United States
Securities and Exchange Commission

Washington, DC 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 December 31, 2021

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

For the transition period from to .

Commission file number 1-16091

Avient Corporation

(Exact name of registrant as specified in its charter)

Ohio	**34-1730488**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
33587 Walker Road, Avon Lake, Ohio	**44012**
(Address of principal executive offices)	*(Zip Code)*

Registrant's telephone number, including area code (440) 930-1000

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Shares, par value $.01 per share	AVNT	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

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	☐	Smaller 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 its 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 Exchange Act). Yes ☐ No ☑

The aggregate market value of the registrant's outstanding common shares held by non-affiliates on June 30, 2021, determined using a per share closing price on that date of $49.16, as quoted on the New York Stock Exchange, was $4.5 billion.

The number of shares of common shares outstanding as of February 4, 2022 was 91,604,913.

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this Annual Report on Form 10-K incorporates by reference certain information from the registrant's definitive Proxy Statement with respect to the 2022 Annual Meeting of Shareholders.

PART I

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

In this Annual Report on Form 10-K, statements that are not reported financial results or other historical information are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements give current expectations or forecasts of future events and are not guarantees of future performance. They are based on management’s expectations that involve a number of business risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. You can identify these statements by the fact that they do not relate strictly to historic or current facts. They use words such as "will," “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe” and other words and terms of similar meaning in connection with any discussion of future operating or financial condition, performance and/or sales. In particular, these include statements relating to future actions; prospective changes in raw material costs, product pricing or product demand; future performance; estimated capital expenditures; results of current and anticipated market conditions and market strategies; sales efforts; expenses; the outcome of contingencies such as legal proceedings and environmental liabilities; and financial results. Factors that could cause actual results to differ materially from those implied by these forward-looking statements include, but are not limited to:

- disruptions, uncertainty or volatility in the credit markets that could adversely impact the availability of credit already arranged and the availability and cost of credit in the future;
- the effect on foreign operations of currency fluctuations, tariffs and other political, economic and regulatory risks;
- the current and potential future impact of the COVID-19 pandemic on our business, results of operations, financial position or cash flows, including without any limitation, any supply chain and logistics issues;
- changes in polymer consumption growth rates and laws and regulations regarding plastics in jurisdictions where we conduct business;
- fluctuations in raw material prices, quality and supply, and in energy prices and supply;
- production outages or material costs associated with scheduled or unscheduled maintenance programs;
- unanticipated developments that could occur with respect to contingencies such as litigation and environmental matters;
- our ability to pay regular quarterly cash dividends and the amounts and timing of any future dividends;
- information systems failures and cyberattacks;
- amounts for cash and non-cash charges related to restructuring plans that may differ from original estimates, including because of timing changes associated with the underlying actions; and
- other factors described in this Annual Report on Form 10-K under Item 1A, “Risk Factors.”

We cannot guarantee that any forward-looking statement will be realized, although we believe we have been prudent in our plans and assumptions. Achievement of future results is subject to risks, uncertainties and assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Investors should bear this in mind as they consider forward-looking statements. We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise, except as otherwise required by law. You are advised, however, to consult any further disclosures we make on related subjects in our reports on Forms 10-Q, 8-K and 10-K filed with the Securities and Exchange Commission (SEC). You should understand that it is not possible to predict or identify all risk factors. Consequently, you should not consider any such list to be a complete set of all potential risks or uncertainties.

ITEM 1. BUSINESS

Business Overview

We are a premier formulator of specialized and sustainable material solutions that transform customer challenges into opportunities, bringing new products to life for a better world. Our products include specialty engineered materials, advanced composites, color and additive systems and polymer distribution. We are also a highly specialized developer and manufacturer of performance enhancing additives, liquid colorants and fluoropolymer and silicone colorants. When used in this Annual Report on Form 10-K, the terms “we,” “us,” “our," "Avient" and the “Company” mean Avient Corporation and its consolidated subsidiaries.

Avient was formed as PolyOne Corporation on August 31, 2000 from the consolidation of The Geon Company (Geon) and M.A. Hanna Company (Hanna). In 1948, B.F. Goodrich created a vinyl plastic division that was subsequently spun off through a public offering in 1993, creating The Geon Company, a separate publicly-held company. Hanna was formed in 1885 as a privately-held company and became publicly-held in 1927. In the mid-1980s, Hanna began to divest its historic mining and shipping businesses to focus on polymers. Hanna purchased its first polymer company in 1986 and completed its 26th polymer company acquisition in 2000.

On July 1, 2020, the Company completed its acquisition of the equity interests in the global color business of Clariant AG, a corporation organized and existing under the laws of Switzerland (Clariant), and certain assets of Clariant Chemicals (India) Limited, a public limited company incorporated in India and an indirect majority owned subsidiary of Clariant (Clariant India). The business and assets are collectively referred to as Clariant Color and the acquisitions are collectively referred to as the Clariant Color Acquisition. In connection with the completion of the Clariant Color Acquisition and effective as of June 30, 2020, the Company amended its existing Articles of Incorporation to change its name to Avient Corporation. In conjunction with its rebranding and new name, the Company also changed its ticker symbol from “POL” to “AVNT”, effective at the start of trading on July 13, 2020.

Avient Corporation is incorporated in Ohio and headquartered in Avon Lake, Ohio. We currently have 102 manufacturing sites and eight distribution facilities in North America, South America, Europe, the Middle East, Asia, and Africa (EMEA). In 2021, we had sales of $4.8 billion, approximately 53% of which were to customers outside the United States. Using our formulation expertise and operational capabilities, we create an essential link between large chemical producers (our raw material suppliers) and designers, assemblers and processors of plastics (our customers). We believe that our role in the value chain continues to become more vital as our customers increasingly need reliable suppliers with a global reach and increasingly effective material-based solutions to improve their products' sustainability appeal, performance, differentiation, profitability and competitive advantage. Our goal is to provide customers with specialized and sustainable materials and solutions through our global footprint, broad market knowledge, technical expertise, product breadth, manufacturing operations, a fully integrated information technology network and raw material procurement leverage. Our end markets include consumer, packaging, healthcare, industrial, transportation, building and construction, telecommunications and energy.

Polymer Industry Overview

Avient is a specialty formulator within the polymer industry. We have the scientific know-how in material science required to bridge the large, commodity base resin producers and the companies who ultimately manufacture end products utilizing formulated polymer materials.

Polymers are a class of organic materials that are generally produced by converting natural gas or crude oil derivatives into monomers, such as ethylene, propylene, and styrene. These monomers are then polymerized into chains called polymers, or plastic resin, such as polyethylene and polypropylene, in their most basic forms. Avient does not produce commodity base resins. Rather, Avient sources various resins, polymers and additives, then employs additional chemistry in formulating those materials into a highly engineered, unique material for a specific use.

Thermoplastic polymers are characterized by their ability to be reshaped repeatedly into new forms after heat and pressure are applied. Thermoplastics offer versatility and a wide range of applications. The major types of thermoplastics include polyethylene, polypropylene, polystyrene, polyester and a range of specialized engineering resins. Each type of thermoplastic has unique qualities and characteristics that make it appropriate for use in a particular application.

Thermoplastic composites include base resins, but are combined with a structural filler such as glass, wood, carbon or polymer fibers to enhance strength, rigidity and structure. Further performance can be delivered through an engineered thermoplastic sheet or thick film, which may incorporate more than one resin formulation or composite in multiple layers to impart additional properties such as gas barrier, structural integrity and lightweighting.

Thermoplastics and polymer composites are found in a variety of end-use products and markets, including packaging, building and construction, wire and cable, transportation, medical, furniture and furnishings, durable goods, outdoor high performance equipment, electrical and electronics, adhesives, inks and coatings and fiber. Each type of thermoplastic resin has to ultimately achieve unique characteristics (such as flexibility, strength or durability) suitable for use in a particular end-use application. The formulation science and manufacturing processes required to achieve those characteristics is the specialty role that Avient plays.

For example, the packaging industry requires plastics that help keep food fresh and free of contamination while providing a variety of options for product display, and offering advantages in terms of weight and user-friendliness. In wire and cable, thermoplastics and composites serve to protect by providing electrical insulation, flame resistance, durability, water resistance, water swelling and color coding to engineered fibers, yarn products, wire coatings and connectors. In the transportation industry, plastic has proven to be durable, lightweight and corrosion resistant while offering fuel savings, design flexibility and high performance, often replacing traditional materials such as metal and glass. In the medical industry, plastics are used for a vast array of devices and equipment, including blood and intravenous bags, medical tubing, catheters, lead replacement for radiation shielding, clamps and connectors to bed frames, curtains and sheeting, electronic enclosures and equipment housings. In the outdoor high performance industry, plastic applications are used for components and colorants for all terrain vehicles and reinforced polymers are used for various outdoor equipment and gear. In the electronics industry, plastic enclosures and connectors not only enhance safety through electrical insulation, but thermally and electrically conductive plastics provide heat transferring, cooling, anti-static, electrostatic discharge, and electromagnetic shielding performance for critical applications including integrated circuit chip packaging.

Various additives can also be formulated with a base resin and further engineered into a structure to provide them with greater versatility and performance. Polymer formulations and structures have advantages over metals, wood, rubber, glass and other traditional materials, which have resulted in the replacement of these materials across a wide spectrum of applications. These specialized polymers offer sustainability and performance advantages compared to traditional materials, including design freedom, processability, weight reduction, chemical resistance, flame retardance and lower cost. Plastics are renowned for their durability, aesthetics, ease of handling and recyclability. Avient's strategy and investments are aligned to enable these important benefits, now and in the future.

Avient Segments

We operate in three reportable segments: (1) Color, Additives and Inks; (2) Specialty Engineered Materials; and (3) Distribution. Previously, Avient had four reportable segments. However, as a result of the divestiture of the Performance Products and Solutions segment (PP&S) on October 25, 2019, we have removed PP&S as a separate operating segment and its results are presented as discontinued operations. Please see Note 3, *Discontinued Operations*, to the accompanying consolidated financial statements for additional information.

Our segments are further detailed in Note 15, *Segment Information*, to the accompanying consolidated financial statements.

Competition

The production of plastics and the manufacturing of custom and proprietary formulated color and additives systems for the plastics industry are highly competitive. Competition is based on service, performance, product innovation, product recognition, speed, delivery, quality and price. The relative importance of these factors varies among our products and services. Our competitors range from large international companies with broad product offerings to local independent custom producers whose focus is a specific market niche or product offering.

The distribution of polymer resin is also highly competitive. Speed, service, reputation, product line, brand recognition, delivery, quality and price are the principal factors affecting competition. We compete against other national independent resin distributors in North America, along with other regional distributors. Growth in the polymer distribution market is highly correlated with growth in the base polymer resins market. We believe that the strength of our company name and reputation, the broad range of product offerings from our suppliers and our speed and responsiveness, combined with the quality of products and agility of our distribution network, allow us to compete effectively.

Raw Materials

The primary raw materials used by our manufacturing operations are polyolefin and other thermoplastic resins, TiO_2, inorganic and organic pigments and specialty additives. In general there is adequate supply and capacity to serve our business. In 2021, we experienced certain supply disruptions, shortages, volume allocations and logistical delays for some of these materials, none of which had a material impact on our business. See the discussion of risks associated with raw material supply and costs in Item 1A, “Risk Factors."

Patents and Trademarks

We own and maintain a number of patents and trademarks in the United States and other key countries that contribute to our competitiveness in the markets we serve because they protect our inventions and product names against infringement by others. Patents exist for 20 years from filing date, and trademarks have an indefinite life based upon continued use. While we view our patents and trademarks to be valuable because of the broad scope of our products and services and brand recognition we enjoy, we do not believe that the loss or expiration of any single patent or trademark would have a material adverse effect on our results of operations, financial position or cash flows. Nevertheless, we have management processes designed to rigorously protect our inventions and trademarks.

Seasonality

Sales of our products and services are typically seasonal, as demand has historically been slower in the third and fourth calendar quarters of the year.

Working Capital Practices

Our products are generally manufactured with a short turnaround time, and the scheduling of manufacturing activities from customer orders generally includes enough lead time to assure delivery of an adequate supply of raw materials. We offer payment terms to our customers that are competitive. We generally allow our customers to return merchandise if pre-agreed quality standards or specifications are not met; however, we employ quality assurance practices that seek to minimize customer returns.

Significant Customers

No customer accounted for more than 3% of our consolidated revenues in 2021 and we do not believe we would suffer a material adverse effect to our consolidated financial statements if we were to lose any single customer.

Research and Development

We have substantial technology and development capabilities, powered by approximately 1,000 associates serving in technology capacities, 100 of whom have PhD level educations. Our efforts are largely devoted to developing new product formulations to address evolving market and sustainability needs. We do this by providing quality technical services to evaluate alternative raw materials, assuring the continued success of our products for customer applications, providing technology to improve our products, processes and applications and providing support to our manufacturing plants for cost reduction, productivity and quality improvement programs. We operate research and development centers that support our commercial development activities and manufacturing operations. These facilities are equipped with state-of-the-art analytical, synthesis, polymer characterization and testing equipment, along with pilot plants and polymer manufacturing operations that simulate specific production processes. This allows us to rapidly translate new technologies into new products, helping us advance a more circular economy with reduced carbon footprint. Our investment in product research and development was $83.2 million in 2021, $59.8 million in 2020, and $50.6 million in 2019.

Methods of Distribution

We sell products primarily through direct sales personnel, distributors, including our Distribution segment, and commissioned sales agents. We primarily use truck carriers to transport our products to customers, although some customers pick up product at our manufacturing facilities or warehouses. We also ship some of our manufactured products to customers by rail.

Human Capital Resources

“People” is the first of Avient’s four cornerstones of sustainability (People, Products, Planet and Performance), which, together with our core values and our four-pillar strategy, form the framework of our company culture. The success and growth of our business depend in large part on our ability to attract, develop and retain a diverse population of talented and high-performing employees at all levels of our organization, including the individuals who comprise our global workforce as well as our executive officers and other key personnel.

We have developed key recruitment and retention strategies, objectives and measures that guide our human capital management approach as part of the overall management of our business. These strategies, objectives and measures are advanced through a number of programs, policies and initiatives, as described below.

As of December 31, 2021, Avient employed approximately 8,700 people, 34% of which are located in the U.S. and Canada, 34% were located in Europe, Middle East, and Africa, 25% were located in Asia, and 7% were located in Latin America.

Safety and Health

The top priority at Avient is the safety and health of our associates, and our ultimate goal is to operate injury free. Progress toward this goal is measured at the business unit and regional levels, communicated globally, and linked to a number of recognition mechanisms. In 2021, we maintained world-class performance for our industry, with a recordable incident rate of 0.55 per 100 full-time workers per year as compared to industry average of 3.50 in 2020. We continue to be recognized as an American Chemistry Counsel Responsible Care® company and set high standards for our operations as we strive to achieve our goal of zero recordable injuries.

Employee Recruitment

We actively recruit and seek the best and the brightest talent through numerous channels, including job fairs, online talent networks, industry associations, referrals and campus recruiting. We recruit at more than 25 leading universities around the world and hire approximately 140 new graduates each year as full-time, co-ops or interns. We have launched seven highly coveted rotational development roles—from marketing to operational excellence to finance to IT—where newly hired associates rotate through various departments and jobs for up to two years, contributing their skills while also building diverse, well-rounded knowledge of our Company and its many stakeholders. We leverage global processes and systems to create a positive candidate experience with opportunities for both entry level and experienced hires.

Training and Development

Training and development opportunities are provided to all full-time and part-time associates through global programs and technology, to ensure a consistent and high-quality experience for all associates. Examples of training and development opportunities available to our employees include: regular performance feedback, career development discussions with managers, training and professional development courses through Avient Academy, and access to a global online learning platform.

Avient also offers nomination-based leadership development programs, such as NextGen, Elevate, Engage, and Lean Six Sigma, as well as Core Leadership, an open-enrollment program for leaders around the globe. Some of the topics covered by our training programs include: leadership development, safety, Lean Six Sigma concepts, technical and operational skills, and ethics and compliance.

Diversity and Inclusion

At Avient, we recognize the immense benefits that a diverse team brings to our organization, including delivering better business outcomes. Our talented people leverage their diverse backgrounds and skills toward a common goal: meeting the needs of the present without compromising the ability of future generations to do the same. This spirit of inclusive collaboration can be felt throughout our Company. It drives the innovation that earns us leadership positions in the markets we serve and underpins the high level of respect we show each other every day.

Our commitment to diversity begins at the highest levels of our organization, as evidenced by the fact that 42% of our Board of Directors are female or racially diverse. From a management perspective, 64% of our CEO's direct reports are female, racially or ethnically diverse, which we believe sets the right tone and expectation for diversity and inclusion within the Company.

More broadly within the Company, our diversity and inclusion approach is fostered by multiple Employee Resource Groups that are driving improvements and opening opportunities throughout our organization. The vision that guides our collective efforts is consistent and unwavering: to be the Company of choice for all. It is from this vision that our Employee Resource Groups were born and flourish today. Each group has its own mission and supporting activities, and their efforts coalesce to help educate and inspire our global workforce and fortify sustainable business practices.

Our Employee Resource Groups include: PRIDE at Avient (which is working to maintain a safe and accepting environment that enables LGBTQ+ associates to perform to their fullest potential and contribute to the success of our company), HYPE (which stands for Harnessing Young Potential Energy and is building a collaborative network of Avient's young professionals), and LEAD by Women (which promotes diversity and inclusion by increasing access to the tools and resources necessary to build leadership skills and accelerate careers). In 2021, we launched our fourth Employee Resource Group called EMBRACE (which focuses on understanding and valuing the many diverse cultures and backgrounds of our associates).

The executive leadership team oversees our diversity and inclusion initiatives, which ensure that we have leadership accountability in advancing diversity and inclusion. In addition to bi-annual reviews with the leadership team, Avient has implemented recruiting guidelines to expand our diverse talent pipeline, with at least one-third of candidates being female or a U.S. minority.

Other initiatives, including Mentoring at Avient and campus partnerships, are vital for progress in our diversity and inclusion journey. We require equality of opportunity for all qualified individuals in accordance with applicable laws. Decisions on hiring, promotion, development, compensation or advancement are based solely on a person's qualifications, abilities, experience and performance, except where local law requires us to take actions to increase employment opportunities for a specific group. The Avient Ethics Hotline serves as a mechanism for associates to anonymously report any perceived concerns regarding these topics.

Compensation and Benefits Programs

We strive to remain competitive in the global marketplace and provide foundational rewards to attract and retain top talent. In general, our overall philosophy on compensation encompasses the following principles:

- provide all levels of associates with a compensation package that aligns Avient's and the associates' interests through the use of base and annual incentive pay programs;
- maintain a competitive pay program that serves to attract, retain, motivate and reward associates; and
- award individual pay commensurate with experience, level of responsibility, and marketability.

Associate Benefits: Awards and Recognition Programs

Our ongoing associate feedback is highly valued, discussed, and most importantly, acted upon to make improvements. This includes our culture and unique benefits we offer. In 2021, we continued to embrace and direct workplace flexibility and work from home arrangements to combat the spread of COVID-19 and protect our people. In addition, we continue to offer our global benefit of community service hours, where each associate is provided 16 hours of paid time off each year to participate in activities to support and help create more sustainable communities. We celebrate, reward and share our associates' great work through our recognition programs, including those that all associates can earn for their extra effort and impact, as well as those that are specific to a position or role in the company, such as sales excellence.

A Great Place to Work®

To gauge how associates at Avient feel about our culture, we conduct employee engagement surveys. Last year, our first full year as Avient, we surveyed employees in over 40 countries, and more than 130 locations participated, providing actionable feedback to support our employee engagement efforts. Based on positive feedback from our employees, we proudly were recognized as a Great Place to Work® for the third consecutive survey taken.

Environmental, Health and Safety and Other Regulation

We are subject to various environmental laws and regulations that apply to the production, use and sale of chemicals, emissions into the air, discharges into waterways and other releases of materials into the environment, and the generation, handling, storage, transportation, treatment and disposal of waste material. We endeavor to ensure the safe and lawful operation of our facilities in the manufacture and distribution of products, and we believe we are in material compliance with all applicable laws and regulations.

We maintain a disciplined environmental and occupational safety and health compliance program and conduct periodic internal and external regulatory audits at our facilities to identify and prevent potential environmental exposures, including compliance matters and operational risk reduction opportunities. This effort can result in process or operational modifications, the installation of pollution control devices or cleaning up grounds or facilities. We believe that we are in material compliance with all applicable requirements.

We are strongly committed to safety as evidenced by our low injury incidence rate of 0.55 per 100 full-time workers per year in 2021 and 0.5 in 2020. The 2020 average injury incidence rate for our NAICS Code (326 Plastics and Rubber Products Manufacturing) was 3.50. We hold the American Chemistry Council's certification as a Responsible Care Management System® (RCMS) company. Certification was granted based on Avient's conformance to the RCMS's comprehensive environmental health, safety and security requirements. The RCMS certification affirms the importance Avient places on having world-class environmental, health, safety and security performance.

In our operations, we must comply with product-related governmental law and regulations affecting the plastics industry generally and also with content-specific law, regulations and non-governmental standards. We believe that compliance with current governmental laws and regulations and with non-governmental content-specific standards will not have a material adverse effect on our financial position, results of operations or cash flows. The risk of additional costs and liabilities, however, is inherent in certain plant operations and certain products produced at these plants, as is the case with other companies in the plastics industry. Therefore, we may incur additional costs or liabilities in the future. Other developments, such as increasingly strict environmental, safety and health laws, regulations and related enforcement policies, including those under the European Union Restriction of the Use of Certain Hazardous Substances Directive (RoHS), Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), the Dodd-Frank Wall Street Reform and Consumer Protection Act (covering Conflict Minerals), and the Consumer Product Safety Improvement Act, the implementation of additional content-specific standards, discovery of unknown conditions, and claims for damages to property, persons or natural resources resulting from plant emissions or products, could also result in additional costs or liabilities.

Refer to Note 12, *Commitments and Contingencies*, to the accompanying consolidated financial statements for discussion of environmental investigation and remediation matters and *Item 1A. Risk Factors* for discussion of matters pertaining to other regulation.

International Operations

Our international operations are subject to a variety of risks, including currency fluctuations and devaluations, exchange controls, currency restrictions and changes in local economic conditions. While the impact of these risks is difficult to predict, any one or more of them could adversely affect our future operations. For more information about the noted risks, see Item 1A. "Risk Factors." For more information about our international operations, see Note 15, *Segment Information*, to the accompanying consolidated financial statements.

Where You Can Find Additional Information

Our principal executive offices are located at 33587 Walker Road, Avon Lake, Ohio 44012, and our telephone number is +1 (440) 930-1000. We are subject to the information reporting requirements of the Securities Exchange Act of 1934 (the Exchange Act), and, in accordance with these requirements, we file annual, quarterly and other reports, proxy statements and other information with the SEC relating to our business, financial results and other matters.

Our internet address is *www.avient.com*. Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act are available, free of charge, on our website (select Investors and then SEC Filings) or upon written request, as soon as reasonably practicable after we electronically file or furnish them to the SEC. The contents of our website are not part of this Annual Report on Form 10-K, and the reference to our website does not constitute incorporation by reference into this Form 10-K of the information contained at that site.

ITEM 1A. RISK FACTORS

The following are certain risk factors that could affect our business, results of operations, financial position or cash flows. Although the risks are organized by headings and each risk is described separately, many of the risks are interrelated. These risk factors should be considered along with the forward-looking statements contained in this Annual Report on Form 10-K because these factors could cause our actual results or financial condition to differ materially from those projected in forward-looking statements. You should not interpret the disclosure of any risk factor to imply that the risk has not already materialized. The following discussion is not an all-inclusive listing of risks, although we believe these are the more material risks that we face. If any of the following occur, our business, results of operations, financial position or cash flows could be adversely affected.

Global Operating Risks

Our operations could be adversely affected by various risks inherent in conducting operations worldwide.

We conduct a substantial portion of our business outside the U.S., with approximately 53% of our sales in foreign countries. We currently have many facilities located outside the U.S., as detailed in *Item 2. "Properties."* Accordingly, our business is subject to risks related to the differing legal, political, social and regulatory requirements, and economic conditions of many jurisdictions. Risks inherent in international operations include, but are not limited to, the following:

- changes in local government regulations and policies including, but not limited to, duty or tariff restrictions, foreign currency exchange controls or monetary policy, repatriation of earnings, expropriation of property, investment limitations and tax policies;
- political and economic instability and disruptions, including labor unrest, withdrawal or renegotiation of trade agreements, natural disasters, major public health issues, pandemics, civil strife, acts of war, insurrection and terrorism;
- legislation that regulates the use of chemicals;
- disadvantages of competing against companies from countries that are not subject to U.S. laws and regulations, including the Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act;
- compliance with international trade laws and regulations, including export control and economic sanctions;
- difficulties in staffing and managing multi-national operations;
- limitations on our ability to enforce legal rights and remedies;
- reduced protection of intellectual property rights;
- other risks arising out of foreign sovereignty over the areas where our operations are conducted; and
- increasingly complex laws and regulations concerning privacy and data security, including, but not limited to, the European Union's General Data Protection Regulation.

We could be adversely affected by violations of the FCPA, UK Bribery Act and similar worldwide anti-bribery laws, as well as export controls and economic sanction laws. The FCPA, UK Bribery Act and similar anti-bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business. Our policies mandate compliance with these laws. We operate in many parts of the world that have experienced governmental corruption to some degree and, in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices. We cannot assure you that our internal controls and procedures will always protect us if reckless or criminal acts are committed by our employees or agents. If we are found to be liable for FCPA, UK Bribery Act, export control or sanction violations, we could suffer from criminal or civil penalties or other sanctions, including loss of export privileges or authorization needed to conduct aspects of our international business, which could have a material adverse effect on our business.

Any of these risks could have an adverse effect on our international operations by reducing demand for our products.

Business Risks

Demand for and supply of our products and services have in the past been and may in the future be adversely affected by several factors, some of which we cannot predict or control.

Several factors have in the past and may in the future affect the demand for and supply of our products and services, including:

- economic downturns or other volatility in the significant end markets that we serve;
- product obsolescence or technological changes that unfavorably alter the value/cost proposition of our products and services;
- competition from existing and unforeseen polymer and non-polymer based products;
- declines in general economic conditions or reductions in industrial production growth rates, both domestically and globally, which could impact our customers' ability to pay amounts owed to us;
- changes in environmental regulations that limit our ability to sell our products and services in specific markets;
- changes in laws and regulations regarding plastic materials; and
- inability to obtain raw materials or supply products to customers due to factors such as supplier work stoppages, supply shortages, plant outages or regulatory changes that may limit or prohibit overland transportation of certain hazardous materials and exogenous factors, like severe weather.

If any of these events occur in the future, the demand for and supply of our products and services could suffer and potentially lead to asset impairment or otherwise adversely affect our results.

Our manufacturing operations are subject to hazards and other risks associated with specialty formulation and the related storage and transportation of raw materials, products and wastes.

The occurrence of an operating problem at our facilities may have a material adverse effect on the productivity and profitability of a particular manufacturing or distribution facility or on our operations as a whole, during and after the period of these operating difficulties. Operating problems may cause personal injury and/or loss of life, customer attrition and severe damage to or destruction of property and equipment and environmental damage. We are subject to present claims and potential future claims with respect to workplace exposure, workers' compensation and other matters. Our property and casualty insurance, which we believe are of the types and in the amounts that are customary for the industry, may not fully insure us against all potential hazards that are incident to our business or otherwise could occur.

Environmental, health and safety laws and regulations impact our operations and financial statements.

Our operations on, and ownership of, real property are subject to environmental, health and safety laws and regulations at the national, state and local governmental levels (including, but not limited to, the Restriction of Hazardous Substances (RoHS) and the Consumer Product Safety Improvement Act of 2008). The nature of our business exposes us to compliance costs and risks of liability under these laws and regulations due to the production, storage, transportation, recycling or disposal and/or sale of materials that can cause contamination and other harm to the environment or personal injury if they are improperly handled and released. Environmental compliance requirements imposed on us and our vendors may significantly increase the costs of these activities involving raw materials, energy, finished products and wastes. We may incur substantial costs, including fines, criminal or civil sanctions, damages, and remediation costs, or experience interruptions in our operations for violations of these laws.

Electricity, fuel, logistics and raw material costs could cause volatility in our results.

The cost of our electricity, fuel, logistics and raw materials may not correlate with changes in the prices we receive for our products, either in the direction of the price change or in absolute magnitude. Electricity and raw materials costs represent a substantial part of our manufacturing costs. Most of the raw materials we use are commodities and the price of each can fluctuate widely for a variety of reasons, including changes in availability because of major capacity additions or reductions or significant facility operating problems. Other external factors beyond our control can also cause fluctuations in raw materials prices, which could negatively impact demand for our products and cause volatility in our results.

We face competition from other companies.

We encounter competition in price, payment terms, delivery, service, performance, product innovation, product recognition and quality, depending on the product involved.

We expect that our competitors will continue to develop and introduce new and enhanced products, which could cause a decline in the market acceptance of our products. In addition, our competitors could cause a reduction in the selling prices of some of our products as a result of intensified price competition. Competitive pressures could also result in the loss of customers.

Cybersecurity breaches, global information systems security threats and more sophisticated and targeted computer crime could pose a risk to our systems, networks and products, which could harm our business.

We depend on integrated information systems to conduct our business, including communicating with employees and customers, ordering and managing materials from suppliers, shipping products to customers, and analyzing and reporting results of operations. In addition, we store sensitive data, including proprietary business information, intellectual property and confidential employee or other personal data, on our servers and databases. Cybersecurity breaches, global information systems security threats and more sophisticated and targeted computer crime pose a risk to the security of our systems and networks and the confidentiality, availability and integrity of our data and communications. We continue to update our infrastructure, security tools, employee training and processes to protect against security incidents, including both external and internal threats, and to prevent their recurrence; however, our systems, networks and products may nevertheless be vulnerable to advanced persistent threats or other types of system failures. Depending on their nature and scope, such threats and system failures could potentially lead to the compromising of confidential information and communications, improper use of our systems and networks, manipulation and destruction of data, defective products, production downtimes and operational disruptions, which in turn could cause customers to cancel orders or otherwise adversely affect our reputation, competitiveness and results of operations. We have experienced cybersecurity incidents in the past and we could experience similar incidents in the future. To date, no cybersecurity incident or attack has had a material impact on our business or consolidated financial statements.

We are subject to risks associated with potential climate change legislation, regulation and international agreements.

Carbon emissions have become the subject of an increasing amount of state and local, regional, national, and international attention. Growing concerns about climate change may result in the imposition of additional regulations or restrictions to which we may become subject. These future regulatory developments related to climate change are likely and could increase our operating and compliance costs, thereby impacting our business and consolidated financial statements.

Capital and Credit Risks

Disruptions in the global credit, financial and/or currency markets could limit our access to credit or otherwise harm our financial results, which could have a material adverse impact on our business.

Global credit and financial markets experience volatility, including volatility in security prices, liquidity and credit availability, declining valuations of certain investments and significant changes in the capital and organizational structures of certain financial institutions. Market conditions may limit our ability to access the capital necessary to grow and maintain our business. Accordingly, we may be forced to delay raising capital, issue shorter tenors than we prefer or pay unattractive interest rates, which could increase our interest expense, decrease our profitability and significantly reduce our financial flexibility.

We are exposed to fluctuations in foreign currency exchange rates. Any significant change in the value of the currencies of the countries in which we do business against the U.S. dollar, whether precipitated by governmental monetary policy or otherwise, could affect our ability to sell products competitively and control our cost structure, which could have a material adverse effect on our business, financial condition and results of operations. For additional detail related to this risk, see Item 7A, *"Quantitative and Qualitative Disclosures About Market Risk."*

The agreements governing our debt, including our revolving credit facility, term loan and other debt instruments, contain various covenants that limit our ability to take certain actions and in certain circumstances require us to meet financial maintenance tests, failure to comply with which could have a material adverse effect on us.

The agreements governing our senior secured revolving credit facility and our senior secured term loan, and the indentures and credit agreements governing our other debt, contain a number of customary restrictive covenants that, among other things, limit our ability to: sell or otherwise transfer assets, including in a spin-off, incur additional debt or liens, consolidate or merge with any entity or transfer or sell all or substantially all of our assets, pay dividends or make certain other restricted payments, make investments, enter into transactions with affiliates, create dividend or other payment restrictions with respect to subsidiaries, make capital investments and alter the business we conduct.

In addition, depending on our level of borrowing, our revolving credit facility requires us to comply under certain circumstances with specific financial tests, under which we are required to achieve certain or specific financial and operating results. Our ability to comply with these provisions may be affected by events beyond our control. A breach of any of these covenants would result in a default under such agreements and instruments, which in certain circumstances could be a default under all of these agreements and instruments. In the event of any default, our lenders could elect to declare all amounts borrowed under the agreements, together with accrued interest thereon, to be due and payable. In such event, we cannot assure that we would have sufficient assets to pay debt then outstanding under the agreements governing our debt.

Furthermore, certain of these agreements condition our ability to obtain additional borrowing capacity, engage in certain transactions or take certain other actions, on our achievement of certain or specific financial and operating results, although our failure to achieve such results would not result in a default under such agreements. Any future refinancing of our senior secured revolving credit facility or other debt may contain similar restrictive covenants.

To service our indebtedness, we require a significant amount of cash.

Our ability to pay interest on our debt and to satisfy our other debt obligations depends in part upon our future financial and operating performance and that of our subsidiaries, and upon our ability to renew or refinance borrowings. Prevailing economic conditions and financial, business, competitive, legislative, regulatory and other factors, many of which are beyond our control, affect our ability to make these payments. While we believe that cash flow from our current level of operations, available cash and available borrowings under our revolving credit facility provide adequate sources of liquidity, a significant drop in operating cash flow resulting from economic conditions, competition or other uncertainties beyond our control could create the need for alternative sources of liquidity. If we are unable to generate sufficient cash flow to meet our debt service obligations, we will have to pursue one or more alternatives, such as reducing or delaying capital or other expenditures, refinancing debt, selling assets, or raising equity capital.

We have a significant amount of goodwill, and any future goodwill impairment charges could adversely impact our results of operations.

As of December 31, 2021, we had goodwill of $1,286.4 million. The future occurrence of a potential indicator of impairment, such as a significant adverse change in business climate, an adverse action or assessment by a regulator, unanticipated competition, a material negative change in relationships with customers, strategic decisions made in response to economic or competitive conditions could result in goodwill impairment charges, which could adversely impact our results of operations. Based on our 2021 goodwill impairment test, performed as of October 1, 2021, no reporting units were identified as being at risk of future impairment. For additional information, see Note 4, *Goodwill and Intangible Assets*, to the accompanying consolidated financial statements and “Critical Accounting Policies and Estimates” included in Item 7, "*Management’s Discussion and Analysis of Financial Condition and Results of Operations*.”

COVID-19 Pandemic Risks

The COVID-19 pandemic has had, and may continue to have, an adverse impact on our business.

We have continued to closely monitor the impact of the COVID-19 pandemic on all aspects of our business, including how it has impacted our customers, employees, supply chain, and distribution network. In response to the pandemic, we implemented changes in our business designed to protect the health and well-being of our employees and customers and to support appropriate physical distancing and other health and safety protocols. We implemented remote, alternate and flexible work arrangements where possible, including implementing split shifts at facilities and remote work options for non-essential on-site functions, enhanced cleaning and sanitary procedures, implemented domestic and international travel restrictions, implemented return to work and visitor screening protocols, and postponed or canceled hosting or attending large events. The scope and duration of the pandemic continues to be uncertain, and evolving factors such as the level and timing of vaccine distribution across the world and the extent of any resurgences of the virus or emergence of new variants could impact the stability of the economic recovery and growth. The extent to which our future operations may be adversely impacted by the COVID-19 pandemic will depend largely on these future developments, which are highly uncertain and cannot be accurately predicted.

The COVID-19 pandemic has in the past and could in the future negatively impact our business, financial condition and results of operations in a number of ways, including, but not limited to:

- shutdowns or slowdowns of our production facilities;
- disruptions in our supply chain and our ability to obtain raw materials, packaging and other sourced materials due to labor shortages, governmental restrictions or the failure of our suppliers, distributors or manufacturers to meet their obligations to us;
- increases in raw material and commodity costs;
- the inability of a significant portion of our workforce, including our management team, to work as a result of illness or government restrictions; and
- reduced liquidity of customers, which could negatively impact the collectability of outstanding receivables and our cash flows.

The extent to which our business, results of operations, financial position or cash flows may ultimately be adversely impacted by the COVID-19 pandemic will depend largely on these future developments, which are highly uncertain and cannot be accurately predicted. The impact of the COVID-19 pandemic may also exacerbate other risks and uncertainties described in this "Risk Factors" section, any of which could have a material effect on us.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Headquartered in Avon Lake, Ohio, we operate globally with principal locations consisting of 102 manufacturing sites and eight distribution facilities in North America, South America, Europe, the Middle East, Asia, and Africa. We own the majority of our manufacturing sites and lease our distribution facilities. We believe that the quality and production capacity of our facilities is sufficient to maintain our competitive position for the foreseeable future. The following table identifies the principal facilities of our segments:

Specialty Engineered Materials	Color, Additives and Inks			Distribution
1. Birmingham, Alabama	1. Glendale, Arizona	30. Toronto, Canada	59. Santa Clara, Mexico	1. Rancho Cucamonga, California
2. Englewood, Colorado	2. & 3. Phoenix, Arizona (c)	31. Maipu, Chile	60. Toluca, Mexico	2. Chicago, Illinois
3. Montrose, Colorado	4. Bethel, Connecticut	32. Chuzhou, China	61. Auckland, New Zealand	3. Eagan, Minnesota
4. North Haven, Connecticut	5. Dalton, Georgia	33. Guangzhou, China	62. Karachi, Pakistan	4. Edison, New Jersey
5. McHenry, Illinois	6. Kennesaw, Georgia	34. Pudong, China	63. Lahore, Pakistan	5. Statesville, North Carolina
6. Winona, Minnesota	7. Elk Grove Village, Illinois	35. & 36. Shanghai, China (d)	64. Lima, Peru	6. Elyria, Ohio
7. Hickory, North Carolina	8. West Chicago, Illinois	37. Suzhou, China	65. Konstantynow, Poland	7. La Porte, Texas
8. Avon Lake, Ohio	9. La Porte, Indiana	38. Tianjin, China	66. Kutno, Poland	8. Brampton, Ontario, Canada
9. Hatfield, Pennsylvania	10. Lewiston, Maine	39. Cota, Colombia	67. Jeddah, Saudi Arabia	(8 Distribution Facilities)
10. Changzhou, China	11. Holden, Massachusetts	40. Aland, Finland	68. Riyadh, Saudi Arabia	
11. Shenzhen, China	12. Albion, Michigan	41. Cergy, France	69. Yanbu, Saudi Arabia	
12. Suzhou, China	13. Minneapolis, Minnesota	42. Tossiat, France	70. Jurong, Singapore	
13. Gaggenau, Germany	14. St. Louis, Missouri	43. Ahrensburg, Germany	71. Randburg, South Africa	
14. Melle, Germany	15. Lockport, New York	44. Diez, Germany	72. Alicante, Spain	
15. Leeuwarden, Netherlands	16. Mooresville, North Carolina	45. Lahnstein, Germany	73. Barcelona, Spain	
16. Barbastro, Spain	17. Berea, Ohio	46. Guatemala City, Guatemala	74. Pamplona, Spain	
17. Istanbul, Turkey	18. Massillon, Ohio	47. Gyor, Hungary	75. Sant Andreu, Spain	
18. Leek, United Kingdom	19. North Baltimore, Ohio	48. Kalol, India	76. Malmoe, Sweden	
Shanghai, China (b)	20. Norwalk, Ohio	49. Pune, India	77. Taoyuan, Taiwan	
Pune, India (a)	21. Lehigh Valley, Pennsylvania	50. Rania, India	78. Bangkok, Thailand	
Pamplona, Spain (a)	22. Mountain Top, Pennsylvania	51. Vashere, India	79. Phan Thong, Thailand	
(18 Manufacturing Plants)	23. Vonore, Tennessee	52. Tangerang, Indonesia	80. Gazientep, Turkey	
	24. Winchester, Virginia	53. Naas, Ireland	81. Gebze, Turkey	
	25. Lomas de Zamora, Argentina	54. Lomagna, Italy	82. Barnsley, United Kingdom	
	26. Assesse, Belgium	55. Merate, Italy	83. Knowsley, United Kingdom	
	27. Louvain-La-Nueve, Belgium	56. Milan, Italy	84. Thuan An, Vietnam	
	28. Itupeva, Brazil	57. Pogliano, Italy	(84 Manufacturing Plants)	
	29. Suzano, Brazil	58. Butterworth, Malaysia		

(a) Facility is not included in manufacturing plants total as it is also included as part of another segment.
(b) Facility is not included in manufacturing plants total as it is a design center/lab.
(c) There are two manufacturing plants located in Phoenix, Arizona.
(d) There are two manufacturing plants located in Shanghai, China.

ITEM 3. LEGAL PROCEEDINGS

Information regarding certain legal proceedings can be found in Note 12, *Commitments and Contingencies*, to the accompanying consolidated financial statements and is incorporated by reference herein.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

Executive officers are elected by our Board of Directors to serve one-year terms. The following table lists the name of each person serving as an executive officer of the Company, their age, and position with the Company as of February 4, 2022.

Name	Age	Position
Robert M. Patterson	49	Chairman, President and Chief Executive Officer
Jamie A. Beggs	45	Senior Vice President, Chief Financial Officer
Cathy K. Dodd	56	Senior Vice President, President of Distribution
Michael A. Garratt	58	Senior Vice President, President Color, Additives and Inks, EMEA
Lisa K. Kunkle	53	Senior Vice President, General Counsel and Secretary
M. John Midea, Jr.	57	Senior Vice President, Global Operations and Process Improvement
Woon Keat Moh	48	Senior Vice President, President of Color, Additives and Inks, Americas and Asia
Chris L. Pederson	55	Senior Vice President, President of Specialty Engineered Materials
Vinod Purayath, PhD	43	Senior Vice President, Chief Technology Officer
Joel R. Rathbun	49	Senior Vice President, Mergers & Acquisitions
João José San Martin Neto	61	Senior Vice President, Chief Human Resources Officer

Robert M. Patterson: Chairman, President and Chief Executive Officer, 2016 to date. President and Chief Executive Officer, 2014 to 2016. Executive Vice President and Chief Operating Officer, 2012 to 2014. Executive Vice President and Chief Financial Officer, 2011 to 2012. Senior Vice President and Chief Financial Officer, 2008 to 2011. Vice President and Treasurer of Novelis, Inc. (an aluminum rolled products manufacturer) from 2007 to 2008. Vice President, Controller and Chief Accounting Officer of Novelis from 2006 to 2007. Mr. Patterson served as Vice President and Segment Chief Financial Officer, Thermal and Flow Technology Segments of SPX Corporation (a multi-industry manufacturer and developer) from 2005 to 2006 and as Vice President and Chief Financial Officer, Cooling Technologies and Services of SPX from 2004 to 2005.

Jamie A. Beggs: Senior Vice President, Chief Financial Officer, 2020 to date. Senior Vice President and Chief Financial Officer of Hunt Consolidated, Inc. (a diversified holding company focused primarily in the energy industry) from 2017 through 2019. Vice President and Treasurer at Celanese Corporation (a global technology leader in the production of specialty materials and chemical products) from 2015 to 2017. Chief Financial Officer, Material Solutions at Celanese Corporation from 2011 to 2015. Prior to 2011, Ms. Beggs worked in various roles of increasing responsibility at Celanese Corporation in both business and finance from May 2007.

Cathy K. Dodd: Senior Vice President, President of Distribution, 2020 to date. Senior Vice President, Chief Commercial Officer from 2020 to 2020. Vice President, Marketing from 2014 to 2020. Director of Downstream Engagement and Design and Strategic Account Executive, Retail at Eastman Chemical Company (a global specialty chemical company that produces a broad range of advanced materials, additives and functional products, specialty chemicals, and fibers) from 2010 to 2014.

Michael A. Garratt: Senior Vice President, President Color, Additives and Inks, EMEA, 2020 to present. Senior Vice President, Chief Commercial Officer, 2016 to 2020. Senior Vice President, President of Performance Products and Solutions, 2013 to 2016. President, Marmon Utility (a manufacturer of medium-high voltage utility, subsea and down-hole power cables and molded insulator systems) from 2011 to 2013. Chief Operating Officer, Excel Polymers (a custom thermoset rubber formulator) from 2009 to 2010. Vice President and General Manager - Americas Compounding and Performance Additives, Excel Polymers from 2009 to 2009. Vice President and General Manager - Industrial and Consumer, Excel Polymers from 2005 to 2009. From 1996 to 2005, Mr. Garratt worked for DuPont Dow Elastomers, a joint venture of Dupont and Dow (global manufacturers of engineered thermoset rubber and thermoplastic elastomer materials) in market development and product management positions, culminating in a regional commercial leadership role for EMEA.

Lisa K. Kunkle: Senior Vice President, General Counsel and Secretary, 2015 to date. Vice President, General Counsel and Secretary, 2007 to 2015, Assistant General Counsel, 2007. Partner, Jones Day (a global law firm) from 2006 to 2007. Associate, Jones Day from August 1995 to January 2006.

M. John Midea, Jr.: Senior Vice President, Global Operations and Process Improvement, 2015 to date. President and Chief Executive Officer, Resco Products (a refractory products company) from 2012 to 2014. President and Chief Operating Officer, Ennis Traffic Safety Solutions (a traffic safety and infrastructure company) from 2008 to 2012. Vice President, North American - General Industrial, Valspar Corporation (a manufacturer of paints and coatings) from 2007 to 2008. Vice President and General Manager, Power Coatings, Valspar Corporation from 2002 to 2007.

Woon Keat Moh: Senior Vice President, President Color, Additives and Inks, Americas and Asia, April 2020 to date. Senior Vice President, President of Color, Additives and Inks, 2020 to 2020. Vice President of Asia, 2019 to 2019. General Manager of Specialty Engineered Materials Asia, 2014 to 2018. Sales Director of Color and Additives Asia, 2011 to 2014. Business Development Manager, Color and Additives Asia, 2010 to 2011. From 1999 to 2010, Mr. Moh worked for Clariant AG (a global manufacturer of color and additives masterbatch) in various roles of increasing responsibility, culminating in a commercial leadership role in Southeast Asia. He also served as a technical sales executive for Bayer AG (a manufacturer of pigments, dyestuffs, additives, chemical auxiliaries for textile, leather, paper and plastic industry) with its Specialty Products division from 1997 to 1999.

Chris L. Pederson: Senior Vice President, President of Specialty Engineered Materials, 2018 to date. Vice President, Strategy, Hexcel Corporation (a global leader in advanced composites technology) from 2017 to 2018. Vice President, Aerospace of Cytec Engineered Materials (a producer of specialty bonding adhesives and composite materials) from 2009 to 2016. Vice President, Research and Development of Cytec from 2004 to 2009. Mr. Pederson served as a Senior Engineer at Boeing (a global aerospace company) from 1992 to 2001.

Vinod Purayath, PhD: Senior Vice President, Chief Technology Officer, 2021 to date. Vice President, Technology, SunRise Memory Corp. (a semiconductor company based in California) from 2019 to 2021. Managing Director, Selective Removal Products Division, of Applied Materials, Inc. (a supplier of equipment, services and software for the manufacture of semiconductor chips) from 2013 to 2019. Dr. Purayath also served in various positions at Sandisk (a manufacturer of flash memory products) from 2005 to 2013, and as a Research Fellow at the Japan Advanced Institute for Science and Technology from 2003 to 2005.

Joel R. Rathbun: Senior Vice President, Mergers and Acquisitions, 2016 to date. General Manager, Specialty Engineered Materials North America, 2013 to 2016. Vice President, Mergers and Acquisitions, 2011 to 2013. Mr. Rathbun served as Senior Vice President, Mergers and Acquisitions, Moelis & Company (an American global independent investment bank) from 2008 to 2011. He also served as Executive Director, Mergers and Acquisitions of CIBC World Markets (an investment bank in the domestic and international equity and debt capital markets) from 2006 to 2008.

João José San Martin Neto: Senior Vice President, Chief Human Resources Officer, 2016 to date. Senior Director, Human Resources, Color, Additives and Inks, 2013 to 2016. Group Global Director, Human Resources, Engineered Products and Solutions from 2012 to 2013. Vice President Human Resources, Alcoa Power and Propulsion (a business unit of Alcoa Inc. specializing in titanium and aluminum castings) from 2009 to 2012. Vice President Human Resources, Alcoa Electrical & Electronic Solutions (a business unit of Alcoa Inc. specializing in the design, development and production of electrical and electronic distribution systems) from 2003 to 2009.

PART II

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

Our common shares, $0.01 par value per share, are traded on the New York Stock Exchange under the symbol "AVNT."

As of February 4, 2022, there were 1,543 holders of record of our common shares.

We currently have an authorized common share repurchase program. For the full year 2021, we repurchased 0.1 million common shares at a weighted average share price of $42.43. During the three months ended December 31, 2021, we repurchased no common shares as shown in the table below.

Period	Total Number of Shares Purchased	Weighted Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Maximum Number of Shares that May Yet be Purchased Under the Program(1)
October 1 to October 31	—	$ —	—	5,757,472
November 1 to November 30	—	$ —	—	5,757,472
December 1 to December 31	—	$ —	—	5,757,472
Total	—	$ —	—	

(1) Our Board of Directors approved a common share repurchase program authorizing Avient to purchase its common shares in August 2008, which share repurchase authorization has been subsequently increased from time to time. On December 9, 2020, we announced that we would increase our share buyback by an additional 5 million shares. As of December 31, 2021, approximately 5.8 million shares remained available for purchase under these authorizations, which have no expiration. Purchases of common shares may be made by open market purchases or privately negotiated transactions and may be made pursuant to Rule 10b5-1 plans and accelerated share repurchases.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is designed to provide information that is supplemental to, and should be read together with, our consolidated financial statements and the accompanying notes contained in this Annual Report on Form 10-K. Information in this Item 7 is intended to assist the reader in obtaining an understanding of our consolidated financial statements, the changes in certain key items in those financial statements from year to year, the primary factors that accounted for those changes, and any known trends or uncertainties that we are aware of that may have a material effect on our future performance, as well as how certain accounting principles affect our consolidated financial statements. Unless otherwise noted, the discussion that follows includes a comparison of our results of operations, liquidity and capital resources, and cash flows for fiscal years 2021 and 2020. For a discussion of changes from fiscal year 2019 to fiscal year 2020, refer to Management’s Discussion and Analysis of Financial Condition and Results of Operations in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC on February 25, 2021.

The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this Annual Report on Form 10-K, particularly in “*Cautionary Note on Forward-Looking Statements*” and Item 1A, “*Risk Factors*.”

Our Business

We are a premier formulator of specialized and sustainable material solutions that transform customer challenges into opportunities, bringing new products to life for a better world. Our products include specialty engineered materials, advanced composites, color and additive systems and polymer distribution. We are also a highly specialized developer and manufacturer of performance enhancing additives, liquid colorants and fluoropolymer and silicone colorants. Headquartered in Avon Lake, Ohio, with 2021 sales of $4.8 billion, we have manufacturing sites and distribution facilities around the globe, with 69% and 46% of our respective Color, Additives and Inks and Specialty Engineered Materials segments' sales outside the United States. We provide value to our customers through our ability to link our knowledge of polymers and formulation technology with our manufacturing and supply chain capabilities to provide value-added solutions to designers, assemblers and processors of plastics.

Strategy and Key Trends

To achieve our vision, we have implemented a strategy with four core components: specialization, globalization, operational excellence and commercial excellence. Specialization differentiates us through products, services, technology and solutions that add value. Globalization allows us to service our customers with consistency wherever their operations might be around the world. Operational excellence empowers us to respond to the voice of the customer while focusing on continuous improvement. Commercial excellence enables us to deliver value to customers by supporting their growth and profitability with superior customer service.

We are also committed to sustainability through our four cornerstones of People, Products, Planet, and Performance. Part of our long term investment in sustainability started in January 2019, when Avient, along with 29 other member companies, joined together as founding members of the Alliance to End Plastic Waste (AEPW). The AEPW has thus far committed over $1.5 billion to help end plastic waste in the environment through investment in infrastructure, innovation, education, and clean-up activities. The AEPW enables and brings to scale solutions to minimize and manage plastic waste and promote solutions for used plastics that move towards a circular economy. Our commitment to AEPW confirms the importance we place on being a global leader in all aspects of how we define sustainability: People, Products, Planet and Performance. We have invested and are making important contributions in each, which are discussed in depth in our sustainability report.

In the short term, we will maintain our focus on sales growth with expanding margins, with a goal of offsetting economic headwinds in certain end markets and geographies, raw material volatility and logistics cost inflation. Longer term, we will continue to focus on accelerating the launch of new products and collaborating with our customers to develop new and unique solutions for their benefit while focusing on our four cornerstones of sustainability named above to ensure the growth we achieve is sustainable for us and our customers. Capital expenditures will be focused primarily to support sales growth, investment in recent acquisitions, and other strategic investments. We also continue to consider acquisitions and other synergy opportunities that complement our core platforms. These actions will ensure that we continue to invest in our core capabilities and continue to support growth in key markets and product offerings.

We will continue our enterprise-wide Lean Six Sigma program directed at improving margin, profitability and cash flow by applying proven management techniques and strategies to key areas of the business, such as pricing, supply chain and operations management, productivity and quality. Long-term trends that currently provide opportunities to leverage our strategy and commitment to sustainability include improving health and wellness, protecting the environment, globalizing and localizing and increasing energy efficiency. Examples of how our strategy supports these trends can be found in numerous initiatives: active participation in the medical device market, leveraging our global footprint to deliver consistent solutions globally, light weighting and metal replacement and development of solutions that respond to ever-changing market needs by offering alternatives to traditional materials.

Recent Developments

COVID-19

We have continued to closely monitor the impact of the COVID-19 pandemic on all aspects of our business, including how it has impacted our employees, customers, supply chain and distribution network. Although we are unable to predict the ultimate impact of the COVID-19 outbreak at this time, the pandemic has in the past adversely affected, and could in the future adversely affect our business. While we concluded there were no indicators of impairment as of December 31, 2021, any significant sustained adverse change in financial results or macroeconomic conditions could result in future impairments of long-lived assets. The extent to which our operations may continue to be impacted by the COVID-19 pandemic will depend largely on future developments, which are highly uncertain and cannot be accurately predicted, including new information which may emerge concerning the severity of the outbreak and actions by government authorities to contain the outbreak or treat its impact.

Clariant Color Acquisition

On July 1, 2020, the Company completed the Clariant Color Acquisition. The Clariant Color Acquisition increased the Company's scale, product depth and geographic reach in its Color, Additives and Inks segment. Clariant Color has leading portfolios of solid and liquid colorants that include sustainable solutions for alternative energy, and reduced material requirements for packaging and light weighting. In connection with the completion of the Clariant Color Acquisition and effective as of June 30, 2020, the Company amended its existing Articles of Incorporation to change its name to Avient Corporation. In conjunction with its rebranding and new name, the Company also changed its ticker symbol from "POL" to "AVNT", effective at the start of trading on July 13, 2020.

Total consideration paid by the Company to complete the Clariant Color Acquisition was $1.4 billion net of cash and debt. To finance the Clariant Color Acquisition, the Company used $496.1 million of net proceeds from the issuance of common shares in an underwritten public offering completed in February 2020 and $640.5 million of net proceeds from a senior unsecured notes offering completed in May 2020, and funded the balance using the net proceeds of the October 2019 sale of PP&S.

Other Acquisitions

On July 1, 2021, the Company completed its acquisition of Magna Colours Ltd. (Magna Colours), a market leader in sustainable, water-based inks technology for the textile screen printing industry, for the purchase price of $47.6 million, net of cash acquired. The results of the Magna Colours business are reported in the Color, Additives and Inks segment.

Highlights and Executive Summary

A summary of Avient’s sales, operating income, income from continuing operations, net of income taxes and net income from continuing operations attributable to Avient common shareholders is included in the following table:

(In millions)	**2021**	**2020**	**2019**
Sales	$ 4,818.8	$ 3,242.1	$ 2,862.7
Operating income	381.2	189.3	156.8
Net income from continuing operations, net of income taxes	230.6	133.8	75.7
Net income from continuing operations attributable to Avient common shareholders	230.8	132.0	75.5

Results of Operations

(Dollars in millions, except per share data)	2021	2020	2019	Variances — Favorable (Unfavorable) 2021 versus 2020 Change	% Change
Sales	$ 4,818.8	$ 3,242.1	$ 2,862.7	$ 1,576.7	48.6 %
Cost of sales	3,719.2	2,457.8	2,205.5	(1,261.4)	(51.3)%
Gross margin	1,099.6	784.3	657.2	315.3	40.2 %
Selling and administrative expense	718.4	595.0	500.4	(123.4)	(20.7)%
Operating income	381.2	189.3	156.8	191.9	101.4 %
Interest expense, net	(75.3)	(74.6)	(59.5)	(0.7)	(0.9)%
Other (expense) income, net	(1.3)	24.3	12.1	(25.6)	nm
Income from continuing operations before income taxes	304.6	139.0	109.4	165.6	119.1 %
Income tax expense	(74.0)	(5.2)	(33.7)	(68.8)	nm
Net income from continuing operations	$ 230.6	$ 133.8	$ 75.7	$ 96.8	72.3 %
(Loss) income from discontinued operations, net of income taxes	—	(0.4)	513.1	0.4	nm
Net income	230.6	133.4	588.8	97.2	72.9 %
Net loss (income) attributable to noncontrolling interests	0.2	(1.8)	(0.2)	2.0	nm
Net income attributable to Avient common shareholders	$ 230.8	$ 131.6	$ 588.6	$ 99.2	75.4 %
Earnings per share attributable to Avient common shareholders - basic:					
Continuing operations	$ 2.53	$ 1.47	$ 0.98		
Discontinued operations	—	(0.01)	6.64		
Total	$ 2.53	$ 1.46	$ 7.62		
Earnings per share attributable to Avient common shareholders - diluted:					
Continuing operations	$ 2.51	$ 1.46	$ 0.97		
Discontinued operations	—	(0.01)	6.61		
Total	$ 2.51	$ 1.45	$ 7.58		

nm - not meaningful

Sales

Sales increased $1,576.7 million, or 48.6%, in 2021 compared to 2020, due to the Clariant Color Acquisition, as well as growth in many end markets and price increases associated with raw material inflation.

Cost of sales

As a percent of sales, cost of sales increased from 75.8% in 2020 to 77.2% in 2021, primarily as a result of rising raw material costs.

Selling and administrative expense

These costs include selling, technology, administrative functions, corporate and general expenses. Selling and administrative expense in 2021 increased $123.4 million compared to 2020, primarily driven by the Clariant Color Acquisition.

Other (expense) income, net

Other income, net decreased $25.6 million in 2021 as compared to 2020 due to a mark-to-market adjustment and curtailments on our pension and other post-employment benefit obligations that resulted in a loss of $9.4 million in 2021, while it resulted in a gain of $17.2 million in 2020 (see Note 11, *Employee Benefit Plans* to the accompanying condensed consolidated financial statements). All components of net periodic benefit cost, except for service costs, are presented herein.

Income taxes

The Company is subject to taxation in the U.S. and numerous international jurisdictions. In determining the effective income tax rate, the Company analyzes various factors, including annual earnings, the laws of taxing jurisdictions in which the earnings were generated, the impact of state and local income taxes, the ability to use tax credits, net operating loss carryforwards, and available planning alternatives. Discrete items, including the effect of changes in tax laws, statutory tax rates, and valuation allowances or other non-recurring tax adjustments are reflected in the period in which they occur as an addition to, or reduction from, the tax provision.

We recognize the resulting tax on global intangible low-taxed income (GILTI) and the deduction of foreign-derived intangible income (FDII) as a period expense in the period in which the tax is incurred.

A reconciliation of the applicable U.S. federal statutory tax rate to the consolidated effective income tax rate from continuing operations along with a description of significant or other reconciling items is included below.

	Twelve Months Ended December 31,	
(In millions)	**2021**	**2020**
Federal statutory income tax rate	21.0 %	21.0 %
Tax (benefit) expense on GILTI and FDII	(1.7)	3.1
International tax on certain current and prior year earnings	1.4	2.0
Net impact of non-deductible acquisition earnouts and transaction cost	0.1	1.8
Research and development credit	(0.8)	(2.1)
Carryback of capital losses	(0.4)	(13.1)
State and local tax, net	1.4	(3.4)
International tax rate differential	(0.2)	(2.7)
International permanent items	0.2	(5.2)
Net impact of uncertain tax positions	0.7	1.0
Changes in valuation allowances	1.7	0.5
Other	0.9	0.8
Effective income tax rate	24.3 %	3.7 %

2021 compared to 2020

For 2021, we recognized a U.S. tax benefit of $5.5 million (1.7%) from decreased tax on GILTI and FDII arising from higher domestic income. This benefit compared to tax expense on GILTI and FDII of $4.3 million (3.1%) for 2020.

We recognized a tax benefit of $1.2 million (0.4%) and $18.2 million (13.1%) in 2021 and 2020, respectively, from a carryback of capital losses.

For 2021, state and local tax expense was $4.2 million (1.4%), which resulted from normal operations. In 2020, we had a state and local tax benefit of $4.7 million (3.4%), which included favorable prior year tax provision adjustments and a state tax benefit from carryback of capital losses.

For 2021, international permanent items included the favorable tax effect of notional interest deductions and a change in a foreign tax rate. Offsetting these items were withholding taxes on intercompany foreign-to-foreign income and deferred tax adjustments which resulted in a net unfavorable tax impact of $0.6 million (0.2%). For 2020, International permanent items also included the favorable tax effect of notional interest deductions, favorable tax treatment of foreign exchanges losses, partially offset by non-deductibility of interest expense related to the receipt of tax-exempt dividends, which resulted in a net favorable tax impact of $7.2 million (5.2%).

Segment Information

Operating income is the primary measure that is reported to our chief operating decision maker for purposes of making decisions about allocating resources to the segments and assessing their performance. Operating income at the segment level does not include: corporate general and administrative costs that are not allocated to segments; intersegment sales and profit eliminations; charges related to specific strategic initiatives, such as the consolidation of operations; restructuring activities, including employee separation costs resulting from personnel reduction programs, plant closure and phase-in costs; costs incurred directly in relation to acquisitions or divestitures; integration costs; executive separation agreements; share-based compensation costs; environmental remediation costs and other liabilities for facilities no longer owned or closed in prior years; actuarial gains and losses associated with our pension and post-retirement benefit plans; and certain other items that are not included in the measure of segment profit or loss that is reported to and reviewed by our chief operating decision maker. These costs are included in *Corporate and eliminations*.

Avient has three reportable segments: (1) Color, Additives and Inks; (2) Specialty Engineered Materials; and (3) Distribution. Our segments are further discussed in Note 15, *Segment Information*, to the accompanying consolidated financial statements.

Sales and Operating Income

			2021 versus 2020	
(Dollars in millions)	**2021**	**2020**	**Change**	**% Change**
Sales:				
Color, Additives and Inks	$ 2,401.6	$ 1,502.9	$ 898.7	59.8 %
Specialty Engineered Materials	918.9	708.8	210.1	29.6 %
Distribution	1,630.9	1,110.3	520.6	46.9 %
Corporate and eliminations	(132.6)	(79.9)	(52.7)	(66.0)%
Sales	$ 4,818.8	$ 3,242.1	$ 1,576.7	48.6 %
Operating income:				
Color, Additives and Inks	$ 303.1	$ 180.8	$ 122.3	67.6 %
Specialty Engineered Materials	132.0	94.4	37.6	39.8 %
Distribution	93.2	69.5	23.7	34.1 %
Corporate and eliminations	(147.1)	(155.4)	8.3	5.3 %
Operating income	$ 381.2	$ 189.3	$ 191.9	101.4 %
Operating income as a percentage of sales:				
Color, Additives and Inks	12.6 %	12.0 %	0.6 %	points
Specialty Engineered Materials	14.4 %	13.3 %	1.1 %	points
Distribution	5.7 %	6.3 %	(0.6)%	points
Total	7.9 %	5.8 %	2.1 %	points

Color, Additives and Inks

Sales increased $898.7 million, or 59.8%, in 2021 compared to 2020, primarily due to the Clariant Color Acquisition, as well as growth in nearly all end markets and regions and price increases associated with raw material inflation.

On a pro forma basis to include Clariant Color in all periods, sales increased by $359.5 million, or 18.0%, in 2021 compared to 2020, as a result of growth in nearly all end markets and regions as well as price increases associated with raw material inflation. Favorable foreign exchange also contributed 2%.

Operating income increased $122.3 million, or 67.6%, in 2021 compared to 2020 primarily due to the Clariant Color Acquisition, as well as growth in nearly all end markets and price increases associated with raw material inflation.

On a pro forma basis to include Clariant Color in all periods, operating income increased by 34.0% in 2021 compared to 2020, as a result of the sales growth discussed above and capture of integration synergies, partially offset by raw material and cost inflation.

Specialty Engineered Materials

Sales increased by $210.1 million, or 29.6%, in 2021 compared to 2020, largely driven by high demand for advanced composite materials and growth in many end markets.

Operating income increased by $37.6 million in 2021 compared to 2020 due to increased sales and continued growth of higher margin specialty and composites solutions.

Distribution

Sales increased $520.6 million, or 46.9%, in 2021 compared to 2020 driven by increased demand as well as higher average selling prices. Operating income increased $23.7 million, or 34.1%, in 2021 compared to 2020 as a result of the sales growth discussed above, partially offset by raw material cost inflation.

Corporate and Eliminations

Costs declined $8.3 million in 2021 compared to 2020 primarily due to lower acquisition related expense.

Liquidity and Capital Resources

Our objective is to finance our business through operating cash flow and an appropriate mix of debt and equity. By laddering the maturity structure, we avoid concentrations of debt maturities, reducing liquidity risk. We may from time to time seek to retire or purchase our outstanding debt with cash and/or exchanges for equity securities, in open market purchases, privately negotiated transactions or otherwise. We may also seek to repurchase our outstanding common shares. Such repurchases, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved have been and may continue to be material.

The following table summarizes our liquidity as of December 31, 2021:

(In millions)		
Cash and cash equivalents	$	601.2
Revolving credit availability		485.5
Liquidity	$	1,086.7

As of December 31, 2021, approximately 71% of the Company’s cash and cash equivalents resided outside the United States.

Based on current projections, we believe that we will be able to continue to manage and control working capital, discretionary spending and capital expenditures and that cash provided by operating activities, along with available borrowing capacity under our revolving credit facilities, will allow us to maintain adequate levels of available capital to fund our operations, meet debt service obligations, continue paying dividends, and opportunistically repurchase outstanding common shares.

Expected sources of cash needed to satisfy cash requirements in 2022 include our cash on hand, cash from operations and available liquidity under our revolving credit facility, if needed. Expected uses of cash in 2022 include interest payments, cash taxes, dividend payments, share repurchases, environmental remediation costs, capital expenditures and debt repayment. Capital expenditures are currently estimated to be approximately $135 million in 2022, primarily to support sales growth, our continued investment in recent acquisitions and other strategic investments.

Cash Flows

The following table summarizes our cash flows from operating, investing and financing activities:

(In millions)	2021	2020	2019
Cash provided by (used by):			
Operating Activities	$ 233.8	$ 221.6	$ 300.8
Investing Activities	(150.2)	(1,431.6)	611.9
Financing Activities	(114.6)	982.0	(218.3)
Effect of exchange rate on cash	(17.3)	12.8	(0.6)
Net (decrease) increase in cash and cash equivalents	$ (48.3)	$ (215.2)	$ 693.8

Operating activities

In 2021, net cash provided by operating activities was $233.8 million as compared to $221.6 million in 2020, as greater earnings, lower payments for taxes and the absence of earn out payments from prior acquisitions were largely offset by the build in working capital to support the sales growth realized in 2021.

Investing Activities

Net cash used by investing activities during 2021 of $150.2 million primarily reflects $47.6 million related to the Magna Acquisition and capital expenditures of $100.6 million.

Financing Activities

Net cash used by financing activities in 2021 primarily reflects $77.7 million in dividends paid and the repayment of long term debt of $18.5 million.

Total Debt

The following table summarizes debt as presented at December 31, 2021 and 2020.

(In millions)	2021	2020
Senior secured revolving credit facility due 2026	$ —	$ —
5.25% senior notes due 2023	598.6	597.5
5.75% senior notes due 2025	643.2	641.2
Senior secured term loan due 2026	605.3	610.0
Other debt	11.8	23.9
Total debt	$ 1,858.9	$ 1,872.6
Less short-term and current portion of long-term debt	8.6	18.6
Total long-term debt, net of current portion	$ 1,850.3	$ 1,854.0

The Company maintains a senior secured revolving credit facility, which matures on October 26, 2026 and provides a maximum borrowing facility size of $500 million, subject to a borrowing base with advances against certain U.S. and international accounts receivable, inventory and other assets as specified in the agreement. On October 26, 2021, the Company and certain of its subsidiaries entered into the First Amendment to the Third Amended and Restated Credit Agreement (the ABL Amendment) with Wells Fargo Capital Finance, LLC, as administrative agent (in such capacity, Administrative Agent) and the various lenders and other agents party thereto. The ABL Amendment amends the Third Amended and Restated Credit Agreement, dated June 28, 2019, by and among the Company and certain subsidiaries of the Company party thereto, Wells Fargo Capital Finance, LLC, as administrative agent, and the various lenders and other agents party thereto. The ABL Amendment, among other things, (i) increased the Company's total revolving credit line to $500 million (which may be increased by up to $150 million subject to the Company meeting certain requirements and obtaining commitments for such increase) (the Revolving Credit Facility), subject to the borrowing base limitations, (ii) extended the maturity date of the Revolving Credit Facility to October 26, 2026 (subject to certain exceptions), (iii) modified the borrowing base to include qualified cash subject to certain limitations, (iv) modified the applicable margin and the unused line fee to be based on availability, and (v) modified certain negative covenants to provide additional flexibility. As of December 31, 2021, we had no borrowings outstanding under our Revolving Credit Facility, which had remaining availability of $485.5 million. As of December 31, 2020, we had no borrowings under our Revolving Credit Facility, which had remaining availability of $278.2 million.

On April 11, 2018, the Company entered into a fifth amendment to its senior secured term loan. Under the terms of the amended senior secured term loan, the margin was reduced by 25 basis points to 175 basis points. At the Company's discretion, interest is based upon (i) a margin rate of 75 basis points plus a Prime Rate, subject to a floor of 175 basis points. On November 9, 2018, the Company entered into a sixth amendment to its senior secured term loan, which extended the maturity to 2026. Repayments in the amount of one percent of the aggregate principal amount as of August 3, 2016 are payable annually, while the remaining balance matures on January 30, 2026. The total principal repayments for the year ended December 31, 2021 were $6.5 million.

The agreements governing our Revolving Credit Facility and our senior secured term loan, and the indentures and credit agreements governing other debt, contain a number of customary financial and restrictive covenants. As of December 31, 2021, we were in compliance with all customary financial and restrictive covenants pertaining to our debt.

For additional information regarding our debt, please see Note 6, *Financing Arrangements* to the accompanying condensed consolidated financial statements.

Letters of Credit

Our Revolving Credit Facility provides up to $50.0 million for the issuance of letters of credit, $12.1 million of which was used at December 31, 2021. These letters of credit are issued by the bank in favor of third parties and are mainly related to insurance claims.

Material Cash Requirements

We have future obligations under various contracts relating to debt and interest payments, operating leases, pension and post-retirement benefit plans and purchase obligations. The following table summarizes our obligations as of December 31, 2021 that are expected to impact liquidity and cash flow in future periods. See *Liquidity and Capital Resources* for additional discussion of our ability to generate and access cash to meet requirements as well as plans for use of cash in both the short-term and long-term.

	Payment Due by Period						
(In millions)	**Total**	**2022**	**2023**	**2024**	**2025**	**2026**	**Thereafter**
Total debt (1)	$ 1,873.3	$ 8.6	$ 608.6	$ 8.6	$ 658.7	$ 6.9	$ 581.9
Operating leases	81.3	26.3	19.8	12.6	7.7	4.6	10.3
Interest on long-term debt obligations (2)	241.8	84.4	68.5	52.6	33.7	1.6	1.0
Pension and post-retirement obligations (3)	89.4	9.5	8.9	8.7	9.0	9.0	44.3
Purchase obligations (4)	40.5	27.5	8.1	3.0	1.5	0.4	—
Total	$ 2,326.3	$ 156.3	$ 713.9	$ 85.5	$ 710.6	$ 22.5	$ 637.5

(1) Total debt includes both the current and long-term portions of debt and capital lease obligations.
(2) Represents estimated contractual interest payments for all outstanding debt.
(3) This represents estimates related to the funding obligations of our pension and other post retirement plans. These contributions are based on actuarial estimates of future assumed payments based upon retirement and payment patterns for a 10-year period. The estimates in the table may differ materially from actual future payments due to uncertainties regarding the assumptions involved in estimating future required contributions to our pension and non-pension post retirement benefit plans, including (i) interest rate levels (ii) the amount and timing of asset returns and (iii) what, if any, changes may occur in pension funding legislation.
(4) Purchase obligations are primarily comprised of service agreements related to telecommunication, information technology, utilities and other manufacturing plant services and certain capital commitments.

Critical Accounting Policies and Estimates

Significant accounting policies are described more fully in Note 1, *Description of Business and Summary of Significant Accounting Policies*, to the accompanying consolidated financial statements. The preparation of financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires us to make estimates and assumptions about future events that affect the amounts reported in our consolidated financial statements and accompanying notes. We base our estimates on historical experience and assumptions that we believe are reasonable considering the related facts and circumstances. The application of these critical accounting policies involves the exercise of judgment and use of assumptions for future uncertainties. Accordingly, actual results could differ significantly from these estimates. We believe that the following discussion addresses our most critical accounting policies, which are those that are the most important to the portrayal of our financial condition and results of operations and require our most difficult, subjective and complex judgments.

Description	Judgments and Uncertainties	Effect if Actual Results Differ from Assumptions
Environmental Liabilities		
• Based upon our estimates, we had an undiscounted accrual of $124.5 million at December 31, 2021 for probable future environmental expenditures. Any such provision is recognized using the Company's best estimate of the amount of loss incurred, or at the lower end of an estimated range, when a single best estimate is not determinable. • With respect to the former Goodrich Corporation Calvert City site, the United States Environmental Protection Agency (USEPA) issued its Record of Decision (ROD) in September 2018, selecting a remedy consistent with our accrual assumptions. In April 2019, the respondents signed an Administrative Settlement Agreement and Order on Consent with the USEPA to conduct the remedial design. In October 2019, the USEPA sent a Special Notice Letter to Avient, Westlake Vinyls, and Goodrich Corporation, inviting negotiation of a Consent Decree to perform the remedial actions at the site. In 2020, the three companies, USEPA, and the US Department of Justice signed the agreed Consent Decree, which received Federal Court approval in January 2021. • In some cases, the Company recovers a portion of the costs relating to these obligations from insurers or other third parties; however, the Company records such amounts only when they are collected.	• This accrual represents our best estimate of the remaining probable costs based upon information and technology currently available. Depending upon the results of future testing, the ultimate remediation alternatives undertaken, changes in regulations, new information, newly discovered conditions and other factors, it is reasonably possible that we could incur additional costs in excess of the amount accrued. However, such additional costs, if any, cannot currently be estimated. Our estimate of this liability may be revised as new regulations or technologies are developed or additional information is obtained.	• If further developments or resolution of these matters are not consistent with our assumptions and judgments, we may need to recognize a significant adjustment in a future period. • As we progress through certain benchmarks such as completion of the remedial design and remedial action, additional information will become available that may require an adjustment to our existing reserves.

Description	Judgments and Uncertainties	Effect if Actual Results Differ from Assumptions
Pension and Other Post-retirement Plans		
• We account for our defined benefit pension plans and other post-retirement plans in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASC) Topic 715, *Compensation — Retirement Benefits.* We immediately recognize actuarial gains and losses in our operating results in the year in which the gains or losses occur. In 2021, we recognized a $9.4 million loss that was primarily the result of actual asset returns that were lower than our assumed returns. Partially offsetting the lower asset returns was an increase in our year end discount rate from 2.47% to 2.69%.	• Asset returns and interest rates significantly affect the value of future assets and liabilities of our pension and post-retirement plans and therefore the funded status of our plans. It is difficult to predict these factors due to the volatility of market conditions. • To develop our discount rate, we consider the yields of high-quality corporate bonds with maturities that correspond to the timing of our benefit obligations, referred to as the bond matching approach. • To develop our expected long-term return on plan assets, we consider historical and forward looking long-term asset returns and the expected investment portfolio mix of plan assets. The weighted-average expected long-term rate of return on plan assets was 4.86% for 2021, 5.05% for 2020 and 5.68% for 2019. • Life expectancy is a significant assumption that impacts our pension and other post-retirement benefits obligation. During 2020, we adopted the MP-2020 mortality improvement scale which was issued by the Society of Actuaries in October 2020.	• The expected long-term return on plan assets utilized as of January 1, 2021 and 2020 was 4.86% and 5.05%, respectively. An increase/decrease in our expected long-term return on plan assets of 50 basis points as of December 31, 2021 would result in a change of approximately $2.5 million to 2022 net periodic benefit cost.
Income Taxes		
• We account for income taxes using the asset and liability method under FASB ASC Topic 740. Under the asset and liability method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. In addition, deferred tax assets are also recorded with respect to net operating losses and other tax attribute carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. Valuation allowances are established when realization of the benefit of deferred tax assets is not deemed to be more likely than not. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. • We recognize net tax benefits under the recognition and measurement criteria of FASB ASC Topic 740, Income Taxes, which prescribes requirements and other guidance for financial statement recognition and measurement of positions taken or expected to be taken on tax returns. We record interest and penalties related to uncertain tax positions as a component of income tax expense.	• The utilization of certain deferred tax assets is dependent on the amount and timing of taxable income that we will ultimately generate in the future and other factors, such as changes in tax laws. We have provided valuation allowances as of December 31, 2021, aggregating to $19.6 million against certain international, state and local net operating loss carryforwards and other deferred tax assets. As of December 31, 2021, the gross liability for unrecognized income tax benefits, including interest and penalties, totaled $21.3 million. • Undistributed and indefinitely reinvested earnings for certain consolidated non-U.S. subsidiaries were approximately $489 million as of December 31, 2021. No tax provision was made on these earnings as APB 23 provides guidance that U.S. companies do not need to recognize tax effects on international earnings that are indefinitely reinvested. Additionally, no deferred income taxes were recorded on taxable outside basis differences as it was not practicable to determine the tax provision impact.	• Although management believes that the estimates and judgments discussed herein are reasonable, actual results could differ, which could result in income tax expense or benefits that could be material.

Description	Judgments and Uncertainties	Effect if Actual Results Differ from Assumptions
Goodwill		
• Goodwill represents the excess of the purchase price over the fair value of the net assets of acquired companies. We follow the guidance in ASC 350, *Intangibles — Goodwill and Other*, including subsequent updates, and test goodwill for impairment at least annually, absent a triggering event that would warrant an impairment assessment. On an ongoing basis, absent any impairment indicators, we perform our goodwill impairment testing as of the first day of October of each year.	• We have identified our reporting units at the operating segment level, or in most cases, one level below the operating segment level. Goodwill is allocated to the reporting units based on the estimated fair value at the date of acquisition. • We estimated fair value using the best information available to us, including market information and discounted cash flow projections using the income approach. • The income approach requires us to make assumptions and estimates regarding projected economic and market conditions, growth rates, operating margins and cash expenditures. Sensitivity analyses were performed around these assumptions in order to assess the reasonableness of the assumptions and the resulting estimated fair values.	• If actual results are not consistent with our assumptions and estimates, we may be exposed to goodwill impairment charges. • The fair value of the reporting unit is based on a number of subjective factors including: (a) appropriate consideration of valuation approaches, (b) the consideration of our business outlook and (c) weighted average cost of capital (discount rate), growth rates and market multiples for our estimated cash flows. • Based on our 2021 annual impairment test performed on October 1st where both quantitative and qualitative tests were performed, we determined there were no reporting units considered to be at risk of impairment. We believe that the current assumptions and estimates are reasonable, supportable and appropriate. The business could be impacted by unforeseen changes in market factors or opportunities, which could impact our existing assumptions used in our impairment test. As such, there can be no assurance that these estimates and assumptions made for the purposes of the goodwill impairment test will prove to be accurate predictions of future performance.
Indefinite-lived Intangible Assets		
• Indefinite-lived intangible assets represent trade names associated with acquired companies.	• We estimate the fair value of trade names using a "relief from royalty payments" approach. This approach involves two steps: (1) estimating reasonable royalty rate for the trade name and (2) applying this royalty rate to a net sales stream and discounting the resulting cash flows to determine fair value. Fair value is then compared with the carrying value of the trade name.	• If actual results are not consistent with our assumptions and estimates, we may be exposed to impairment charges related to our indefinite lived trade name • Based on our 2021 annual impairment test, no trade names were considered at risk.

Recent and Future Adoption of Accounting Standards

Information regarding recent and future adoption of accounting standards can be found in Note 1, *Description of Business and Summary of Significant Accounting Policies,* to the accompanying consolidated financial statements and is incorporated by reference herein.

<u>ITEM 7A.</u> <u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>

We are exposed to certain market risks as part of our ongoing business operations, including risks from changes in interest rates on debt obligations and foreign currency exchange rates that could impact our financial condition, results of operations and cash flows. We manage our exposure to these and other market risks through regular operating and financing activities, including the use of derivative financial instruments. We intend to use these derivative financial instruments as risk management tools and not for speculative investment purposes.

Interest rate exposure — Interest on our Revolving Credit Facility and senior secured term loan is based upon a Prime rate or LIBOR, plus a margin. There would be no material impact on our interest expense or cash flows from either a 10% increase or decrease in market rates of interest on our outstanding variable rate debt as of December 31, 2021.

Foreign currency exposure — We enter into intercompany transactions that are denominated in various foreign currencies and are subject to financial exposure from foreign exchange rate movement from the date a loan is recorded to the date it is settled or revalued. To mitigate this risk, we may enter into foreign exchange forward contracts and derivative instruments. Gains and losses on these contracts generally offset gains and losses on the assets and liabilities being hedged.

We face translation risks related to the changes in foreign currency exchange rates. Amounts invested in our foreign operations are translated into U.S. dollars at the exchange rates in effect at the balance sheet date. The resulting translation adjustments are recorded as a component of *Accumulated other comprehensive (loss) income* in the Shareholders' equity section of the accompanying Consolidated Balance Sheets. Net sales and expenses in our foreign operations' foreign currencies are translated into varying amounts of U.S. dollars depending upon whether the U.S. dollar weakens or strengthens against other currencies. Therefore, changes in exchange rates may either positively or negatively affect our net sales and expenses from foreign operations as expressed in U.S. dollars.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Index to Financial Statements

MANAGEMENT'S REPORT

The management of Avient Corporation is responsible for preparing the consolidated financial statements and disclosures included in this Annual Report on Form 10-K. The consolidated financial statements and disclosures included in this Annual Report fairly present in all material respects the consolidated financial position, results of operations, shareholders' equity and cash flows of Avient Corporation as of and for the year ended December 31, 2021.

Management is responsible for establishing and maintaining disclosure controls and procedures designed to ensure that the information required to be disclosed by the Company is captured and reported in a timely manner. Management has evaluated the design and operation of the Company's disclosure controls and procedures at December 31, 2021 and found them to be effective.

Management is also responsible for establishing and maintaining a system of internal control over financial reporting that is 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. Internal control over financial reporting includes policies and procedures that provide reasonable assurance that: Avient Corporation's accounting records accurately and fairly reflect the transactions and dispositions of the assets of the Company; unauthorized or improper acquisition, use or disposal of Company assets will be prevented or timely detected; the Company's transactions are properly recorded and reported to permit the preparation of the Company's consolidated financial statements in conformity with generally accepted accounting principles; and the Company's receipts and expenditures are made only in accordance with authorizations of management and the Board of Directors of the Company.

Management has assessed the effectiveness of Avient's internal control over financial reporting as of December 31, 2021 and has prepared Management's Annual Report On Internal Control Over Financial Reporting contained on page 66 of this Annual Report, which concludes that as of December 31, 2021, Avient's internal control over financial reporting was effective and that no material weaknesses were identified.

/s/ ROBERT M. PATTERSON

Robert M. Patterson
Chairman, President and Chief Executive Officer

/s/ JAMIE A. BEGGS

Jamie A. Beggs
Senior Vice President and Chief Financial Officer

February 22, 2022

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of Avient Corporation

Opinion on Internal Control over Financial Reporting

We have audited Avient Corporation's internal control over financial reporting as of December 31, 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, Avient Corporation (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 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 Avient Corporation as of December 31, 2021 and 2020, the related consolidated statements of income, comprehensive income, cash flows and shareholders' equity for each of the three years in the period ended December 31, 2021, and the related notes of Avient Corporation and our report dated February 22, 2022, 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 Annual 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

Cleveland, Ohio

February 22, 2022

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of Avient Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Avient Corporation (the Company) as of December 31, 2021 and 2020, the related consolidated statements of income, comprehensive income, cash flows and shareholders' equity for each of the three years in the period ended December 31, 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 December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 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 December 31, 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 February 22, 2022 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.

Environmental Accrued Liabilities

Description of the Matter

As described in Note 12 to the consolidated financial statements, the environmental accrued liability as of December 31, 2021 is approximately $124.5 million and is comprised primarily of the cost estimate for the Calvert City location of $113.2 million. The Company records an accrual for probable future environmental remediation projects on an undiscounted basis which represents management's best estimate of probable future costs based upon currently available information and technology and management's view of the most likely remedy.

Auditing the determination of the accrual involved a high degree of subjectivity as estimates underlying the determination of the accrual were based on assumptions unique to the affected site and subject to various laws and regulations governing the protection of the applicable environment. Actual costs incurred in future periods could differ from amounts estimated and future changes to environmental laws and regulations could increase the extent of remediation work required, therefore the calculation is complicated due to uncertainty in determining the probable future costs and the extent of the remediation efforts.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's process to establish the environmental accrued liability, including management's review and evaluation of the information included in the Calvert City Record of Decision and the Administrative Settlement Agreement and Order on Consent issued by the United States Environmental Protection Agency (USEPA). For example, we tested controls over management's review of the estimation and the significant assumptions used to develop future cost estimates. We also tested management's controls to validate that the data used in the accrual estimate was complete and accurate.

With the assistance of our specialist, we tested the balance of the environmental accrued liability and the disclosure of the expected cost to remediate. Our audit procedures included, among others, making inquiries of internal general counsel, obtaining internal general counsel's representation and external communications used in determining the environmental accrued liability. This included an evaluation of externally available information and a comparison of management's cost estimates to the estimates published in the Record of Decision by the USEPA. We tested the significant assumptions used by management by comparing those assumptions to accepted industry practice and information included in the Record of Decision issued by the USEPA. We examined historical costs for recurring items and compared those amounts to future projections for similar costs.

Accounting for the Clariant Color Business Combination

Description of the Matter

As discussed in Note 2 to the consolidated financial statements, on July 1, 2020, the Company completed its acquisition of the equity interests in the global color business of Clariant AG and certain assets of Clariant Chemicals (India) Limited. The business and assets are collectively referred to as the Clariant Color Acquisition. Total consideration paid by the Company to complete the Clariant Color Acquisition was approximately $1.4 billion, net of cash and debt. The acquisition is being accounted for under the acquisition method of accounting. As of June 30, 2021, the purchase accounting for the Clariant Color Acquisition was finalized.

Accounting for the Clariant Color Business Combination (continued)

Auditing the Company’s accounting for the allocation of the purchase price to the identifiable assets and liabilities for the Clariant Color Acquisition was complex due to the significant estimation in determining the fair value of identifiable intangible assets, which principally consisted of customer relationships and developed technology. The Company used the relief from royalty and multi-period excess earnings method to determine the fair value of developed technology and customer relationships, respectively. The high degree of subjectivity was primarily due to the sensitivity of the respective fair values to underlying assumptions about the future performance of the acquired business. The significant assumptions used to estimate the value of the intangible assets included discount rates and certain assumptions that form the basis of the forecasted results including revenue growth rates, profitability, and royalty rates.

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 risks of material misstatement relating to the determination of the fair value of the identifiable intangible assets. For example, we tested controls over management’s review of the fair value methodologies and significant assumptions described above.

To test the estimated fair values of the acquired intangible assets, we performed audit procedures that included, among others, assessing methodologies and testing the significant assumptions discussed above and the underlying data used by the Company in its analysis. We compared the significant assumptions used by management to current industry and economic trends. We performed sensitivity analyses of significant assumptions to evaluate the changes in the fair value of the intangible assets that would result from changes in the assumptions. We utilized our specialist in assessing the methodologies applied and evaluating significant assumptions. Furthermore, we assessed the appropriateness of the disclosures in the consolidated financial statements regarding the acquisition.

/s/ Ernst & Young LLP

We have served as Avient Corporation's auditor since 1993.

Cleveland, Ohio

February 22, 2022

Consolidated Statements of Income

(In millions, except per share data)	Year Ended December 31, 2021	2020	2019
Sales	$ 4,818.8	$ 3,242.1	$ 2,862.7
Cost of sales	3,719.2	2,457.8	2,205.5
Gross margin	1,099.6	784.3	657.2
Selling and administrative expense	718.4	595.0	500.4
Operating income	381.2	189.3	156.8
Interest expense, net	(75.3)	(74.6)	(59.5)
Other (expense) income, net	(1.3)	24.3	12.1
Income from continuing operations before income taxes	304.6	139.0	109.4
Income tax expense	(74.0)	(5.2)	(33.7)
Net income from continuing operations	230.6	133.8	75.7
(Loss) income from discontinued operations, net of income taxes	—	(0.4)	513.1
Net income	230.6	133.4	588.8
Net loss (income) attributable to noncontrolling interests	0.2	(1.8)	(0.2)
Net income attributable to Avient common shareholders	$ 230.8	$ 131.6	$ 588.6
Earnings per share attributable to Avient common shareholders - Basic:			
Continuing operations	$ 2.53	$ 1.47	$ 0.98
Discontinued operations	—	(0.01)	6.64
Total	$ 2.53	$ 1.46	$ 7.62
Earnings per share attributable to Avient common shareholders - Diluted:			
Continuing operations	$ 2.51	$ 1.46	$ 0.97
Discontinued operations	—	(0.01)	6.61
Total	$ 2.51	$ 1.45	$ 7.58
Weighted-average shares used to compute earnings per common share:			
Basic	91.4	90.1	77.2
Plus dilutive impact of share-based compensation	0.7	0.5	0.5
Diluted	92.1	90.6	77.7
Anti-dilutive shares not included in diluted common shares outstanding	—	0.8	0.6
Cash dividends declared per share of common stock	$ 0.875	$ 0.820	$ 0.788

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated Statements of Comprehensive Income

(In millions)	Year Ended December 31, 2021	2020	2019
Net income	$ 230.6	$ 133.4	$ 588.8
Other comprehensive (loss) income, net of tax:			
Translation adjustments and related hedging instruments	(75.2)	110.6	2.2
Cash flow hedges	3.2	(1.6)	(2.5)
Total other comprehensive (loss) income	(72.0)	109.0	(0.3)
Total comprehensive income	158.6	242.4	588.5
Comprehensive loss (income) attributable to noncontrolling interests	0.2	(1.8)	(0.2)
Comprehensive income attributable to Avient common shareholders	$ 158.8	$ 240.6	$ 588.3

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated Balance Sheets

(In millions, except par value per share)	Year Ended December 31, 2021	2020
ASSETS		
Current assets:		
Cash and cash equivalents	$ 601.2	$ 649.5
Accounts receivable, net	642.3	516.6
Inventories, net	461.1	327.5
Other current assets	122.4	108.5
Total current assets	1,827.0	1,602.1
Property, net	676.1	694.9
Goodwill	1,286.4	1,308.1
Intangible assets, net	925.2	1,008.5
Operating lease assets, net	74.1	80.9
Other non-current assets	208.4	176.0
Total assets	$ 4,997.2	$ 4,870.5
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term and current portion of long-term debt	$ 8.6	$ 18.6
Accounts payable	553.9	471.7
Current operating lease obligations	24.2	25.1
Accrued expenses and other current liabilities	353.9	285.6
Total current liabilities	940.6	801.0
Non-current liabilities:		
Long-term debt	1,850.3	1,854.0
Pension and other post-retirement benefits	100.0	115.0
Deferred income taxes	100.6	140.0
Non-current operating lease obligations	50.1	56.0
Other non-current liabilities	165.1	192.8
Total non-current liabilities	2,266.1	2,357.8
SHAREHOLDERS' EQUITY		
Common Shares, $0.01 par, 400.0 shares authorized, 122.2 shares issued	1.2	1.2
Additional paid-in capital	1,511.8	1,513.3
Retained earnings	1,208.0	1,057.4
Common shares held in treasury, at cost, 30.6 shares in 2021 and 30.9 shares in 2020	(900.7)	(901.2)
Accumulated other comprehensive (loss) income	(45.6)	26.4
Avient shareholders' equity	1,774.7	1,697.1
Noncontrolling interest	15.8	14.6
Total equity	1,790.5	1,711.7
Total liabilities and equity	$ 4,997.2	$ 4,870.5

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated Statements of Cash Flows

(In millions)	Year Ended December 31, 2021	2020	2019
Operating activities			
Net income	$ 230.6	$ 133.4	$ 588.8
Adjustments to reconcile net income to net cash provided by operating activities:			
Gain on sale of business, net of tax	—	—	(457.7)
Depreciation and amortization	144.2	111.8	87.5
Accelerated depreciation	1.7	3.2	—
Deferred income tax benefit	(27.3)	(1.7)	(3.2)
Share-based compensation expense	11.2	11.3	11.6
Changes in assets and liabilities, net of the effect of acquisitions:			
(Increase) decrease in accounts receivable	(143.1)	(4.6)	29.7
(Increase) decrease in inventories	(139.5)	40.2	40.2
Increase (decrease) in accounts payable	95.3	78.4	(22.7)
(Decrease) increase in pension and other post-retirement benefits	(10.9)	30.7	(19.7)
Increase in post-acquisition earnout liabilities	—	1.0	36.4
Increase (decrease) in accrued expenses and other assets and liabilities - net	71.6	(2.0)	9.9
Taxes paid on gain on divestiture	—	(142.0)	—
Payment of post-acquisition date earnout liability	—	(38.1)	—
Net cash provided by operating activities	233.8	221.6	300.8
Investing activities			
Capital expenditures	(100.6)	(63.7)	(81.7)
Business acquisitions, net of cash acquired	(47.6)	(1,380.2)	(119.6)
Net proceeds from divestiture	—	7.1	761.8
Other investing activities	(2.0)	5.2	51.4
Net cash (used) provided by investing activities	(150.2)	(1,431.6)	611.9
Financing activities			
Debt offering proceeds	—	650.0	—
Borrowings under credit facilities	—	—	963.4
Repayments under credit facilities	—	—	(1,083.9)
Purchase of common shares for treasury	(4.2)	(22.4)	(26.9)
Cash dividends paid	(77.7)	(71.3)	(60.3)
Repayment of other debt	—	—	(1.8)
Repayment of long-term debt	(18.5)	(7.8)	(6.5)
Payments on withholding tax on share awards	(10.7)	(2.3)	(2.1)
Debt financing costs	—	(9.5)	(0.2)
Equity offering proceeds, net of underwriting discount and issuance costs	—	496.1	—
Payment of acquisition date earnout liability	—	(50.8)	—
Other financing activities	(3.5)	—	—
Net cash (used) provided by financing activities	(114.6)	982.0	(218.3)
Effect of exchange rate changes on cash	(17.3)	12.8	(0.6)
(Decrease) increase in cash and cash equivalents	(48.3)	(215.2)	693.8
Cash and cash equivalents at beginning of year	649.5	864.7	170.9
Cash and cash equivalents at end of year	$ 601.2	$ 649.5	$ 864.7

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated Statements of Shareholders' Equity

	Common Shares		Shareholders' Equity							
(In millions)	**Common Shares**	**Common Shares Held in Treasury**	**Common Shares**	**Additional Paid-in Capital**	**Retained Earnings**	**Common Shares Held in Treasury**	**Accumulated Other Comprehensive Income (Loss)**	**Total Avient shareholders' equity**	**Non-controlling Interests**	**Total equity**
Balance at January 1, 2019	122.2	(44.5)	$ 1.2	$ 1,166.9	$ 472.9	$ (1,018.7)	$ (82.3)	$ 540.0	$ 0.6	$ 540.6
Net income	—	—	—	—	588.6	—	—	588.6	0.2	588.8
Other comprehensive loss	—	—	—	—	—	—	(0.3)	(0.3)	—	(0.3)
Noncontrolling interest activity	—	—	—	—	—	—	—	—	—	—
Cash dividends declared [1]	—	—	—	—	(60.3)	—	—	(60.3)	—	(60.3)
Repurchase of common shares	—	(1.0)	—	—	—	(26.9)	—	(26.9)	—	(26.9)
Share-based compensation and exercise of awards	—	0.2	—	8.3	—	2.5	—	10.8	—	10.8
Balance at December 31, 2019	122.2	(45.3)	$ 1.2	$ 1,175.2	$ 1,001.2	$ (1,043.1)	$ (82.6)	$ 1,051.9	$ 0.8	$ 1,052.7
Net income	—	—	—	—	131.6	—	—	131.6	1.8	133.4
Other comprehensive income	—	—	—	—	—	—	109.0	109.0	—	109.0
Noncontrolling interest activity	—	—	—	—	—	—	—	—	(0.8)	(0.8)
Cash dividends declared [1]	—	—	—	—	(75.1)	—	—	(75.1)	—	(75.1)
Repurchase of common shares	—	(1.0)	—	—	—	(22.4)	—	(22.4)	—	(22.4)
Common shares equity offering	—	15.3	—	334.8	—	161.3	—	496.1	—	496.1
Share-based compensation and exercise of awards	—	0.1	—	3.3	—	3.0	—	6.3	—	6.3
Acquisitions/other	—	—	$ —	$ —	$ (0.3)	$ —	$ —	$ (0.3)	$ 12.8	$ 12.5
Balance at December 31, 2020	122.2	(30.9)	1.2	1,513.3	1,057.4	(901.2)	26.4	1,697.1	14.6	1,711.7
Net income	—	—	—	—	230.8	—	—	230.8	(0.2)	230.6
Other comprehensive income	—	—	—	—	—	—	(72.0)	(72.0)	—	(72.0)
Noncontrolling interest activity	—	—	—	—	—	—	—	—	1.4	1.4
Cash dividends declared (1)	—	—	—	—	(80.2)	—	—	(80.2)	—	(80.2)
Repurchase of common shares	—	(0.1)	—	—	—	(4.2)	—	(4.2)	—	(4.2)
Share-based compensation and exercise of awards	—	0.4	$ —	$ 0.9	$ —	$ 4.7	$ —	$ 5.6	$ —	$ 5.6
Acquisitions/other	—	—	$ —	$ (2.4)		$ —	$ —	$ (2.4)		$ (2.4)
Balance at December 31, 2021	122.2	(30.6)	$ 1.2	$ 1,511.8	$ 1,208.0	$ (900.7)	$ (45.6)	$ 1,774.7	$ 15.8	$ 1,790.5

[1] Dividends declared per share were $0.875, $0.820, and $0.788 for the years ended December 31, 2021, 2020 and 2019, respectively.

The accompanying notes to the consolidated financial statements are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 — DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

We are a premier formulator of specialized and sustainable material solutions that transform customer challenges into opportunities, bringing new products to life for a better world. Our products include specialty engineered materials, advanced composites, color and additive systems and polymer distribution. We are also a highly specialized developer and manufacturer of performance enhancing additives, liquid colorants, and fluoropolymer and silicone colorants. Headquartered in Avon Lake, Ohio, we have employees at sales, manufacturing and distribution facilities across North America, South America, Europe, the Middle East, Asia, and Africa. We provide value to our customers through our ability to link our knowledge of polymers and formulation technology with our manufacturing and supply chain to provide value added solutions to designers, assemblers and processors of plastics. When used in these notes to the consolidated financial statements, the terms “we,” “us,” “our,” “Avient” and the “Company” mean Avient Corporation and its consolidated subsidiaries.

Our operations are reported in three reportable segments: Color, Additives and Inks; Specialty Engineered Materials; and Distribution. See Note 15, *Segment Information*, for more information.

Accounting Standards Adopted

On January 1, 2021, the Company adopted Financial Accounting Standards Board (FASB) Account Standards Update (ASU) 2019-12, *Income Taxes (ASC 740) - Simplifying the Accounting for Income Taxes (ASU 2019-12)*, which simplifies the accounting for income taxes by removing certain exceptions to the general principles in FASB Accounting Standards Codification (ASC) 740 and also clarifies and amends existing guidance to improve consistent application. The adoption of ASU 2019-12 did not result in any material impact.

Accounting Standards Not Yet Adopted

ASU 2020-04, *Reference Rate Reform (ASU 2020-04)*, provides optional guidance for a limited period of time to ease potential accounting impacts associated with transitioning away from reference rates that are expected to be discontinued, such as LIBOR. The amendments in ASU 2020-04 apply only to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued. These expedients are effective for the period from March 2020 to December 31, 2022. The Company has not adopted any of the expedients or exceptions through December 31, 2021 but will continue to evaluate the impact of adopting this standard on our consolidated financial statements and disclosures.

Consolidation and Basis of Presentation

The consolidated financial statements include the accounts of Avient and its subsidiaries. All majority-owned affiliates over which we have control are consolidated. Transactions with related parties, including joint ventures, are in the ordinary course of business.

Historical information has been retrospectively adjusted to reflect the classification of discontinued operations. Discontinued operations are further discussed in Note 3, *Discontinued Operations*.

Use of Estimates

Preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions in certain circumstances that affect amounts reported in the accompanying consolidated financial statements and notes. Actual results could differ from these estimates.

Cash and Cash Equivalents

We consider all highly liquid investments purchased with a maturity of less than three months to be cash equivalents. Cash equivalents are stated at cost, which approximates fair value.

Allowance for Doubtful Accounts

We evaluate the collectability of receivables based on a combination of factors, each of which are adjusted if specific circumstances change. We reserve for amounts determined to be uncollectible based on a specific customer’s inability to meet its financial obligation to us. We also record a general reserve based on the age of receivables past due, current conditions and forecasted information, the credit risk of specific customers, economic conditions and historical experience. In estimating the allowance, we take into consideration the existence of credit insurance.

Inventories

Raw materials and finished goods are carried at lower of cost or market using either the weighted average cost or the first-in, first-out (FIFO) method. The inventory reserve totaled $24.5 million and $22.5 million at December 31, 2021 and 2020, respectively.

Long-lived Assets

Property, plant and equipment is carried at cost, net of depreciation and amortization that is computed using the straight-line method over the estimated useful lives of the assets, which generally ranges from three to 15 years for machinery and equipment and up to 40 years for buildings. We depreciate certain assets associated with closing manufacturing locations over a shortened life (through the cease-use date). Software is amortized over periods not exceeding 10 years. Property, plant and equipment is generally depreciated on accelerated methods for income tax purposes. We expense repair and maintenance costs as incurred. We capitalize replacements and improvements that increase the estimated useful life of an asset.

We retain fully depreciated assets in property and accumulated depreciation accounts until we remove them from service. In the case of sale, retirement or disposal, the asset cost and related accumulated depreciation balance is removed from the respective account, and the resulting net amount, less any proceeds, is included as a component of income from continuing operations in the accompanying Consolidated Statements of Income.

We account for operating and finance leases under the provisions of FASB ASC Topic 842.

Finite-lived intangible assets, which consist primarily of customer relationships, patents and technology are amortized over their estimated useful lives. The useful lives range up to 20 years.

We assess the recoverability of long-lived assets when events or changes in circumstances indicate that we may not be able to recover the assets' carrying amount. We measure the recoverability of assets to be held and used by a comparison of the carrying amount of the asset to the expected future undiscounted cash flows associated with the asset. We measure the amount of impairment of long-lived assets as the amount by which the carrying value of the asset exceeds the fair value of the asset, which is generally determined based on projected discounted future cash flows or appraised values. No such impairments were recognized during 2021, 2020 or 2019.

Goodwill and Indefinite Lived Intangible Assets

In accordance with the provisions of FASB ASC Topic 350, *Intangibles — Goodwill and Other*, we assess the fair value of goodwill on an annual basis or at an interim date if potential impairment indicators are present. Goodwill is the excess of the purchase price paid over the fair value of the net assets of the acquired business. Goodwill is tested for impairment, quantitatively or qualitatively, at the reporting unit level. Our reporting units have been identified at the operating segment level, or in most cases, one level below the operating segment level. Goodwill is allocated to the reporting units based on the estimated fair value at the date of acquisition.

Our annual measurement date for testing impairment of goodwill and indefinite-lived intangibles is October 1. We completed our testing of impairment as of October 1, noting no impairment in 2021, 2020 or 2019. There are no reporting units identified as at-risk of impairment. The future occurrence of a potential indicator of impairment would require an interim assessment for some or all of the reporting units prior to the next required annual assessment on October 1, 2022.

We test our goodwill either quantitatively or qualitatively for impairment. For our quantitative approach, we use an income approach to estimate the fair value of our reporting units. The income approach uses a reporting unit's projection of estimated operating results and cash flows that is discounted using a weighted-average cost of capital that is determined based on current market conditions. The projection uses management's best estimates of economic and market conditions over the projected period including growth rates in sales, costs, and estimates of future expected changes in operating margins and cash expenditures. Other significant estimates and assumptions include terminal value growth rates, terminal value margin rates, future capital expenditures and changes in future working capital requirements. We validate our estimates of fair value under the income approach by considering the implied control premium and conclude whether the implied control premium is reasonable based on other recent market transactions.

A qualitative approach for both goodwill and indefinite-lived intangible assets is performed if the last quantitative test exceeded certain thresholds. During our qualitative approach, we assess whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events and circumstances, we determine it is more likely than not that the fair value is less than carrying value, a quantitative impairment test is performed for each asset, as described above.

Indefinite-lived intangible assets primarily consist of the GLS, ColorMatrix, Gordon Composites, and Fiber-Line trade names. Indefinite-lived intangible assets are tested, quantitatively or qualitatively, for impairment annually at the same time we test goodwill for impairment. For our quantitative approach, the implied fair value of indefinite-lived intangible assets is determined based on significant unobservable inputs, as summarized below. The fair value of the trade names is calculated using a “relief from royalty” methodology. This approach involves two steps: (1) estimating reasonable royalty rates for the trade name and (2) applying this royalty rate to a net sales stream and discounting the resulting cash flows to determine fair value using a weighted-average cost of capital that is determined based on current market conditions. This fair value is then compared with the carrying value of the trade name.

Litigation Reserves

FASB ASC Topic 450, *Contingencies,* requires that we accrue for loss contingencies associated with outstanding litigation, claims and assessments for which management has determined it is probable that a loss contingency exists and the amount of loss can be reasonably estimated. We recognize expense associated with professional fees related to litigation claims and assessments as incurred. Refer to Note 12, *Commitments and Contingencies*, for further information.

Derivative Financial Instruments

FASB ASC Topic 815, *Derivative and Hedging*, requires that all derivative financial instruments, such as foreign exchange contracts, be recognized in the financial statements and measured at fair value, regardless of the purpose or intent in holding them.

We are exposed to foreign currency changes and to changes in cash flows due to changes in our contractually specified interest rates (e.g., LIBOR) in the normal course of business. We have established policies and procedures that manage this exposure through the use of financial instruments. By policy, we do not enter into these instruments for trading purposes or speculation. We formally assess, designate and document, as a hedge of an underlying exposure, the qualifying derivative instrument that will be accounted for as an accounting hedge at inception. Additionally, in accordance with ASU 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*, we assess at inception whether the financial instruments used in the hedging transaction are highly effective at offsetting changes in either the fair values or cash flows of the underlying exposures. If highly effective, any subsequent test may be done qualitatively.

The net interest payments accrued each month for effective instruments designated as a hedge are reflected in net income as adjustments of interest expense and the remaining change in the fair value of the derivatives is recorded as a component of A*ccumulated Other Comprehensive Income (Loss) (AOCI)*. Instruments not designated as hedges are adjusted to fair value at each period end, with the resulting gains and losses recognized in the accompanying Consolidated Statements of Income immediately.

Refer to Note 16, *Derivatives and Hedging,* for more information.

Pension and Other Post-retirement Plans

We account for our pensions and other post-retirement benefits in accordance with FASB ASC Topic 715, *Compensation — Retirement Benefits*. We immediately recognize actuarial gains and losses in our operating results in the year in which the gains or losses occur. Refer to Note 11, *Employee Benefit Plans,* for more information.

Accumulated Other Comprehensive Income (Loss)

Changes in accumulated other comprehensive income (loss) in 2021, 2020 and 2019 were as follows:

(In millions)	Cumulative Translation Adjustment and Related Hedging Instruments	Pension and other post-retirement benefits	Cash Flow Hedges	Total
Balance at January 1, 2019	$ (86.2)	$ 5.2	$ (1.3)	$ (82.3)
Translation Adjustments	(6.9)	—	—	(6.9)
Unrealized losses	9.1	—	(2.5)	6.6
Balance at December 31, 2019	(84.0)	5.2	(3.8)	(82.6)
Translation Adjustments	152.3	—	—	152.3
Unrealized losses	(41.7)	—	(1.6)	(43.3)
Balance at December 31, 2020	26.6	5.2	(5.4)	26.4
Translation Adjustments	(127.7)	—	—	(127.7)
Unrealized gains	52.5	—	3.2	55.7
Balance at December 31, 2021	$ (48.6)	$ 5.2	$ (2.2)	$ (45.6)

Fair Value of Financial Instruments

FASB ASC Topic 820, *Fair Value Measurements and Disclosures,* requires disclosures of the fair value of financial instruments. The estimated fair values of financial instruments were principally based on market prices where such prices were available and, where unavailable, fair values were estimated based on market prices of similar instruments.

Foreign Currency Translation

Revenues and expenses are translated at average currency exchange rates during the related period. Assets and liabilities of foreign subsidiaries are translated using the exchange rate at the end of the period. The resulting translation adjustments are recorded as accumulated other comprehensive income or loss. Gains and losses resulting from foreign currency transactions, including intercompany transactions that are not considered long-term investments, are included in *Other income (expense), net.*

Revenue Recognition

We recognize revenue once control of the product is transferred to the customer, which typically occurs when products are shipped from our facilities.

Shipping and Handling Costs

Shipping and handling costs are included in cost of sales.

Research and Development Expense

Research and development costs of $83.2 million in 2021, $59.8 million in 2020 and $50.6 million in 2019 are charged to expense as incurred.

Environmental Costs

We expense costs that are associated with managing hazardous substances and pollution in ongoing operations on a current basis. Costs associated with environmental contamination are accrued when it becomes probable that a liability has been incurred and our proportionate share of the cost can be reasonably estimated. Any such provision is recognized using the Company's best estimate of the amount of loss incurred, or at the lower end of an estimated range, when a single best estimate is not determinable. In some cases, the Company may be able to recover a portion of the costs relating to these obligations from insurers or other third parties; however, the Company records such amounts only when they are collected.

Share-Based Compensation

We account for share-based compensation under the provisions of FASB ASC Topic 718, *Compensation - Stock Compensation*, which requires us to estimate the fair value of share-based awards on the date of grant. The value of the portion of the award that is ultimately expected to vest is recognized as expense over the requisite service periods in the accompanying Consolidated Statements of Income. As of December 31, 2021, we had one active share-based employee compensation plan, which is described more fully in Note 14, *Share-Based Compensation*.

Income Taxes

Deferred income tax liabilities and assets are determined based upon the differences between the financial reporting and tax basis of assets and liabilities and are measured using the tax rate and laws currently in effect. In accordance with FASB ASC Topic 740, *Income Taxes*, we evaluate our deferred income taxes to determine whether a valuation allowance should be established against the deferred tax assets or whether the valuation allowance should be reduced based on consideration of all available evidence, both positive and negative, using a “more likely than not” standard. See Note 13, *Income Taxes*, for additional detail.

Note 2 — BUSINESS COMBINATIONS

On July 1, 2020, we completed our acquisition of the equity interests in the global color business of Clariant AG, a corporation organized and existing under the law of Switzerland (Clariant), and certain assets of Clariant Chemicals (India) Limited, a public limited company incorporated in India and an indirect majority owned subsidiary of Clariant (Clariant India). The business and assets are collectively referred to as Clariant Color and the acquisitions are collectively referred to as the Clariant Color Acquisition.

Total consideration paid by the Company to complete the Clariant Color Acquisition was $1.4 billion, net of cash and debt. To finance the purchase of Clariant Color, the Company used $496.1 million of net proceeds from the issuance of common shares in an underwritten public offering completed in February 2020 and $640.5 million of net proceeds from a senior unsecured notes offering completed in May 2020, and funded the balance using the net proceeds of the October 2019 sale of our Performance Products and Solutions business segment (PP&S). For additional details related to the sale of PP&S and the senior unsecured notes offering, refer to Note 3, *Discontinued Operations* and Note 6, *Financing Arrangements*, respectively.

The Clariant Color Acquisition is being accounted for under the acquisition method of accounting in accordance with ASC Topic 805. As of June 30, 2021, the purchase accounting for the Clariant Color Acquisition was finalized.

The summarized purchase price allocation is as follows:

(In millions)	Preliminary Allocation As of December 31, 2020	Measurement Period Adjustments	Final Allocation
Cash and cash equivalents	$ 145.1	$ —	$ 145.1
Accounts receivable	170.8	—	170.8
Inventories	99.0	0.2	99.2
Other current assets	56.9	6.3	63.2
Property	267.6	(7.5)	260.1
Goodwill	569.0	(7.8)	561.2
Intangible assets:		—	
Customer relationships	221.9	(20.7)	201.2
Trade names and trademarks	32.0	2.8	34.8
Patents, technology and other	273.9	7.4	281.3
Operating lease assets	30.1	—	30.1
Other long-term assets	1.3	5.8	7.1
Short term debt	(0.4)	—	(0.4)
Accounts payable	(92.7)	1.2	(91.5)
Current operating lease obligations	(2.8)	—	(2.8)
Accrued expenses and other current liabilities	(81.2)	(4.5)	(85.7)
Long-term debt	(6.7)	—	(6.7)
Non-current operating lease obligations	(25.8)	—	(25.8)
Deferred tax liabilities	(60.7)	25.9	(34.8)
Pension and other post-retirement benefits	(53.8)	—	(53.8)
Other long-term liabilities	(5.4)	(6.7)	(12.1)
Non-controlling interests	(12.8)	(2.4)	(15.2)
Total purchase price consideration	$ 1,525.3	$ —	$ 1,525.3

The intangible assets that have been acquired are being amortized over a period of 18 to 20 years.

Goodwill of $561.2 million was recorded and allocated to the Color, Additives and Inks segment. The goodwill recognized is primarily attributable to the expected synergies to be achieved from the business combination. A portion of the goodwill is deductible for tax purposes.

Had the Clariant Color Acquisition occurred on January 1, 2019, which was the beginning of the fiscal year prior to the acquisition, sales and income from continuing operations before income taxes for the years ended December 31, 2020 and 2019 on a pro forma basis would have been as follows:

(In millions)	(Unaudited) 2020	2019
Sales	$ 3,782.5	$ 3,981.3
Income from continuing operations before income taxes	204.2	98.9

The unaudited pro forma financial information has been calculated after applying our accounting policies and adjusting the historical results with pro forma adjustments that assume the Clariant Color Acquisition occurred on January 1, 2019. These unaudited pro forma results do not represent financial results realized, nor are they intended to be a projection of future results. In preparation of the pro forma financial information, we eliminated certain historical allocations made by Clariant as they do not represent the stand alone operations of Clariant Color and replaced them with costs more likely to occur as a part of Avient. This elimination removed expense of $6.6 million and $12.7 million during 2020 and 2019, respectively. The amortization of inventory step-up from the preliminary purchase price allocation was $9.7 million, and is reflected in *Cost of sales*. Additionally, we incurred $10.1 million of costs related to committed financing which are reflected in *Interest expense, net.* The amounts associated with the amortization of inventory step-up and costs related to committed financing were removed from 2020, and presented in the pro forma financial information.

Costs incurred in connection with the Clariant Color Acquisition were $19.2 million in 2020. These fees were charged to *Selling and Administrative expense*.

Other Acquisitions

On July 1, 2021, the Company completed its acquisition of Magna Colours Ltd. (Magna Colours), a market leader in sustainable, water-based inks technology for the textile screen printing industry, for the purchase price of $47.6 million, net of cash acquired. The results of the Magna Colours business are reported in the Color, Additives and Inks segment. The preliminary purchase price allocation resulted in intangible assets of $27.5 million and goodwill of $22.0 million, partially offset by net liabilities assumed. Goodwill is not deductible for tax purposes. The intangible assets that have been acquired are being amortized over a period of 10 to 20 years.

Our acquisitions of PlastiComp, Inc. (PlastiComp) on May 31, 2018 and Fiber-Line, LLC (Fiber-Line) on January 2, 2019 involved contingent earnout consideration. The PlastiComp earnout had a ceiling of $35.0 million that was reached during the first quarter of 2020 and paid in the third quarter of 2020. The Fiber-Line earnout was based on two annual earnout periods, with the second earnout period target based on year-one results. A payment of $53.9 million associated with the first Fiber-Line earnout period was made in the first quarter of 2020. There was no payment made for the second Fiber-Line earnout period, which ended on December 31, 2020.

Note 3 — DISCONTINUED OPERATIONS

On October 25, 2019, we divested the PP&S segment for $782.1 million cash. The sale resulted in the recognition of an after-tax gain of $457.7 million, which is reflected within *Income (loss) from discontinued operations, net of income taxes*.

The Company has continuing involvement with the former PP&S business following the close of the transaction. The Company entered into a four-year distribution agreement with the former PP&S business to be the exclusive distributor for certain products, under terms that were similar prior to the disposal transaction. The Company and the former PP&S business have also entered into contract manufacturing and supply agreements for certain products for a two-year period. For the twelve months ended December 31, 2021 and 2020, our net cash outflow related to the agreements was approximately $114.1 million and $65.0 million, respectively.

The following table summarizes the discontinued operations associated with PP&S for the years ended December 31, 2020 and 2019.

(In millions)	**2020**	**2019**
Sales	$ —	$ 488.9
Cost of sales	—	(390.1)
Selling and administrative expense	(0.9)	(28.0)
Gain on sale	—	591.2
Pretax (loss) income of discontinued operations	(0.9)	662.0
Income tax expense	0.5	(148.9)
(Loss) income from discontinued operations, net of taxes	$ (0.4)	$ 513.1

The following table presents the depreciation, amortization, and capital expenditures of our discontinued operations for the twelve months ended December 31, 2020 and 2019. There were no other significant operating or investing non-cash items for the twelve months ended December 31, 2020 and 2019.

(In millions)	**2020**	**2019**
Depreciation and amortization	$ —	$ 9.4
Capital Expenditures	—	14.1

Note 4 — GOODWILL AND INTANGIBLE ASSETS

Goodwill as of December 31, 2021 and 2020 and changes in the carrying amount of goodwill by segment were as follows:

(In millions)	Specialty Engineered Materials	Color, Additives and Inks	Distribution	Total
Balance at January 1, 2020	$ 236.3	$ 447.8	$ 1.6	$ 685.7
Acquisition of businesses	—	569.0	—	569.0
Currency translation	1.5	51.9	—	53.4
Balance at December 31, 2020	237.8	1,068.7	1.6	1,308.1
Acquisition of businesses	—	14.1	—	14.1
Currency translation	(1.5)	(34.3)	—	(35.8)
Balance at December 31, 2021	$ 236.3	$ 1,048.5	$ 1.6	$ 1,286.4

Indefinite and finite-lived intangible assets consisted of the following:

	As of December 31, 2021			
(In millions)	Acquisition Cost	Accumulated Amortization	Currency Translation	Net
Customer relationships	$ 507.2	$ (135.4)	$ 6.0	$ 377.8
Patents, technology and other	566.7	(134.3)	1.8	434.2
Indefinite-lived trade names	113.2	—	—	113.2
Total	$ 1,187.1	$ (269.7)	$ 7.8	$ 925.2

	As of December 31, 2020			
(In millions)	Acquisition Cost	Accumulated Amortization	Currency Translation	Net
Customer relationships	$ 508.7	$ (109.8)	$ 23.8	$ 422.7
Patents, technology and other	549.9	(102.4)	28.8	476.3
Indefinite-lived trade names	109.5	—	—	109.5
Total	$ 1,168.1	$ (212.2)	$ 52.6	$ 1,008.5

Amortization of finite-lived intangible assets included in continuing operations for the years ended December 31, 2021, 2020 and 2019 was $57.5 million, $43.5 million and $29.5 million, respectively.

We expect finite-lived intangibles amortization expense for the next five years as follows:

(In millions)	2022	2023	2024	2025	2026
Expected Amortization Expense	$ 55.5	$ 53.1	$ 52.6	$ 52.6	$ 51.9

Note 5 — EMPLOYEE SEPARATION AND RESTRUCTURING COSTS

As part of our integration efforts associated with the Clariant Color Acquisition, we are engaged in a restructuring plan. The restructuring plan is expected to enable us to better serve customers, improve efficiency and deliver anticipated synergy-related cost savings. We expect to incur costs for exit and disposal activities under generally accepted accounting principles when actions associated with the restructuring plan are approved and announced. The costs recorded in *Cost of sales* during 2021 and 2020 included $3.2 million and $0.4 million, respectively, related to fixed asset disposals and $7.0 million and $0.2 million, respectively, related to severance. Additionally, in 2021 there were other costs recorded in *Cost of sales* of $1.0 million. The costs recorded in *Selling and administrative expense* during 2021 and 2020 include $0.1 million and $6.4 million of severance, respectively, and $0.4 million and $0.2 million of other costs, respectively. We expect that the full restructuring plan will be implemented through 2023 and anticipate that we will incur approximately $75 million of charges in connection with the restructuring plan.

Total restructuring costs included in the Consolidated Statement of Income for the twelve months ended December 31, 2021 and 2020 are as follows:

(in millions)	2021	2020
Cost of goods sold	$ 14.5	$ 4.2
Selling and administrative expenses	0.2	15.4
Total employee separation and restructuring charges	$ 14.7	$ 19.6

Note 6 — FINANCING ARRANGEMENTS

For each of the periods presented, total debt consisted of the following:

As of December 31, 2021 (in millions)	Principal Amount	Unamortized discount and debt issuance cost	Net Debt	Weighted average interest rate
Senior secured revolving credit facility due 2026	$ —	$ —	$ —	— %
5.25% senior notes due 2023	600.0	1.4	598.6	5.25 %
5.75% senior notes due 2025	650.0	6.8	643.2	5.75 %
Senior secured term loan due 2026	611.5	6.2	605.3	1.85 %
Other Debt	11.8	—	11.8	
Total Debt	1,873.3	14.4	1,858.9	
Less short-term and current portion of long-term debt	8.6	—	8.6	
Total long-term debt, net of current portion	$ 1,864.70	$ 14.40	$ 1,850.30	

As of December 31, 2020 (in millions)	Principal Amount	Unamortized discount and debt issuance cost	Net Debt	Weighted average interest rate
Senior secured revolving credit facility due 2026	$ —	$ —	$ —	— %
5.25% senior notes due 2023	600.0	2.5	597.5	5.25 %
5.75% senior notes due 2025	650.0	8.8	641.2	5.75 %
Senior secured term loan due 2026	618.0	8.0	610.0	2.36 %
Other Debt	23.9	—	23.9	
Total Debt	1,891.9	19.3	1,872.6	
Less short-term and current portion of long-term debt	18.6	—	18.6	
Total long-term debt, net of current portion	$ 1,873.3	$ 19.3	$ 1,854.0	

On October 26, 2021, the Company and certain of its subsidiaries entered into the First Amendment to the Third Amended and Restated Credit Agreement (the ABL Amendment) with Wells Fargo Capital Finance, LLC, as administrative agent (in such capacity, Administrative Agent) and the various lenders and other agents party thereto. The ABL Amendment amends the Third Amended and Restated Credit Agreement, dated June 28, 2019 (the ABL Credit Agreement), by and among the Company and certain subsidiaries of the Company party thereto, Wells Fargo Capital Finance, LLC, as administrative agent, and the various lenders and other agents party thereto. The ABL Amendment, among other things, (i) increased the Company's total revolving credit line to $500 million (which may be increased by up to $150 million subject to the Company meeting certain requirements and obtaining commitments for such increase) (the Revolving Credit Facility), subject to the borrowing base limitations, (ii) extended the maturity date of the Revolving Credit Facility to October 26, 2026 (subject to certain exceptions), (iii) modified the borrowing base to include qualified cash subject to certain limitations, (iv) modified the applicable margin and the unused line fee to be based on availability, and (v) modified certain negative covenants to provide additional flexibility. On June 28, 2019, the Company amended and restated its senior secured revolving credit facility to, among other things, add a European line of credit, up to the euro equivalent of $50.0 million, subject to a borrowing base with advances against certain European accounts receivable. Advances under the U.S. portion of our Revolving Credit Facility bear interest, at the Company's option, at a Base Rate or a LIBOR Rate plus an applicable margin. The Base Rate is a fluctuating rate equal to the greater of (i) the Federal Funds Rate plus one-half percent, (ii) the prevailing LIBOR Rate plus one percent, and (iii) the prevailing Prime Rate. The applicable margins vary based on the Company's daily average excess availability during the previous quarter. As of December 31, 2021, we had no borrowings outstanding under our Revolving Credit Facility, which had remaining availability of $485.5 million. As of December 31, 2020, we had no borrowings under our Revolving Credit Facility, which had remaining availability of $278.2 million.

On February 28, 2013, the Company entered into an indenture with Wells Fargo Bank National Association, as trustee, relating to the issuance by the Company of $600.0 million aggregate principal amount of senior notes due 2023. The Senior notes bear an interest rate of 5.25% per year, payable semi-annually, in arrears, on March 15 and September 15 of each year, which commenced on September 15, 2013.

On May 13, 2020, the Company entered into an indenture (the Indenture) with U.S. Bank National Association, as trustee (the Trustee), relating to the issuance by the Company of $650 million aggregate principal amount of 5.75% Senior Notes due 2025 (the Notes). The Notes were sold on May 13, 2020 in a private transaction exempt from the registration requirements of the Securities Act of 1933 (the Securities Act), have not been and will not be registered under the Securities Act, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act. The Company received net proceeds of $640.5 million from the Notes offering, net of debt issuance costs, which were recorded on the balance sheet and are being amortized into *Interest expense, net* over the term of the debt. Also included in *Interest expense, net* for the year ended December 31, 2020, are costs associated with committed financing of $10.1 million related to the Clariant Color Acquisition.

On April 11, 2018, the Company entered into a fifth amendment to its senior secured term loan. Under the terms of the amended senior secured term loan, the margin was reduced by 25 basis points to 175 basis points. At the Company's discretion, interest is based upon (i) a margin rate of 75 basis points plus a Prime Rate, subject to a floor of 175 basis points. On November 9, 2018, the Company entered into a sixth amendment to its senior secured term loan, which extended the maturity to 2026. Repayments in the amount of one percent of the aggregate principal amount as of August 3, 2016 are payable annually, while the remaining balance matures on January 30, 2026. The total principal repayments for the year ended December 31, 2021 were $6.5 million.

The agreements governing our Revolving Credit Facility and our senior secured term loan, and the indentures and credit agreements governing other debt, contain a number of customary financial and restrictive covenants that, among other things, limit our ability to: sell or otherwise transfer assets, including in a spin-off, incur additional debt or liens, consolidate or merge with any entity or transfer or sell all or substantially all of our assets, pay dividends or make certain other restricted payments, make investments, enter into transactions with affiliates, create dividend or other payment restrictions with respect to subsidiaries, make capital investments and alter the business we conduct. As of December 31, 2021, we were in compliance with all covenants.

As of December 31, 2020, the Company maintained a credit line of $12.0 million with Saudi Hollandi Bank. The credit line had an interest rate equal to the Saudi Arabia Interbank Offered Rate plus a fixed rate of 0.85% and is subject to annual renewal. Borrowings under the credit line were primarily used to fund capital expenditures related to the manufacturing facility in Jeddah, Saudi Arabia. As of December 31, 2020, letters of credit under the credit line were immaterial and borrowings were $10.3 million with a weighted average annual interest rate of 1.85%. As of December 31, 2020, there was remaining availability on the credit line of $1.7 million. This credit line was closed in 2021.

The estimated fair value of Avient's debt instruments at December 31, 2021 and 2020 was $1,917.7 million and $1,955.9 million, respectively, compared to carrying values of $1,858.9 million and $1,872.6 million as of December 31, 2021 and 2020, respectively. The fair value of Avient's debt instruments was estimated using prevailing market interest rates on debt with similar creditworthiness, terms and maturities and represent Level 2 measurements within the fair value hierarchy.

Aggregate maturities of the principal amount of debt for the next five years and thereafter are as follows:

(In millions)		
2022	$	8.6
2023		608.6
2024		8.6
2025		658.7
2026		6.9
Thereafter		581.9
Aggregate maturities	$	1,873.3

Included in *Interest expense, net* for the years ended December 31, 2021, 2020 and 2019 was interest income of $17.5 million, $19.9 million, and $11.0 million, respectively. Total interest paid on debt, net of the impact of hedging (see Note 16, *Derivatives and Hedging*), was $72.6 million in 2021, $61.1 million in 2020 and $67.0 million in 2019.

Note 7 — LEASING ARRANGEMENTS

We lease certain manufacturing facilities, warehouse space, machinery and equipment, vehicles and information technology equipment under operating leases. The majority of our leases are operating leases. Finance leases are immaterial to our condensed consolidated financial statements. Operating lease assets and obligations are reflected within *Operating lease assets, net, Current operating lease obligations,* and *Non-current operating lease obligations,* respectively.

Lease expense for these leases is recognized on a straight-line basis over the lease term, with variable lease payments recognized in the period those payments are incurred. The components of lease cost from continued operations recognized within our Condensed Consolidated Statements of Income for the twelve months ended December 31, 2021 and 2020 were as follows:

(In millions)		2021		2020
Cost of sales	$	22.3	$	20.0
Selling and administrative expense		12.1		13.3
Total Operating lease cost	$	34.4	$	33.3

We often have options to renew lease terms for buildings and other assets. The exercise of lease renewal options are generally at our sole discretion. In addition, certain lease arrangements may be terminated prior to their original expiration date at our discretion. We evaluate renewal and termination options at the lease commencement date to determine if we are reasonably certain to exercise the option on the basis of economic factors. The weighted average remaining lease term for our operating leases as of December 31, 2021 and 2020 was 4.7 years and 5.4 years, respectively. The non-cash net increase in operating lease liabilities was $18.3 million and $10.5 million for the years ended December 31, 2021 and 2020, respectively.

The discount rate implicit within our leases is generally not determinable and, therefore, the Company determines the discount rate based on its incremental borrowing rate. The incremental borrowing rate for our leases is determined based on lease term and currency in which lease payments are made, adjusted for impacts of collateral. The weighted average discount rate used to measure our operating lease liabilities as of December 31, 2021 and 2020 were 3.7% and 3.9%, respectively.

Future minimum lease payments under non-cancelable operating leases with initial lease terms longer than one year as of December 31, 2021 and 2020 are as follows:

Maturity Analysis of Lease Liabilities:

(in millions)		2021
2022	$	26.3
2023		19.8
2024		12.6
2025		7.7
2026		4.6
Thereafter		10.3
Total	$	81.3
Less amount of lease payment representing interest		(7.0)
Total present value of lease payments	$	74.3

(in millions)		2020
2021	$	28.0
2022		21.4
2023		15.0
2024		8.7
2025		4.7
Thereafter		13.3
Total	$	91.1
Less amount of lease payment representing interest		(10.0)
Total present value of lease payments	$	81.1

Note 8 — INVENTORIES, NET

Components of *Inventories, net* as of December 31, 2021 and 2020 are as follows:

(In millions)		2021		2020
Finished products	$	244.4	$	171.7
Work in process		21.2		16.6
Raw materials and supplies		195.5		139.2
Inventories, net	$	461.1	$	327.5

Note 9 — PROPERTY, NET

Components of *Property, net* as of December 31, 2021 and 2020 are as follows:

(In millions)		2021		2020
Land and land improvements	$	91.5	$	95.7
Buildings		350.6		333.5
Machinery and equipment		972.3		948.2
Property, gross		1,414.4		1,377.4
Less accumulated depreciation		(738.3)		(682.5)
Property, net	$	676.1	$	694.9

Depreciation expense from continuing operations was $84.9 million in 2021, $68.2 million in 2020 and $48.6 million in 2019.

Note 10 — OTHER BALANCE SHEET LIABILITIES

Other liabilities at December 31, 2021 and 2020 consist of the following:

	Accrued expenses and other current liabilities		Other non-current liabilities	
(in millions)	**2021**	**2020**	**2021**	**2020**
Employment costs	$ 187.9	$ 142.7	$ 7.6	$ 6.1
Environmental liabilities	25.8	20.3	98.7	99.4
Accrued taxes	56.8	49.0	—	—
Pension and other post-employment benefits	6.9	6.7	—	—
Accrued interest	14.1	14.1	—	—
Dividends payable	21.7	19.4	—	—
Unrecognized tax benefits	0.7	3.2	20.0	7.3
Derivatives	3.1	—	—	48.4
Other	36.9	30.2	38.8	31.6
Total	$ 353.9	$ 285.6	$ 165.1	$ 192.8

Note 11 — EMPLOYEE BENEFIT PLANS

All U.S. qualified defined benefit pension plans are frozen, no longer accrue benefits and are closed to new participants. We have foreign pension plans that accrue benefits. The plans generally provide benefit payments using a formula that is based upon employee compensation and length of service.

The following tables present the change in benefit obligation, change in plan assets and components of funded status for defined benefit pension and post-retirement health care benefit plans.

	Pension Benefits		Health Care Benefits	
(in millions)	**2021**	**2020**	**2021**	**2020**
Change in benefit obligation:				
Projected benefit obligation - beginning of year	$ 602.0	$ 478.0	$ 18.3	$ 7.1
Service cost	4.7	3.0	0.1	0.1
Interest cost	14.2	15.3	0.5	0.4
Actuarial (loss) gain	(12.1)	24.5	(1.6)	—
Benefits paid	(53.9)	(40.9)	(1.2)	(0.7)
Effect of settlement and/or curtailment	(1.5)	(23.0)	(0.3)	—
Acquired benefit obligation	—	137.3	—	11.3
Other	(4.1)	7.8	—	0.1
Projected benefit obligation - end of year	549.3	602.0	15.8	18.3
Projected salary increases	(7.7)	(8.8)	—	—
Accumulated benefit obligation	$ 541.6	$ 593.2	$ 15.8	$ 18.3
Change in plan assets:				
Plan assets - beginning of year	$ 573.6	$ 469.1	$ —	$ —
Actual return on plan assets	2.9	60.5	—	—
Company contributions	8.6	5.4	1.2	0.7
Benefits paid	(53.9)	(40.9)	(1.2)	(0.7)
Effect of settlement and curtailment	(0.9)	(16.5)	—	—
Acquired plan assets	—	92.4	—	—
Other	(1.0)	3.6	—	—
Plan assets - end of year	$ 529.3	$ 573.6	$ —	$ —
Unfunded status at end of year	$ (20.0)	$ (28.4)	$ (15.8)	$ (18.3)

Amounts included in the accompanying Consolidated Balance Sheets as of December 31 are as follows:

(in millions)	Pension Benefits 2021	Pension Benefits 2020	Health Care Benefits 2021	Health Care Benefits 2020
Non-current assets	$ 71.1	$ 75.0	$ —	$ —
Accrued expenses and other liabilities	5.7	5.4	1.2	1.3
Pension and other post-retirement benefits	85.4	98.0	14.6	17.0

As of December 31, 2021 and 2020, we had plans with total projected and accumulated benefit obligations in excess of the related plan assets as follows:

(in millions)	Pension Benefits 2021	Pension Benefits 2020	Health Care Benefits 2021	Health Care Benefits 2020
Projected benefit obligation	$ 116.6	$ 149.5	$ 15.8	$ 18.3
Fair value of plan assets	26.5	46.7	—	—
Accumulated benefit obligation	108.3	122.8	15.8	18.3
Fair value of plan assets	25.4	28.2	—	—

Weighted-average assumptions used to determine benefit obligations at December 31:

	Pension Benefits 2021	Pension Benefits 2020	Health Care Benefits 2021	Health Care Benefits 2020
Discount rate	2.69 %	2.47 %	2.85 %	2.66 %
Assumed health care cost trend rates at December 31:				
Health care cost trend rate assumed for next year	N/A	N/A	6.44 %	5.99 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	N/A	N/A	4.08 %	4.04 %
Year that the rate reaches the ultimate trend rate	N/A	N/A	2065	2065

The following table summarizes the components of net periodic benefit cost or gain that was recognized during each of the years in the three-year period ended December 31, 2021.

(in millions)	Pension Benefits 2021	Pension Benefits 2020	Pension Benefits 2019	Health Care Benefits 2021	Health Care Benefits 2020	Health Care Benefits 2019
Components of net periodic benefit costs (gains):						
Service Cost	$ 4.7	$ 3.0	$ 0.5	$ 0.1	$ 0.1	$ —
Interest Cost	14.2	15.3	18.2	0.5	0.4	0.2
Expected return on plan assets	(26.9)	(25.3)	(23.7)	—	—	—
Mark-to-market actuarial net losses (gains)	11.9	(10.8)	(9.7)	(1.7)	—	0.1
Curtailment	(0.6)	(6.4)	—	(0.2)	—	—
Net periodic cost (benefit)	$ 3.3	$ (24.2)	$ (14.7)	$ (1.3)	$ 0.5	$ 0.3

In 2021, we recognized a $9.4 million mark-to-market loss that was primarily the result of actual asset returns that were lower than our assumed returns. Partially offsetting the lower asset returns was an increase in our year end discount rate from 2.47% to 2.69%.

In 2020, we recognized a $17.2 million mark-to-market gain that was primarily the result of actual asset returns that were higher than our assumed returns and mortality assumptions. Included in the mark-to-market gain was a $6.4 million gain related to lump sum payments that were offered to certain eligible participants of our US Qualified Pension Plan in the second quarter of 2020 which resulted in a settlement of $1.1 million, and a curtailment gain of $5.3 million related to certain acquired pension plans during the fourth quarter of 2020. Partially offsetting the mark-to-market gain was the decrease in our year end discount rate from 3.19% to 2.47%.

In 2019, we recognized a $9.6 million mark-to-market gain that was primarily a result of actual asset returns that were higher than our assumed returns and mortality assumptions. Partially offsetting the higher asset returns was the decrease in our year end discount rate from 4.11% to 3.19%.

Weighted-average assumptions used to determine net periodic benefit cost for the years ended December 31:

	Pension Benefits			Health Care Benefits		
	2021	**2020**	**2019**	**2021**	**2020**	**2019**
Discount rate*	2.47 %	3.19 %	4.11 %	2.66 %	3.06 %	3.98 %
Expected long-term return on plan assets*	4.86 %	5.05 %	5.68 %	—	—	—
Assumed health care cost trend rates at December 31:						
Assumed health care cost trend rates at January 1:	N/A	N/A	N/A	6.24 %	6.16 %	6.09 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	N/A	N/A	N/A	4.04 %	4.14 %	4.50 %
Year that the rate reaches the ultimate trend rate	N/A	N/A	N/A	2066	2054	2027

*The mark-to-market component of net periodic costs is determined based on discount rates as of year-end and actual asset returns during the year.

The expected long-term rate of return on pension assets was determined after considering the historical and forward looking long-term asset returns by asset category and the expected investment portfolio mix.

Our pension investment strategy is to diversify the portfolio among asset categories to enhance the portfolio's risk-adjusted return as well as insulate it from exposure to changes in interest rates. Our asset mix considers the duration of plan liabilities, historical and expected returns of the investments, and the funded status of the plan. The pension asset allocation is reviewed and actively managed based on the funded status of the plan. Based on the current funded status of the plan, our pension asset investment allocation guidelines are to invest 83% in fixed income securities and 17% in equity securities. The plan keeps a minimal amount of cash available to fund benefit payments. These investments may include funds of multiple asset investment strategies and funds of hedge funds.

The fair values of pension plan assets at December 31, 2021 and 2020, by asset category, are as follows:

	Fair Value of Plan Assets at December 31, 2021			
(In millions)	**Quoted Prices in Active Markets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total Investments (at Fair Value)**
Asset category				
Cash	$ 6.5	$ —	$ —	$ 6.5
Bonds and Notes	68.3	—	—	68.3
Global Equity	10.6	—	—	10.6
Other	—	3.1	15.3	18.4
Total	$ 85.4	$ 3.1	$ 15.3	103.8
Investments measured at NAV:				
Common collective funds:				
United States equity				32.7
International equity				32.1
Global equity				16.5
Fixed income				344.2
Balanced				—
Total common collective funds				$ 425.5
Total investments at fair value				$ 529.3

	Fair Value of Plan Assets at December 31, 2020			
(In millions)	**Quoted Prices in Active Markets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total Investments (at Fair Value)**
Asset category				
Cash	$ 8.2	$ —	$ —	$ 8.2
Bonds and Notes	53.4	—	—	53.4
Global Equity	4.5	—	—	4.5
Other	—	3.1	17.4	20.5
Total	$ 66.1	$ 3.1	$ 17.4	86.6
Investments at NAV				
Common collective funds				
United States equity				35.2
International equity				34.0
Global equity				16.3
Fixed income				383.8
Balanced				17.7
Total common collective funds				$ 487.0
Total investments at fair value				$ 573.6

Pension Plan Assets

Other assets are primarily insurance contracts for international plans. The U.S. equity common collective funds are predominately invested in equity securities actively traded in public markets. The international and global equity common collective funds have broadly diversified investments across economic sectors and focus on low volatility, long-term investments. The fixed income common collective funds consist primarily of publicly traded United States fixed interest obligations (principally investment grade bonds and government securities).

Level 1 assets are valued based on quoted market prices. Level 2 investments are valued based on quoted market prices and/or other market data for the same or comparable instruments and transactions of the underlying fixed income investments. The insurance contracts included in the other asset category are valued at the transacted price. Common collective funds are valued at the net asset value of units held by the fund at year end. The unit value is determined by the total value of fund assets divided by the total number of units of the fund owned.

The estimated future benefit payments for our pension and health care plans are as follows:

(In millions)	Pension Benefits	Health Care benefits
2022	$ 43.6	$ 1.2
2023	41.8	1.3
2024	39.9	1.3
2025	39.5	1.3
2026	38.8	1.2
2027 through 2031	179.1	5.2

We currently estimate that employer contributions will be $8.2 million to all qualified and non-qualified pension plans and $1.2 million to all healthcare benefit plans in 2022.

The Company sponsors various voluntary retirement savings plans (RSP). Under the provisions of the plans, eligible employees receive defined Company contributions and are eligible for Company matching contributions based on their eligible earnings contributed to the plan. In addition, we may make discretionary contributions to the plans for eligible employees based on a specific percentage of each employee’s compensation.

Following are our contributions to the RSP:

(In millions)	2021	2020	2019
Retirement savings match	$ 10.7	$ 9.9	$ 10.4
Retirement savings contribution	—	0.6	—
Total contribution	$ 10.7	$ 10.5	$ 10.4

Note 12 — COMMITMENTS AND CONTINGENCIES

Environmental — We have been notified by federal and state environmental agencies and by private parties that we may be a potentially responsible party (PRP) in connection with the environmental investigation and remediation of certain sites. While government agencies frequently assert that PRPs are jointly and severally liable at these sites, in our experience, the interim and final allocations of liability costs are generally made based on the relative contribution of waste. We may also initiate corrective and preventive environmental projects of our own to ensure safe and lawful activities at our operations. We believe that compliance with current governmental regulations at all levels will not have a material adverse effect on our financial position, results of operations or cash flows.

In September 2007, the United States District Court for the Western District of Kentucky (Court) in the case of Westlake Vinyls, Inc. v. Goodrich Corporation, et al., held that we must pay the remediation costs at the former Goodrich Corporation Calvert City facility (now largely owned and operated by Westlake Vinyls, Inc. (Westlake Vinyls)), together with certain defense costs of Goodrich Corporation. The rulings also provided that we can seek indemnification for contamination attributable to Westlake Vinyls.

Following the rulings, the parties to the litigation agreed to settle all claims regarding past environmental costs incurred at the site. The settlement agreement provides a mechanism to pursue allocation of future remediation costs at the Calvert City site to Westlake Vinyls. We will adjust our accrual, in the future, consistent with any such future allocation of costs. Additionally, we continue to pursue available insurance coverage related to this matter and recognize gains as we receive reimbursement.

The environmental obligation at the site arose as a result of an agreement between The B.F. Goodrich Company (n/k/a Goodrich Corporation) and our predecessor, The Geon Company, at the time of the initial public offering in 1993. Under the agreement, The Geon Company agreed to indemnify Goodrich Corporation for certain environmental costs at the site. Neither the Company nor The Geon Company ever operated the facility.

Since 2009, the Company, along with respondents Westlake Vinyls, and Goodrich Corporation, has worked with the United States Environmental Protection Agency (USEPA) on the remedial activities at the site. The USEPA issued its Record of Decision (ROD) in September 2018, selecting a remedy consistent with our accrual assumptions. In April 2019, the respondents signed an Administrative Settlement Agreement and Order on Consent with the USEPA to conduct the remedial actions at the site. In February 2020, the three companies signed the agreed Consent Decree and remedial action Work Plan, which received Federal Court approval in January 2021. Our current reserve totals $113.2 million for this matter.

Our Consolidated Balance Sheets include accruals totaling $124.5 million and $119.7 million as of December 31, 2021 and 2020, respectively, based on our estimates of probable future environmental expenditures relating to previously contaminated sites. These undiscounted amounts are included in *Accrued expenses and other current liabilities* and *Other non-current liabilities* on the accompanying Consolidated Balance Sheets. The accruals represent our best estimate of probable future costs that we can reasonably estimate, based upon currently available information and technology and our view of the most likely remedy. Depending upon the results of future testing, completion and results of remedial investigation and feasibility studies, the ultimate remediation alternatives undertaken, changes in regulations, technology development, new information, newly discovered conditions and other factors, it is reasonably possible that we could incur additional costs in excess of the amount accrued at December 31, 2021. However, such additional costs, if any, cannot be currently estimated.

The following table details the changes in the environmental accrued liabilities:

(in millions)	**2021**	**2020**	**2019**
Balance at beginning of the year	$ 119.7	$ 112.0	$ 111.9
Environmental expenses	23.0	20.4	10.2
Net cash payments	(18.2)	(12.7)	(10.3)
Currency translation and other	—	—	0.2
Balance at the end of year	$ 124.5	$ 119.7	$ 112.0

The environmental expenses noted in the table above are included in *Cost of sales* as are insurance recoveries received for previously incurred environmental costs. We received insurance recoveries of $4.5 million, $8.7 million, and $4.5 million in 2021, 2020 and 2019, respectively. Such insurance recoveries are recognized as a gain when received.

Other Litigation — Avient is subject to a broad range of claims, administrative and legal proceedings such as lawsuits that relate to contractual allegations, tax audits, product claims, personal injuries, and employment related matters. Although it is not possible to predict with certainty the outcome or cost of these matters, the Company believes our current reserves are appropriate and these matters will not have a material adverse effect on the condensed consolidated financial statements.

Note 13 — INCOME TAXES

Income from continuing operations, before income taxes is summarized below based on the geographic location of the operation to which such earnings are attributable.

Income from continuing operations, before income taxes consists of the following:

(In millions)	**2021**	**2020**	**2019**
Domestic	$ 74.2	$ 19.6	$ 41.2
International	230.4	119.4	68.2
Income from continuing operations, before income taxes	$ 304.6	$ 139.0	$ 109.4

A summary of income tax expense from continuing operations is as follows:

(In millions)	2021	2020	2019
Current income tax expense (benefit):			
Domestic	$ 49.0	$ (25.8)	$ 24.8
International	52.3	32.7	21.9
Total current income tax expense	$ 101.3	$ 6.9	$ 46.7
Deferred income tax (benefit) expense:			
Domestic	$ (31.5)	$ 17.2	$ (12.5)
International	4.2	(18.9)	(0.5)
Total deferred income tax benefit	$ (27.3)	$ (1.7)	$ (13.0)
Total income tax expense	$ 74.0	$ 5.2	$ 33.7

We elected to recognize the resulting tax on global intangible low-taxed income (GILTI) and foreign-derived intangible income (FDII) as a period expense in the period in which the tax is incurred.

A reconciliation of the applicable U.S. federal statutory tax rate to the consolidated effective income tax rate from continuing operations along with a description of significant or unusual reconciling items is included below for the twelve months ended December 31, 2021, 2020 and 2019.

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	2021	2020	2019
Federal statutory income tax rate	21.0 %	21.0 %	21.0 %
International tax rate differential:			
Asia	0.3	0.5	0.7
Europe	(1.2)	(4.4)	(10.3)
North and South America	0.7	1.2	0.7
Total international tax rate differential	(0.2)	(2.7)	(8.9)
(Benefit) Tax on GILTI and FDII	(1.7)	3.1	(0.1)
International tax on certain current and prior year earnings	1.4	2.0	1.6
Net impact of non-deductible acquisition earnouts and transaction cost	0.1	1.8	2.8
Tax on one-time gain from sale of other assets	—	—	6.0
Research and development credit	(0.8)	(2.1)	(2.8)
Carryback of capital losses	(0.4)	(13.1)	—
State and local tax, net	1.4	(3.4)	4.2
International permanent items	0.2	(5.2)	7.5
Net impact of uncertain tax positions	0.7	1.0	(2.4)
Changes in valuation allowances	1.7	0.5	1.7
Other	0.9	0.8	0.2
Effective income tax rate	24.3 %	3.7 %	30.8 %

The effective tax rates for all periods differed from the applicable U.S. federal statutory tax rate as a result of permanent items, state and local income taxes, differences in international tax rates and certain other items. Permanent items primarily consist of income or expense not taxable or deductible. Significant or other items impacting the effective income tax rate are described below.

2021 Significant items

We recognized a U.S. tax benefit of $5.5 million (1.7%) from decreased Tax on GILTI and FDII arising from higher domestic income.

State and local tax, net totaled expense of $4.2 million (1.4%), which resulted from normal operations.

International permanent items included the favorable tax effect of notional interest deductions and a change in a foreign tax rate. Offsetting these items were withholding taxes on intercompany foreign-to-foreign income and deferred tax adjustments which resulted in a net unfavorable tax impact of $0.6 million (0.2%).

2020 Significant items

We recognized a tax benefit of $18.2 million (13.1%) from a carryback of capital losses.

State and local tax, net totaled a benefit of $4.7 million (3.4%), which included favorable prior year tax provision adjustments and a state tax benefit from a carryback of capital losses.

International permanent items included the favorable tax effect of notional interest deductions, favorable tax treatment of foreign exchanges losses, offset by non-deductibility of interest expense related to the receipt of tax-exempt dividends, which resulted in a net favorable tax impact of $7.2 million (5.2%).

2019 Significant items

State and local tax, net included the result from an unfavorable state tax audit decision combined with higher domestic earnings in 2019.

International permanent items included the tax effect of non-deductibility of interest expense related to the receipt of tax-exempt dividends, which resulted in an unfavorable tax effect of $10.3 million (9.4%) partially offset by the tax impact of other net favorable permanent items of $2.0 million (1.9%).

Net impact of uncertain tax positions line resulted from the expiration of statute of limitations and favorable tax settlements.

Components of our deferred tax assets (liabilities) as of December 31, 2021 and 2020 were as follows:

(In millions)		**2021**		**2020**
Deferred tax assets:				
Employment costs		34.2		24.9
Environmental reserves		30.9		29.7
Net operating loss carryforwards		52.8		55.6
Operating leases		16.1		16.6
Research and development		22.0		7.6
Other, net		45.7		36.3
Gross deferred tax assets	$	201.7	$	170.7
Valuation allowances		(19.6)		(20.7)
Total deferred tax assets, net of valuation allowances	$	182.1	$	150.0
Deferred tax liabilities:				
Property, plant and equipment	$	(47.4)	$	(47.6)
Goodwill and intangibles		(130.6)		(144.9)
Operating leases		(16.2)		(17.0)
Other, net		(15.0)		(2.4)
Total deferred tax liabilities	$	(209.2)	$	(211.9)
Net deferred tax (liabilities) assets	$	(27.1)	$	(61.9)
Consolidated Balance Sheets:				
Non-current deferred income tax assets	$	73.5	$	78.1
Non-current deferred income tax liabilities	$	(100.6)	$	(140.0)

As of December 31, 2021, we had gross state net operating loss carryforwards of $17.8 million that expire between 2022 and 2041 or that have indefinite carryforward periods. Various international subsidiaries have gross net operating loss carryforwards totaling $195.4 million that expire between 2022 and 2039 or that have indefinite carryforward periods. Total tax valuation allowances decreased $1.1 million from the prior year primarily due to a decrease in the valuation allowance associated with certain assets acquired in the acquisition of Clariant Color. We have provided valuation allowances of $11.9 million against certain international and state net operating loss carryforwards that, as of this time, are expected to expire prior to utilization.

As of December 31, 2021, no tax provision has been made on approximately $489 million of undistributed earnings of certain non-U.S. subsidiaries as these amounts continue to be indefinitely reinvested consistent with our policy. The ending balance of international tax on certain current and prior year earnings accrual as of December 31, 2021 and 2020 included in the Other, net deferred tax liabilities line in the table above are $10.1 million and $9.2 million, respectively.

We made worldwide income tax payments of $102.1 million, $188.8 million, and $45.7 million in 2021, 2020, and 2019, respectively. We received refunds of $12.6 million, $9.9 million, and $20.0 million in 2021, 2020, and 2019, respectively.

The Company records tax provisions for uncertain tax positions in accordance with FASB ASC Topic 740, *Income Taxes*. A reconciliation of unrecognized tax benefits is as follows:

	Unrecognized Tax Benefits		
(In millions)	**2021**	**2020**	**2019**
Balance as of January 1,	$ 9.5	$ 11.2	$ 16.4
Increases as a result of positions taken during current year	6.2	0.6	1.1
Increases as a result of positions taken for prior years	0.2	0.6	0.4
Balance related to acquired businesses	5.4	—	—
Reductions for tax positions of prior years	—	—	(0.7)
Decreases as a result of lapse of statute of limitations	(1.5)	(0.5)	(5.0)
Decreases relating to settlements with taxing authorities	(0.1)	(2.8)	—
Other, net	0.4	0.4	(1.0)
Balance as of December 31,	$ 20.1	$ 9.5	$ 11.2

We recognize interest and penalties related to uncertain tax positions in the tax provision. As of December 31, 2021 and 2020, we had $1.2 million and $1.1 million accrued for interest and penalties, respectively.

Although the timing and outcome of tax settlements are uncertain, it is reasonably possible that during the next twelve months a reduction in unrecognized tax benefits may occur up to $0.7 million based on the outcome of tax examinations and the expiration of statutes of limitations.

If all unrecognized tax benefits were recognized, the net impact on the tax provision would be a benefit of $10.9 million.

The Company is currently being audited by state and international taxing jurisdictions. With limited exceptions, we are no longer subject to U.S. federal, state and international tax examinations for periods preceding 2017.

For the income tax impact associated with PP&S, refer to Note 3, *Discontinued Operations*.

Note 14 — SHARE-BASED COMPENSATION

Share-based compensation cost is based on the value of the portion of share-based payment awards that are ultimately expected to vest during the period. Share-based compensation cost recognized in the accompanying Consolidated Statements of Income includes compensation cost for share-based payment awards based on the grant date fair value estimated in accordance with the provision of FASB ASC Topic 718, *Compensation — Stock Compensation*. Share-based compensation expense is based on awards expected to vest and therefore has been reduced for estimated forfeitures.

Equity and Performance Incentive Plans

In May 2020, our shareholders approved the Avient Corporation 2020 Equity and Incentive Compensation Plan (2020 EICP). This plan reserved 2.5 million common shares for the award of a variety of share-based compensation alternatives, including non-qualified stock options, incentive stock options, restricted stock, restricted stock units (RSUs), performance shares, performance units and stock appreciation rights (SARs). It is anticipated that all share-based grants and awards that are earned and exercised will be issued from Avient common shares that are held in treasury.

Share-based compensation is included in *Selling and administrative expense*. A summary of compensation expense by type of award follows:

(In millions)	2021	2020	2019
Stock appreciation rights	$ 5.2	$ 4.4	$ 4.8
Performance shares	0.2	0.2	0.3
Restricted stock units	5.8	6.7	6.5
Total share-based compensation	$ 11.2	$ 11.3	$ 11.6

Stock Appreciation Rights

During the years ended December 31, 2021, 2020 and 2019, the total number of SARs granted was 0.5 million, 0.5 million and 0.6 million, respectively. Awards vest in one-third increments upon the later of the attainment of time-based vesting over a three-year service period and stock price targets. Awards granted in 2021, 2020 and 2019 are subject to an appreciation cap of 200% of the base price. SARs have contractual terms of ten years from the date of the grant.

The SARs were valued using a Monte Carlo simulation method as the vesting is dependent on the achievement of certain stock price targets. The SARs have time and market-based vesting conditions but vest no earlier than their three year graded vesting schedule. The expected term is an output from the Monte Carlo model and is derived from employee exercise assumptions that are based on Avient historical exercise experience. The expected volatility was determined based on the average weekly volatility for our common shares for the contractual life of the awards. The expected dividend assumption was determined based upon Avient's dividend yield at the time of grant. The risk-free rate of return was based on available yields on U.S. Treasury bills of the same duration as the contractual life of the awards. Forfeitures were estimated at 3% per year based on our historical experience.

The following is a summary of the weighted average assumptions related to the grants issued during 2021, 2020 and 2019:

	2021	2020	2019
Expected volatility	34.0%	33.0%	40.0%
Expected dividends	2.01%	2.57%	2.47%
Expected term (in years)	6.9	6.9	6.6
Risk-free rate	1.19%	1.56%	2.78%
Value of SARs granted	$11.72	$8.11	$10.13

A summary of SAR activity for 2021 is presented below:

(In millions, except per share data)	Shares	Weighted-Average Exercise Price per Share	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic value
Outstanding as of January 1, 2021	2.6	$ 32.43	6.4	$ 20.7
Granted	0.5	42.27		
Exercised	(1.2)	30.00		
Forfeited or expired	—	30.43		
Outstanding as of December 31, 2021	1.9	$ 35.64	7.1	$ 39.1
Vested and exercisable as of December 31, 2021	0.9	$ 33.86	5.4	$ 19.6

The total intrinsic value of SARs exercised during 2021, 2020 and 2019 was $22.9 million, $1.8 million and $0.4 million, respectively. As of December 31, 2021, there was $3.3 million of total unrecognized compensation cost related to SARs, which is expected to be recognized over the weighted average remaining vesting period of 23 months.

Restricted Stock Units

RSUs represent contingent rights to receive one common share at a future date provided certain vesting criteria are met.

During 2021, 2020 and 2019, the total number of RSUs granted was 0.2 million, 0.3 million and 0.2 million, respectively. In 2021, 0.2 million RSUs vested. These RSUs, which generally vest on the third anniversary of the grant date, were granted to executives and other key employees. Compensation expense is measured on the grant date using the quoted market price of our common shares and is recognized on a straight-line basis over the requisite service period.

As of December 31, 2021, 0.6 million RSUs remain unvested with a weighted-average grant date fair value of $33.23. Unrecognized compensation cost for RSUs at December 31, 2021 was $7.4 million, which is expected to be recognized over the weighted average remaining vesting period of 21 months.

Note 15 — SEGMENT INFORMATION

Operating income is the primary measure that is reported to our chief operating decision maker (CODM) for purposes of allocating resources to the segments and assessing their performance. Operating income at the segment level does not include: corporate general and administrative expenses that are not allocated to segments; intersegment sales and profit eliminations; charges related to specific strategic initiatives such as the consolidation of operations; restructuring activities, including employee separation costs resulting from personnel reduction programs, plant closure and phase-in costs; executive separation agreements; share-based compensation costs; asset impairments; environmental remediation costs, along with related gains from insurance recoveries, and other liabilities for facilities no longer owned or closed in prior years; gains and losses on the divestiture of joint ventures and equity investments; actuarial gains and losses associated with our pension and other post-retirement benefit plans; and certain other items that are not included in the measure of segment profit or loss that is reported to and reviewed by our CODM. These costs are included in *Corporate and eliminations*.

Segment assets are primarily customer receivables, inventories, net property, plant and equipment, intangible assets and goodwill. Intersegment sales are generally accounted for at prices that approximate those for similar transactions with unaffiliated customers. *Corporate and eliminations* assets and liabilities primarily include cash, debt, pension and other employee benefits, environmental liabilities, retained assets and liabilities of discontinued operations, and other unallocated corporate assets and liabilities. The accounting policies of each segment are consistent with those described in Note 1, *Description of Business and Summary of Significant Accounting Policies*.

Avient has three reportable segments. The following is a description of each reportable segment.

Color, Additives and Inks

Color, Additives and Inks is a leading formulator of specialized custom color and additive concentrates in solid and liquid form for thermoplastics, dispersions for thermosets, as well as specialty inks. Color and additive solutions include an innovative array of colors, special effects and performance-enhancing and sustainable solutions. When combined with polymer resins, our solutions help customers achieve differentiated specialized colors and effects targeted at the demands of today’s highly design-oriented consumer and industrial end markets. Our additive concentrates encompass a wide variety of performance and process enhancing characteristics and are commonly categorized by the function that they perform, including UV light stabilization and blocking, antimicrobial, anti-static, blowing or foaming, antioxidant, lubricant, oxygen and visible light blocking and productivity enhancement. Of growing importance is our portfolio of additives that enable our customers to achieve their sustainability goals, including improved recyclability, reduced energy use, light weighting, and renewable energy applications. Our colorant and additives concentrates are used in a broad range of polymers, including those used in medical and pharmaceutical devices, food packaging, personal care and cosmetics, transportation, building products, wire and cable markets. We also provide custom-formulated liquid systems that meet a variety of customer needs and chemistries, including polyester, vinyl, natural rubber and latex, polyurethane and silicone. Our offerings also include proprietary inks and latexes for diversified markets such as recreational and athletic apparel, construction and filtration, outdoor furniture and healthcare. Our liquid polymer coatings and additives are largely based on vinyl and are used in a variety of markets, including consumer, packaging, healthcare, industrial, transportation, building and construction, wire and cable, textiles and appliances. Color, Additives and Inks has manufacturing, sales and service facilities located throughout North America, South America, Asia, Europe, Middle East, and Africa.

Specialty Engineered Materials

Specialty Engineered Materials is a leading formulator of specialty and sustainable polymer formulations, services and solutions for designers, assemblers and processors of thermoplastic materials across a wide variety of markets and end-use applications. Our product portfolio, which we believe to be one of the most diverse in our industry, includes specialty formulated high-performance polymer materials that are manufactured using thermoplastic resins and elastomers, which are then combined with advanced polymer additives, reinforcement, filler, colorant and/or biomaterial technologies. We also have what we believe is the broadest composite platform of solutions, which include a full range of products from long glass and carbon fiber technology to thermoset and thermoplastic composites. These solutions meet a wide variety of unique customer requirements for sustainability, in particular light weighting. Our technical and market expertise enables us to expand the performance range and structural properties of traditional engineering-grade thermoplastic resins to meet evolving customer needs. Specialty Engineered Materials has manufacturing, sales and service facilities located throughout North America, Europe, and Asia. Our product development and application reach is further enhanced by the capabilities of our Innovation Centers in the United States, Germany and China, which produce and evaluate prototype and sample parts to help assess end-use performance and guide product development. Our manufacturing capabilities are targeted at meeting our customers' demand for speed, flexibility and critical quality.

Distribution

The Distribution business distributes more than 4,000 grades of engineering and commodity grade resins, including Avient-produced solutions, principally to the North American, Central American and Asian markets. These products are sold to over 6,500 custom injection molders and extruders who, in turn, convert them into plastic parts that are sold to end-users in a wide range of industries. Representing over 25 major suppliers, we offer our customers a broad product portfolio, just-in-time delivery from multiple stocking locations and local technical support. Expansion in Central America and Asia have bolstered Distribution's ability to serve the specialized needs of customers globally.

Financial information by reportable segment is as follows:

(In millions) Year Ended December 31, 2021	Sales to External Customers	Intersegment Sales	Total Sales	Operating Income	Depreciation and Amortization	Capital Expenditures
Color, Additives and Inks	$ 2,392.3	$ 9.3	$ 2,401.6	$ 303.1	$ 105.7	$ 40.5
Specialty Engineered Materials	833.2	85.7	918.9	132.0	31.7	26.4
Distribution	1,587.3	43.6	1,630.9	93.2	0.8	0.8
Corporate and eliminations	6.0	(138.6)	(132.6)	(147.1)	7.7	32.9
Total	$ 4,818.8	$ —	$ 4,818.8	$ 381.2	$ 145.9	$ 100.6

Year Ended December 31, 2020	Sales to External Customers	Intersegment Sales	Total Sales	Operating Income	Depreciation and Amortization	Capital Expenditures
Color, Additives and Inks	$ 1,497.0	$ 5.9	$ 1,502.9	$ 180.8	$ 75.1	$ 30.5
Specialty Engineered Materials	644.1	64.7	708.8	94.4	30.0	14.2
Distribution	1,087.4	22.9	1,110.3	69.5	0.7	1.4
Corporate and eliminations	13.6	(93.5)	(79.9)	(155.4)	9.2	17.6
Total	$ 3,242.1	$ —	$ 3,242.1	$ 189.3	$ 115.0	$ 63.7

Year Ended December 31, 2019	Sales to External Customers	Intersegment Sales	Total Sales	Operating Income	Depreciation and Amortization	Capital Expenditures
Color, Additives and Inks	$ 998.2	$ 5.6	$ 1,003.8	$ 147.4	$ 42.7	$ 21.5
Specialty Engineered Materials	689.6	56.1	745.7	83.7	29.5	23.3
Distribution	1,172.9	19.3	1,192.2	75.4	0.5	1.6
Corporate and eliminations	2.0	(81.0)	(79.0)	(149.7)	5.4	21.2
Total	$ 2,862.7	$ —	$ 2,862.7	$ 156.8	$ 78.1	$ 67.6

Our sales are primarily to customers in the United States, Canada, Mexico, Europe, South America and Asia, and the majority of our assets are located in these same geographic areas. The following is a summary of sales and long-lived assets based on the geographic areas where the sales originated and where the assets are located:

(In millions)	2021	2020	2019
Sales:			
United States	$ 2,281.2	$ 1,619.7	$ 1,560.4
Canada	151.8	107.6	140.6
Mexico	348.2	236.2	261.2
South America	85.8	51.4	27.8
Europe	1,195.6	729.8	556.2
Asia	756.2	497.4	316.5
Total Sales	$ 4,818.8	$ 3,242.1	$ 2,862.7

	2021	2020
Total Assets:		
Color, Additives and Inks	$ 2,965.2	$ 3,018.7
Specialty Engineered Materials	771.0	728.1
Distribution	384.9	244.9
Corporate and eliminations	876.1	878.8
Total	$ 4,997.2	$ 4,870.5

	2021	2020
Property, net:		
United States	$ 276.2	$ 261.8
Canada	1.3	1.4
Mexico	8.3	8.9
South America	19.6	20.1
Europe	172.4	224.5
Asia	198.3	178.2
Total Long lived assets	$ 676.1	$ 694.9

Note 16 — DERIVATIVES AND HEDGING

We are exposed to market risks, such as changes in foreign currency exchange rates and interest rates. To manage the volatility related to these exposures we may enter into various derivative transactions. We formally assess, designate and document, as a hedge of an underlying exposure, the qualifying derivative instrument that will be accounted for as an accounting hedge at inception. Additionally, we assess both at inception and at least quarterly thereafter, whether the financial instruments used in the hedging transaction are effective at offsetting changes in either the fair values or cash flows of the underlying exposures and that ongoing assessment will be done qualitatively for highly effective relationships.

Net Investment Hedge

During October and December 2018, as a means of mitigating the impact of currency fluctuations on our Euro investments in foreign entities, we executed a total of six cross currency swaps, in which we will pay fixed-rate interest in Euros and receive fixed-rate interest in U.S. dollars with a combined notional amount of 250.0 million Euros and which mature in March 2023. In August and September 2020, we executed an additional five cross currency swaps, which are structured similarly to those executed in 2018. These swaps have a combined notional amount of 677.0 million Euros, which were set to mature in May 2025. In September 2021, we executed five cross currency swap transactions that extended the length of the 2020 swaps agreements through 2028. Additionally, we entered into three new cross currency swaps with a combine notional amount of 338.7 million euros that also mature in 2028. These effectively convert a portion of our U.S. Dollar denominated fixed-rate debt to Euro denominated fixed-rate debt. That conversion resulted in gains of $16.4 million and $10.4 million for the years ended December 31, 2021 and 2020, respectively, which was recognized within *Interest expense, net.*

We designated the swaps as net investment hedges of our net investment in our European operations and applied the spot method to these hedges. The changes in fair value of the derivative instruments that are designated and qualify as hedges of net investments in foreign operations are recognized within A*ccumulated Other Comprehensive Income (Loss)* (AOCI) to offset the changes in the values of the net investment being hedged. For the years ended December 31, 2021 and 2020, a gain of $52.5 million and a loss of $41.7 million, respectively, were recognized within translation adjustments in AOCI, net of tax.

Derivatives Designated as Cash Flow Hedging Instruments

In August 2018, we entered into two interest rate swaps with a combined notional amount of $150.0 million to manage the variability of cash flows in the interest rate payments associated with our existing LIBOR-based interest payments, effectively converting $150.0 million of our floating rate debt to a fixed rate. We began to receive floating rate interest payments based upon one month U.S. dollar LIBOR and in return are obligated to pay interest at a fixed rate of 2.732% until November 2022. The net interest payments accrued each month for these highly effective hedges are reflected in net income as adjustments of interest expense and the remaining change in the fair value of the derivatives is recorded as a component of AOCI. The amount of expense recognized within *Interest expense, net*, associated with interest rate swaps was $4.0 million and $3.2 million for the years ending December 31, 2021 and 2020, respectively. The amount recognized in AOCI, net of tax was a gain of $3.2 million and loss of $1.6 million for the years ended December 31, 2021 and 2020, respectively.

All of our derivative assets and liabilities measured at fair value are classified as Level 2 within the fair value hierarchy. We determine the fair value of our derivatives based on valuation methods, which project future cash flows and discount the future amounts present value using market based observable inputs, including interest rate curves and foreign currency rates. The fair value of derivative financial instruments recognized in the Condensed Consolidated Balance Sheets as of December 31, 2021 and 2020 is as follows:

(In millions)	**Balance Sheet Location**	**2021**	**2020**
Assets			
Cross Currency Swaps (Net Investment Hedge)	Other non-current assets	$ 31.7	$ —
Liabilities			
Cross Currency Swaps (Net Investment Hedge)	Other non-current liabilities	$ —	$ 41.1
Interest Rate Swap (Fair Value Hedge)	Other current liabilities	$ 3.1	$ —
Interest Rate Swap (Fair Value Hedge)	Other non-current liabilities	$ —	$ 7.3

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure controls and procedures

Avient's management, with the participation of the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the design and operation of Avient's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2021. Based on this evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of December 31, 2021.

Management's Annual Report On Internal Control Over Financial Reporting

The following report is provided by management in respect of Avient's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act):

1. Avient's management is responsible for establishing and maintaining adequate internal control over financial reporting.
2. Under the supervision of and with participation of Avient's management, including the Chief Executive Officer and the Chief Financial Officer, we conducted an evaluation of the effectiveness of internal control over financial reporting as of December 31, 2021 based on the guidelines established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) (2013 Framework). Management believes that the 2013 Framework is a suitable framework for its evaluation of financial reporting because it is free from bias, permits reasonably consistent qualitative and quantitative measurements of Avient's internal control over financial reporting, is sufficiently complete so that those relevant factors that would alter a conclusion about the effectiveness of Avient's internal control over financial reporting are not omitted and is relevant to an evaluation of internal control over financial reporting.
3. Based on the results of our evaluation, management has concluded that such internal control over financial reporting was effective as of December 31, 2021. There were no material weaknesses in internal control over financial reporting identified by management. The results of management's assessment were reviewed with our Audit Committee.
4. Ernst & Young LLP, who audited the consolidated financial statements of Avient for the year ended December 31, 2021, also issued an attestation report on Avient's internal control over financial reporting under Auditing Standard No. 2201 of the Public Company Accounting Oversight Board. This attestation report is set forth on page 31 of this Annual Report on Form 10-K and is incorporated by reference into this Item 9A.

Changes in internal control over financial reporting

There were no changes in the Company's internal control over financial reporting that occurred during the quarter ended December 31, 2021 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Limitations in internal control over financial reporting

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.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information regarding Avient's directors, including the identification of the audit committee and audit committee financial experts, is incorporated by reference to the information contained in Avient's Proxy Statement with respect to the 2022 Annual Meeting of Shareholders (2022 Proxy Statement). Information concerning executive officers is contained in Part I of this Annual Report on Form 10-K under the heading "Information About Our Executive Officers."

The information regarding any changes in procedures by which shareholders may recommend nominees to Avient's Board of Directors is incorporated by reference to the information contained in the 2022 Proxy Statement.

Avient has adopted a code of ethics that applies to its principal executive officer, principal financial officer and principal accounting officer. Avient's code of ethics is posted under the Corporate Governance tab of the Investor Relations page of its website at www.avient.com. Avient will post any amendments to, or waivers of, its code of ethics that apply to its principal executive officer, principal financial officer and principal accounting officer on its website.

ITEM 11. EXECUTIVE COMPENSATION

The information regarding executive officer and director compensation is incorporated by reference to the information contained in the 2022 Proxy Statement.

The information regarding compensation committee interlocks and insider participation and the compensation committee report is incorporated by reference to the information contained in the 2022 Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREHOLDER MATTERS

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights [1] (a)	Weighted-average exercise price of outstanding options, warrants and rights[2] (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))[3] (c)
Equity compensation plans approved by security holders	2,501,061	$35.64	2,340,343
Equity compensation plans not approved by security holders	—	—	—
Total	2,501,061	$35.64	2,340,343

(1) This amount represents shares of common stock underlying awards that have been granted under the terms of the PolyOne Corporation 2017 Equity and Incentive Compensation Plan and the Avient Corporation 2020 Equity and Incentive Compensation Plan (the 2020 EICP), including 1,882,991 shares issuable pursuant to outstanding stock appreciation rights (SARs) (assuming target achievement) and 618,070 shares issuable pursuant to outstanding restricted stock unit (RSU) awards.

(2) Reflects the weighted-average exercise price of SARs, and does not take into account RSUs, as such awards have no exercise price.

(3) In addition to options, warrants and rights, the the 2020 EICP authorizes the issuance of restricted stock, RSUs and performance shares. This amount represents shares of common stock remaining available for future awards under the 2020 EICP.

The information regarding security ownership of certain beneficial owners is incorporated by reference to the information contained in the 2022 Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information regarding certain relationships and related transactions and director independence is incorporated by reference to the information contained in the 2022 Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information regarding fees paid to and services provided by Avient's independent registered public accounting firm and the pre-approval policies and procedures of the audit committee is incorporated by reference to the information contained in the 2022 Proxy Statement.

PART IV

ITEM 15. EXHIBIT AND FINANCIAL STATEMENT SCHEDULES

(a)(1) Financial Statements:

The following consolidated financial statements of Avient Corporation are included in Item 8:

Consolidated Statements of Income for the years ended December 31, 2021, 2020 and 2019

Consolidated Statements of Comprehensive Income for the years ended December 31, 2021, 2020 and 2019

Consolidated Balance Sheets at December 31, 2021 and 2020

Consolidated Statements of Cash Flows for the years ended December 31, 2021, 2020 and 2019

Consolidated Statements of Shareholders' Equity for the years ended December 31, 2021, 2020 and 2019

Notes to Consolidated Financial Statements

All other schedules for which provision is made in Regulation S-X of the SEC are not required under the related instructions or are inapplicable and, therefore, have been omitted.

(a)(3) Exhibits:

Exhibit No.	Exhibit Description
2.1†	Share Purchase Agreement, dated December 19, 2019, by and between PolyOne Corporation and Clariant AG (incorporated by reference to Exhibit 2.3 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, SEC File No. 1-16091).
3.1	Amended and Restated Articles of Incorporation of Avient Corporation (as amended through June 30, 2020) (incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020, SEC File No. 1-16091)
3.2	Amended and Restated Code of Regulations, effective June 30, 2020 (incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020, SEC File No. 1-16091)
4.1	Indenture, dated February 28, 2013, between PolyOne Corporation and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on March 5, 2013, SEC File No. 1-16091)
4.2	Indenture, dated May 13, 2020, between PolyOne Corporation and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, filed on May 15, 2020, SEC File No. 1-16091)
4.3	Description of Securities (incorporated by reference to Exhibit 4.2 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, SEC File No. 1-16091).
10.1	Third Amended and Restated Credit Agreement, dated June 28, 2019, by and among PolyOne Corporation, the subsidiaries of PolyOne Corporation party thereto, Wells Fargo Capital Finance, LLC, as administrative agent, and the various lenders and other agents party thereto (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019, SEC File No. 1-16091.
10.2	First Amendment to Third Amended and Restated Credit Agreement, dated as of October 26, 2021, by and among the lenders party thereto, Wells Fargo Capital Finance, LLC, as administrative agent for the lenders, Avient Corporation, NEU Specialty Engineered Materials, LLC, Avient Canada ULC, and PolyOne S.à.r.l.(incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021, SEC File No. 1-16091)
10.3	Credit Agreement, dated November 12, 2015, by and among PolyOne Corporation, as borrower, Citibank, N.A., as administrative agent, each of Citigroup Global Markets Inc., Wells Fargo Securities LLC, Goldman, Sachs & Co., HSBC Securities (USA) Inc. and Morgan Stanley & Co. LLC, as joint-lead arrangers and joint-book managers, Jefferies Finance LLC, KeyBanc Capital Markets Inc. and SunTrust Robinson Humphrey, Inc., as co-managers, and several other commercial lending institutions that are parties thereto (incorporated by reference to Exhibit 10.6 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, SEC File No. 1-16091)
10.4	Amendment Agreement No. 1 to the Credit Agreement, dated as of June 15, 2016, among the Company, certain subsidiaries of the Company, Citibank, N.A., as administrative agent, and the additional lender party thereto (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30. 2016, SEC File No. 16091)
10.5	Amendment Agreement No. 2, dated August 3, 2016, by and among PolyOne Corporation, the subsidiaries of PolyOne Corporation party thereto, Citibank, N.A, as administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 5, 2016, SEC File No. 1-16091)
10.6	Amendment Agreement No. 3, dated January 24, 2017, by and among PolyOne Corporation, the subsidiaries of PolyOne Corporation party thereto, Citibank, N.A., as administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017, SEC File No. 1-16091)
10.7	Amendment Agreement No. 4, dated August 15, 2017, by and among PolyOne Corporation, the subsidiaries of PolyOne Corporation party thereto, Citibank, N.A., as administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, SEC File No. 1-16091)

10.8	Amendment Agreement No. 5, dated April 11, 2018, by and among PolyOne Corporation, the subsidiaries of PolyOne Corporation party thereto, Citibank, N.A., as administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, SEC File No. 1-16091)
10.9	Amendment Agreement No. 6, dated November 9, 2018, by and among PolyOne Corporation, the subsidiaries of PolyOne Corporation party thereto, Citibank, N.A, as administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on November 13, 2018, SEC File No. 1-16091)
10.10+	Amended and Restated Avient Corporation 2010 Equity and Performance Incentive Plan (incorporated by reference to Appendix B to the Company's definitive proxy statement on Schedule 14A filed on April 3, 2015, SEC File No. 1-16091)
10.11+	First Amendment to the Avient Supplemental Retirement Benefit Plan (As Amended and Restated Effective January 1, 2014), dated as of March 16, 2016; Amendment No. 2 to the Avient Supplemental Retirement Benefit Plan (As Amended and Restated Effective January 1, 2014), dated as of December 19, 2018; and Amendment No. 3 to the Avient Supplemental Retirement Benefit Plan (As Amended and Restated Effective January 1, 2014), dated as of April 18, 2019 (incorporated by reference to Exhibit 4.5 to the Company's Registration Statement on Form S-8, filed on May 6, 2019, SEC File No. 333-231236)
10.12+	Avient 2017 Equity and Incentive Compensation Plan (incorporated by reference to Appendix B to the Company's definitive proxy statement on Schedule 14A filed on March 31, 2017, SEC File No. 1-16091)
10.13+	Avient Corporation Deferred Compensation Plan for Non-Employee Directors (As Amended and Restated Effective July 15, 2021) (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021, SEC File No. 1-16091)
10.14+	Form of Management Continuity Agreement for Executive Officers prior to 2011 (incorporated by reference to Exhibit 10.13 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2007, SEC File No. 1-16091)
10.15+	Form of Management Continuity Agreement for Executive Officers after 2011 (incorporated by reference to Exhibit 10.12 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2013, SEC File No. 1-16091)
10.16+**	Schedule of Executive Officers with Management Continuity Agreements
10.17+	Avient Supplemental Retirement Benefit Plan (As Amended and Restated Effective January 1, 2014) (incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2013, SEC file No. 1-16091)
10.18	Assumption of Liabilities and Indemnification Agreement, dated March 1, 1993, amended and restated by Amended and Restated Assumption of Liabilities and Indemnification Agreement, dated April 27, 1993 (incorporated by reference to Exhibit 10.14 to The Geon Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1996, SEC File No. 1-11804)
10.19+	Executive Severance Plan, as amended and restated effective May 15, 2014 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014, SEC File No. 1-16091)
10.20+	Form of 2012 Award Agreement under the Avient Corporation 2010 Equity and Performance Incentive Plan, as amended (incorporated by reference to Exhibit 10.38 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012, SEC File No. 1-16091)
10.21+	Form of 2013 Award Agreement under the Avient Corporation 2010 Equity and Performance Incentive Plan, as amended (incorporated by reference to Exhibit 10.27 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2013, SEC File No. 1-16091)
10.22+	Form of Director and Officer Indemnification Agreement (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 5, 2006, SEC File No. 1-16091)
10.23+	Form of 2014 Award Agreement under the Avient Corporation 2010 Equity and Performance Incentive Plan, as amended (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014, SEC File No. 1-16091)
10.24+	Avient Corporation 2020 Equity and Incentive Compensation Plan (incorporated by reference to Appendix B to the Company's definitive proxy statement on Schedule 14A filed on March 30, 2020, SEC File No. 1-16091).
10.25+	Form of 2021 Award Agreement under the Avient Corporation 2020 Equity and Incentive Compensation Plan (incorporated by reference to Exhibit 10.25 to the Company's Annual Report on Form 10-K for the fiscal year ended 2020, SEC File No. 1-16091)
10.26+**	Form of 2022 Award Agreement under the Avient Corporation 2020 Equity and Incentive Compensation Plan

Exhibit No.	Exhibit Description
21.1**	Subsidiaries of the Company
23.1**	Consent of Independent Registered Public Accounting Firm - Ernst & Young LLP
31.1**	Certification of Robert M. Patterson, Chairman, President and Chief Executive Officer, pursuant to SEC Rules 13a-14(a) and 15d-14(a), adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2**	Certification of Jamie A. Beggs, Senior Vice President and Chief Financial Officer, pursuant to SEC Rules 13a-14(a) and 15d-14(a), adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification pursuant to 18 U.S.C. § 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, as signed by Robert M. Patterson, Chairman, President and Chief Executive Officer
32.2**	Certification pursuant to 18 U.S.C. § 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, as signed by Jamie A. Beggs, Senior Vice President and Chief Financial Officer
101 .INS**	Inline XBRL Instance Document
101 .SCH**	Inline XBRL Taxonomy Extension Schema Document
101 .CAL**	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101 .LAB**	Inline XBRL Taxonomy Extension Label Linkbase Document
101 .PRE**	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101 .DEF**	Inline XBRL Taxonomy Definition Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

\+ Indicates management contract or compensatory plan, contract or arrangement in which one or more directors or executive officers of the Registrant may be participants

† Certain exhibits and schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K and will be provided to the Securities and Exchange Commission upon request.

** Filed herewith.

ITEM 16. FORM 10-K SUMMARY

None.

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.

AVIENT CORPORATION

February 22, 2022	BY:	/S/ JAMIE A. BEGGS Jamie A. Beggs Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)

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

Signature and Title		
/S/ ROBERT M. PATTERSON Robert M. Patterson	Chairman, President and Chief Executive Officer (Principal Executive Officer)	February 22, 2022
/S/ JAMIE A. BEGGS Jamie A. Beggs	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	February 22, 2022
/S/ ROBERT E. ABERNATHY Robert E. Abernathy	Director	February 22, 2022
/S/ RICHARD H. FEARON Richard H. Fearon	Director	February 22, 2022
/S/ GREGORY J. GOFF Gregory J. Goff	Director	February 22, 2022
/S/ NEIL GREEN Neil Green	Director	February 22, 2022
/S/ WILLIAM R. JELLISON William R. Jellison	Director	February 22, 2022
/S/ SANDRA BEACH LIN Sandra Beach Lin	Director	February 22, 2022
/S/ KIM ANN MINK Kim Ann Mink	Director	February 22, 2022
/S/ ERNEST NICOLAS Ernest Nicolas	Director	February 22, 2022
/S/ KERRY J. PREETE Kerry J. Preete	Director	February 22, 2022
/S/ PATRICIA VERDUIN Patricia Verduin	Director	February 22, 2022
/S/ WILLIAM A. WULFSOHN William A. Wulfsohn	Director	February 22, 2022

Exhibit 10.16

SCHEDULE OF EXECUTIVES WITH MANAGEMENT CONTINUITY AGREEMENTS

Title	Name	Years / Comp*	Excise Tax Gross Up?
Chairman, President and Chief Executive Officer	Robert M. Patterson	3	Y
Senior Vice President, Chief Financial Officer	Jamie A. Beggs	2	N
Senior Vice President, President of Distribution	Cathy K. Dodd	2	N
Senior Vice President, President, Color, Additives and Inks, EMEA	Michael A. Garratt	2	N
Senior Vice President, General Counsel and Secretary	Lisa K. Kunkle	3	Y
Senior Vice President, Global Operations and Process Improvement	M. John Midea, Jr.	2	N
Senior Vice President, President of Color, Additives and Inks, Americas and Asia	Woon Keat Moh	2	N
Senior Vice President, President of Specialty Engineered Materials	Christopher L. Pederson	2	N
Senior Vice President, Chief Technology Officer	Vinod Purayath	2	N
Senior Vice President, Mergers & Acquisitions	Joel R. Rathbun	2	N
Senior Vice President, Chief Human Resources Officer	João José San Martin Neto	2	N

* Years of compensation payable upon change of control

THIS AGREEMENT CONSTITUTES PART OF A PROSPECTUS COVERING SECURITIES REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THE COMMON SHARES OF THE COMPANY ARE LISTED ON THE NEW YORK STOCK EXCHANGE.

February 14, 2022

AVIENT CORPORATION INCENTIVE AWARDS

Dear _______:

Subject to the terms and conditions of the PolyOne Corporation (n/k/a Avient Corporation) 2020 Equity and Incentive Compensation Plan (the "Plan"), and this letter agreement (this "Agreement"), the Compensation Committee of the Board of Directors (the "Committee") of Avient Corporation ("Avient") has granted to you, as of February 14, 2022, the following award(s) (collectively, the "Incentive Awards"):

- Stock-Settled Stock Appreciation Rights ("SARs") in respect of an aggregate of _______ common shares of Avient, having a par value of US$0.01 per share (the "Common Shares"). The price (the "Base Price") to be used as the basis for determining the Spread (as defined on Schedule A) upon exercise of the SAR is US$[•], the Market Value per Share on February 14, 2022. The SARs shall become exercisable in accordance with the terms set forth on Schedule A attached hereto.

- _______ restricted stock units (the "Restricted Stock Units"), which shall vest in accordance with the terms set forth on Schedule B attached hereto. Each Restricted Stock Unit shall represent one hypothetical Common Share and shall at all times be equal in value to one Common Share.

- _______ performance units (the "Performance Units"), with each such Performance Unit being equal in value to US$1.00, payment of which depends on Avient's performance as set forth on Schedule C attached hereto and in your Statement of Performance Goals.

A copy of the Plan is available for your review through the Corporate Secretary's office. Unless otherwise indicated, the capitalized terms used in this Agreement (including the Schedules attached hereto) shall have the same meanings as set forth in the Plan.

1. Non-Assignability. The Incentive Awards are personal to you and are not transferable by you other than by will or the laws of descent and distribution. Any purported transfer or encumbrance in violation of the provisions of this Section 1 shall be void, and the other party to any such purported transaction shall not obtain any right to or interest in such Incentive Awards.

2. Adjustments. In the event of any extraordinary cash dividend, stock dividend, stock split, combination of shares, recapitalization or other change in the capital structure of Avient, merger, consolidation, spin-off, split-off, spin-out, split-up, reorganization, partial or complete liquidation or other distribution of assets, issuance of rights or warrants to purchase securities, or any other corporate transaction or event having an effect similar to any of the foregoing, the Committee shall make or provide for such adjustments in the number of and kind of Common Shares covered by the SARs and Restricted Stock Units then held by you, and in other award terms, as the Committee, in

its sole discretion, exercised in good faith, determines is equitably required to prevent dilution or enlargement of your rights in connection with such transaction or event. If any such transaction or event occurs or in the event of a Change of Control, the Committee may provide in substitution for outstanding Incentive Awards such alternative consideration (including, without limitation, in the form of cash, securities or other property) as it may determine to be equitable in the circumstances and shall require in connection therewith the surrender of the Incentive Awards subject to this Agreement. No adjustment provided for in this Section 2 or Section 12 of the Plan will require Avient to issue any fractional shares.

3. Responsibility for Taxes.

(a) Regardless of any action Avient takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax related withholdings ("Tax Related Items"), you acknowledge that the ultimate liability for all Tax Related Items legally due by you is and remains your responsibility and that Avient (i) makes no representations or undertakings regarding the treatment of any Tax Related Items in connection with any aspect of the Incentive Awards, including the grant, vesting or exercise (if applicable) of the Incentive Awards, the subsequent sale of Common Shares acquired pursuant to the exercise of the SARs and the vesting of the Restricted Stock Units, and the receipt of any dividends, and (ii) does not commit to structure the terms of the grant or any aspect of the Incentive Awards to reduce or eliminate your liability for Tax Related Items.

(b) (i) To the extent that Avient is required to withhold taxes in connection with your exercise of the SARs, Avient will withhold Common Shares with an aggregate Market Value per Share equal to the amount of such taxes from the payment. In no event will you be entitled to acquire a fraction of one Common Share pursuant to this Agreement.

(ii) To the extent that Avient is required to withhold taxes in connection with the vesting of your Restricted Stock Units, Avient will withhold Common Shares with a value equal to the amount of these taxes from the payment, and such Common Shares will be valued at an amount equal to the fair market value of such Common Shares on the date of payment.

(iii) To the extent that Avient is required to withhold any federal, state, local or foreign taxes in connection with the payment of the Performance Units in cash, Avient will withhold the amount of these taxes from the payment.

4. Miscellaneous.

(a) The contents of this Agreement are subject in all respects to the terms and conditions of the Plan as approved by the Board and the shareholders of Avient, which are controlling. The interpretation and construction by the Board and/or the Committee of any provision of the Plan or this Agreement shall be final and conclusive upon you, your estate, executor, administrator, beneficiaries, personal representative and guardian and Avient and its successors and assigns.

(b) Any absence or leave approved by a duly constituted officer of Avient or any of its Subsidiaries will not be considered an interruption or termination of your service under this Agreement.

(c) The grant of the Incentive Awards is discretionary and will not be considered to be an employment contract or a part of your terms and conditions of employment or of your salary or compensation. Information about you and your participation in the Plan, including, without limitation, your name, home address, email address and telephone number, date of birth, social insurance number, passport number or other identification number, salary, nationality, job title, any shares of stock or directorships held in Avient, and details of the Incentive Awards or other entitlement to shares of stock awarded, cancelled, purchased, exercised, vested, unvested or outstanding in your favor may be collected, recorded, held, used and disclosed by Avient and any of its Subsidiaries and any non-Avient entities engaged by Avient to provide services in connection with this grant (a “Third Party Administrator”), for any purpose related to the administration of the Plan. You understand that Avient and its Subsidiaries may transfer such information to Third Party Administrators, regardless of whether such Third Party Administrators are located within your country of residence. Please refer to the Avient Global Associate Processing Notice, a copy of which has been provided or otherwise made available to you, for more information about the personal information that Avient collects about you and the purposes for which Avient uses such data. If you are a California resident, such notice is intended to satisfy Avient’s requirements under the California Consumer Protection Act.

(d) Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto. The terms and conditions of this Agreement may not be modified, amended or waived, except by an instrument in writing signed by a duly authorized executive officer at Avient. Notwithstanding the foregoing, no amendment shall adversely affect your rights under this Agreement without your consent.

(e) It is a condition to your receipt of the Incentive Awards that you execute and agree to the terms of Avient or a Subsidiary’s current and applicable Employee Agreement (the “Employee Agreement”). If you do not sign and return the Employee Agreement to Avient Human Resources within 30 days of your receipt of this grant of Incentive Awards, this grant of Incentive Awards and any rights to the Incentive Awards will terminate and become null and void.

(f) By electronically accepting this Agreement, you acknowledge that you have either entered into an Employee Agreement with Avient or a Subsidiary as of the date of acceptance or will enter into such agreement by the deadline set forth in Section 4(e). You understand that, as set forth in the Employee Agreement, you have agreed not to engage in certain prohibited practices in competition with Avient following the termination of your employment (hereinafter referred to as the “Covenant Not to Compete”). You further acknowledge that as consideration for your agreement to the Covenant Not to Compete, Avient is providing you the opportunity to participate in these grants of Incentive Awards under the Plan (or any successor long-term incentive plan) and receive the Incentive Awards evidenced by this Agreement. You understand that eligibility for participation in the Plan was conditioned upon your agreement to the Covenant Not to Compete. You further understand and acknowledge that you would have been ineligible to participate in the Plan and receive the Incentive Awards had you decided not to agree to the Covenant Not to Compete. You understand that the acknowledgment contained in this sub-section shall be deemed a part of the Employee Agreement and is to be interpreted in a manner consistent with its terms.

(g) Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement prevents you from providing, without prior notice to Avient, information to governmental authorities regarding possible legal violations or otherwise testifying or participating in any investigation or proceeding by any governmental authorities regarding possible legal violations, and for purposes of clarity you are not prohibited from providing information voluntarily to the Securities and Exchange Commission pursuant to Section 21F of the Exchange Act.

5. Notice. All notices under this Agreement to Avient must be delivered personally or mailed to Avient Corporation at Avient Center, 33587 Walker Road, Avon Lake, Ohio 44012, Attention: Corporate Secretary. Avient's address may be changed at any time by written notice of such change to you. Also, all notices under this Agreement to you will be delivered personally or mailed to you at your address as shown from time to time in Avient's records.

6. Compliance with Section 409A of the Code.

(a) To the extent applicable, it is intended that this Agreement (including the Schedules attached hereto) and the Plan comply with the provisions of Section 409A of the Code, so that the income inclusion provisions of Section 409A(a)(1) of the Code do not apply to you. This Agreement and the Plan shall be administered in a manner consistent with this intent.

(b) Reference to Section 409A of the Code will also include any regulations or other formal guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service.

7. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original and both of which taken together shall constitute one and the same agreement.

8. Severability. If one or more of the provisions of this Agreement (including the Schedules attached hereto) is invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

9. Governing Law. This Agreement shall be governed by and construed with the internal substantive laws of the State of Ohio without giving effect to any principle of law that would result in the application of the law of any other jurisdiction.

10. Binding Effect. This Agreement (including the Schedules attached hereto and the Statement of Performance Goals), and the terms and conditions of the Plan, shall bind, and inure to the benefit of you, your estate, executor, administrator, beneficiaries, personal representative and guardian and Avient and its successors and assigns.

Very Truly Yours,

AVIENT CORPORATION

By:
João José San Martin Neto
Senior Vice President, Chief Human Resources Officer

Accepted:

____

__________ (Date)

SCHEDULE A – SARs

1. Vesting and Exercise of SARs.

(a) Subject to the provisions of the Plan and the Agreement (including this Schedule A), the SARs will expire on February 14, 2032. Subject to Sections 2 and 3 of this Schedule A, vesting of the SARs will occur as follows, provided that you have been in the continuous employ of Avient or a Subsidiary on each such vesting date specified below (each set of performance-based SARs vesting on a specific date shall be called a “Tranche”):

(i) One-third of the SARs shall vest on the later of (A) February 14, 2023 (the “Tranche I Time-Vesting Hurdle”) and (B) the first trading day immediately following the first thirty consecutive trading day period during which the Market Value per Share reaches a minimum of US$[•] for each trading day after February 14, 2022, but prior to February 14, 2032 (the “Tranche I Performance-Vesting Hurdle”).

(ii) An additional one-third of the SARs shall vest on the later of (A) February 14, 2024 (the “Tranche II Time-Vesting Hurdle”) and (B) the first trading day immediately following the first thirty consecutive trading day period during which the Market Value per Share reaches a minimum of US$[•] for each trading day after February 14, 2022, but prior to February 14, 2032 (the “Tranche II Performance-Vesting Hurdle”).

(iii) The remaining one-third of the SARs shall vest on the later of (A) February 14, 2025 (the “Tranche III Time-Vesting Hurdle,” and together with the Tranche I Time-Vesting Hurdle and the Tranche II Time-Vesting Hurdle, the “Time-Vesting Hurdles”) and (B) the first trading day immediately following the first thirty consecutive trading day period during which the Market Value per Share reaches a minimum of US$[•] for each trading day after February 14, 2022, but prior to February 14, 2032 (the “Tranche III Performance-Vesting Hurdle”, and together with the Tranche I Performance-Vesting Hurdle and the Tranche II Performance-Vesting Hurdle, the “Performance-Vesting Hurdles”).

(b) Vested SARs may be exercised as provided in this Section 1(b) of this Schedule A as long as each exercise covers at a minimum the lesser of the number of fully vested SARs or 1,000 SARs. To exercise the SARs, you must follow the exercise procedures established by Avient, which may change periodically. You will be notified of any such changes. Upon exercise, Avient will issue you the number of Common Shares determined under Section 1(c) of this Schedule A.

(c) The number of Common Shares to be issued will be determined by calculating the product of (i) the difference between (A) the Market Value per Share on the date of exercise (the “Transaction Price”) and (B) the Base Price (the “Spread”), multiplied by (ii) the number of SARs exercised; provided, however, that if the Transaction Price exceeds US$[•] (the “SAR Cap”), the Spread for purposes of calculating the number of Common Shares to be issued under this Section 1 of this Schedule A shall be US$[•]. The result of this calculation will then be divided by the lesser of (I) the Transaction Price and (II) the SAR Cap to determine the number of Common Shares to be issued, rounded down to the nearest whole share. In no event will you be entitled to acquire a fraction of one Common Share pursuant to this Schedule A.

(d) Unless otherwise determined by the Committee or provided in this Schedule A and so long as it does not violate applicable law, if (i) the Market Value per Share reaches the SAR Cap at any time prior to February 14, 2032, (ii) all or a portion of the SARs have vested, but remain unexercised when the Market Value per Share reaches the SAR Cap, and (iii) the SARs have not expired when the Market Value per Share reaches the SAR Cap, any vested SARs will be deemed to have been exercised by you on the date on which the Market Value per Share first reaches the SAR Cap. In such event, Avient will issue you a number of Common Shares in accordance with Section 1(c) of this Schedule A.

(e) The SARs are exercisable during your lifetime only by you or by your guardian or legal representative.

2. Vesting Upon a Change of Control. If a Change of Control occurs during the term of the SARs, the SARs, to the extent not previously fully vested, will become immediately vested in full.

3. Retirement, Disability or Death. (a) If your employment with Avient or a Subsidiary terminates before the expiration of the SARs due to (i) retirement at age 55 or older with at least 10 years of service, (ii) retirement at age 58 or older with at least 5 years of service, (iii) permanent and total disability (as defined under the relevant disability plan or program of Avient or a Subsidiary in which you then participate), or (iv) death, then:

A. a pro-rata portion of the number of SARs for which the Performance-Vesting Hurdles have not been satisfied on or prior to the date of the termination of your employment, regardless of whether the Time-Vesting Hurdles have been satisfied (such number, the "Special Vested SARs – Future Performance"), shall remain eligible to vest and be exercised in whole or in part when the applicable Performance-Vesting Hurdles have been satisfied prior to the end of their term, but in no event beyond February 14, 2032, after which, subject to Section 1(d) of this Schedule A, such Special Vested SARs – Future Performance will terminate; and

B. a pro-rata portion of the number of SARs for which the Performance-Vesting Hurdles have been satisfied, but for which the Time-Vesting Hurdles have not been satisfied on or prior to the date of the termination of your employment (such number, the "Special Vested SARs – Past Performance"), shall remain eligible to exercise in whole or in part prior to the end of their term, but in no event beyond February 14, 2032, after which, subject to Section 1(d) of this Schedule A, such Special Vested SARs – Past Performance will terminate.

(b) Each pro-rata portion of a Tranche that remains eligible to vest or to be exercised in accordance with Section 3(a) of this Schedule A shall be determined by calculating the product of (i) the Special Vested SARs – Future Performance or the Special Vested SARs – Past Performance, as applicable, for such Tranche, multiplied by (ii) a fraction, the numerator of which is the number of days that you were employed by Avient or a Subsidiary during the period commencing on February 14, 2022 and continuing through the date of your termination pursuant to one of the events described in Section 3(a)(i), (ii), (iii) or (iv) above, and the denominator of which is 365 (for Tranche I Performance-Vesting Hurdle or Time-Vesting Hurdle), 730 (for Tranche II Performance-Vesting Hurdle or Time-Vesting Hurdle) and 1,096 (for Tranche III Performance-Vesting Hurdle or Time-Vesting Hurdle).

(c) All SARs that have become vested under Section 1 of this Schedule A as of the time of the termination of your employment due to retirement, disability or death, but have not been exercised as of the time of the termination of your employment, may be exercised in whole or in part for the remainder of their term, but in no event beyond February 14, 2032, after which, subject to Section 1(d) of this Schedule A, such SARs will terminate.

4. Termination Following Change of Control.

(a) Subject to Section 1(d) of this Schedule A, if your employment with Avient or a Subsidiary terminates within one year following a Change of Control because (i) your employment is involuntarily terminated without "Cause" (as defined below), or (ii) you terminate your employment for "Good Reason" (as defined below), notwithstanding anything herein to the contrary, any SARs that have become vested under Sections 1 and 2 of this Schedule A at the time of the termination of your employment without Cause or for Good Reason, but have not been exercised as of the time of the termination of your employment without Cause or for Good Reason, may be exercised in whole or in part at any time and from time to time for the remainder of their term, but in no event beyond February 14, 2032, after which the SARs will terminate.

(b) For purposes of Section 4(a) above:

(i) If you are a party to a Management Continuity Agreement with Avient or a Subsidiary, "Cause" shall mean "Cause" and "Good Reason" shall mean "Good Reason," each as defined in your Management Continuity Agreement;

(ii) If you are not a party to a Management Continuity Agreement, "Cause" shall mean: (A) the willful and continued failure by you to substantially perform your duties with Avient or a Subsidiary, which failure causes material and demonstrable injury to Avient or a Subsidiary (other than any such failure resulting from your incapacity due to physical or mental illness), after a demand for substantial performance is delivered to you by Avient or a Subsidiary which specifically identifies the manner in which you have not substantially performed your duties, and after you have been given a period (hereinafter known as the "Cure Period") of at least thirty (30) days to correct your performance, or (B) the willful engaging by you in other gross misconduct materially and demonstrably injurious to Avient or a Subsidiary. For purposes of this Section 4(b)(ii) of this Schedule A, no act, or failure to act, on your part shall be considered "willful" unless conclusively demonstrated to have been done, or omitted to be done, by you not in good faith and without reasonable belief that your action or omission was in the best interests of Avient or a Subsidiary; and

(iii) If you are not a party to a Management Continuity Agreement, "Good Reason" shall mean, without your express written consent: (A) your permanent assignment to a new work location that would either increase your routine one-way commute by fifty (50) or more miles, measured by the shortest commonly traveled routes between your then-current residence and new reporting or work location, or make your routine one-way commute sixty (60) or more miles, or (B) a reduction in your base salary, target annual incentive amount or employer-provided benefits, if immediately after the reduction the aggregate total of your base salary, target annual incentive amount and value of employer-provided benefits is less than eighty percent (80%) of the aggregate total of your salary, target annual incentive amount and the value of employer-provided benefits immediately prior to the Change of Control.

5. Other Termination. If your employment with Avient or a Subsidiary terminates before the expiration of the SARs for any reason other than as set forth in Sections 3 or 4 above, any SARs that have become vested under Section 1 of this Schedule A at the time of the termination of your employment, but have not been exercised as of the time of the termination of your employment, may be exercised at any time within ninety (90) days of your termination of employment, but in no event beyond February 14, 2032, after which the SARs will terminate. All unvested SARs shall be forfeited.

SCHEDULE B – Restricted Stock Units

1. Vesting of Restricted Stock Units.

(a) Subject to the provisions of the Plan and the Agreement (including this Schedule B) and provided that you have been in the continuous employ of Avient or a Subsidiary from February 14, 2022 until February 14, 2025 (the "Restriction Period"), the Restricted Stock Units shall vest in full on February 14, 2025 (the "Vesting Date").

(b) Notwithstanding the provisions of Section 1(a) of this Schedule B, (i) all of the Restricted Stock Units shall immediately vest if a Change of Control occurs, and (ii) a pro-rata portion of the Restricted Stock Units shall immediately vest if your employment terminates prior to February 14, 2025 due to (A) your retirement at age 55 or older with at least 10 years of service, (B) your retirement at age 58 or older with at least 5 years of service, (C) your permanent and total disability (as defined under the relevant disability plan or program of Avient or a Subsidiary in which you then participate, or if there is no such plan or program, such condition provided in any applicable governmental statute or regulation that constitutes a disability), or (D) your death. The proration will be based on the portion of the Restriction Period during which you were employed (including your date of termination) by Avient or a Subsidiary. The remaining portion of the Restricted Stock Units will be forfeited.

(c) Notwithstanding the provisions of Sections 1(a) and 1(b) of this Schedule B and to the extent permitted by applicable law, a number of Restricted Stock Units may vest and become payable prior to the Vesting Date or other vesting event described in Section 1(b) of this Schedule B in an amount that is sufficient to cover any employment tax that becomes payable by you with respect to the Restricted Stock Units prior to the Vesting Date or other vesting event, as applicable.

2. Other Termination. If your employment with Avient or a Subsidiary terminates before the Vesting Date for any reason other than as set forth in Section 1(b)(ii) of this Schedule B and before a Change of Control occurs, the Restricted Stock Units will be forfeited.

3. Payment of Restricted Stock Units.

(a) The Restricted Stock Units that vest pursuant to Section 1 of this Schedule B will be paid in Common Shares transferred to you within 30 business days following the Vesting Date; provided, however, that, subject to Section 3(b) of this Schedule B, (i) in the event a Change of Control occurs prior to the Vesting Date or (ii) in the event your employment terminates on account of the reasons set forth in Section 1(b)(ii) of this Schedule B prior to the Vesting Date, the Restricted Stock Units will be paid within 30 business days following such Change of Control or the date of the termination of your employment, whichever applies.

(b) If the event triggering the right to payment under Section 3(a) of this Schedule B does not constitute a permitted distribution event under Section 409A(a)(2) of the Code, then notwithstanding anything herein to the contrary, the payment of Common Shares will be made to you, to the extent necessary to comply with Section 409A of the Code, on the earliest of (i) your "separation from service" with Avient or a Subsidiary (determined in accordance with Section 409A) that occurs after the event giving rise to payment; (ii) the Vesting Date; or (iii) your death. In addition, if you are a “key employee” as determined pursuant to procedures adopted by Avient in compliance with Section 409A of the Code and any payment of Common Shares made pursuant to this Schedule B is considered to be a “deferral of compensation” (as such phrase is defined for purposes of Section 409A of the Code) that is payable upon your “separation from service” (within the meaning of Section 409A of the Code), then the payment date for such payment shall be as soon as administratively practicable on or after the first business day of the seventh month following the date of your “separation from service” with Avient or a Subsidiary (determined in accordance with Section 409A of the Code), but in no event later than the last day of the seventh month following your “separation from service.”

4. Dividend, Voting and Other Rights. You shall have no rights of ownership in the Restricted Stock Units or the Common Shares underlying the Restricted Stock Units and you shall have no right to vote the underlying Common Shares until the date on which any Common Shares are transferred to you pursuant to Section 3 of this Schedule B. While the Restricted Stock Units are still outstanding, on the date that Avient pays a cash dividend to holders of Common Shares generally, you shall be entitled to a number of additional whole Restricted Stock Units determined by dividing (a) the product of (i) the dollar amount of the cash dividend paid per Common Share on such date and (ii) the total number of Restricted Stock Units (including dividend equivalents paid thereon) previously credited to you as of such date, by (b) the Market Value per Share on such date. Any dividend equivalents credited hereunder shall be subject to the same terms and conditions and shall be settled or forfeited in the same manner and at the same time as the Restricted Stock Units to which the dividend equivalents were credited.

SCHEDULE C – Performance Units

1. Performance Units.

(a) Subject to the provisions of the Plan and the Agreement (including this Schedule C), your right to receive all or any portion of the Performance Units will be contingent upon the achievement of certain management objectives (the "Management Objectives"), as set forth in your Statement of Performance Goals. The achievement of the Management Objectives will be measured with respect to four performance periods (each, a "Performance Period") as set forth in the table below and 25% of the Performance Units may be earned with respect to each Performance Period in accordance with the terms below.

Performance Period	Allocation of Performance Units
Performance Period #1: January 1, 2022 to December 31, 2022	25%
Performance Period #2: January 1, 2023 to December 31, 2023	25%
Performance Period #3: January 1, 2024 to December 31, 2024	25%
Performance Period #4: January 1, 2022 to December 31, 2024	25%

(b) The Management Objectives for each Performance Period will be based solely on achievement of performance goals relating to Avient's Adjusted Earnings per Share ("Adjusted EPS"), as defined in your Statement of Performance Goals.

2. Earning of Performance Units.

(a) Twenty-five percent (25%) of the Performance Units may be earned with respect to each of the four Performance Periods defined in Section 1(a) of this Schedule C and shall be earned as follows:

(i) If, upon the conclusion of a Performance Period, Adjusted EPS equals the threshold level, as set forth in the Performance Matrix contained in your Statement of Performance Goals, then 50% of the Performance Units allocated to such Performance Period shall become earned.

(ii) If, upon the conclusion of a Performance Period, Adjusted EPS equals the target level, as set forth in the Performance Matrix contained in your Statement of Performance Goals, then 100% of the Performance Units allocated to such Performance Period shall become earned.

(iii) If, upon the conclusion of a Performance Period, Adjusted EPS equals or exceeds the maximum level, as set forth in the Performance Matrix contained in your Statement of Performance Goals, then 200% of the Performance Units allocated to such Performance Period shall become earned.

(iv) If, upon the conclusion of a Performance Period, Adjusted EPS is greater than the threshold level, but less than the target level, or greater than the target level, but less than the maximum level, as set forth in the Performance Matrix contained in your Statement of Performance Goals, then a proportionate percentage of the Performance Units allocated to such Performance Period shall become earned, as determined by mathematical interpolation and rounded up to the nearest whole unit.

(b) In no event shall any Performance Units allocated to a Performance Period become earned if actual performance for such Performance Period falls below the threshold level for Adjusted EPS or if the Committee does not certify that the Management Objectives have been satisfied for such Performance Period.

(c) If the Committee determines that a change in the business, operations, corporate structure or capital structure of Avient, the manner in which it conducts business or other events or circumstances render the Management Objectives to be unsuitable, the Committee may modify such Management Objectives or the related levels of achievement, in whole or in part, as the Committee deems appropriate.

(d) Subject to the provisions of Sections 3 and 4 of this Schedule C, your right to receive any Performance Units is contingent upon your remaining in the continuous employ of Avient or a Subsidiary through the payment date, which shall be a date in 2025 determined by the Committee (or its authorized delegatee) and shall occur no later than March 15, 2025 (the "Payment Date").

(e) Notwithstanding the provisions of Section 4 of this Schedule C and to the extent permitted by applicable law, a number of Performance Units may become non-forfeitable and payable prior to the Payment Date in an amount that is sufficient to cover any employment tax that becomes payable by you with respect to the Performance Units prior to the Payment Date.

3. Change of Control. Subject to Section 6,

(a) if a Change of Control occurs prior to the end of Performance Period #4, Avient shall pay to you as soon as administratively practicable after, but in all events no later than 30 days following the Change of Control, the sum of:

(i) the actual number of Performance Units earned with respect to all Performance Periods completed as of the date of the consummation of the Change of Control pursuant to Section 2(a) of this Schedule C; and

(ii) the number of Performance Units granted for which the Performance Period(s) have not been completed as of the date of the consummation of the Change of Control.

(b) if a Change of Control occurs after the end of Performance Period #4, but on or prior to the Payment Date, Avient shall pay to you the actual number of Performance Units earned pursuant to Section 2 of this Schedule C as soon as administratively practicable after, but in all events no later than 30 days following, the Change of Control.

4. Retirement, Disability or Death. Subject to Section 6 of this Schedule C, if your employment with Avient or a Subsidiary terminates prior to the Payment Date due to (a) retirement at age 55 or older with at least 10 years of service, (b) retirement at age 58 or older with at least 5 years of service, (c) permanent and total disability (as defined under the relevant disability plan or program of Avient or a Subsidiary in which you then participate), or (d) death, Avient shall pay to you or your executor or administrator, as the case may be, on the Payment Date, the sum of:

(i) the actual number of Performance Units earned as of the Payment Date pursuant to Section 2 of this Schedule C with respect to each Performance Period for the entirety of which you were employed by Avient or a Subsidiary; and

(ii) the product of (A) the actual number of Performance Units you would have earned as of the Payment Date pursuant to Section 2 of this Schedule C with respect to each Performance Period had you remained in the continuous employ of Avient or a Subsidiary for the entirety of such Performance Periods, multiplied by (B) a fraction, the numerator of which is the number of days during each Performance Period commencing on the first day of such Performance Period and extending through the date of your termination pursuant to one of the events described in Section 4(a), (b), (c) or (d) above, and the denominator of which is 365 (for Performance Period #1 and/or #2, as applicable), 366 (for Performance Period #3) and 1,096 (for Performance Period #4).

5. Other Termination. If your employment with Avient or a Subsidiary terminates before the Payment Date for any reason other than as set forth in Section 4 above and before a Change of Control, the Performance Units will be forfeited.

6. Payment of Performance Units.

(a) Payment of any Performance Units that become earned as set forth herein will be made in the form of cash. The amount of the cash payment to be made shall be determined by multiplying (i) the number of Performance Units earned pursuant to Sections 2, 3 or 4 above by (ii) US$1.00. Except as provided in Sections 3 and 6(b) of this Schedule C, payment will be made no later than the next regularly scheduled payroll date immediately following the Payment Date.

(b) If the event triggering the right to payment under Section 3 or 4 above does not constitute a permitted distribution event under Section 409A(a)(2) of the Code, then notwithstanding anything herein to the contrary, the cash payment will be made to you, to the extent necessary to comply with Section 409A of the Code, on the earliest of (i) your “separation from service” with Avient or a Subsidiary (determined in accordance with Section 409A) that occurs after the event giving rise to payment; (ii) the Payment Date; or (iii) your death. In addition, if you are a “key employee” as determined pursuant to procedures adopted by Avient in compliance with Section 409A of the Code and any payment made pursuant to this Schedule C is considered to be a “deferral of compensation” (as such phrase is defined for purposes of Section 409A of the Code) that is payable upon your “separation from service” (within the meaning of Section 409A of the Code), then the Payment Date for such payment shall be as soon as administratively practicable on or after the first business day of the seventh month following the date of your “separation from service” with Avient or a Subsidiary (determined in accordance with Section 409A of the Code), but in no event later than the last day of the seventh month following your “separation from service.”

AVIENT CORPORATION
2022 Grant of Performance Units
Statement of Performance Goals

1. Definition. For purposes of the grant of the Performance Units, "Adjusted Earnings per Share" shall mean: Net income, excluding special items, divided by the weighted average of diluted shares. Special items are gains or losses related to:

- Strategic or financial restructuring costs including: consolidation of operations; employee separation costs resulting from personnel reduction programs, plant closure and phase-out costs; executive separation agreements; asset impairments; debt extinguishment costs;
- Costs incurred directly in relation to acquisitions or divestitures;
- Environmental remediation costs, fines or penalties or liabilities for facilities no longer owned, discontinued or closed in prior years;
- Gains and losses on the divestiture of operating businesses, joint ventures and equity investments; gains and losses on facility or property sales or disposals;
- Tax valuation allowance adjustments;
- Results of litigation, fines or penalties, where such litigation (or action relating to the fines or penalties) arose prior to the commencement of the performance period;
- The effect of changes in tax law, accounting principles or other such laws or provisions affecting reported results or the effect of adverse determinations by regulatory agencies relating to accounting principles or treatment;
- Mark-to-market adjustments associated with actuarial gains and losses on pension and other postretirement benefit plans;
- Unrealized gains/losses on foreign exchange option contracts; andSpecial Items related to changes in portfolio as set forth below:
- Divestitures:
  - In the event of the divestiture of a business unit during the performance period, the performance measures (threshold, target and maximum) will be adjusted to remove the net prospective loss of income and the related impact on earnings per share that such business unit was expected to have (as presented to the Board of Directors and applicable at the beginning of the performance period) during the portion of the performance period after the divestiture.
- Acquisitions:
  - In the event of an acquisition during the performance period, the performance measures (threshold, target and maximum) will be adjusted to include pro forma figures for the acquired assets for the remainder of the performance period.
    - Pro forma means target's prior year results corresponding to remaining time left in the performance period, adjusted for purchase accounting and acquisition financing, if any.
    - By adjusting the remainder of the performance period with pro forma figures, management will be accountable for delivering synergies and will therefore participate in upside or downside there from.

2. Performance Matrix.

2022 – 2024 Performance Units – Adjusted EPS Goals				
Performance Period	**Percent of Opportunity**	**Threshold (50% Payout)**	**Target (100% Payout)**	**Maximum (200% Payout)**
Performance Period #1: January 1, 2022 to December 31, 2022	25%	$[___]	$[___]	$[___]
Performance Period #2: January 1, 2023 to December 31, 2023	25%	$[___]	$[___]	$[___]
Performance Period #3: January 1, 2024 to December 31, 2024	25%	$[___]	$[___]	$[___]
Performance Period #4: January 1, 2022 to December 31, 2024	25%	$[___]	$[___]	$[___]

Exhibit 21.1

SUBSIDIARIES OF THE COMPANY

Name	Formation Jurisdiction
Altona Properties Pty Ltd. (37.4% owned)	Australia
Auseon Limited	Australia
Avient Argentina S.A. (f/k/a Clariant Plastics & Coatings (Argentina) S.A.)	Argentina
Avient Austria GmbH (f/k/a Performance Masterbatches Austria GmbH)	Austria
Avient Belgium S.A. (f/k/a PolyOne Belgium S.A.)	Belgium
Avient Brasil Ltda. (f/k/a ColorMatrix do Brasil Indústria e Comércio de Pigmentos e Aditivos Ltda.)	Brazil
Avient Canada ULC (f/k/a PolyOne Canada ULC)	Canada
Avient Canada-Australia S.à r.l (f/k/a PolyOne Canada-Australia S.à r.l.)	Luxembourg
Avient Chile SpA (f/k/a Performance Masterbatches (Chile) S.p.A.)	Chile
Avient China Co., Ltd. (f/k/a PolyOne Chuzhou Co., Ltd.)	China
Avient Colombia S.A.S. (f/k/a Clariant Plastics & Coatings (Colombia) S.A.S.)	Colombia
Avient Colorant Solutions MX, S. de R.L. de C.V. (f/k/a Performance Masterbatches Serv, S. de R.L. de C.V.)	Mexico
Avient Colorants Belgium SA (f/k/a Clariant Plastics & Coatings SA)	Belgium
Avient Colorants Brasil Ltda. (f/k/a Clariant Plastics & Coatings Brasil Indústria Qúimica Ltda.)	Brazil
Avient Colorants Canada Inc. (f/k/a Clariant Plastics & Coatings Canada Inc.)	Canada
Avient Colorants France (f/k/a Clariant Plastics & Coatings (France))	France
Avient Colorants FZE (f/k/a Clariant Plastics and Coatings FZE)	United Arab Emirates
Avient Colorants Germany GmbH (f/k/a Performance Masterbatches Germany GmbH)	Germany
Avient Colorants Guangzhou Ltd. (f/k/a Clariant Material Science (Guangzhou) Ltd.)	China
Avient Colorants Ireland Ltd. (f/k/a Clariant Plastics & Coatings (Ireland) Ltd.)	Ireland
Avient Colorants Italy Srl (f/k/a Clariant Plastics & Coatings (Italia) S.p.A.)	Italy
Avient Colorants Malaysia (f/k/a Clariant Masterbatches (Malaysia) Sdn Bhd)	Malaysia
Avient Colorants MX, S.A. de C.V. (f/k/a Performance Masterbatches MX, S.A. de C.V.)	Mexico
Avient Colorants Netherlands B.V. (f/k/a Clariant Plastics & Coatings (The Netherlands) B.V.)	Netherlands
Avient Colorants Poland Sp. z.o.o. (f/k/a Clariant Plastics & Coatings (Polska) Sp. z.o.o.)	Poland
Avient Colorants (RUS) LLC (f/k/a Clariant Plastics and Coatings (RUS) LLC)	Russia
Avient Colorants Shanghai Ltd. (f/k/a Clariant Masterbatches (Shanghai) Ltd.)	China
Avient Colorants Singapore Pte. Ltd. (f/k/a Performance Masterbatches Singapore Pte. Ltd.)	Singapore
Avient Colorants Spain S.A. (f/k/a Clariant Plastics & Coatings (Ibérica) S.A.)	Spain
Avient Colorants Sweden AB (f/k/a Clariant Plastics & Coatings (Nordic) AB)	Sweden
Avient Colorants Switzerland AG (f/k/a Performance Masterbatches Switzerland AG)	Switzerland
Avient Colorants (Thailand) Ltd. (f/k/a Clariant Plastics & Coatings (Thailand) Ltd.)	Thailand
Avient Colorants UK Ltd. (f/k/a Clariant Plastics & Coatings (UK) Ltd.)	United Kingdom
Avient Colorants USA LLC (f/k/a Clariant Plastics & Coatings USA LLC)	Delaware
Avient de Mexico Distribution, S. de R.L. de C.V. (f/k/a PolyOne de Mexico Distribution, S. de R.L. de C.V.)	Mexico
Avient de Mexico S.A. de C.V. (f/k/a PolyOne de Mexico S.A. de C.V.)	Mexico
Avient Deutschland GmbH (f/k/a PolyOne Deutschland, GmbH)	Germany

Avient ECCOH High Performance Solutions GmbH (f/k/a PolyOne Color and Additives Germany, GmbH)	Germany
Avient Engineered Films, LLC (f/k/a PolyOne Engineered Films, LLC)	Virginia
Avient Espana S.L.U. (f/k/a PolyOne España, S.L.)	Spain
Avient Europe, Inc. (f/k/a PolyOne Europe, Inc.) (duly incorporated with Avient Europe S.à r.l.)	Delaware
Avient Europe Finance S.à r.l (f/k/a PolyOne Europe Finance S.à r.l.)	Luxembourg
Avient Europe S.à r.l (f/k/a PolyOne Europe S.à r.l.) (duly incorporated with Avient Europe, Inc.)	Luxembourg
Avient Finance Ltd. (f/k/a PolyOne Finance Ltd.)	Cyprus
Avient Finland OY (f/k/a Clariant Plastics & Coatings (Finland) OY)	Finland
Avient Funding Corporation (f/k/a PolyOne Funding Corporation)	Delaware
Avient Global S.à r.l. (f/k/a PolyOne Global S.à r.l.)	Luxembourg
Avient Guatemala S.A. (f/k/a Clariant (Guatemala) S.A.)	Guatemala
Avient Hong Kong Holding Limited (f/k/a PolyOne Hong Kong Holding Limited)	Hong Kong
Avient Intellectual Property Ltd. (f/k/a PolyOne Intellectual Property Ltd.)	Cyprus
Avient International Finance Unlimited Company (f/k/a PolyOne International Finance Unlimited Company)	Ireland
Avient International Real Estate Corporation (f/k/a PolyOne International Real Estate Corporation)	Ohio
Avient International S.à r.l. (PolyOne International S.à r.l.)	Luxembourg
Avient Japan K.K. (f/k/a Performance Masterbatches (Japan) K.K.)	Japan
Avient Korea, Ltd. (f/k/a PolyOne Korea, Ltd.)	Korea
Avient Limited (f/k/a PolyOne Limited)	Cyprus
Avient LLC (f/k/a PolyOne LLC)	Delaware
Avient Luxembourg S.à r.l. (f/k/a PolyOne Luxembourg S.à r.l)	Luxembourg
Avient Material Solutions CR s.r.o. (f/k/a PolyOne CR s.r.o.)	Czech Republic
Avient Material Solutions UK Limited (f/k/a PolyOne Corporation UK Limited)	United Kingdom
Avient New Zealand Limited (f/k/a Clariant (New Zealand) Ltd.)	New Zealand
Avient Pakistan (Private) Limited (f/k/a Clariant Chemical Pakistan (Pvt) Ltd.)	Pakistan
Avient Puerto Rico, LLC (f/k/a PolyOne Puerto Rico, LLC)	Puerto Rico
Avient S.à r.l. (f/k/a PolyOne S.à r.l.)	Luxembourg
Avient Saudi Industries Co. Ltd. (f/k/a Juffali-PolyOne Master Batches Company)	Saudi Arabia
Avient Singapore Pte Ltd (f/k/a PolyOne Singapore Pte Ltd)	Singapore
Avient South Africa (PTY) Ltd. (f/k/a ACP Solutions Southern Africa (PTY) LTD)	South Africa
Avient Sweden A.B. (f/k/a PolyOne Sweden A.B.)	Sweden
Avient Switzerland GmbH (f/k/a Clariant Plastics & Coating AG)	Switzerland
Avient Taiwan Co., Ltd. (f/k/a Clariant Plastics & Coatings (Taiwan) Co., Ltd.)	Taiwan
Avient (Thailand) Co., Ltd. (f/k/a PolyOne (Thailand) Co., Ltd.)	Thailand
Avient Th. Bergmann GmbH (f/k/a PolyOne Th. Bergmann GmbH)	Germany
Avient Turkey Mühendislik Polimerleri Sanayi ve Ticaret A.S. (f/k/a PolyOne Tekno Polimer Mühendislik Plastikleri San. ve Tic. A.S.)	Turkey
Avient Turkey Renklendirici ve Katki Maddeleri Sanayi ve Ticaret Anonim Sirketi (f/k/a Clariant Turkey Plastik, Boya ve Kimyevi Maddeler Sanayi)	Turkey
Avient UK Finance Limited (f/k/a PolyOne UK Finance Limited)	United Kingdom
Avient Vietnam Company Limited (f/k/a Clariant (Vietnam) Ltd.)	Vietnam
Braspenco Indústria de Compostos de Plásticos Ltda.	Brazil
Burton Rubber Company	Delaware

Butler Brothers, Inc. (49% owned)	Minnesota
Chromatics, Inc.	Connecticut
Clariant Masterbatches (Saudi Arabia) Ltd.	Saudi Arabia
Colorant Chromatics AB	Finland
Colorant Chromatics AG	Switzerland
Colorant Chromatics Europe B.V.	Netherlands
Colorant Chromatics Trading Shanghai, Ltd.	China
Colorant GmbH	Germany
ColorMatrix Argentina S.A.	Argentina
ColorMatrix Asia Limited	Hong Kong
ColorMatrix-Brazil, LLC	Ohio
ColorMatrix Corporation, The	Ohio
ColorMatrix Europe BV	Netherlands
ColorMatrix Europe Limited	United Kingdom
ColorMatrix Group, Inc.	**Delaware**
ColorMatrix Holdings, Inc.	Delaware
ColorMatrix Plastic Colorant (Suzhou) Co. Ltd.	China
ColorMatrix Russia LLC	Russia
ColorMatrix South Africa (Pty) Ltd.	South Africa
ColorMatrix UK Holdings Limited	United Kingdom
ColorMatrix UK Limited	United Kingdom
COMPTEK Kunststoffverarbeitung GmbH	Germany
Conexus, LLC	Nevada
Fiber-Line Asia Pacific B.V.	Netherlands
Fiber-Line Asia Pacific (Changzhou) Co., Ltd.	China
Fiber-Line Asia Pacific (Shanghai) Co., Ltd.	China
Fiber-Line Holding B.V.	Netherlands
Fiber-Line International B.V.	Netherlands
Fiber-Line, LLC	Delaware
Fiber-Line Management, Inc.	Delaware
Franklin-Burlington Plastics, Inc.	Delaware
Glasforms, Inc.	California
GLS Hong Kong Limited	Hong Kong
GLS International, Inc.	Illinois
GLS Thermoplastic Alloys (Suzhou) Co., Ltd.	China
GLS Trading (Suzhou) Co., Ltd.	China
GSDI Specialty Dispersions, Inc.	Ohio
Hanna France S.à r.l.	France
Hanna-Itasca Company	Delaware
Hanna Proprietary Limited	Delaware
Hansand Steamship Company (33% owned)	Delaware
IQAP Czech, s.r.o.	Czech Republic
IQAP Masterbatch Group, S.L.	Spain
Kimberly Iron (14% owned)	Michigan
Laconian Holding Company	Missouri

L. E. Carpenter & Company	Delaware
MAG International (50% owned)	Delaware
Magenta Master Fibers S.r.l.	Italy
Magenta Master Fibers (Shanghai) Co., Ltd.	China
Magna Colours Holdings Limited	United Kingdom
Magna Colours Limited	United Kingdom
M.A. Hanna Asia Holding Company	Delaware
M.A. Hanna Export Services Corp.	Barbados
M.A. Hanna Plastic Group, Inc.	Michigan
NEU Specialty Engineered Materials, LLC	Ohio
O'Sullivan Plastics, LLC	Nevada
Paramont Coal Company (50% owned)	Virginia
Pilot Knob Pellet Co. (50% owned)	Missouri
PlastiComp Europe GmbH	Germany
PlastiComp, Inc.	Minnesota
POL Development, Inc. (f/k/a Geon Development, Inc.)	Ohio
POL Laconian de Mexico Holding Company, S de R.L. de C.V.	Mexico
POL Luxembourg Holding Company, S.a r.l	Luxembourg
POL Mexico Holdings, LLC	Missouri
Polymer Diagnostics, Inc.	Ohio
PolyOne Company Australia Limited, The (f/k/a The Geon Company Australia Limited)	Australia
PolyOne Costa Rica S.A.	Costa Rica
PolyOne Distribution Trading (Shanghai) Co. Ltd.	China
PolyOne Europe Logistics S.A.	Belgium
PolyOne France S.A.S.	France
PolyOne Hungary, Ltd.	Hungary
PolyOne International Ltd.	British Virgin Islands
PolyOne International Trading (Shanghai) Co., Ltd.	China
Polyone Italy S.r.l.	Italy
PolyOne Japan K.K.	Japan
PolyOne Management (Shanghai) Co. Ltd.	China
PolyOne Poland Manufacturing, Sp.z.o.o.	Poland
PolyOne Polimeks Plastik Tic. ve San. A.Ş	Turkey
PolyOne Polymer (Tianjin) Co., Ltd.	China
PolyOne Polymers India Pvt. Ltd.	India
PolyOne (Shanghai) Co., Ltd. (a/k/a PolyOne Shanghai, China)	China
PolyOne Shenzhen Co. Ltd.	China
PolyOne Polymer (Suzhou) Co., Ltd. (a/k/a PolyOne Suzhou, China)	China
PolyOne Tekno Ticaret Mühendislik Plastikleri San. ve Tic. A.S.	Turkey
PolyOne Termoplásticos do Brasil Ltda.	Brazil
PT Avient Colorants Indonesia (f/k/a P.T. Clariant Plastics and Coatings Indonesia)	Indonesia
RA Products, Inc.	Michigan
Regalite Plastics, LLC	Massachusetts
Rutland DCC Inc Manufacturing Private Limited (50 % owned)	India
Rutland Europe Limited	United Kingdom

Rutland Group, Inc.	Delaware
Rutland Holding Company	Delaware
Rutland Intermediate Holding Company	Delaware
Rutland International Limited	United Kingdom
Rutland Plastics, Inc.	Florida
Seola ApS	Denmark
Servicios Factoria Barbastro, S.A. (50% owned)	Spain
Shanghai Colorant Chromatics Co., Ltd.	China
Shawnee Holdings, LLC	Virginia
SilCoTec, Inc.	Indiana
Sociedad Quimica Alemana S.A.	Peru
Spartech, S.A.S.	France
Uniplen Indústria de Polimeros Ltda.	Brazil

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-8 No. 333-238246) pertaining to the PolyOne Corporation 2020 Equity and Incentive Compensation Plan;

(2) Registration Statement (Form S-8 No. 333-231236) pertaining to the PolyOne Supplemental Retirement Benefit Plan (As Amended and Restated Effective January 1, 2014);

(3) Registration Statement (Form S-8 No. 333-217879) pertaining to the PolyOne Corporation 2017 Equity and Incentive Compensation Plan;

(4) Registration Statement (Form S-8 No. 333-205919) pertaining to the Amended and Restated PolyOne Corporation 2010 Equity and Performance Incentive Plan;

(5) Registration Statement (Form S-8 No. 333-181787) pertaining to the PolyOne Corporation 2010 Equity and Performance Incentive Plan;

(6) Registration Statement (Form S-8 No. 333-166775) pertaining to the PolyOne Corporation 2010 Equity and Performance Incentive Plan;

(7) Registration Statement (Form S-8 No. 333-157486) pertaining to the PolyOne Retirement Savings Plan;

(8) Registration Statement (Form S-8 No. 333-47796) pertaining to Post-Effective Amendment No. 3 on Form S-8 to Form S-4 pertaining to the Geon Company 1993 Incentive Stock Plan, the Geon Company 1995 Incentive Stock Plan, the Geon Company 1998 Interim Stock Award Plan, the Geon Company 1999 Incentive Stock Plan, the PolyOne Corporation Deferred Compensation Plan for Non-Employee Directors and the M.A. Hanna Company Long-Term Incentive Plan;

(9) Registration Statement (Form S-8 No. 333-141029) pertaining to the PolyOne Retirement Savings Plan and the DH Compounding Company Savings and Retirement Plan and Trust; and

(10) Registration Statement (Form S-3 No. 333-236116) of PolyOne Corporation

of our reports dated February 22, 2022, with respect to the consolidated financial statements of Avient Corporation and the effectiveness of internal control over financial reporting of Avient Corporation, included in this Annual Report (Form 10-K) of Avient Corporation for the year ended December 31, 2021.

/s/ Ernst & Young LLP

Cleveland, Ohio

February 22, 2022

Exhibit 31.1

CERTIFICATION

I, Robert M. Patterson, certify that:

1. I have reviewed this Annual Report on Form 10-K of Avient Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Robert M. Patterson

Robert M. Patterson
Chairman, President and Chief Executive Officer

February 22, 2022

AVIENT CORPORATION

Exhibit 31.2

CERTIFICATION

I, Jamie A. Beggs, certify that:

1. I have reviewed this Annual Report on Form 10-K of Avient Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Jamie A. Beggs

Jamie A. Beggs
Senior Vice President and Chief Financial Officer

February 22, 2022

AVIENT CORPORATION

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Avient Corporation (the “Company”) for the year ended December 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Robert M. Patterson, Chairman, President and Chief Executive Officer of the Company, do hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

/s/ Robert M. Patterson

Robert M. Patterson
Chairman, President and Chief Executive Officer

February 22, 2022

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

AVIENT CORPORATION

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Avient Corporation (the "Company") for the year ended December 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jamie A. Beggs, Senior Vice President and Chief Financial Officer of the Company, do hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

/s/ Jamie A. Beggs

Jamie A. Beggs
Senior Vice President and Chief Financial Officer

February 22, 2022

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

AVIENT CORPORATION