Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	990 362 661
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	RPC PROMENS GROUP AS
Forretningsadresse:	Stadionveien 15 4632 KRISTIANSAND S

Regnskapsår

Årsregnskapets periode:	01.10.2020 - 30.09.2021

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Svein Harald Egestad
Dato for fastsettelse av årsregnskapet:	06.01.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert

År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 07.05.2023

Resultatregnskap

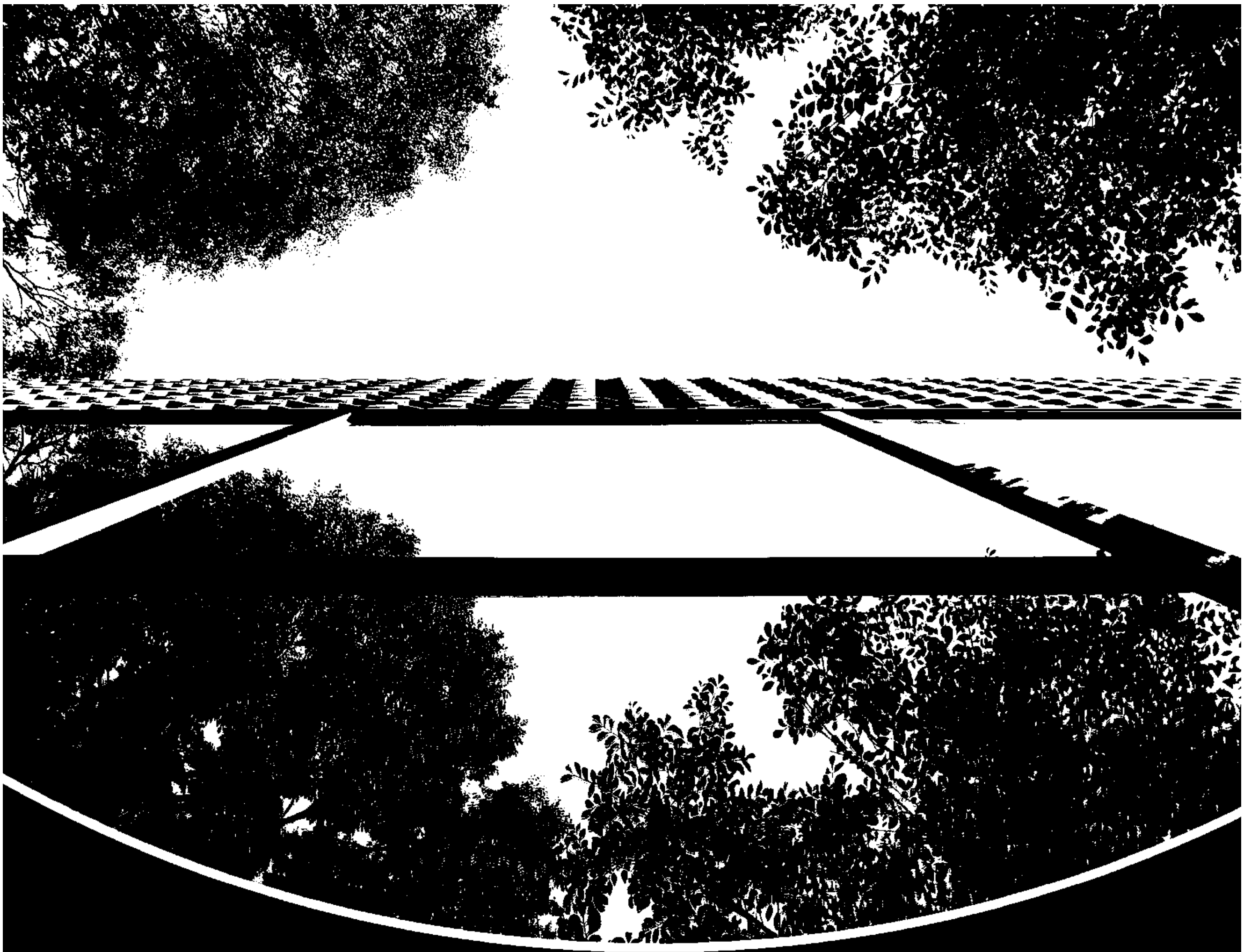
Beløp i: EUR	Note	2021	2020
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad	2	33 000	22 000
Sum kostnader		**33 000**	**22 000**
Driftsresultat		**-33 000**	**-22 000**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap	4		33 990 000
Annen renteinntekt		1 000	
Annen finansinntekt	3	1 054 000	2 606 000
Sum finansinntekter		**1 055 000**	**36 595 000**
Annen finanskostnad	3	651 000	3 023 000
Sum finanskostnader		**651 000**	**3 023 000**
Netto finans		**405 000**	**33 572 000**
Ordinært resultat før skattekostnad		**372 000**	**33 550 000**
Skattekostnad på ordinært resultat	7	1 790 000	
Ordinært resultat etter skattekostnad		**-1 418 000**	**33 550 000**
Årsresultat		**-1 418 000**	**33 550 000**
Årsresultat etter minoritetsinteresser		**-1 418 000**	**33 550 000**
Totalresultat		**-1 418 000**	**33 550 000**
Overføringer og disponeringer			
Ordinært utbytte	5		
Overført til/fra annen egenkapital	5	-1 418 000	33 550 000
Sum overføringer og disponeringer		**-1 418 000**	**33 550 000**

Balanse

Beløp i: EUR	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	4	428 356 000	515 356 000
Lån til foretak i samme konsern	6	535 000	8 993 000
Sum finansielle anleggsmidler		**428 890 000**	**524 348 000**
Sum anleggsmidler		**428 890 000**	**524 348 000**
Omløpsmidler			
Varer			
Fordringer			
Andre kortsiktige fordringer			376 000
Krav på innbetaling av selskapskapital	6, 8	987 000	965 000
Sum fordringer		**987 000**	**1 341 000**
Sum omløpsmidler		**987 000**	**1 341 000**
SUM EIENDELER		**429 878 000**	**525 689 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	5	57 568 000	57 568 000
Overkurs	5	368 313 000	410 113 000
Sum innskutt egenkapital		**425 881 000**	**467 681 000**
Opptjent egenkapital			
Annen egenkapital	5	2 241 000	40 659 000
Sum opptjent egenkapital		**2 241 000**	**40 659 000**

Balanse

Beløp i: EUR	Note	2021	2020
Sum egenkapital		**428 122 000**	**508 340 000**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til foretak i samme konsern	6		17 337 000
Sum annen langsiktig gjeld			**17 337 000**
Sum langsiktig gjeld		**0**	**17 337 000**
Kortsiktig gjeld			
Betalbar skatt	7	1 735 000	
Annen kortsiktig gjeld		20 000	12 000
Sum kortsiktig gjeld		**1 755 000**	**12 000**
Sum gjeld		**1 755 000**	**17 349 000**
SUM EGENKAPITAL OG GJELD		**429 878 000**	**525 689 000**



Leadership Future

2021 ANNUAL REPORT

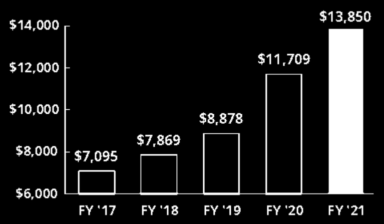
INNOVATION FOR THE WORLD
SOLUTIONS FOR YOU

Berry

2021 Fiscal Review*

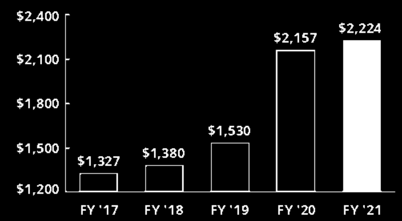
FISCAL YEARS ENDED	OCTOBER 2, 2021	SEPTEMBER 26, 2020	% CHANGE
Net Sales	$13,850	$11,709	18%
Operating Income	1,292	1,179	10%
Operating EBITDA	2,224	2,157	3%
Free Cash Flow	904	947	-5%

Net Sales

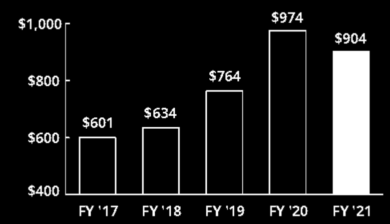


Operating Income

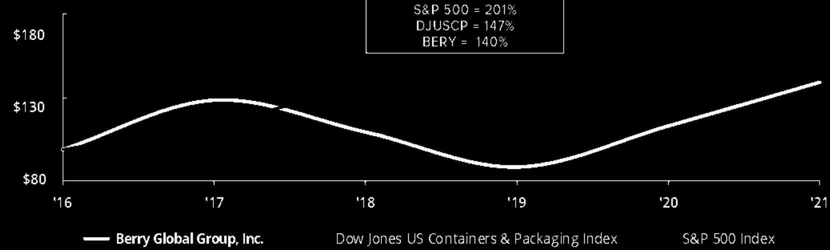
Operating EBITDA



Free Cash Flow



Stock Performance**



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended October 2, 2021

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 001-35672

BERRY GLOBAL GROUP, INC.

A Delaware corporation	101 Oakley Street, Evansville, Indiana, 47710 (812) 424-2904	IRS employer identification number 20-5234618

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, $0.01 par value per share	BERY	New York Stock Exchange LLC

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act

Large Accelerated Filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Small reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes ☐ No ☒

The aggregate market value of the common stock of the registrant held by non-affiliates was approximately $8.3 billion as of April 3, 2021, the last business day of the registrant's most recently completed second fiscal quarter. The aggregate market value was computed using the closing sale price as reported on the New York Stock Exchange. As of November 18, 2021, there were 135.6 million shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Berry Global Group, Inc.'s Proxy Statement for its 2022 Annual Meeting of Stockholders are incorporated by reference into Part III of this report.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Information included in or incorporated by reference in this Form 10-K and other filings with the U.S. Securities and Exchange Commission (the “SEC”) and the Company’s press releases or other public statements, contains or may contain forward-looking statements. This report includes “forward-looking’ statements with respect to our financial condition, results of operations and business and our expectations or beliefs concerning future events. These statements contain words such as “believes,” “expects,” “may,” “will,” “should,” “would,” “could,” “seeks,” “approximately,” “intends,” “plans,” “estimates,” “project,” “outlook,” “anticipates,” or “looking forward” or similar expressions that relate to our strategy, plans, intentions, or expectations. All statements we make relating to our estimated and projected earnings, margins, costs, expenditures, cash flows, growth rates, and financial results or to our expectations regarding future industry trends are forward-looking statements. In addition, we, through our senior management, from time to time make forward-looking public statements concerning our expected future operations and performance and other developments. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those that we expected. All forward-looking statements are made only as of the date hereof, and we undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

Additionally, we caution readers that the list of important factors discussed in the section titled “Risk Factors” may not contain all of the material factors that are important to you. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this report may not in fact occur. Accordingly, readers should not place undue reliance on those statements.

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FORM 10-K FOR THE FISCAL YEAR ENDED OCTOBER 2, 2021

Item 1. BUSINESS

(In millions of dollars, except as otherwise noted)

General

Berry Global Group, Inc. ("Berry," "we," or the "Company") is a leading global supplier of a broad range of innovative rigid, flexible and non-woven products used every day within consumer and industrial end markets. We sell our products predominantly into stable, consumer-oriented end markets, such as healthcare, personal care, and food and beverage. Our customers consist of a diverse mix of leading global, national, mid-sized regional and local specialty businesses. The size and scope of our customer network allows us to introduce new products we develop or acquire to a vast audience that is familiar with our business. For the fiscal year ended October 2, 2021 ("fiscal 2021"), no single customer represented more than 5% of net sales and our top ten customers represented 15% of net sales. We believe our manufacturing processes, manufacturing footprint and our ability to leverage our scale to reduce costs, positions us as a low-cost manufacturer relative to our competitors.

Additional financial information about our segments is provided in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the "Notes to Consolidated Financial Statements," which are included elsewhere in this Form 10-K.

Segment Overview

The Company's operations are organized into four reporting segments: Consumer Packaging International, Consumer Packaging North America, Engineered Materials, and Health, Hygiene & Specialties. The structure is designed to align us with our customers, provide improved service, drive future growth, and to facilitate synergies realization.

Consumer Packaging International

The Consumer Packaging International segment is a manufacturer of rigid products that primarily services non-North American markets. Product groups within the segment include Closures and Dispensing Systems, Pharmaceutical Devices and Packaging, Bottles and Canisters, Containers, and Technical Components. In fiscal 2021, Consumer Packaging International accounted for 30% of our consolidated net sales.

Consumer Packaging North America

The Consumer Packaging North America segment is a manufacturer of rigid products that primarily services North American markets. Product groups within the segment include Containers and Pails, Foodservice, Closures and Overcaps, Bottles and Prescription Vials, and Tubes. In fiscal 2021, Consumer Packaging North America accounted for 23% of our consolidated net sales.

Engineered Materials

The Engineered Materials segment is a manufacturer of flexible products that services primarily North American and European markets. Product groups within the segment include Stretch and Shrink Films, Converter Films, Institutional Can Liners, Food and Consumer Films, Retail Bags, and Agriculture Films. In fiscal 2021, Engineered Materials accounted for 24% of our consolidated net sales.

Health, Hygiene & Specialties

The Health, Hygiene & Specialties segment is a manufacturer of non-woven and related products that services global markets. Product groups within the segment include Healthcare, Hygiene, Specialties, and Tapes. In fiscal 2021, Health, Hygiene & Specialties accounted for 23% of our consolidated net sales.

Marketing, Sales, and Competition

We reach our large and diversified customer base through a direct sales force of dedicated professionals and the strategic use of distributors. Our scale enables us to dedicate certain sales and marketing efforts to particular products or customers, when applicable, which enables us to develop expertise that we believe is valued by our customers.

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.

Health and Safety

Employee safety is our number one core value at Berry. We believe when it comes to employee safety, our best should always be our standard. It is through the adherence to our global Environment, Health, and Safety principles we have been able to identify and eliminate operational risks and drive continuous improvement, resulting in an OSHA incident rate below 1.0 which is significantly lower than the industry average.

Specifically related to Berry's internal COVID-19 protocols, our rigorous precautionary measures have included the formation of global and regional response teams that maintain contact with authorities and experts, quarantine protocols, disinfection measures and other actions designed to help protect employees. Additionally, while many do not realize the crucial role our products play in infection prevention and protecting from the spread of disease and contamination, we are proud to be a part of the fight and are privileged to support the growing need for many of our products as communities across the globe continue to struggle through the COVID-19 pandemic.

Talent and Development

We seek to attract, develop and retain the best talent throughout the company. During the past decade, we established and expanded our recruiting and talent functions. Our succession management strategy focuses on structured succession framework based on Learning Agility and multiple years of performance. Our holistic approach to developing key managers and identifying future leaders includes challenging assignments, formal development plans and professional coaching. Resources to support employees in their personal and professional development include:

Leadership Foundations;

- Operations Development Programs;
- Core & Advanced Selling Programs;
- Partnering for the Planet;
- University Partnerships;
- Internal e-learning and development platforms;
- Annual compliance, antitrust, bribery, corruption, business code of conduct and ethics training for key management level; and
- Various other tuition reimbursement programs, apprenticeship and instructional programs.

Employee Engagement

We seek to ensure that everyone is motivated to perform their best work every day. To further that objective, our engagement approach focuses on clear communication and recognition. We communicate through regular employee meetings, at both the corporate and operating division levels, with business and market updates and information on production, safety, quality and other operating metrics. We have many recognition-oriented awards throughout our company, including our corporate and divisional awards of excellence. We conduct company-wide engagement surveys which have generally indicated high levels of engagement and trust in Berry's leadership, key strategies and initiatives. Resources to support employee communication and engagement include:

- Leadership sharing global perspectives, innovation, and company direction;
- Peer groups sharing and supporting of common interests and partnership among emerging leaders;
- Town halls fostering the "OneBerry" culture; and
- Various other internal business updates, communications, bulletins, digital signage and newsletters.

Inclusion and Diversity

As the world's leading global packaging company, we strive to build a safe and inclusive culture where every employee feels valued and treated with respect. We believe inclusion helps drive engagement, innovation and organizational growth. Our focus to date has been on providing training for our global workforce, expanding our employee resource groups, and increasing awareness about the importance of having a culture of inclusion. Resource groups to support employee acceptance and inclusion including US Veterans, employees with disabilities, women led alliances, employees of African descent, and sexual orientation.

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.

Item 1A. RISK FACTORS

Operational Risks

Effectively managing change and growth.

Our future revenue and operating results will depend on our ability to effectively manage the anticipated growth and managing customer timelines. We are continuously investing in growth areas and expanding our operations, increasing our headcount and expanding into new product offerings. This growth has placed significant demands on our management as well as our financial and operational resources, and continued growth presents several challenges, including:

- expanding manufacturing capacity, maintaining quality and increasing production;
- identifying, attracting and retaining qualified personnel; and
- increasing our regulatory compliance capabilities, particularly in new lines of business or product offerings.

A failure to adequately manage these and other risks related to our growth could adversely affect our business, financial condition and results of operations.

Raw material inflation or shortage of available materials could harm our financial condition and results of operations.

Raw materials are subject to price fluctuations and availability, due to external factors, such as the COVID-19 pandemic, weather-related events, or other supply chain challenges, that are beyond our control. Temporary industry-wide shortages of raw materials have occurred in fiscal 2021, which has led to increased raw material price volatility and which could continue into fiscal 2022. Additionally, our suppliers could experience cost increases to produce raw material due to increases in carbon pricing. Historically we have been able to manage the impact of higher costs by increasing our selling prices. We have generally been well positioned to capture additional market share as our primarily raw material, polymer resin, is typically a lower cost and more versatile substrate compared to alternatives. However, raw material shortages or our inability to timely pass through increased costs to our customers may adversely affect our business, financial condition and results of operations.

We may not be able to compete successfully and our customers may not continue to purchase our products.

We compete with multiple companies in each of our product lines on the basis of a number of considerations, including price, service, quality, product characteristics and the ability to supply products to customers in a timely manner. Our products also compete with various other substrates. Some of these competitive products are not subject to the impact of changes in resin prices, which may have a significant and negative impact on our competitive position versus substitute products. Additionally, consumer's view on environmental consideration could potentially impact demand for our products that utilize fossil fuel based materials in their manufacturing. Our competitors may have financial and other resources that are substantially greater than ours and may be better able than us to withstand higher costs. Competition and product preference changes could result in our products losing market share or our having to reduce our prices, either of which could have a material adverse effect on our business, financial condition and results of operations. In addition, since we do not have long-term arrangements with many of our customers, these competitive factors could cause our customers to shift suppliers and/or packaging material quickly. Our success depends, in part, on our ability to respond timely to customer and market changes.

We may pursue and execute acquisitions or divestitures, which could adversely affect our business.

As part of our growth strategy, we consider transactions that either complement or expand our existing business and create economic value. Transactions involve special risks, including the potential assumption of unanticipated liabilities and contingencies as well as difficulties in integrating acquired businesses or carving-out divested businesses, which may result in substantial costs, delays or other problems that could adversely affect our business, financial condition and results of operations. Furthermore, we may not realize all of the synergies we expect to achieve from our current strategic initiatives due to a variety of risks. If we are unable to achieve the benefits that we expect to achieve from our strategic initiatives, it could adversely affect our business, financial condition and results of operations.

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

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our products and receiving delays of raw materials, changes in applicable laws, including assessments of income and non-income related taxes, reduced protection of intellectual property, inability to readily repatriate cash to the U.S. effectively, and regulatory policies and various trade restrictions including potential changes to export taxes or countervailing and anti-dumping duties for exported products from these countries. Any of these risks could disrupt our business and result in significant losses. We are also subject to the Foreign Corrupt Practices Act and other anti-bribery and anti-corruption laws that generally bar bribes or unreasonable gifts to foreign governments or officials. We have implemented safeguards, training and policies to discourage these practices by our employees and agents. However, our existing safeguards, training and policies to assure compliance and any future improvements may prove to be less than effective and our employees or agents may engage in conduct for which we might be held responsible. If employees violate our policies, we may be subject to regulatory sanctions. Violations of these laws or regulations could result in sanctions including fines, debarment from export privileges and penalties and could adversely affect our business, financial condition and results of operations.

Current and future environmental and other governmental requirements could adversely affect our financial condition and our ability to conduct our business.

While we have not been required historically to make significant capital expenditures in order to comply with applicable environmental laws and regulations, we cannot predict our future capital expenditure requirements because of continually changing compliance standards and environmental technology. Furthermore, violations or contaminated sites that we do not know about (including contamination caused by prior owners and operators of such sites or newly discovered information) could result in additional compliance or remediation costs or other liabilities, which could be material. In addition, federal, state, local, and foreign governments could enact laws or regulations concerning environmental matters, such as greenhouse gas emissions, that increase the cost of producing, or otherwise adversely affect the demand for, packaging products. Legislation that would prohibit, tax or restrict the sale or use of certain types of products would require diversion of solid waste such as packaging materials from disposal in landfills, has been or may be introduced. For example, the European Union ("EU") recently introduced a non-recycled polymer resin packaging waste bloc-wide levy. While each member state is evaluating how to fund the levy which ranges from taxing the sector or passing costs down the line to all businesses and end consumers, we believe that any such laws promulgated to date have not had a material adverse effect on us, as we have historically been able to manage the impact of higher costs by increasing our selling prices. However, there can be no assurance that future legislation or regulation would not have a material adverse effect on us.

Changes in tax laws or changes in our geographic mix of earnings could have a material impact on our financial condition and results of operation.

We are subject to income and other taxes in the many jurisdictions in which we operate. Tax laws and regulations are complex and the determination of our global provision for income taxes and current and deferred tax assets and liabilities requires judgment and estimation. We are subject to routine examinations of our income tax returns, and tax authorities may disagree with our tax positions and assess additional tax. Our future income taxes could also be negatively impacted by our mix of earnings in the jurisdictions in which we operate being different than anticipated given differences in statutory tax rates in the countries in which we operate. In addition, tax policy efforts to raise global corporate tax rates could adversely impact our tax rate and subsequent tax expense.

We may not be successful in protecting our intellectual property rights, including our unpatented proprietary know-how and trade secrets, or in avoiding claims that we infringed on the intellectual property rights of others.

In addition to relying on patent and trademark rights, we rely on unpatented proprietary know-how and trade secrets, and employ various methods, including confidentiality agreements with employees and consultants, customers and suppliers to protect our know-how and trade secrets. However, these methods and our patents and trademarks may not afford complete protection and there can be no assurance that others will not independently develop the know-how and trade secrets or develop better production methods than us. Further, we may not be able to deter current and former employees, contractors and other parties from breaching agreements and misappropriating proprietary information and it is possible that third parties may copy or otherwise obtain and use our information and proprietary technology without authorization or otherwise infringe on our intellectual property rights. Furthermore, no assurance can be given that we will not be subject to claims asserting the infringement of the intellectual property rights of third parties seeking damages, the payment of royalties or licensing fees and/or injunctions against the sale of our products. Any such litigation could be protracted and costly and could result in significant losses.

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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.

PART II

Item 5. **MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES**

Our common stock "BERY" is listed on the New York Stock Exchange. As of the date of this filing there were fewer than 500 active record holders of the common stock, but we estimate the number of beneficial stockholders to be much higher as a number of our shares are held by brokers or dealers for their customers in street name. During fiscal 2020 and 2021, we did not declare or pay any cash dividends on our common stock.

Issuer Purchases of Equity Securities

During the fourth quarter of fiscal 2021, the Company did not repurchase shares. As of October 2, 2021, $393 million of authorized shares remained available for purchase under the current repurchase program which has no expiration date and may be suspended at any time.

Item 7. **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

Outlook

The Company is affected by general economic and industrial growth, raw material availability, cost inflation, supply chain disruptions, and general industrial production. The COVID-19 pandemic has resulted in both advantaged and disadvantaged products within all segments. During fiscal 2022, we anticipate a headwind as the advantaged products, particularly in our Health, Hygiene & Specialties segment, related to the COVID-19 pandemic moderate while recovery of disadvantaged products lags with the ultimate impact being affected by both the duration certain products remain advantaged and timing of when disadvantaged products normalize. Our business has both geographic and end market diversity, which reduces the effect of any one of these factors on our overall performance. Our results are affected by our ability to pass through raw material and other cost changes to our customers, improve manufacturing productivity and adapt to volume changes of our customers. By providing advantaged products in targeted markets, we continue to believe our underlying long-term demand fundamental in all divisions will remain strong as we focus on delivering protective solutions that enhance consumer safety and execute on the Company's mission statement of "Always Advancing to Protect What's Important." For fiscal 2022, we project cash flow from operations between $1.8 to $1.7 billion, which includes the benefit from the lag in recovery of fiscal 2021 inflation, and free cash flow between $1 billion to $900 million. Projected fiscal 2022 free cash flow assumes $800 million of capital spending. For the definition of free cash flow and further information related to free cash flow as a non-GAAP financial measure, see "Liquidity and Capital Resources."

Recent Dispositions

During fiscal 2021, the Company completed the sale of its U.S. Flexible Packaging Converting business which was primarily operated in the Engineered Materials segment for net proceeds of $140 million and its non-core Czech Republic Reaction Injection Molding business which was operated in the Consumer Packaging International segment for net proceeds of $22 million. A net pretax loss on the divestitures of $22 million was recorded in fiscal 2021 within Restructuring and transaction activities on the Consolidated Statements of Income. The U.S Flexible Packaging Converting business and the Czech Republic Reaction Injection Molding business recorded net sales during fiscal 2020 of $203 million and $41 million, respectively.

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	Fiscal Year 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	Fiscal Year 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.

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Consumer Packaging North America

	Fiscal Year 2021	Fiscal Year 2020	$ Change	% Change
Net sales	**$3,141**	$2,560	$581	23%
Cost of goods sold	**2,632**	2,051	581	28%
Other operating expenses	**233**	234	(1)	—
Operating income	**$ 276**	$ 275	$ 1	0%

Net sales: The net sales growth in the Consumer Packaging North America segment is primarily attributed to organic volume growth of 4%, increased selling prices of $439 million due to the pass through of inflation, and a $40 million increase from extra shipping days in fiscal 2021. The organic volume growth was primarily due to organic growth investments and advantaged foodservice products as the result of COVID-19.

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

Operating Income: The operating income being flat is primarily attributed to a $27 million increase from the organic volume growth, an $11 million decrease in business integration activities, and a decrease in depreciation and amortization, partially offset by a $43 million unfavorable impact from price cost spread.

Engineered Materials

	Fiscal Year 2021	Fiscal Year 2020	$ Change	% Change
Net sales	**$3,309**	$2,766	$543	20%
Cost of goods sold	**2,794**	2,209	585	26%
Other operating expenses	**214**	221	(7)	(3)%
Operating income	**$ 301**	$ 336	$ (35)	(10)%

Net sales: The net sales growth in the Engineered Materials segment is primarily attributed to increased selling prices of $475 million due to the pass through of inflation, organic volume growth of 4%, a $63 million favorable impact from foreign currency changes, and a $44 million increase from extra shipping days in fiscal 2021, partially offset by fiscal 2020 divestiture sales of $134 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 from extra shipping days in fiscal 2021. These increases were partially offset by Fiscal 2020 divestiture cost of goods sold of $110 million.

Operating Income: The operating income decrease is primarily attributed to a $49 million unfavorable impact from price cost spread and Fiscal 2020 divestiture operating income of $14 million, partially offset by a $14 million improvement from the organic volume growth and a $6 million benefit from extra shipping days in fiscal 2021.

Health, Hygiene & Specialties

	Fiscal Year 2021	Fiscal Year 2020	$ Change	% Change
Net sales	**$3,158**	$2,594	$564	22%
Cost of goods sold	**2,510**	2,041	469	23%
Other operating expenses	**250**	258	(8)	(3)%
Operating income	**$ 398**	$ 295	$103	35%

Net sales: The net sales growth in the Health, Hygiene & Specialties segment is primarily attributed to organic volume growth of 5%, increased selling prices of $385 million due to the pass through of inflation, a $42 million increase from extra shipping days in fiscal 2021, and a $41 million favorable impact from foreign currency changes, partially offset by fiscal 2020 divestiture sales of $34 million. The organic volume growth was primarily due to organic growth investments and higher demand in our advantaged health and hygiene products as the result of COVID-19.

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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

cash balances. We have an $850 million asset-based revolving line of credit that matures in May 2024. At the end of fiscal 2021, the Company had no outstanding balance on the revolving credit facility. The Company was in compliance with all covenants at the end of fiscal 2021. Refer to Note 3. Long-Term Debt for further information.

Cash Flows from Operating Activities

Net cash provided by operating activities increased $50 million from fiscal 2020 primarily attributed to improved net income prior to non-cash activities, partially offset by working capital inflation.

Cash Flows from Investing Activities

Net cash used in investing activities increased $195 million from fiscal 2020 primarily attributed to increased capital expenditures and proceeds from the settlement of cross-currency derivatives in fiscal 2020, partially offset for the divestiture of business in fiscal 2021.

Cash Flows from Financing Activities

Net cash used in financing activities decreased $479 million from fiscal 2020 primarily attributed to lower net repayments on long-term borrowings.

Share Repurchases

The Company did not have any share repurchases in fiscal 2021 or 2020.

Free Cash Flow

We define "free cash flow" as cash flow from operating activities less net additions to property, plant and equipment. Based on our definition, our consolidated free cash flow is summarized as follows:

	Fiscal years ended	
	October 2, 2021	September 26, 2020
Cash flow from operating activities	$1,580	$1,530
Additions to property, plant and equipment, net	(676)	(583)
Free cash flow	**$ 904**	$ 947

We use free cash flow as a supplemental measure of liquidity as it assists us in assessing our ability to fund growth through generation of cash. Free cash flow may be calculated differently by other companies, including other companies in our industry or peer group, limiting its usefulness. Free cash flow is not a generally accepted accounting principles ("GAAP") financial measure and should not be considered as an alternative to any other measure determined in accordance with GAAP.

Liquidity Outlook

At the end of fiscal 2021, our cash balance was $1,091 million, which was primarily located outside the U.S. We believe our existing and future U.S. based cash and cash flow from U.S. operations, together with available borrowings under our senior secured credit facilities, will be adequate to meet our short-term and long-term liquidity needs with the exception of funds needed to cover all long-term debt obligations which we intend to refinance prior to maturity. The Company has the ability to repatriate the cash located outside the U.S. to the extent not needed to meet operational and capital needs without significant restrictions. Our unremitted foreign earnings were $1.1 billion at the end of fiscal 2021. The computation of the deferred tax liability associated with unremitted earnings is not practicable.

Summarized Guarantor Financial Information

Berry Global, Inc. ("Issuer") has notes outstanding which are fully, jointly, severally, and unconditionally guaranteed by its parent, Berry Global Group, Inc. (for purposes of this section, "Parent") and substantially all of Issuer's domestic subsidiaries. Separate narrative information or financial statements of the guarantor subsidiaries have not been included because they are 100% owned by Parent and the guarantor subsidiaries unconditionally guarantee such debt on a joint and several basis. A guarantee of a guarantor subsidiary of the securities will terminate upon the 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.

Additionally, the expected long term rate of return on plan assets is derived for each benefit plan by considering the expected future long-term return assumption for each individual asset class. A single long-term return assumption is then derived for each plan based upon the plan's target asset allocation. Refer to Note 7. Retirement Plans for further information.

Deferred Taxes and Effective Tax Rates. We estimate the effective tax rate ("ETR") and associated liabilities or assets for each of our legal entities in accordance with authoritative guidance. We utilize tax planning to minimize or defer tax liabilities to future periods. In recording ETRs and related liabilities and assets, we rely upon estimates, which are based upon our interpretation of U.S. and local tax laws as they apply to our legal entities and our overall tax structure. Audits by local tax jurisdictions, including the U.S. Government, could yield different interpretations from our own and cause the Company to owe more taxes than originally recorded. As part of the ETR, if we determine that a deferred tax asset arising from temporary differences is not likely to be utilized, we will establish a valuation allowance against that asset to record it at its expected realizable value. In multiple foreign jurisdictions, the Company believes that it will not generate sufficient future taxable income to realize the related tax benefits. The Company has provided a full valuation allowance against its foreign net operating losses included within the deferred tax assets in multiple foreign jurisdictions. The Company has not provided a valuation allowance on its federal net operating losses in the U.S. because it has determined that future reversals of its temporary taxable differences will occur in the same periods and are of the same nature as the temporary differences giving rise to the deferred tax assets. Refer to Note 6. Income Taxes for further information.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

We are exposed to market risk from changes in interest rates primarily through our senior secured credit facilities. As of October 2, 2021, our senior secured credit facilities are comprised of (i) $3.4 billion term loans and (ii) an $850 million revolving credit facility with no borrowings outstanding. Borrowings under our senior secured credit facilities bear interest at a rate equal to an applicable margin plus LIBOR. The applicable margin for LIBOR rate borrowings under the revolving credit facility ranges from 1.25% to 1.50%, and the margin for the term loans is 1.75% per annum. As of October 2, 2021, the LIBOR rate of approximately 0.08% was applicable to the term loans. A 0.25% change in LIBOR would increase our annual interest expense by $3 million on variable rate term loans.

We seek to minimize interest rate volatility risk through regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. These financial instruments are not used for trading or other speculative purposes. As of October 2, 2021, the Company effectively had (i) a $450 million interest rate swap transaction that swaps a one-month variable LIBOR contract for a fixed annual rate of 1.398%, with an expiration in June 2026, (ii) a $400 million interest rate swap transaction that swaps a one-month variable LIBOR contract for a fixed annual rate of 1.916% with an expiration in June 2026, (iii) an $884 million interest rate swap transaction that swaps a one month variable LIBOR contract for a fixed annual rate of 1.857%, with an expiration in June 2024, and (iv) a $473 million interest rate swap transaction that swaps a one month variable LIBOR contract for a fixed annual rate of 2.050%, with an expiration in June 2024.

Foreign Currency Risk

As a global company, we face foreign currency risk exposure from fluctuating currency exchange rates, primarily the U.S. dollar against the euro, British pound sterling, Brazilian real, Chinese renminbi, Canadian dollar and Mexican peso. Significant fluctuations in currency rates can have a substantial impact, either positive or negative, on our revenue, cost of sales, and operating expenses. Currency translation gains and losses are primarily related to non-U.S. subsidiaries with a functional currency other than U.S. dollars whereby assets and liabilities are translated from the respective functional currency into U.S. dollars using period-end exchange rates and impact our Comprehensive income. A 10% decline in foreign currency exchange rates would have had a $44 million unfavorable impact on fiscal 2021 Net income.

The Company is party to certain cross-currency swaps to hedge a portion of our foreign currency risk. The swap agreements mature May 2022 (€250 million) and June 2024 (€1,625 million) and July 2027 (£700 million). In addition to the cross-currency swaps, we hedge a portion of our foreign currency risk by designating foreign currency denominated long-term debt as net investment hedges of certain foreign operations. As of October 2, 2021, we had outstanding long-term debt of €785 million that was designated as a hedge of our net investment in certain euro-denominated foreign subsidiaries.

Item 8. **FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

Index to Financial Statements

Index to Financial Statement Schedules

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 III

Item 10. **DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

Except as set forth below, the information required by this Item is incorporated herein by reference to our definitive Proxy Statement to be filed in connection with the 2022 Annual Meeting of Stockholders.

We have a Global Code of Business Ethics that applies to all directors and employees, including our Chief Executive Officer and senior financial officers. We also have adopted a Supplemental Code of Ethics, which is in addition to the standards set by our Global Code of Business Ethics, in order to establish a higher level of expectation for the most senior leaders of the Company. Our Global Code of Business Ethics and Supplemental Code of Ethics can be obtained, free of charge, by contacting our corporate headquarters or can be obtained from the Corporate Governance section of the Investors page on the Company's internet site. In the event that we make changes in, or provide waivers from, the provision of the Code of Business Ethics that the SEC requires us to disclose, we will disclose these events in the corporate governance section of our website within four business days following the date of such amendment or waiver.

Item 11. **EXECUTIVE COMPENSATION**

The information required by this Item is incorporated herein by reference to our definitive Proxy Statement to be filed in connection with the 2022 Annual Meeting of Stockholders.

Item 12. **SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The information required by this Item, is incorporated herein by reference to our definitive Proxy Statement to be filed in connection with the 2022 Annual Meeting of Stockholders.

Item 13. **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE**

The information required by this Item is incorporated herein by reference to our definitive Proxy Statement to be filed in connection with the 2022 Annual Meeting of Stockholders.

Item 14. **PRINCIPAL ACCOUNTANT FEES AND SERVICES**

The information required by this Item is incorporated herein by reference to our definitive Proxy Statement to be filed in connection with the 2022 Annual Meeting of Stockholders.

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.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Berry Global Group, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Berry Global Group, Inc. (the Company) as of October 2, 2021 and September 26, 2020, the related consolidated statements of income, comprehensive income, changes in stockholders' equity and cash flows for each of the three years in the period ended October 2, 2021, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at October 2, 2021 and September 26, 2020, and the results of its operations and its cash flows for each of the three years in the period ended October 2, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of October 2, 2021, based on criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated November 18, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

	United Kingdom Defined Benefit Pension Obligation
Description of the Matter	At October 2, 2021 the aggregate United Kingdom (UK) defined benefit pension obligation was $888 million and exceeded the fair value of pension plan assets of $828 million, resulting in an underfunded defined benefit pension obligation of $60 million. As disclosed in Notes 1 and 8 to the consolidated financial statements, the Company recognizes the overfunded or underfunded status of its pension plans in the consolidated balance sheet. The obligations for these plans are actuarially determined and affected by assumptions, including discount rates and mortality rates. Auditing the UK defined benefit pension obligation is complex and required the involvement of our actuarial specialists due to the highly judgmental nature of actuarial assumptions (e.g., discount rates and mortality rates) used in the measurement process. These assumptions have a significant effect on the projected benefit obligation.

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

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Berry Global Group, Inc.

Opinion on Internal Control over Financial Reporting

We have audited Berry Global Group, Inc.'s internal control over financial reporting as of October 2, 2021, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Berry Global Group, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of October 2, 2021, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of October 2, 2021 and September 26, 2020, the related consolidated statements of income, comprehensive income, changes in stockholders' equity and cash flows for each of the three years in the period ended October 2, 2021, and the related notes and our report dated November 18, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

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 Balance Sheets
(in millions of dollars)

	October 2, 2021	**September 26, 2020**
Assets		
Current assets:		
Cash and cash equivalents	**$ 1,091**	$ 750
Accounts receivable	**1,879**	1,469
Inventories	**1,907**	1,268
Prepaid expenses and other current assets	**217**	330
Total current assets	**5,094**	3,817
Property, plant and equipment	**4,677**	4,561
Goodwill and intangible assets	**7,434**	7,670
Right-of-use assets	**562**	562
Other assets	**115**	91
Total assets	**$17,882**	$16,701
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	**$ 2,041**	$ 1,115
Accrued employee costs	**336**	324
Other current liabilities	**788**	669
Current portion of long-term debt	**21**	75
Total current liabilities	**3,186**	2,183
Long-term debt	**9,439**	10,162
Deferred income taxes	**568**	601
Employee benefit obligations	**276**	368
Operating lease liabilities	**466**	464
Other long-term liabilities	**767**	831
Total liabilities	**14,702**	14,609
Stockholders' equity:		
Common stock (135.5 and 133.6 shares issued, respectively)	**1**	1
Additional paid-in capital	**1,134**	1,034
Retained earnings	**2,341**	1,608
Accumulated other comprehensive loss	**(296)**	(551)
Total stockholders' equity	**3,180**	2,092
Total liabilities and stockholders' equity	**$17,882**	$16,701

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.

Berry Global Group, Inc.

Consolidated Statements of Cash Flows
(in millions of dollars)

	Fiscal years ended		
	October 2, 2021	September 26, 2020	September 28, 2019
Cash Flows from Operating Activities:			
Net income	**$ 733**	$ 559	$ 404
Adjustments to reconcile net cash from operating activities:			
Depreciation	**566**	545	419
Amortization of intangibles	**288**	300	194
Non-cash interest expense	**32**	27	1
Share-based compensation expense	**40**	33	27
Deferred income tax	**(73)**	(96)	(52)
Settlement of derivatives	**—**	11	19
Transaction activities	**—**	—	(38)
Other non-cash operating activities, net	**49**	42	(1)
Changes in operating assets and liabilities:			
Accounts receivable	**(331)**	49	150
Inventories	**(639)**	48	99
Prepaid expenses and other assets	**(30)**	(12)	14
Accounts payable and other liabilities	**945**	24	(35)
Net cash from operating activities	**1,580**	1,530	1,201
Cash Flows from Investing Activities:			
Additions to property, plant and equipment, net	**(676)**	(583)	(399)
Divestiture of businesses	**165**	—	326
Acquisition of business and purchase price derivatives	**—**	(14)	(6,178)
Settlement of net investment hedges	**—**	281	—
Net cash from investing activities	**(511)**	(316)	(6,251)
Cash Flows from Financing Activities:			
Proceeds from long-term borrowings	**2,716**	1,202	6,784
Repayment of long-term borrowings	**(3,496)**	(2,436)	(1,214)
Proceeds from issuance of common stock	**60**	30	55
Repurchase of common stock	**—**	—	(74)
Payment of tax receivable agreement	**—**	—	(38)
Debt financing costs	**(21)**	(16)	(87)
Net cash from financing activities	**(741)**	(1,220)	5,426
Effect of currency translation on cash	**13**	6	(7)
Net change in cash and cash equivalents	**341**	—	369
Cash and cash equivalents at beginning of period	**750**	750	381
Cash and cash equivalents at end of period	**$ 1,091**	$ 750	$ 750

See notes to consolidated financial statements.

Berry Global Group, Inc.

Notes to Consolidated Financial Statements (in millions of dollars, except as otherwise noted)

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.

Foreign Currency

For the non-U.S. subsidiaries that account in a functional currency other than U.S. dollars, assets and liabilities are translated into U.S. dollars using period-end exchange rates. Sales and expenses are translated at the average exchange rates in effect during the period. Foreign currency translation gains and losses are included as a component of Accumulated other comprehensive income (loss) within Stockholders' equity. Gains and losses resulting from foreign currency transactions are included in the Consolidated Statements of Income.

Cash and Cash Equivalents

All highly liquid investments purchased with a maturity of three months or less from the time of purchase are considered to be cash equivalents.

Inventories

Inventories are stated at the lower of cost or net realizable value and are valued using the first-in, first-out method. Management periodically reviews inventory balances, using recent and future expected sales to identify slow-moving and/or obsolete items. The cost of spare parts is charged to cost of goods sold when purchased. We evaluate our reserve for inventory obsolescence on a quarterly basis and review inventory on-hand to determine future salability. We base our determinations on the age of the inventory and the experience of our personnel. We reserve inventory that we deem to be not salable in the quarter in which we make the determination. We believe, based on past history and our policies and procedures, that our net inventory is salable. Inventory as of fiscal 2021 and 2020 was:

	2021	2020
Inventories:		
Finished goods	**$ 960**	$ 708
Raw materials	**947**	560
	$1,907	$1,268

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is computed primarily by the straight-line method over the estimated useful lives of the assets ranging from 15 to 40 years for buildings and improvements, 2 to 20 years for machinery, equipment, and tooling, and over the term of the agreement for capital leases. Leasehold improvements are depreciated over the shorter of the useful life of the improvement or the lease term. Repairs and maintenance costs are charged to expense as incurred. Property, plant and equipment as of fiscal 2021 and 2020 was:

	2021	2020
Property, plant and equipment:		
Land, buildings and improvements	**$ 1,699**	$ 1,669
Equipment and construction in progress	**6,800**	6,213
	8,499	7,882
Less accumulated depreciation	**(3,822)**	(3,321)
	$ 4,677	$ 4,561

Long-lived Assets

Long-lived assets, including property, plant and equipment and definite lived intangible assets are reviewed for impairment in accordance with ASC 360, "Property, Plant and Equipment," whenever facts and circumstances indicate that the carrying amount may not be recoverable. Specifically, this process involves comparing an asset's carrying value to the estimated undiscounted future cash flows the asset is expected to generate over its remaining life. If this process were to result in the conclusion that the carrying value of a long-lived asset would not be recoverable, a write-down of the asset to fair value would be recorded through a charge to operations.

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.

Future amortization expense for definite lived intangibles as of fiscal 2021 for the next five fiscal years is $262 million, $248 million, $236 million, $222 million, and $208 million each year for fiscal years ending 2022, 2023, 2024, 2025, and 2026, respectively.

Insurable Liabilities

The Company records liabilities for the self-insured portion of workers' compensation, health, product, general and auto liabilities. The determination of these liabilities and related expenses is dependent on claims experience. For most of these liabilities, claims incurred but not yet reported are estimated based upon historical claims experience.

Leases

The Company leases certain manufacturing facilities, warehouses, office space, manufacturing equipment, office equipment, and automobiles. We recognize right-of-use assets and lease liabilities for leases with original lease terms greater than one year based on the present value of lease payments over the lease term using our incremental borrowing rate on a collateralized basis. Short-term leases, with original lease terms of less than one year, are not recognized on the balance sheet. We are party to certain leases, namely for manufacturing facilities, which offer renewal options to extend the original lease term. Renewal options are included in the right-of-use asset and lease liability based on our assessment of the probability that the options will be exercised. Refer to Note 5. Commitments, Leases and Contingencies.

At October 2, 2021, annual lease commitments were as follows:

Fiscal Year	Operating Leases	Finance Leases
2022	$ 116	$15
2023	100	12
2024	85	11
2025	76	6
2026	67	6
Thereafter	253	8
Total lease payments	697	58
Less: Interest	(118)	(6)
Present value of lease liabilities	$ 579	$52

Income Taxes

The Company accounts for income taxes under the asset and liability approach, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequence of events that have been recognized in the Company's financial statements or income tax returns. Income taxes are recognized during the period in which the underlying transactions are recorded. Deferred taxes, with the exception of non-deductible goodwill, are provided for temporary differences between amounts of assets and liabilities as recorded for financial reporting purposes and such amounts as measured by tax laws. If the Company determines that a deferred tax asset arising from temporary differences is not likely to be utilized, the Company will establish a valuation allowance against that asset to record it at its expected realizable value. The Company recognizes uncertain tax positions when it is more likely than not that the tax position will be sustained upon examination by relevant taxing authorities, based on the technical merits of the position. The amount recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. The Company's effective tax rate is dependent on many factors including: the impact of enacted tax laws in jurisdictions in which the Company operates; the amount of earnings by jurisdiction, due to varying tax rates in each country; and the Company's ability to utilize foreign tax credits related to foreign taxes paid on foreign earnings that will be remitted to the U.S.

Comprehensive Income (Loss)

Comprehensive income (loss) is comprised of net income and other comprehensive income (loss). Other comprehensive income (losses) include net unrealized gains or losses resulting from currency translations of foreign subsidiaries, changes in the value of our derivative instruments and adjustments to the pension liability.

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

reporting date based on an expected loss model, which includes historical experience, current conditions, and reasonable and supportable forecasts. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

Defined Benefit Plans

In August 2018, the FASB issued ASU 2018-14, Changes to the Disclosure Requirements for Defined Benefit Plans. The new standard removes requirements to disclose the amounts in accumulated other comprehensive income expected to be recognized as components of net periodic benefit cost over the next fiscal year and the effects of a one-percentage-point changes in assumed health care cost trend rates. The standard also adds requirements to disclose the reasons for significant gains and losses related to changes in the benefit obligations for the period and the accumulated benefit obligation (ABO) for plans with ABOs in excess of plan assets. The Company will adopt this standard effective for fiscal 2022. We do not expect a material change to our disclosures.

Income Taxes

In December 2019, the FASB issued ASU 2019-12, Income Taxes — Simplifying the Accounting for Income Taxes (Topic 740). The new guidance eliminates certain exceptions related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. It also clarifies and simplifies other aspects of the accounting for income taxes. The Company will adopt this standard effective for fiscal 2022. We do not expect a material change to our financial statements or disclosures.

Reference Rate Reform

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform — Facilitation of the Effects of Reference Rate Reform on Financial Reporting (Topic 848). This standard provides temporary optional expedients and exceptions to the GAAP guidance on contract modifications and hedge accounting to ease the financial reporting burdens of the expected market transition from LIBOR and other interbank offered rates to alternative reference rates, such as SOFR. ASU 2020-04 is effective upon issuance and generally can be applied through the end of calendar year 2022. The Company is evaluating whether it plans to adopt the optional expedients and exceptions provided under this new standard.

2. Dispositions

During fiscal 2021, the Company completed the sale of its U.S. Flexible Packaging Converting business which was primarily operated in the Engineered Materials segment for net proceeds of $140 million and was classified as held for sale in the prior year with assets of $162 million in other current assets and liabilities of $25 million in other current liabilities. Additionally, the Company sold its non-core Czech Republic Reaction Injection Molding business which was operated in the Consumer Packaging International segment for net proceeds of $22 million. A net pretax loss on the divestitures of $22 million was recorded in fiscal 2021 within Restructuring and transaction activities on the Consolidated Statements of Income. The U.S. Flexible Packaging Converting business and the Czech Republic Reaction Injection Molding business recorded net sales during fiscal 2020 of $203 million and $41 million, respectively.

3. Long-Term Debt

Long-term debt consists of the following:

Facility	Maturity Date	October 2, 2021	September 26, 2020
Term loan	July 2026	**$3,440**	$ 4,208
Revolving line of credit	May 2024	**—**	—
0.95% First Priority Senior Secured Notes	February 2024	**800**	—
1.00% First Priority Senior Secured Notes[a]	July 2025	**810**	814
1.57% First Priority Senior Secured Notes	January 2026	**1,525**	—
4.875% First Priority Senior Secured Notes	July 2026	**1,250**	1,250
1.65% First Priority Senior Secured Notes	January 2027	**400**	—

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.

4. Financial Instruments and Fair Value Measurements

In the normal course of business, the Company is exposed to certain risks arising from business operations and economic factors. The Company may use derivative financial instruments to help manage market risk and reduce the exposure to fluctuations in interest rates and foreign currencies. These financial instruments are not used for trading or other speculative purposes. For those derivative instruments that are designated and qualify as hedging instruments, the Company must designate the hedging instrument, based upon the exposure being hedged, as a fair value hedge, cash flow hedge, or a hedge of a net investment in a foreign operation.

To the extent hedging relationships are found to be effective, changes in the fair value of the derivatives are offset by changes in the fair value of the related hedged item and recorded to Accumulated other comprehensive loss. Changes in the fair value of a derivative not designated as a hedge, are recorded to the Consolidated Statements of Income.

Cross-Currency Swaps

The Company is party to certain cross-currency swaps to hedge a portion of our foreign currency risk. The swap agreements mature May 2022 (€250 million), June 2024 (€1,625 million) and July 2027 (£700 million). In addition to the cross-currency swaps, we hedge a portion of our foreign currency risk by designating foreign currency denominated long-term debt as net investment hedges of certain foreign operations. As of October 2, 2021, we had outstanding long-term debt of €785 million that was designated as a hedge of our net investment in certain euro-denominated foreign subsidiaries. When valuing cross-currency swaps, the Company utilizes Level 2 inputs (substantially observable).

During fiscal 2020, the Company entered into transactions to cash settle existing cross-currency swaps and received proceeds of $281 million. The swap settlement impact has been included as a component of Currency translation within Accumulated other comprehensive loss. Following the settlement of the existing cross-currency swaps, we entered into new cross-currency swaps with matching notional amounts and maturity dates of the original swaps.

Interest Rate Swaps

The primary purpose of the Company's interest rate swap activities is to manage interest expense variability associated with our outstanding variable rate term loan debt. When valuing interest rate swaps the Company utilizes Level 2 inputs (substantially observable).

During fiscal 2021, the Company issued various fixed rate first priority senior secured notes and used the proceeds to prepay a portion of its variable rate Term loans. As a result, the Company de-designated a $1 billion interest rate swap transaction that was set to expire in June 2026. The amounts included in Accumulated other comprehensive loss at the date of de-designation are being amortized to Interest expense through the term of the original swap.

As of October 2, 2021, the Company effectively had (i) a $450 million interest rate swap transaction that swaps a one-month variable LIBOR contract for a fixed annual rate of 1.398%, with an expiration date in June 2026, (ii) a $400 million interest rate swap transaction that swaps a one-month variable LIBOR contract for a fixed annual rate of 1.916% with an expiration date in June 2026, (iii) an $884 million interest rate swap transaction that swaps a one-month variable LIBOR contract for a fixed annual rate of 1.857%, with an expiration in June 2024, and (iv) a $473 million interest rate swap transaction that swaps a one-month variable LIBOR contract for a fixed annual rate of 2.050%, with an expiration in June 2024.

The Company records the fair value positions of all derivative financial instruments on a net basis by counterparty for which a master netting arrangement is utilized. Balances on a gross basis are as follows:

Derivative Instruments	Hedge Designation	Balance Sheet Location	2021	2020
Cross-currency swaps	Designated	Other long-term liabilities	**$323**	$270
Interest rate swaps	Designated	Other long-term liabilities	**82**	226
Interest rate swaps	Not designated	Other long-term liabilities	**49**	—

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

	2019				
	Level 1	Level 2	Level 3	Total	Impairment
Indefinite lived trademarks	$—	$—	$ 248	$ 248	$—
Goodwill	—	—	5,051	5,051	—
Definite lived intangible assets	—	—	2,532	2,532	—
Property, plant and equipment	—	—	4,714	4,714	8
Total	$—	$—	$12,545	$12,545	$ 8

5. Commitments, Leases and Contingencies

The Company has various purchase commitments for raw materials, supplies and property and equipment incidental to the ordinary conduct of business.

Collective Bargaining Agreements

At the end of fiscal 2021, we employed approximately 47,000 employees, and approximately 20% of those employees were covered by collective bargaining agreements. The majority of these agreements are due for renegotiation in 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.

Leases

Supplemental lease information is as follows:

Leases	Classification	2021	2020
Operating leases:			
Operating lease right-of-use assets	Right-of-use asset	**$562**	$562
Operating lease liabilities	Other current liabilities	**113**	115
Operating lease liabilities	Operating lease liability	**466**	464
Finance leases:			
Finance lease right-of-use assets	Property, plant, and equipment, net	**$ 57**	$ 78
Current finance lease liabilities	Current portion of long-term debt	**14**	17
Noncurrent finance lease liabilities	Long-term debt, less current portion	**38**	59

Lease Type	Cash Flow Classification	Lease Expense Category	2021	2020
Operating leases	Operating cash flows	Lease cost	**$127**	$120
Finance leases	Operating cash flows	Interest expense	**2**	3
Finance leases	Financing cash flows		**23**	38
Finance leases	_	Amortization of right-of-use assets	**14**	24

	2021	2020
Weighted-average remaining lease term – operating leases	**8 years**	8 years
Weighted-average remaining lease term – finance leases	**4 years**	4 years
Weighted-average discount rate – operating leases	**4.5%**	4.6%
Weighted-average discount rate – finance leases	**4.1%**	3.8%

Right-of-use assets obtained in exchange for new operating lease liabilities were $60 million for fiscal 2021.

Litigation

The Company is party to various legal proceedings involving routine claims which are incidental to its business. Although the Company's legal and financial liability with respect to such proceedings cannot be estimated with certainty, the Company believes that any ultimate liability would not be material to its financial position, results of operations or cash flows.

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

Deferred income taxes result from temporary differences between the amount of assets and liabilities recognized for financial reporting and tax purposes. The components of the net deferred income tax liability as of fiscal years ended are as follows:

	2021	2020
Deferred tax assets:		
Allowance for doubtful accounts	**$ 3**	$ 3
Deferred gain on sale-leaseback	**4**	5
Accrued liabilities and reserves	**101**	104
Inventories	**13**	10
Net operating loss carryforward	**273**	291
Interest expense carryforward	**58**	28
Derivatives	**105**	127
Lease liability	**144**	147
Research and development credit carryforward	**13**	11
Federal and state tax credits	**13**	14
Other	**42**	33
Total deferred tax assets	**769**	773
Valuation allowance	**(126)**	(150)
Total deferred tax assets, net of valuation allowance	**643**	623
Deferred tax liabilities:		
Property, plant and equipment	**430**	429
Intangible assets	**563**	588
Leased asset	**139**	142
Other	**13**	11
Total deferred tax liabilities	**1,145**	1,170
Net deferred tax liability	**$ (502)**	$ (547)

The Company had $66 million of net deferred tax assets recorded in Other assets, and $568 million of net deferred tax liabilities recorded in Deferred income taxes on the Consolidated Balance Sheets.

As of October 2, 2021, the Company has recorded deferred tax assets related to federal, state, and foreign net operating losses, interest expense, and tax credits. These attributes are spread across multiple jurisdictions and generally have expiration periods beginning in 2021 while a portion remains available indefinitely. Each attribute has been assessed for realization and a valuation allowance is recorded against the deferred tax assets to bring the net amount recorded to the amount more likely than not to be realized. The valuation allowance against deferred tax assets was $126 million and $150 million as of the fiscal years ended 2021 and 2020, respectively, related to the foreign and U.S. federal and state operations.

The Company is permanently reinvested except to the extent the foreign earnings are previously taxed or to the extent that we have sufficient basis in our non-U.S. subsidiaries to repatriate earnings on an income tax free basis.

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

	2021				2020			
Change in Fair Value of Plan Assets	**North America**	**UK**	**Mainland Europe**	**Total**	**North America**	**UK**	**Mainland Europe**	**Total**
Beginning of period	**$268**	**$769**	**$ 54**	**$1,091**	$269	$ 729	$ 67	$1,065
Currency	**1**	**41**	**1**	**43**	—	27	4	31
Return on assets	**36**	**28**	**3**	**67**	22	21	(2)	41
Contributions	**1**	**26**	**7**	**34**	—	18	7	25
Benefit settlements	**(3)**	**—**	**(5)**	**(8)**	(6)	—	(16)	(22)
Benefits paid	**(17)**	**(36)**	**(7)**	**(60)**	(17)	(26)	(6)	(49)
End of period	**$286**	**$828**	**$ 53**	**$1,167**	$268	$ 769	$ 54	$1,091
Underfunded status	**$ (52)**	**$ (60)**	**$(143)**	**$ (255)**	$ (93)	$(119)	$(138)	$ (350)

At the end of fiscal 2021, the Company had $128 million of net unrealized losses recorded in Accumulated other comprehensive loss on the Consolidated Balance Sheets. The Company expects $3 million to be realized in fiscal 2022.

The following table presents significant weighted-average assumptions used to determine benefit obligation and benefit cost for the fiscal years ended:

	2021		
(Percentages)	**North America**	**UK**	**Mainland Europe**
Weighted-average assumptions:			
Discount rate for benefit obligation	**2.5**	**2.2**	**1.0**
Discount rate for net benefit cost	**2.2**	**1.6**	**0.8**
Expected return on plan assets for net benefit costs	**6.1**	**4.1**	**2.0**

(Percentages)

	2020		
(Percentages)	**North America**	**UK**	**Mainland Europe**
Weighted-average assumptions:			
Discount rate for benefit obligation	2.2	1.6	0.8
Discount rate for net benefit cost	2.9	1.8	0.7
Expected return on plan assets for net benefit costs	6.1	3.8	2.2

In evaluating the expected return on plan assets, Berry considered its historical assumptions compared with actual results, an analysis of current market conditions, asset allocations, and the views of advisors. The return on plan assets is derived from target allocations and historical yield by asset type. A one quarter of a percentage point reduction of expected return on pension assets, mortality rate or discount rate applied to the pension liability would result in an immaterial change to the Company's pension expense.

In accordance with the guidance from the FASB for employers' disclosure about postretirement benefit plan assets the table below discloses fair values of each pension plan asset category and level within the fair value hierarchy in which it falls. There were no material changes or transfers between level 3 assets and the other levels.

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:

Asset Category	2021	2020
Equity securities and equity-like instruments	**53%**	50%
Debt securities and debt-like	**38**	42
International insurance policies	**4**	5
Other	**5**	3
Total	**100%**	100%

The Company's retirement plan assets are invested with the objective of providing the plans the ability to fund current and future benefit payment requirements while minimizing annual Company contributions. The retirement plans held $45 million of the Company's stock at the end of fiscal 2021. The Company re-addresses the allocation of its investments on a regular basis.

8. Restructuring and Transaction Activities

The Company has announced various restructuring plans in the last three fiscal years which included shutting down facilities. In all instances, the majority of the operations from rationalized facilities was transferred to other facilities within the respective segment. During fiscal 2019, 2020, and 2021, the Company did not shut down any facilities with significant net sales.

The table below sets forth the significant components of the restructuring and transaction activity charges recognized for the fiscal years ended, by segment:

	2021	2020	2019
Consumer Packaging International	**$56**	$58	$ 54
Consumer Packaging North America	**—**	10	12
Engineered Materials	**(4)**	6	2
Health, Hygiene & Specialties	**(1)**	5	(200)
Consolidated	**$51**	$79	$(132)

The table below sets forth the activity with respect to the restructuring charges and the impact on our accrued restructuring reserves:

	Restructuring				
	Employee Severance and Benefits	Facility Exit Costs	Non-cash Impairment Charges	Transaction Activities	Total
Balance as of fiscal 2019	$ 2	$ 5	$—	$ —	$ 7
Charges	34	9	2	34	79
Non-cash asset impairment	—	—	(2)	—	(2)
Cash	(26)	(7)	—	(34)	(67)
Balance as of fiscal 2020	$ 10	$ 7	$—	$ —	$ 17
Charges	**11**	**7**	**1**	**32**	**51**
Non-cash asset impairment	**—**	**—**	**(1)**	**—**	**(1)**
Cash	**(15)**	**(9)**	**—**	**(32)**	**(56)**
Balance as of fiscal 2021	**$ 6**	**$ 5**	**$—**	**$ —**	**$ 11**

Since 2019, cumulative costs attributed to restructuring programs total $86 million.

9. Stockholders' Equity

Share Repurchases

No shares were repurchased during fiscal 2021 and 2020. During fiscal 2019, the Company repurchased approximately 1.5 million shares for $72 million, at an average price of $47.64. All share repurchases were immediately retired.

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**

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In fiscal 2021, the Company issued restricted stock units, which generally vest in equal installments over four years. Compensation cost is recorded based upon the fair value of the shares at the grant date.

	2021	
	Number of Shares (in thousands)	Weighted Average Grant Price
Awards outstanding, beginning of period	—	$ —
Awards granted	**203**	**54.22**
Awards vested	**(2)**	**54.22**
Awards forfeited or cancelled	**(5)**	**54.22**
Awards outstanding, end of period	**196**	**$54.22**

The Company had equity incentive shares available for grant of 8.5 million and 2.7 million as of October 2, 2021 and September 26, 2020, respectively.

10. Segment and Geographic Data

Berry's operations are organized into four reporting segments: Consumer Packaging International, Consumer Packaging North America, Engineered Materials, and Health, Hygiene & Specialties. The structure is designed to align us with our customers, provide improved service, and drive future growth in a cost efficient manner.

Selected information by reportable segment is presented in the following tables:

	2021	2020	2019
Net sales			
Consumer Packaging International	**$ 4,242**	$ 3,789	$1,337
Consumer Packaging North America	**3,141**	2,560	2,333
Engineered Materials	**3,309**	2,766	2,460
Health, Hygiene & Specialties	**3,158**	2,594	2,748
Total	**$13,850**	$11,709	$8,878
Operating income			
Consumer Packaging International	**$ 317**	$ 273	$ 62
Consumer Packaging North America	**276**	275	177
Engineered Materials	**301**	336	266
Health, Hygiene & Specialties	**398**	295	469
Total	**$ 1,292**	$ 1,179	$ 974
Depreciation and amortization			
Consumer Packaging International	**$ 341**	$ 315	$ 106
Consumer Packaging North America	**224**	230	198
Engineered Materials	**112**	117	112
Health, Hygiene & Specialties	**177**	183	197
Total	**$ 854**	$ 845	$ 613

	2021	2020
Total assets:		
Consumer Packaging International	**$ 7,800**	$ 7,713
Consumer Packaging North America	**3,861**	3,320
Engineered Materials	**2,331**	2,017
Health, Hygiene & Specialties	**3,890**	3,651
Total assets	**$17,882**	$16,701

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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.

The following tables and discussion provide a reconciliation of the numerator and denominator of the basic and diluted net income per share computations.

(in millions, except per share amounts)	2021	2020	2019
Numerator			
Net income attributable to the Company	**$ 733**	$ 559	$ 404
Denominator			
Weighted average common shares outstanding – basic	**134.6**	132.6	131.3
Dilutive shares	**3.7**	2.5	3.3
Weighted average common and common equivalent shares outstanding — diluted	**138.3**	135.1	134.6
Per common share income			
Basic	**$ 5.45**	$ 4.22	$ 3.08
Diluted	**$ 5.30**	$ 4.14	$ 3.00

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).

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Exhibit No	Description of Exhibit
4.5A	First Supplemental 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 March 4, 2021 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on March 4, 2021).
4.6	Indenture among Berry Global, Inc., certain guarantors party thereto, U.S. Bank National Association, as Trustee and Collateral Agent, relating to the 0.95% First Priority Senior Secured Notes due 2024, dated January 15, 2021 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on January 15, 2021).
4.7	Indenture, among Berry Global, Inc., certain guarantors party thereto, U.S. Bank National Association, as Trustee and Collateral Agent, relating to the 1.65% First Priority Senior Secured Notes due 2027, dated June 14, 2021 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on June 14, 2021).
4.8	Registration Rights Agreement, by and between Berry Global, Inc., Berry Global Group, Inc., each subsidiary of Berry Global, Inc. identified therein, and Citigroup Global Markets Inc. and J.P. Morgan Securities LLC, on behalf of themselves and as representatives of the initial purchasers, relating to the 1.57% First Priority Senior Secured Notes due 2026 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on December 23, 2020).
4.9	Registration Rights Agreement, by and between Berry Global, Inc., Berry Global Group, Inc., each subsidiary of Berry Global, Inc. identified therein, and Citigroup Global Markets Inc. and J.P. Morgan Securities LLC, on behalf of themselves and as representatives of the initial purchasers, relating to the 0.95% First Priority Senior Secured Notes due 2024 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on January 15, 2021).
4.10	Registration Rights Agreement, dated March 4, 2021, by and between Berry Global, Inc., Berry Global Group, Inc., each subsidiary of Berry Global, Inc. identified therein, and Citigroup Global Markets Inc. Goldman Sachs & Co. LLC and Wells Fargo Securities, LLC, on behalf of themselves and as representatives of the initial purchasers, relating to the 1.57% First Priority Senior Secured Notes due 2026 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on March 5, 2021).
4.11	Registration Rights Agreement, by and between Berry Global, Inc., Berry Global Group, Inc., each subsidiary of Berry Global, Inc. identified therein, and J.P. Morgan Securities LLC, Citigroup Global Markets Inc. and Goldman Sachs & Co. LLC, on behalf of themselves and as representatives of the initial purchasers, relating to the 1.65% First Priority Senior Secured Notes due 2027 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on June 14, 2021).
4.12	Description of Securities (incorporated by reference to Exhibit 4.9 to the Company's Annual Report on Form 10-K filed on November 11, 2019).
10.1	$850,000,000 Third Amended and Restated Revolving Credit Agreement, dated as of May 1, 2019, by and among Berry Global, Inc., Berry Global Group, Inc., the lenders party thereto, Bank of America, N.A., as collateral agent and administrative agent, and the financial institutions party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 6, 2019).
10.2	U.S. $1,200,000,000 Second Amended and Restated Credit Agreement, dated as of April 3, 2007, by and among Berry Plastics Corporation formerly known as Berry Plastics Holding Corporation, Berry Plastics Group, Inc., Credit Suisse, Cayman Islands Branch, as collateral and administrative agent, the lenders party thereto from time to time, and the other financial institutions party thereto (incorporated by reference to Exhibit 10.1(b) to Berry Plastics Corporation's Current Report on Form 8-K filed on April 10, 2007).

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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
10.12	Third Amendment to Equipment Lease Agreement, dated as of February 28, 2012, between Chicopee, Inc., as Lessee and Gossamer Holdings, LLC, as Lessor (incorporated by reference to Exhibit 10.1 to AVINTIV Specialty Materials Inc.'s Quarterly Report on Form 10-Q filed on May 15, 2012).
10.13	Fourth Amendment to Equipment Lease Agreement, dated as of March 22, 2013, between Chicopee, Inc., as Lessee and Gossamer Holdings, LLC, as Lessor (incorporated by reference to Exhibit 10.1 to AVINTIV Specialty Materials Inc.'s Quarterly Report on Form 10-Q filed on May 9, 2013).
10.14†	2006 Equity Incentive Plan (incorporated by reference to Exhibit 10.9 to Berry Plastics Corporation's Registration Statement Form S-4 filed on November 2, 2006).
10.15†	Amendment No. 2 to the Berry Plastics Group, Inc., 2006 Equity Incentive Plan (incorporated by reference to Exhibit 10.9 to the Company's Annual Report on Form 10-K filed on December 11, 2013).
10.16†	Amendment No. 3 to Berry Plastics Group, Inc. 2006 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 10, 2015).
10.17†	Form of 2016 Omnibus Amendment to Awards Granted Under the Berry Plastics Group, Inc. 2006 Equity Incentive Plan (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on July 22, 2016).
10.18†	Omnibus amendment to awards granted under the Berry Plastics Group, Inc., 2006 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.10 to the Company's Annual Report on Form 10-K filed on December 11, 2013).
10.19†	Form of Performance-Based Stock Option Agreement of Berry Plastics Group, Inc. (incorporated by reference to Exhibit 10.9 to Berry Plastics Corporation's Registration Statement Form S-4 filed on November 2, 2006).
10.20†	Form of Accreting Stock Option Agreement of Berry Plastics Group, Inc. (incorporated by reference to Exhibit 10.10 to Berry Plastics Corporation's Registration Statement Form S-4 filed on November 2, 2006).
10.21†	Form of Time-Based Stock Option Agreement of Berry Plastics Group, Inc. (incorporated by reference to Exhibit 10.11 to Berry Plastics Corporation's Registration Statement Form S-4 filed on November 2, 2006).
10.22†	Form of Performance-Based Stock Appreciation Rights Agreement of Berry Plastics Group, Inc. (incorporated by reference to Exhibit 10.12 to Berry Plastics Corporation's Registration Statement Form S-4 filed on November 2, 2006).
10.23†	Employment Agreement of Thomas E. Salmon (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 6, 2017).
10.24†	Berry Plastics Group, Inc. Executive Bonus Plan, amended and restated December 22, 2015, effective as of September 27, 2015 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 28, 2015).
10.25†	Berry Plastics Group, Inc. 2012 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.27 to the Company's Annual Report on Form 10-K filed on December 17, 2012).
10.26†	Amendment No. 1 to the Berry Plastics Group, Inc., 2012 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.31 to the Company's Annual Report on Form 10-K filed on December 11, 2013).
10.27†	Omnibus amendment to awards granted under the Berry Plastics Group, Inc., 2012 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.32 to the Company's Annual Report on Form 10-K filed on December 11, 2013).

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).

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Exhibit No	Description of Exhibit
10.42†	Employment Agreement, dated December 16, 2010, between Berry Plastics Corporation and Jason Greene, together with amendments dated December 31, 2011 and July 20, 2016 (incorporated by reference to Exhibit 10.43 to the Company's Annual Report on Form 10-K filed on November 23, 2020).
10.43†	Amended and Restated Berry Global Group, Inc. 2015 Long-Term Incentive Plan, effective February 24, 2021 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 25, 2021).
10.44†	Form of Employee Non-Qualified Stock Option Award Agreement (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on November 30, 2020).
10.45†	Form of Employee Performance-Based Stock Unit Award Agreement (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on November 30, 2020).
10.46†	Form of Director Non-Qualified Stock Option Award Agreement (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on November 30, 2020).
21.1*	Subsidiaries of the Registrant.
22.1*	List of Subsidiary Guarantors.
23.1*	Consent of Independent Registered Public Accounting Firm.
31.1*	Rule 13a-14(a)/15d-14(a) Certification of the Chief Executive Officer.
31.2*	Rule 13a-14(a)/15d-14(a) Certification of the Chief Financial Officer.
32.1*	Section 1350 Certification of the Chief Executive Officer.
32.2*	Section 1350 Certification of the Chief Financial Officer.
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Date File (formatted as Inline XBRL and contained in Exhibit 101.)

* Filed or furnished herewith, as applicable.

† Management contract or compensatory plan or arrangement.

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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

Stockholder Information

Corporate Headquarters

Berry Global Group, Inc.
101 Oakley Street
Evansville, Indiana 47710
812.424.2904
berryglobal.com

Investor Relations Contact

Dustin Stilwell
812.306.2964
ir@berryglobal.com

Annual Meeting of Shareholders

February 16, 2022, at 10:00 a.m. Central Time,
Bally's Evansville Executive Conference Center—Room Walnut D
450 NW Riverside Dr., Evansville, Indiana 47708

Registrar and Transfer Agent

Computershare
P.O. Box 505000
Louisville, KY 40233
800.962.4284

Independent Registered Public Accounting Firm

Ernst & Young LLP

Additional Information

You can access financial and other information about Berry Global Group, Inc. at ir.berryglobal.com, including press releases, Forms 10-K, 10-Q, and 8-K as filed with the Securities and Exchange Commission; and information on Corporate Governance such as charters of Board Committees, our Global Code of Business Ethics and Corporate Governance Guidelines. You can also request that any of these materials be mailed to you at no charge by writing us at the address above.

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For a full report, visit **ir.berryglobal.com.**

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ÅRSBERETNING 2021

RPC PROMENS GROUP AS

VIRKSOMHETENS ART

Hovedkontoret til RPC Promens Group AS er lokalisert i Stadionveien 15, 4632 Kristiansand. Selskapet eier samtlige aksjer i det nederlandske selskapet RPC Promens Group BV, og er således et rent holdingselskap.

RPC Promens Group AS er et heleid datterselskap i Berry Global Group Inc konsernet, et ledende og globalt selskap innenfor design, prosjektering og produksjon av plastikkprodukter, herunder men ikke begrenset til emballasje.

Alle tall i årsregnskapet presenteres i 1 000 EUR, ved mindre annet er spesifisert.

FORTSATT DRIFT

Årsoppgjøret er avlagt under forutsetning om fortsatt drift. Styret bekrefter at denne forutsetningen er til stede. Selskapet er i en sunn økonomisk og finansiell stilling og styret er av den oppfatning at årsregnskapet gir et rettvisende bilde av selskapets eiendeler, gjeld, finansiell stilling og resultat.

ARBEIDSMILJØ

Selskapet har ingen ansatte og selskapet forurenser ikke det ytre miljø. Det er ingen kvinnelige styremedlemmer. Kriteriet for valget av styremedlemmene har ikke vært bestemt av kjønn, men personenes kvalifikasjoner.

FINANSIELL RISIKO

Selskapet har begrenset omfang av ordinær virksomhet da det fungerer som et rent holdingselskap. Deler av selskapets konserninterne gjeld og fordringer er i ulik valuta og selskapet er dermed eksponert mot generelle endringer i valutakurser. Den finansielle risikoen er samlet sett vurdert å ligge på et akseptabelt nivå.

KONTANTSTRØM

Netto kontantstrøm fra ordinære driftsaktiviteter har i perioden vært positiv med 702 tusen euro. Selskapet har ikke hatt kontantstrøm i forbindelse med investeringsaktiviteter. Kontantstrøm fra finansieringsaktiviteter var negativ med 679 tusen euro. Netto kontantstrøm for selskapet for perioden har vært positiv med 22 tusen euro, og selskapet kontantbeholdning har gått fra å være 965 tusen euro ved periodens begynnelse til å være 987 tusen euro ved periodeslutt. Likviditetssituasjonen er vurdert å være tilfredsstillende.

Selskapet deltar i konsernkontoordning, jf. note 8 til årsregnskapet, hvor det er mulighet for opptrekk ved behov.

STYREANSVARSFORSIKRING

Selskapet har styreansvarsforsikring. Forsikringen gjelder for;

- Enhver fortid, nåtid eller fremtid, og omfatter

- direktør, leder, tillitsvalgte, intern advokat eller kontrollør i selskapet, inkludert rådgivende direktører; direktør for investor relasjoner, direktør for menneskelige ressurser, skatteadministrator og finansadministrator; leder eller medlem av styret eller tilsvarende leder i et selskap som er en LLC, og en generell partner, administrerende partner, medlem av administrasjonskomiteen eller tilsvarende leder i et selskap som er et partnerskap eller joint venture; eller den funksjonelle ekvivalenten til noen av de ovennevnte stillingene med hensyn til et selskap stiftet utenfor USA.

- Ansatte, men bare med hensyn til et verdipapirkrav eller ethvert annet krav mens det fremsettes og opprettholdes mot ansatte og en forsikret person beskrevet ovenfor.

- De forsikrede personers dødsboer, arvinger, juridiske representanter, overdragere, ektefeller og samboere, men bare for et krav som oppstår utelukkende på grunn av deres status som sådan, og, når det gjelder en ektefelle eller samboer, hvor et slikt krav krever erstatning fra ekteskapelig felleseie, felleseie eller eiendom overført fra den forsikrede til ektefellen eller samboeren.

- Forsikrede personer mens de tjenestegjorde som direktør for en ekstern enhet etter kunnskap og samtykke fra Berry.

- Selskapet og datterselskapene eide med mer enn 50 %, inkludert enhver stiftelse, veldedig stiftelse eller politisk aksjonskomité kontrollert eller eksklusivt sponset av Berry.

Ansvarsgrensene i forsikringen er basert på "per skadeaggregert" og "totalt aggregert" grunnlag. Dette betyr at Dekningsgrensen for direktører er på opptil $60 millioner og for øvrige er dekningsgrensen opptil på $30 millioner. Det vil gjelde for hver separat urelatert sak som oppstår i løpet av dekningsperioden; Det maksimale beløpet forsikringsgiveren vil betale for alle tap i løpet av forsikringsperioden er $60 millioner, og det maksimale beløpet forsikringsgiveren vil betale for øvrige er $30 millioner. Eventuelle tap betalt av forsikringsselskapet for et krav som dekkes av hoved direktør polisen vil erodere hoved polisens totale aggregat på $60 millioner, og eventuelle tap betalt av forsikringsselskapet for øvrige vil erodere den totale aggregerte grense på $30 millioner.

Beholdningene som gjelder for forsikringen, er:

- Til ikke-erstatningspliktig tap: $0

- Til Berrys erstatningspliktige tap og verdipapirkrav: $2 500 000.

Forsikring giver er: Zurich American Insurance Company.

ÅRSRESULTAT OG DISPONERINGER

Styret foreslår at årets underskudd på 1,418 millioner euro dekkes av annen egenkapital.

Kristiansand, 6. januar 2022

Mark William Miles	Jason Kent Greene
Styrets leder	*Styremedlem*
Svein Harald Egestad	Hans Jørgen Gulland
Daglig Leder / Styremedlem	*Styremedlem*

RPC Promens Group AS

Årsregnskap 2021

Gjelder perioden 01.10.2020 - 30.09.2021

Resultatregnskap

RPC Promens Group AS

Driftsinntekter og driftskostnader	Note	2021	2020
Annen driftskostnad	2	33	22
Sum driftskostnader		**33**	**22**
Driftsresultat		**-33**	**-22**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap	4	0	33 990
Annen renteinntekt		1	0
Annen finansinntekt	3	1 054	2 606
Annen finanskostnad	3	-651	-3 023
Resultat av finansposter		**405**	**33 572**
Ordinært resultat før skattekostnad		**372**	**33 550**
Skattekostnad på ordinært resultat	7	1 790	0
Årsresultat		**-1 418**	**33 550**
Overføringer			
Overført til/fra annen egenkapital	5	-1 418	33 550
Sum anvendelse		**-1 418**	**33 550**

Balanse

RPC Promens Group AS

	Note	30.09.2021	30.09.2020
Eiendeler			
Anleggsmidler			
Finansielle driftsmidler			
Investeringer i datterselskap	4	428 356	515 356
Lån til foretak i samme konsern	6	535	8 993
Sum finansielle anleggsmidler		**428 890**	**524 348**
Sum anleggsmidler		**428 890**	**524 348**
Omløpsmidler			
Fordringer			
Andre kortsiktige fordringer		0	376
Kortsiktige konsernfordringer	6, 8	987	965
Sum fordringer		**987**	**1 341**
Sum omløpsmidler		**987**	**1 341**
Sum eiendeler		**429 878**	**525 689**

Balanse

RPC Promens Group AS

	Note	30.09.2021	30.09.2020
Egenkapital og gjeld			
Innskutt egenkapital			
Aksjekapital	5	57 568	57 568
Overkurs	5	368 313	410 113
Sum innskutt egenkapital		**425 881**	**467 681**
Opptjent egenkapital			
Annen egenkapital	5	2 241	40 659
Sum opptjent egenkapital		**2 241**	**40 659**
Sum egenkapital		**428 122**	**508 340**
Gjeld			
Annen langsiktig gjeld			
Gjeld til foretak i samme konsern	6	0	17 337
Sum annen langsiktig gjeld		**0**	**17 337**
Kortsiktig gjeld			
Betalbar skatt	7	1 735	0
Annen kortsiktig gjeld		20	12
Sum kortsiktig gjeld		**1 755**	**12**
Sum gjeld		**1 755**	**17 349**
Sum egenkapital og gjeld		**429 878**	**525 689**

Kristiansand, 06.01.2022
Styret i RPC Promens Group AS

Mark William Miles
styreleder

Jason Kent Greene
styremedlem

Svein Harald Egestad
styremedlem/daglig leder

Hans Jørgen Gulland
styremedlem

RPC Promens Group AS Side 2

Kontantstrømoppstilling
Alle tall er i EUR 1 000.

Likvider tilført/brukt på virksomheten:	2021	2020
Ordinært resultat før skattekostnad	372	33 550
Endring i andre tidsavgrensingsposter	330	-918
Effekt av resultatført agio/disagio	0	927
Inntektsført utbytte, ført i mellomværende med konsernselskap	0	-33 990
Netto likviditetsendring fra virksomheten (A)	702	-431
Likvider tilført/brukt på investeringer:		
Innbetaling ved nedbetaling av lån til konsernselskaper	0	0
Netto likviditetsendring fra investeringer (B)	0	0
Likvider tilført/brukt på finansiering:		
Utbetalinger av utbytte	0	0
Netto innbetalt mellomværende med konsernselskap	-679	3 183
Netto likviditetsendring fra finansiering (C)	-679	3 183
Netto endring i likvider gjennom året (A + B + C)	**22**	**2 752**
Kontanter og bankinnskudd ved årets inngang	965	-1 789
Kontanter og bankinnskudd ved årets utgang	**987**	**965**

Kontanter og bankinnskudd samt kassekreditt er tilknyttet konsernkontoordningen, jf note 8.
I årsregnskapet presenteres dette som kortsiktige konsernfordringer.

Noter til regnskapet

Note 1 Prinsippnote

Grunnleggende prinsipper - vurdering og klassifisering - andre forhold
Årsregnskapet består av resultatregnskap, balanse og noteopplysninger og er avlagt i samsvar med aksjelov, regnskapslov og god regnskapsskikk. Årsregnskapet gir et rettvisende bilde av eiendeler og gjeld, finansiell stilling og resultat.

Årsregnskapet er basert på de grunnleggende prinsipper og klassifiseringen av eiendeler og gjeld følger regnskapslovens definisjoner. Ved anvendelse av regnskapsprinsipper og presentasjon av transaksjoner og andre forhold, legges det vekt på økonomiske realiteter, ikke bare juridisk form. Betingede tap som er sannsynlige og kvantifiserbare, kostnadsføres.

Alle tall oppgis i EUR 1 000, ved mindre annet er spesifisert.

Inntektsførings- og kostnadsføringstidspunkt - sammenstilling
Inntekt resultatføres som hovedregel når den er opptjent. Inntektsføring skjer følgelig normalt på leveringstidspunktet ved salg av varer og tjenester. Driftsinntektene er fratrukket merverdiavgift, rabatter, bonuser og fakturerte fraktkostnader. Utgifter sammenstilles med og kostnadsføres samtidig med de inntekter utgiftene kan henføres til. Utgifter som ikke kan henføres direkte til inntekter, kostnadsføres når de påløper.

Investering i datterselskap
Investering i datterselskap er bokført etter kostmetoden.

Fordringer
Fordringer er oppført til pålydende med fradrag for forventede tap. Avsetning til tap gjøres på grunnlag av en individuell vurdering av de enkelte fordringene. I tillegg gjøres det for øvrige kundefordringer en uspesifisert avsetning for å dekke antatt tap.

Valuta
Pengeposter i utenlandsk valuta er vurdert etter kursen ved regnskapsårets slutt.
Benyttet regnskapsvaluta i årsregnskapet er EURO. Dette da hoveddelen av transaksjonene skjer i EURO. Omregningskurs fra norske kroner er ved regnskapsårets slutt 11,1008 og gjennomsnittskurs for perioden er 10,4369.

Utsatt skatt og skattekostnad
Utsatt skatt beregnes på bakgrunn av midlertidige forskjeller mellom regnskapsmessige og skattemessige verdier ved utgangen av regnskapsåret. Ved beregningen benyttes nominell skattesats. Positive og negative forskjeller vurderes mot hverandre innenfor samme tidsintervall. Utsatt skattefordel oppstår dersom en har midlertidige forskjeller som gir opphav til skattemessige fradrag i fremtiden. Utsatt skattefordel knyttet til netto fremførbare underskudd balanseføres bare i den grad disse forventes utnyttet gjennom motregning mot fremtidige skattemessige overskudd. Årets skattekostnad består av betalbar skatt (skatt på årets skattepliktige inntekt) og endringer i netto utsatt skatt.

Kontantstrømoppstilling
Kontantstrømoppstillingen er utarbeidet etter den indirekte metode. I kontanter og kontantekvivalenter inngår kun kontanter. Innskudd knyttet til konsernkontoordning (jf note 8) presenteres som korsiktig fordring på selskap i samme konsern.

Regnskapsperiode
Selskapet besluttet i 2020 å endre dato for regnskapsårsslutt, fra å tidligere være 31.03, til å være 30.09. Dette innebærer at sammenligningstallene for 2020 utgjør 18 mnd (perioden 01.04.2019 - 30.09.2020). 2021 regnskapet utgjør 12 mnd (perioden 01.10.2020 - 30.09.2021).

Note 2 Lønn og andre godtgjørelser

Selskapet har ingen ansatte, og dermed ingen lønnskostnader.
Det er ikke utbetalt styrehonorar i 2021 eller 2020.

Kostnadsført honorar til revisor:	**2021**	**2020**
Lovpålagt revisjon	3	4
Andre attestasjonstjenester	1	0
Skatterådgivning	9	0
Teknisk bistand årsregnskap	4	0
Sum	17	4

Tallene er eksklusive merverdiavgift.

Note 3 Finansinntekter og finanskostnader

Spesifikasjon av finansinntekter:	**2021**	**2020**
Renteinntekter	1	0
Renteinntekter på lån til datterselskap	13	1 444
Kursgevinst (agio)	1 041	1 162
Andre finansinntekter	0	0
Sum finansinntekter	1 054	2 606

Spesifikasjon av finanskostnader:	**2021**	**2020**
Rentekostnader eksterne	0	6
Rentekostnader konsern	186	896
Kurstap (disagio)	463	2 089
Andre finanskostnader	2	32
Sum finanskostnader	651	3 023

Note 4 Investering i datterselskap

Bokført verdi av investering i datterselskap:	**Eierandel**	**2021**	**2020**
RPC Promens Group BV (Nederland)	100 %	428 356	515 356

Opplysninger om resultat og egenkapital i siste årsregnskap:	**2020**	**2019**
RPC Promens Group BV - Resultat	5 317	4 251
RPC Promens Group BV - Egenkapital	382 957	408 511

Selskapet har i år mottatt EUR 87 000 000 i utbytte fra RPC Promens Group BV. Utbyttet er ført som en reduksjon i kostprisen.

RPC Promens Group AS har 100 % eier- og stemmeandel i selskapet.
Egenkapital og resultat ovenfor er for hhv 2020 og 2019, da det på tidspunkt for utarbeidelse av årsregnskapet ikke foreligger signert årsregnskap for 2021 for RPC Promens Group BV.

Iht regnskapslovens § 3-7 er det unnlatt å utarbeide konsernregnskap fordi selskapet inngår i konsolideringen som er utført av konsernspiss Berry Global Group Inc, jf note 5.

Note 5 Egenkapital og aksjonærinformasjon

Aksjekapitalen i RPC Promens Group AS pr. 30.09.2021 består av 501 378 894 aksjer, alle pålydende NOK 1.

	Aksjekapital	Overkurs	Annen egenkapital	Sum egenkapital
Egenkapital 30.09.2020	57 568	410 113	40 659	508 340
Tilleggsutbytte	0	-41 800	-37 000	-78 800
Resultat 01.10.2020 - 30.09.2021	0	0	-1 418	-1 418
Egenkapital 30.09.2021	57 568	368 313	2 241	428 122

Samtlige aksjer eies av RPC Pisces Holdings Ltd (UK). I henhold til regnskapsloven §3-7 er det unnlatt å utarbeide konsernregnskap fordi selskapene inngår i konsolideringen som er utført av det amerikanske morselskapet Berry Global Group Inc. Konsernregnskapet kan fås ved henvendelse til følgende selskapsadresse:

Berry Global Group Inc
101 Oakley St. Evansville
IN 47710, United States.

Note 6 Mellomværende med nærstående selskap

Fordringer mot selskap i samme konsern:	2021	2020
Lån til datterselskapet RPC Promens Group BV	0	0
Lån til konsernselskap RPC Packaging Europe BV	535	8 993
Fordring konsernkontoordning mot på RPC Packaging Europe BV	987	965
Sum konsernfordringer	1 522	9 958

Gjeld til selskap i samme konsern:	2021	2020
Gjeld til RPC Packaging Europe BV	0	17 337
Sum langsiktig gjeld	0	17 337

Lånene er rentebærende og rentesatsen er basert på forretningsmessige vilkår.

Vesentlige transaksjoner med nærstående:
Selskapet har i perioden 01.10.2020 - 30.09.2021 kun hatt vesentlige transaksjoner med nærstående parter knyttet finansielle poster.

Note 7 Skatt

Betalbar skatt fremkommer slik:	2021	2020
Ordinært resultat før skattekostnad	372	33 550
Permanente forskjeller (utbytte fra datterselskap)	0	-33 990
Valutakurseffekt	567	7 630
Endring midlertidige forskjeller	0	0
Endring fremførbart underskudd	0	0
Grunnlag betalbar skatt	939	7 190
Betalbar skatt på årets resultat	208	1 582

Skattesats: 22 %

Årets skattekostnad fremkommer slik:	2021	2020
Betalbar skatt på årets resultat	208	0
For lite avsatt betalbar skatt i fjor	1 582	0
Årets totale skattekostnad	1 790	0

Betalbar skatt i balansen fremkommer slik:	2021	2020
Betalbar skatt på årets resultat	208	0
For lite avsatt betalbar skatt i fjor	1 582	0
Forskuddsbetalt skatt i perioden	-55	-376
Betalbar skatt i balansen	1 735	-376

Fjorårets tall ble klassifisert som annen kortsiktig fordring i balansen.

Spesifikasjon av grunnlag for utsatt skatt:	2021	2020
Midlertidige forskjeller	0	0
Fremførbart underskudd	0	0
Sum midlertidige forskjeller	0	0
Utsatt skatt/skattefordel i balansen	0	0

Skattesats: 22 %

Note 8 Konsernkontosystem, garantiramme m.v.

RPC Promens Group AS er sammen med flere andre konsernselskap tilknyttet et felles konsernkontosystem hvor hovedkontoen ligger i RPC Packaging Europe BV. Kassekredittlimit per 30.09.2021 knyttet til konsernkonto-systemet var på totalt EUR 21 millioner for hele konsernet, hvorav EUR 9,4 millioner var benyttet pr samme dato.

Saldo på kontoene til RPC Promens Group AS er pr 30.09.2021 EUR 987 (til gode).
I regnskapet inngår beløpet i fordringer på konsernselskap.

Alle overnevnte kredittrammer er innvilget av Danske Bank.

Selskapene som er med i konsernkontosystemet pr 30.09.2021 er:

RPC Packaging Europe B.V.
Berry Holding Denmark A/S
Berry Bramlage Kolding A/S
Berry Superfos Randers A/S
Berry Superfos Stilling A/S
iTUB Danmark ApS
Berry Superfos Pori Oy
Promens Oy
RPC Promens International B.V.
RPC Promens Group B.V.
iTUB AS
Berry Packaging Norway AS

Til generalforsamlingen i RPC Promens Group AS

Uavhengig revisors beretning

Uttalelse om revisjonen av årsregnskapet

Konklusjon

Vi har revidert RPC Promens Group AS' årsregnskap som består av balanse per 30. september 2021, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening er det medfølgende årsregnskapet avgitt i samsvar med lov og forskrifter og gir et rettvisende bilde av selskapets finansielle stilling per 30. september 2021, og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i Revisors oppgaver og plikter ved revisjon av årsregnskapet. Vi er uavhengige av selskapet slik det kreves i lov og forskrift, og har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Ledelsen er ansvarlig for øvrig informasjon. Øvrig informasjon omfatter informasjon i årsrapporten bortsett fra årsregnskapet og den tilhørende revisjonsberetningen.

Vår uttalelse om revisjonen av årsregnskapet dekker ikke øvrig informasjon, og vi attesterer ikke den øvrige informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese øvrig informasjon med det formål å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom øvrig informasjon og årsregnskapet, kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon.

Dersom vi konkluderer med at den øvrige informasjonen inneholder vesentlig feilinformasjon er vi pålagt å rapportere det. Vi har ingenting å rapportere i så henseende.

Styrets og daglig leders ansvar for årsregnskapet

Styret og daglig leder (ledelsen) er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettvisende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik internkontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

PricewaterhouseCoopers AS, Gravane 26, Postboks 447, NO-4664 Kristiansand
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

pwc

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avviklet.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål med revisjonen er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

For videre beskrivelse av revisors oppgaver og plikter vises det til:
https://revisorforeningen.no/revisjonsberetninger

Uttalelse om andre lovmessige krav

Konklusjon om årsberetningen

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i årsberetningen om årsregnskapet, forutsetningen om fortsatt drift og forslaget til resultatdisponering er konsistente med årsregnskapet og i samsvar med lov og forskrifter.

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

Kristiansand, 6. januar 2022
PricewaterhouseCoopers AS

Kai Arne Halvorsen
Statsautorisert revisor
(elektronisk signert)

Securely signed with Brevio

Revisjonsberetning

Signers:

Name	***Method***	***Date***
Halvorsen, Kai Arne	BANKID_MOBILE	2022-01-06 07:25

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