.54	5,260	$115	$48	1.8 years

Selected information by geographical region is presented in the following tables:

	2021	2020	2019
Net sales:			
United States and Canada	**$ 7,351**	$ 6,250	$6,293
Europe	**4,898**	4,223	1,637
Rest of world	**1,601**	1,236	948
Total net sales	**$13,850**	$11,709	$8,878

	2021	2020
Long-lived assets:		
United States and Canada	**$ 6,682**	$ 6,742
Europe	**4,574**	4,665
Rest of world	**1,532**	1,477
Total long-lived assets	**$12,788**	$12,884

Selected information by product line is presented in the following tables:

(in percentages)	2021	2020	2019
Net sales:			
Packaging	**81%**	80%	85%
Non-packaging	**19**	20	15
Consumer Packaging International	**100%**	100%	100%
Rigid Open Top	**57%**	55%	52%
Rigid Closed Top	**43**	45	48
Consumer Packaging North America	**100%**	100%	100%
Core Films	**63%**	58%	49%
Retail & Industrial	**37**	42	51
Engineered Materials	**100%**	100%	100%
Health	**18%**	18%	14%
Hygiene	**47**	47	48
Specialties	**35**	35	38
Health, Hygiene & Specialties	**100%**	100%	100%

11. Net Income per Share

Basic net income per share is calculated by dividing the net income attributable to common stockholders by the weighted-average number of common shares outstanding during the period, without consideration for common stock equivalents. Diluted net income per share is computed by dividing the net income attributable to common stockholders by the weighted-average number of common share equivalents outstanding for the period determined using the treasury-stock method and the if-converted method. For purposes of this calculation, stock options are considered to be common stock equivalents and are only included in the calculation of diluted net income per share when their effect is dilutive. There were 7 million and 5 million shares excluded from the fiscal 2020 and 2019 diluted net income per share calculation, respectively, as their effect would be anti-dilutive. There were no shares excluded from the fiscal 2021 calculation.

Exhibit No	Description of Exhibit
2.1	Rule 2.7 Announcement, dated as of March 8, 2019 (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on March 14, 2019).
2.2	Co-Operation Agreement, dated as of March 8, 2019, by and among Berry Global Group, Inc., Berry Global International Holdings Limited and RPC Group Plc (incorporated by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K filed on March 14, 2019).
3.1	Amended and Restated Certificate of Incorporation of Berry Global Group, Inc., as amended through March 6, 2019 (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q filed on May 2, 2019).
3.2	Certificate of Amendment of the Amended and Restated Certificate of Incorporation of Berry Global Group, Inc., dated February 24, 2021 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on February 25, 2021).
3.3	Amended and Restated Bylaws of Berry Global Group, Inc., as amended and restated effective as of February 24, 2021 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on February 25, 2021).
4.1	Form of common stock certificate of Berry Plastics Group, Inc. (incorporated by reference to Exhibit 4.27 of Amendment No. 5 to the Company's Registration Statement on Form S-1 filed on September 19, 2012).
4.2	Indenture, by and between Berry Global Escrow Corporation and U.S. Bank National Association, as Trustee and Collateral Agent, relating to the 4.875% First Priority Senior Secured Notes due 2026, dated June 5, 2019 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on June 6, 2019).
4.2A	Supplemental Indenture, among Berry Global Group, Inc., Berry Global, Inc., Berry Global Escrow Corporation, each of the parties identified as a Subsidiary Guarantor thereon, and U.S. Bank National Association, as Trustee, relating to the 4.875% First Priority Senior Secured Notes due 2026, dated July 1, 2019 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on July 2, 2019).
4.3	Indenture, by and between Berry Global Escrow Corporation and U.S. Bank National Association, as Trustee and Collateral Agent, relating to the 5.625% Second Priority Senior Secured Notes due 2027, dated June 5, 2019 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on June 6, 2019).
4.3A	Supplemental Indenture, among Berry Global Group, Inc., Berry Global, Inc., Berry Global Escrow Corporation, each of the parties identified as a Subsidiary Guarantor thereon, and U.S. Bank National Association, as Trustee, relating to the 5.625% Second Priority Senior Secured Notes due 2027, dated July 1, 2019 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on July 2, 2019).
4.4	Indenture, among Berry Global, Inc., certain guarantors party thereto, U.S. Bank National Association, as Trustee and Collateral Agent, and Elavon Financial Services DAC, as Paying Agent, Transfer Agent and Registrar, relating to the 1.00% First Priority Senior Secured Notes due 2025 and 1.50% First Priority Senior Secured Notes due 2027, dated January 2, 2020 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on January 2, 2020).
4.5	Indenture among Berry Global, Inc., certain guarantors party thereto, U.S. Bank National Association, as Trustee and Collateral Agent, relating to the 1.57% First Priority Senior Secured Notes due 2026, dated December 22, 2020 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on December 23, 2020).

Exhibit No	Description of Exhibit
10.3	Second Amended and Restated Intercreditor Agreement, dated as of February 5, 2008, by and among Berry Plastics Group, Inc., Berry Plastics Corporation, certain subsidiaries identified as parties thereto, Bank of America, N.A. and Credit Suisse, Cayman Islands Branch as first lien agents, and U.S. Bank National Association, as successor in interest to Wells Fargo Bank, N.A., as trustee (incorporated by reference to Exhibit 10.3 to the Company's Annual Report on Form 10-K filed on November 23, 2015).
10.4	U.S. $1,147,500,000 and $814,375,000 Incremental Assumption Agreement, dated as of February 10, 2017 by and among Berry Plastics Group, Inc., Berry Plastics Corporation and certain of its subsidiaries referenced therein, Credit Suisse AG, Cayman Islands Branch, as administrative agent for the lenders under the term loan credit agreement referenced therein, Citibank, N.A., as initial Term I lender and Citibank, N.A., as incremental term J lender therein. (incorporated by reference to Exhibit 10.7 to the Company's Annual Report on Form 10-K filed on November 21, 2017).
10.5	U.S. $1,644,750,000 and $498,750,000 Incremental Assumption Agreement, dated as of August 10, 2017, by and among Berry Plastics Group, Inc., Berry Plastics Corporation and certain of its subsidiaries referenced therein, Credit Suisse AG, Cayman Islands Branch, as administrative agent for the lenders under the term loan credit agreement referenced therein, Wells Fargo Bank, National Association, as initial Term M lender and Wells Fargo Bank, National Association, as initial Term N lender therein (incorporated by reference to Exhibit 10.8 to the Company's Annual Report on Form 10-K filed on November 21, 2017).
10.6	U.S. $900,000,000 and $814,375,000 Incremental Assumption Agreement, dated as of November 27, 2017, by and among Berry Global Group, Inc., Berry Global, Inc. and certain of its subsidiaries referenced therein, Credit Suisse AG, Cayman Islands Branch, as administrative agent for the lenders under the term loan credit agreement referenced therein, Citibank, N.A., as initial Term O Lender, and Citibank, N.A., as initial Term P Lender therein. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on February 7, 2018).
10.7	U.S. $1,644,750,000 and $496,250,000 Incremental Assumption Agreement and Amendment, dated as of February 12, 2018, by and among Berry Global Group, Inc., Berry Global, Inc. and certain of its subsidiaries referenced therein, Credit Suisse AG, Cayman Islands Branch, as administrative agent for the lenders under the term loan credit agreement referenced therein, Citibank, N.A., as initial Term Q lender, and Citibank, N.A., as initial Term R lender therein (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on May 3, 2018).
10.8	U.S. $800,000,000 and $814,375,000 Incremental Assumption Agreement, dated as of May 16, 2018, by and among Berry Global Group, Inc., Berry Global, Inc. and certain of its subsidiaries referenced therein, Credit Suisse AG, Cayman Islands Branch, as administrative agent for the lenders under the term loan credit agreement referenced therein, Citibank, N.A., as initial Term S lender, and Citibank, N.A., as initial Term T lender therein (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on August 3, 2018).
10.9	Incremental Assumption Agreement and Amendment, among Berry Global Group, Inc., Berry Global, Inc. and certain subsidiaries of Berry Global, Inc., as Loan Parties, Credit Suisse AG, Cayman Islands Branch, as Administrative Agent, Goldman Sachs Bank USA, as Initial Term U Lender, and Goldman Sachs Bank USA, as Initial Term V Lender, dated as of July 1, 2019 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 2, 2019).
10.10	Amendment and Waiver to Equipment Lease Agreement, dated as of January 19, 2011, between Chicopee, Inc., as Lessee and Gossamer Holdings, LLC, as Lessor (incorporated by reference to Exhibit 10.16 to AVINTIV Specialty Materials Inc.'s Registration Statement Form S-4 filed on October 25, 2011).
10.11	Second Amendment to Equipment Lease Agreement, dated as of October 7, 2011, between Chicopee, Inc., as Lessee and Gossamer Holdings, LLC, as Lessor (incorporated by reference to Exhibit 10.17 to AVINTIV Specialty Materials Inc.'s Registration Statement Form S-4 filed on October 25, 2011).

Exhibit No	Description of Exhibit
10.28†	Amendment No. 2 to the Berry Plastics Group, Inc. 2012 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on March 10, 2015).
10.29†	Form of 2016 Omnibus Amendment to Awards Granted Under the Berry Plastics Group, Inc. 2012 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on July 22, 2016).
10.30†	2015 Berry Plastics Group, Inc. Long-Term Incentive Plan (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on March 10, 2015).
10.31†	First Amendment to 2015 Berry Plastics Group, Inc. Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 6, 2018).
10.32†	Form of 2016 Omnibus Amendment to Awards Granted Under the Berry Plastics Group, Inc. 2015 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on July 22, 2016).
10.33†	Fourth Amended and Restated Stockholders Agreement, by and among Berry Plastics Group, Inc., and the stockholders of the Corporation listed on schedule A thereto, dated as of January 15, 2015 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on January 30, 2015).
10.34†	Employment Agreement, dated January 1, 2002, between the Berry Plastics Corporation and Curtis Begle (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on January 31, 2014).
10.35†	Amendment No. 1 to Employment Agreement, dated as of September 13, 2006, by and between the Berry Plastics Corporation and Curtis Begle (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed on January 31, 2014).
10.36†	Amendment No. 2 to Employment Agreement, dated December 31, 2008, by and between the Berry Plastics Corporation and Curtis Begle (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed on January 31, 2014).
10.37†	Amendment No. 3 to Employment Agreement, dated August 1, 2010, by and between the Berry Plastics Corporation and Curtis L. Begle (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed on January 31, 2014).
10.38†	Amendment No. 4 to Employment Agreement, dated December 16, 2011, by and between the Berry Plastics Corporation and Curtis L. Begle (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q filed on January 31, 2014).
10.39†	Employment Agreement, dated February 28, 1998, between Berry Plastics Corporation and Mark Miles, together with amendments dated February 28, 2003, September 13, 2006, December 31, 2008, and December 31, 2011 (incorporated by reference to Exhibit 10.40 to the Company's Annual Report on Form 10-K filed on November 30, 2016).
10.40†	Form of Amendment to Employment Agreement by and between Berry Plastics Corporation and each of Curtis L Begle, Mark W. Miles, and Thomas E. Salmon (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 22, 2016).
10.41†	Senior Executive Employment Contract dated as of September 30, 2015 by and between PGI Specialty Materials Inc. and Jean Marc Galvez, together with the International Assignment Letter dated December 18, 2016 from Berry Global, Inc. (f/k/a Berry Plastics Corporation) (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on February 7, 2018).

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 18th day of November, 2021.

BERRY GLOBAL GROUP, INC.

By /s/ Thomas E. Salmon
Thomas E. Salmon
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Thomas E. Salmon Thomas E. Salmon	Chief Executive Officer and Chairman of the Board of Directors and Director (Principal Executive Officer)	November 18, 2021
/s/ Mark W. Miles Mark W. Miles	Chief Financial Officer (Principal Financial Officer)	November 18, 2021
/s/ James M. Till James M. Till	Executive Vice President and Controller (Principal Accounting Officer)	November 18, 2021
/s/ B. Evan Bayh B. Evan Bayh	Director	November 18, 2021
/s/ Jonathan F. Foster Jonathan F. Foster	Director	November 18, 2021
/s/ Idalene F. Kesner Idalene F. Kesner	Director	November 18, 2021
/s/ Jill A. Rahman Jill A. Rahman	Director	November 18, 2021
/s/ Carl J. Rickertsen Carl J. Rickertsen	Director	November 18, 2021
/s/ Paula Sneed Paula Sneed	Director	November 18, 2021
/s/ Robert A. Steele Robert A. Steele	Director	November 18, 2021
/s/ Stephen E. Sterrett Stephen E. Sterrett	Director	November 18, 2021
/s/ Scott B. Ullem Scott B. Ullem	Director	November 18, 2021

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NON-GAAP FINANCIAL MEASURES*

Operating EBITDA and adjusted free cash flow, as presented in this document, are supplemental financial measures that are not required by, or presented in accordance with, generally accepted accounting principles in the United States ("GAAP"). Reconciliations of such measures to GAAP financial measures are provided below. Investors are urged to consider carefully the comparable GAAP measures and the reconciliations to those measures provided. For further information, see the accompanying Form 10-K.

	FISCAL				
	2017	2018	2019	2020	2021
U.S. GAAP Operating income	$732	$761	$974	$1,179	$1,292
Add: depreciation and amortization	521	538	613	845	854
Add: restructuring and impairment	24	36	(126)	79	51
Add: business optimization and other expense	50	45	69	54	27
Operating EBITDA	$1,327	$1,380	$1,530	$2,157	$2,224

	FISCAL				
	2017	2018	2019	2020	2021
Cash flow from operating activities	$975	$1,004	$1,201	$1,530	$1,580
Additions to property, plant, and equipment, net	(263)	(333)	(399)	(583)	(676)
Tax receivable agreement payment	(111)	(37)	(38)	-	-
Free cash flow	$601	$634	$764	$947	$904

*Measurements are in millions

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