

2024



ANNUAL REPORT
Innovator of Materials Solutions

2024 ANNUAL REPORT

Innovator of Materials Solutions

Our purpose at Avient Corporation (NYSE: AVNT) is to be an innovator of materials solutions that help our customers succeed, while enabling a sustainable world. Our local touch and customer engagement, combined with our global presence, allows us to serve customers with agility. We harness the collective strength of more than 9,000 employees worldwide to collaborate and build on each other's ideas. In doing so, we innovate solutions that help our customers overcome their challenges or capitalize on opportunities provided by the fast-changing world and secular trends. Our expanding portfolio of offerings includes colorants, advanced composites, functional additives, engineered materials, and Dyneema®, the world's strongest fiber™. By intersecting our broad portfolio of technologies with the product roadmaps of our customers, we help create differentiated and high-performance products that make the world better and more sustainable. Visit www.avient.com to learn more.



In this annual report, 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. Factors that could cause our actual results to differ materially from those implied by forward-looking statements are described in detail in Part I of the Form 10-K.

Our Purpose and Strategic Framework

Purpose

Innovator of materials solutions to help our customers succeed, while enabling a sustainable world

Strategic Approach

Intersecting high growth markets and secular trends with our technologies to create product platforms of scale

Catalyze the core

Growing at
GDP+

Build new platforms of scale

Growing
at 10% plus
CAGR

Strategic Drivers



Foundational Strengths

Unwavering customer focus
Global reach with a local touch

Diverse technology portfolio

Commercial excellence, financial rigor & prudence

Culture of safety and sustainability

2024

Letter to Our Shareholders



Dear Avient Shareholders,

2024 was a positive year for Avient where our primary focus was on organic revenue growth and margin expansion. I'm very pleased that we delivered both, while at the same time setting a new direction and strategy for the Avient of the future.

As the year progressed, economic outlook showed signs of improvement and destocking dynamics subsided, which helped increase market demand. At the same time, we strategically adjusted and deployed our commercial teams to capitalize on regional opportunities—winning share and gaining new business with customers. In doing so, both of our segments, Color, Additives & Inks and Specialty Engineered Materials, contributed to our strong performance with increases in revenue while expanding margins.

As a result, compared to the prior year, consolidated organic revenues, which excludes the impact of foreign exchange, increased 4% to \$3.24B. Total company adjusted EBITDA margin expanded to 16.2%, and we generated adjusted EPS of \$2.66, up 13% from the prior year⁽¹⁾.

Operationally and culturally, we continue to improve and strive for excellence in all that we do. Our 2024 injury incident rate was an all-time

record low and reflective of the safest year in our company's history. Last year, prominent third-party ratings and ranking firms recognized our ongoing improvements. CDP (Carbon Disclosure Project) increased our rating to an A-, *Newsweek* included us among America's Greenest Companies, and for the sixth consecutive year, we were certified as a Great Place to Work[®].

What makes me particularly proud of all these accomplishments is that we achieved them during a year of significant change—important change—as we developed and began executing our new company strategy. On December 4, 2024, we presented our strategy at the New York Stock Exchange during our Investor Day.

As part of our evolution as a company, we articulated a new **Purpose**: to be an innovator of materials solutions to help our customers succeed, while enabling a sustainable world. Our **Strategic Approach** is to intersect high growth markets and secular trends with our technologies to create product platforms of scale. We have conducted extensive portfolio prioritization and identified growth vectors to both catalyze growth in our core and to build businesses in high growth markets supported by secular trends. Our strategy is enabled by our focus on four **Strategic Drivers**: portfolio prioritization, amplify innovation, digital for

operational excellence and growth, and leadership, talent and culture for the Avient of the future. All of this is built upon Avient's proven **Foundational Strengths**, which we have worked to establish and refine over the last 25 years.

With our strategy in place, our focus is now on execution, and we have already made meaningful progress in many areas. We've enhanced our leadership team with a new Chief Technology Officer, SVP of New Business Development & Marketing Excellence, SVP and General Counsel, and Chief Information Officer, all with proven track records and expertise in their respective fields. We globally reorganized personnel in our businesses to improve customer experience, as well as in our technology teams to amplify innovation. We have also redesigned our employee incentive compensation plans to help ensure our focus, actions and results are aligned with our new strategy and performance expectations.

As we embark on 2025, I do so with optimism and energy for our company and the stakeholders we serve. I offer my thanks to our many valued customers and for the new customers with whom we will collaborate in the future, to our Board of Directors for their ongoing support and guidance, and to our talented employees around the world for the work they do to execute our strategy and help us succeed.

Dr. Ashish K. Khandpur
President and CEO

2024 Performance & Highlights

Sales: \$3.24B

+3%

GAAP EPS: \$1.84

Adjusted EPS⁽¹⁾: \$2.66

+13%

Adjusted EBITDA⁽¹⁾: \$526M

+5%

Adjusted EBITDA Margin⁽¹⁾: 16.2%

+20bps

Dividend Increase:

14 Consecutive Years

Great Place to Work[®] Certification

6 Consecutive Years

⁽¹⁾Reconciliations of these measures to the most directly comparable generally accepted accounting principles (GAAP) financial measures are included in this annual report on a supplemental page that follows the Form 10-K.



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, 2024

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

(State or other jurisdiction
of incorporation or organization)

34-1730488

(I.R.S. Employer Identification No.)

33587 Walker Road

Avon Lake, Ohio

(Address of principal executive offices)

44012

(Zip Code)

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

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

The aggregate market value of the registrant's outstanding common shares held by non-affiliates on June 28, 2024, determined using a per share closing price on that date of \$43.65, as quoted on the New York Stock Exchange, was \$4.0 billion.

The number of shares of common shares outstanding as of February 10, 2025 was 91,439,343.

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 2025 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;
- disruptions or inefficiencies in our supply chain, logistics, or operations;
- changes in laws and regulations in jurisdictions where we conduct business, including with respect to plastics and climate change;
- fluctuations in raw material prices, quality and supply, and in energy prices and supply;
- demand for our products and services;
- 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;
- our ability to service our indebtedness and restrictions on our current and future operations due to our indebtedness;
- 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;
- other factors affecting our business beyond our control, including without limitation, changes in the general economy, changes in interest rates, changes in the rate of inflation, geopolitical conflicts, and any recessionary conditions; 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 an innovator of materials solutions to help our customers succeed, while enabling a sustainable world. Our products include specialty engineered materials, performance fibers, advanced composites and color and additive solutions. We are also a highly specialized developer and manufacturer of performance enhancing additives, liquid colorants 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). Through a series of acquisitions, divestitures, operational improvements and cultural shift, the Company has transformed to become an innovator of materials solutions. Effective June 30, 2020, the Company amended its existing Articles of Incorporation to change its name to Avient Corporation and 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 in North America, South America, Asia, Europe, the Middle East, and Africa (EMEA). In 2024, the Company had sales from continuing operations of \$3.2 billion, approximately 60% of which were to customers outside the United States. Using formulation expertise, materials science and operational capabilities, we create an essential link between large chemical producers (our raw material suppliers) and designers, assemblers and processors of polymers (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, local touch, and highly effective materials-based solutions to help improve their products' performance, appeal, differentiation, profitability and competitive advantage. Our goal is to provide customers with innovative materials solutions through our global footprint, broad market knowledge, technical expertise, product breadth, manufacturing operations and raw materials procurement leverage. Our end markets include consumer, packaging, defense, healthcare, industrial, transportation, building and construction, telecommunications and energy.

Polymer Industry Overview

Avient is an innovator of materials solutions within the polymer industry. We have the scientific know-how in materials science required to bridge the large, commodity base resin producers and the companies who ultimately manufacture end products utilizing formulated polymer and composite 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 highly engineered, unique materials 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 element such as glass, 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, defense, 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 materials science and manufacturing processes required to achieve those characteristics is the specialty role that Avient plays.

The following are examples, by industry, where Avient materials solutions address specific market requirements or challenges. In the packaging industry, colorants and additives are used to lightweight, enhance consumer appeal, increase design freedom, improve recyclability, enable recycled content to be incorporated, and preserve and protect the packaging's contents. In wire and cable, thermoplastics and composites enhance performance and extend product life by providing electrical insulation, flame resistance, water resistance and strain resistance for highly engineered electrical and telecommunications wires, cables and connectors. In the defense industry, ultra-high molecular weight (UHMWPE) fiber is relied upon and incorporated into tactical vests, hard armor plates, shields, bomb suits, helmets, and military vehicles (air, sea and ground). 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 composite to provide them with greater versatility and performance. Polymer formulations and composites 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 and ease of handling. Avient's strategy and investments are aligned to enable these important benefits, now and in the future.

Avient Segments

We operate in two reportable segments: (1) Color, Additives and Inks and (2) Specialty Engineered Materials. Our segments are further detailed in Note 14, *Segment Information*, to the accompanying consolidated financial statements.

Competition

The manufacturing of custom and proprietary formulated thermoplastics, polymer composites, and color and additive solutions is 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. Our strategic approach to differentiate, innovate and grow within this competitive environment is to intersect high-growth markets and secular trends with our technologies to create product platforms of scale.

Raw Materials

The primary raw materials used by our manufacturing operations are polyolefin and other thermoplastic resins, titanium dioxide, inorganic and organic pigments, specialty additives and ethylene, all of which we believe are currently in adequate supply. 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 may exist for 20 years from filing date, and trademarks may 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 quarters of the calendar year. In addition, our defense business is, in part, associated with tenders and project-based work, which can lead to inconsistent order patterns on a quarter over quarter basis.

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 agree to payment terms with our customers and suppliers that are competitive.

Significant Customers

No customer accounted for more than 3% of our consolidated revenues in 2024.

Research and Development

One of our strategic drivers is to "Amplify Innovation," and we have substantial technology and development capabilities, powered by approximately 1,100 employees serving in technical capacities, approximately 120 of whom have PhD level educations. Our efforts are largely devoted to developing new materials solutions to address evolving market and sustainability needs. We do this by providing quality technical services to evaluate alternative raw materials, facilitating 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. Our investment in product research and development was \$98.7 million in 2024, \$90.3 million in 2023, and \$84.9 million in 2022.

Methods of Distribution

We sell products primarily through direct sales personnel, distributors, 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.

Human Capital Resources

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. We are committed to building additional capabilities within our organization to meet the changing needs of our customers and the dynamic macro environment in which we operate.

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, 2024, Avient employed approximately 9,200 people, 34% of which were located in the U.S. and Canada, 33% were located in EMEA, 26% were located in Asia, and 7% were located in Latin America.

Safety and Health

A top priority at Avient is the safety and health of our employees, 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 programs. In 2024, we had our safest year ever with a recordable incident rate of 0.40 per 100 full-time workers per year, compared to the Plastics and Rubber Products Manufacturing industry (NAICS Code 326) average of 2.90 in 2023. Continuous improvement and preventative risk reductions are key focus areas, and in 2024, one of our annual incentive plan metrics measured the engagement of our employees in safety activities. We also 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

Avient's success is driven by having the best talent in the right roles. We actively seek collaborative and innovative change-makers who are passionate about our strategy and values through numerous channels, including employee referrals, job fairs, talent networks, industry associations, and directly from universities. Our roles provide opportunities for personal and professional growth, while working in our organization where our purpose is to innovate materials solutions that help our customers succeed, while enabling a sustainable world.

As a key aspect of our talent pipeline, we partner with leading universities around the world to hire employees into full-time, co-op and internship opportunities. These roles include rotational development programs where individuals are able to gain experience in various departments and jobs within or across functions, contributing their skills while also building 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

We provide meaningful learning engagements and skill development opportunities to all global employees. Learning is ingrained in our culture and every Avient employee participates in training annually. We manage training and development through global programs and technology, to provide a consistent and high-quality experience for all. Each year, over 100,000 hours of training is completed through a variety of different training methods, which focus on leadership development, safety, Lean Six Sigma concepts, technical and operational skills, sustainability and ethics and compliance.

Our key development opportunities include nomination-based leadership programs, foundational leadership training for all current or aspiring people managers, and Lean Six Sigma training at a variety of levels, where individuals can be certified for job-specific Lean Six Sigma programs, up through Master Black Belt certification. We also focus on development for our production employees in aspects of Lean Six Sigma, safety, continuous improvement, and our ENGAGE program.

Continuous development drives employees to reach their full potential and we strive to fill at least half of all open manager roles and higher with internal promotions. This is completed through regular performance feedback, individual development plans, mentoring programs and nomination-based leadership development programs for key top talent.

Inclusion and Impact

We recognize the benefits that inclusion brings to our organization, including delivering better business outcomes. Our talented people leverage their diverse backgrounds across a myriad of aspects 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.

The vision that guides our collective efforts is consistent and unwavering: to be the Company of choice for all. We leverage Employee Resource Groups to help educate and inspire our global workforce and fortify strong business practices. Other initiatives, including Mentoring at Avient and campus partnerships, are vital for progress in our 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 take specific action. The Avient Ethics Hotline serves as a mechanism for employees 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 employees with a compensation package that aligns Avient's and the employees' interests through the use of base and incentive or bonus programs;
- maintain a competitive pay program that serves to attract, retain, motivate and reward employees; and
- award individual pay commensurate with experience, level of responsibility, and marketability.

Employee Benefits: Awards and Recognition Programs

We celebrate, reward and share our employees' great work through our recognition programs, including those that all employees 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 excellence in technology, sales, and manufacturing. In addition, we provide our employees an opportunity to support communities by giving each individual 16 hours of paid time off each year. In 2024, over 100 of our sites and 3,800 of our employees generously gave over 11,000 volunteer hours and \$1.5 million in donations around the world.

A Great Place to Work®

Our ongoing employee feedback is highly valued, discussed, and most importantly, acted upon, to make improvements. In addition to holding action planning sessions, new manager assimilations, and 360 reviews, we also conduct annual employee engagement surveys. Last year, employees in over 40 countries, and more than 130 locations participated, providing actionable feedback to support our ongoing employee engagement efforts. We are proud that our employees feel we are a Great Place to Work®, and in 2024, we received our sixth certification. Understanding how our employees feel about their experiences at Avient and our culture is critical and helps us ensure that the right competencies and behaviors are developed across the organization.

Environmental, Health and Safety and Other Regulation

We are also subject to extensive and varied laws and regulations in the jurisdictions in which we operate, including those relating to anti-corruption and trade, anti-money laundering, import and export compliance, antitrust, data security and privacy, employment, public health and safety, intellectual property, transportation, zoning, and fire codes. Our policies mandate compliance with all applicable laws and regulations, and we operate our business in accordance with standards and procedures designed to comply with these laws and regulations. We believe that we are in compliance with such laws and regulations in all material respects.

We are strongly committed to safety as evidenced by our low injury incidence rate of 0.40 per 100 full-time workers per year in 2024 and 0.58 in 2023. The 2023 average injury incidence rate for our NAICS Code (326 Plastics and Rubber Products Manufacturing) was 2.90. 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 strong 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 11, *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, import/export restrictions, 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 14, *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. 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 have in the past been and could in the future 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 60% of our sales outside the U.S. We also 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;
- supply chain disruptions;
- compliance with international trade laws and regulations, including tariffs, export control and economic sanctions, and other trade barriers;
- 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;
- 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. As a global company, we operate in many parts of the world that have experienced governmental corruption. While we have no basis to believe such actions are occurring, 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. We have robust policies that require compliance with all laws and regulations and we strictly enforce those policies. It is always possible an employee's or agent's unlawful actions may avoid detection.

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, inflation 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 customer demand and 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 demand for and 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 or insolvency, 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 waste.

The occurrence of an operating problem at our facilities may have a material adverse effect on the productivity and profitability of a particular manufacturing 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 availability and costs have in the past and could in the future 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, including, but not limited to, trade barriers due to geopolitical tensions, can also cause fluctuations in raw materials prices, which could negatively impact demand for our products and cause volatility in our results.

Increased competition can negatively impact sales, earnings and cash flow performance.

We encounter competition in price, payment terms, delivery, service, performance, product innovation, product recognition and quality, depending on the product involved. Avient's operating results depend, in part, on continued successful research, development, and marketing of new products, and some of such efforts may not come to fruition or may be delayed.

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 computer crime 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, some of our systems, tools and resources use, integrate, or will integrate some form of artificial intelligence, which has the potential to result in bias, miscalculations, data errors, intellectual property infringement and other unintended consequences. Further, 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 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 targeted and non-targeted cybersecurity attacks 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 climate change and 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 have resulted and may continue to result in the imposition of additional regulations or restrictions to which we may become subject. These regulatory developments related to climate change and climate disclosure and diligence, including the Corporate Sustainability Reporting Directive, could increase our operating and compliance costs, thereby impacting our business and consolidated financial statements.

From time to time, we establish strategies and expectations related to climate change and other environmental matters. Our ability to achieve any such strategies or expectations is subject to numerous factors and conditions, many of which are outside of our control. Examples of such factors include, but are not limited to, evolving legal, regulatory, and other standards, processes, and assumptions, the pace of scientific and technological developments, increased costs, the availability of requisite financing, and changes in carbon markets. Failures or delays (whether actual or perceived) in achieving our strategies or expectations related to climate change and other environmental matters could adversely affect our business, operations, and reputation, and increase risk of litigation.

Capital and Credit Risks

Fluctuation of foreign currency exchange rates may adversely impact our financial results.

We conduct business in various regions throughout the world and are therefore exposed to fluctuations in foreign currency exchange rates in relation to the U.S. dollar. 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. Further, because our Consolidated Financial Statements are presented in U.S. dollars, increases or decreases in the value of the U.S. dollar relative to other currencies in which we conduct business have in the past and could in the future adversely impact our financial results. For additional detail related to this risk, see Item 7A, "Quantitative and Qualitative Disclosures About Market Risk."

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 debt with 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.

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.

Our ability to service long-term indebtedness requires 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, 2024, we had goodwill of \$1,659.7 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. For additional information on the results of our annual impairment testing, see Note 3, *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.*”

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

We have a global cybersecurity program designed to identify, protect, detect, respond to and recover from cybersecurity risks and threats. We regularly assess risks from cybersecurity and technology threats and monitor our information systems for potential vulnerabilities. We use a widely-adopted risk quantification model to identify, measure and prioritize cybersecurity and technology risks and develop related security controls and safeguards. We conduct regular reviews and tests of our cybersecurity program and also leverage audits by our internal audit team, penetration and vulnerability testing and other exercises to evaluate the effectiveness of our cybersecurity program and improve our security measures and planning.

Cybersecurity education is a priority for our employees and business partners. Employees complete cybersecurity training to help identify and respond to potential cybersecurity risks and reinforce safe behaviors. We also impose security requirements upon our third-party services and software providers, including: maintaining an effective security management program; abiding by information handling and asset management requirements; and notifying us in the event of any known or suspected cyber incident; however, we rely on such third parties to implement security programs commensurate with their risk, and their efforts may not be successful.

We have experienced targeted and non-targeted cybersecurity attacks and incidents in the past and we could in the future experience similar attacks. To date, no cybersecurity incident or attack, or any risk from cybersecurity threats, has materially affected or has been determined to be reasonably likely to materially affect the Company or our business strategy, results of operations, or financial condition.

Governance

The Chief Information Security Officer (CISO), who reports to the Chief Information Officer (CIO), is generally responsible for management of cybersecurity risk and the protection and defense of our networks and systems. Our CISO is informed about and monitors prevention, detection, mitigation, and remediation efforts through regular communication and reporting from professionals on the information security team, and through the use of technological tools and software and results from third-party audits. The CISO has a clear escalation path to senior management for cyber-related events.

The CISO manages a team of cybersecurity professionals with broad experience and expertise, including in cybersecurity threat assessments and detection, mitigation technologies, cybersecurity training, incident response, cyber forensics, insider threats and regulatory compliance. Our CISO and cybersecurity teams hold relevant certifications, including, but not limited to, Security+ Certification, Factor Analysis for Information Risk Analyst, Certified Information Systems Auditor, Security Systems Certified Practitioner or Certified Federal Information Security Management Act Compliance Practitioner. We also supplement our cybersecurity program with third-party experts, who provide assessments of our program, testing of our environment, monitoring support, as well as insights into evolving trends in this space.

The Board oversees our annual enterprise risk assessment, where we assess key risks within the company, including security and technology risks and cybersecurity threats. The Audit Committee of the Board has been delegated specific risk oversight responsibilities related to cybersecurity and data protection. The Audit Committee receives regular updates from the CIO or CISO regarding the Company's material risks from cybersecurity threats, cybersecurity defense and detection capabilities, incident response plans and employee training activities.

Further, Avient has a Cyber and Data Incident Response Team (CDIRT), which is a cross-functional group established to provide a quick, effective and orderly response to cyber and data related events. The CDIRT's mission is to prevent a material loss of profits, public confidence, or information assets by providing an immediate, effective, and skillful response to any unexpected event in which there is an unauthorized release or access of sensitive information.

ITEM 2. PROPERTIES

Headquartered in Avon Lake, Ohio, we operate globally with principal locations consisting of 102 manufacturing sites in North America, South America, Asia, Europe, the Middle East, and Africa. We own the majority of our manufacturing sites. 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	
1. Birmingham, Alabama	1. Glendale, Arizona	30. Guangzhou, China	60. Konstantynow, Poland
2. Mesa, Arizona	2. Phoenix, Arizona	31. Pudong, China	61. Kutno, Poland
3. Englewood, Colorado	3. Bethel, Connecticut	32. & 33. Shanghai, China (c)	62. Jeddah, Saudi Arabia
4. Montrose, Colorado	4. Dalton, Georgia	34. Suzhou, China	63. Riyadh, Saudi Arabia
5. North Haven, Connecticut	5. Kennesaw, Georgia	35. Tianjin, China	64. Yanbu, Saudi Arabia
6. McHenry, Illinois	6. West Chicago, Illinois	36. Cota, Colombia	65. Jurong, Singapore
7. Winona, Minnesota	7. La Porte, Indiana	37. Aland, Finland	66. Randburg, South Africa
8. Greenville, North Carolina	8. Lewiston, Maine	38. Cergy, France	67. Alicante, Spain
9. Hickory, North Carolina	9. Holden, Massachusetts	39. Tossiat, France	68. Barcelona, Spain
10. Avon Lake, Ohio	10. Albion, Michigan	40. Ahrensburg, Germany	69. Pamplona, Spain
11. Hatfield, Pennsylvania	11. Minneapolis, Minnesota	41. Lahnstein, Germany	70. Sant Andreu, Spain
12. Changzhou, China	12. St. Louis, Missouri	42. Guatemala City, Guatemala	71. Malmoe, Sweden
13. Laiwu, China	13. Mooresville, North Carolina	43. Gyor, Hungary	72. Taoyuan, Taiwan
14. Shenzhen, China	14. Berea, Ohio	44. Kalol, India	73. Bangkok, Thailand
15. Suzhou, China	15. Massillon, Ohio	45. Pune, India (d)	74. Phan Thong, Thailand
16. Gaggenau, Germany	16. North Baltimore, Ohio	46. Rania, India	75. Gazientep, Turkey
17. Melle, Germany	17. Norwalk, Ohio	47. Vashere, India	76. Gebze, Turkey
18. Drachten, Netherlands	18. Lehigh Valley, Pennsylvania	48. Tangerang, Indonesia	77. Barnsley, United Kingdom
19. Geleen, Netherlands	19. Mountain Top, Pennsylvania	49. Naas, Ireland	78. Knowsley, United Kingdom
20. Heerlen, Netherlands	20. Vonore, Tennessee	50. Lomagna, Italy	79. Thuan An, Vietnam
21. Barbastro, Spain	21. Winchester, Virginia	51. Merate, Italy	Suwanee, Georgia (b)
22. Istanbul, Turkey	22. Lomas de Zamora, Argentina	52. Pogliano, Italy	
23. Leek, United Kingdom	23. Assesse, Belgium	53. Butterworth, Malaysia	
Maryland Heights, Missouri (b)	24. Louvain-La-Nueve, Belgium	54. Santa Clara, Mexico	
Shanghai, China (b)	25. Itupeva, Brazil	55. Toluca, Mexico	
Stanley, North Carolina (b)	26. Suzano, Brazil	56. Auckland, New Zealand	
Singapore, Singapore (b)	27. Toronto, Canada	57. Karachi, Pakistan	
Pune, India (a), (d)	28. Maipu, Chile	58. Lahore, Pakistan	
Pamplona, Spain (a)	29. Chuzhou, China	59. Lima, Peru	

- (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 Shanghai, China.
- (d) Location also includes a design center/lab.

ITEM 3. LEGAL PROCEEDINGS

Information regarding certain legal proceedings can be found in Note 11, *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 10, 2025.

Name	Age	Position
Ashish K. Khandpur	57	President, Chief Executive Officer and Board Member
Jamie A. Beggs	48	Senior Vice President and Chief Financial Officer
Philip G. Clark, Jr.	55	Senior Vice President and Chief Technology Officer
Kristen A. Gajewski	43	Senior Vice President and Chief Human Resources Officer
Michael J. Irwin	46	Senior Vice President, New Business Development & Marketing Excellence
M. John Midea, Jr.	60	Senior Vice President, Global Operations and Process Improvement
Woon Keat Moh	51	Senior Vice President and President of Color, Additives and Inks
Christopher L. Pederson	58	Senior Vice President and President of Specialty Engineered Materials
Joel R. Rathbun	52	Senior Vice President, Mergers and Acquisitions
Amy M. Sanders	52	Senior Vice President, General Counsel and Secretary

Ashish K. Khandpur, Ph.D.: President, Chief Executive Officer and Board Member, December 2023 to date. Group President of the Transportation & Electronics business group for 3M Company (a global manufacturing and technology company) ("3M") from April 2021 to November 2023. During his 28-year career with 3M, Dr. Khandpur held a series of roles with increasing responsibility, including Executive Vice President, Transportation & Electronic business group, from April 2019 to April 2021; Executive Vice President, Electronics & Energy business group, from July 2017 to March 2019; and Senior Vice President, Research & Development and Chief Technology Officer, from July 2014 to June 2017, among other roles.

Jamie A. Beggs: Senior Vice President and Chief Financial Officer, August 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 January 2017 through December 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 in both business and finance from May 2007.

Philip G. Clark, Jr., Ph.D.: Senior Vice President and Chief Technology Officer, November 2024 to date. Senior Vice President and Chief Technology Officer, Nouryon (global specialty chemicals organization) from December 2022 to October 2024. Vice President for Research and Development in the Automotive and Aerospace Solutions division at 3M from August 2019 to December 2022. Throughout his 17-year tenure at 3M, Dr. Clark advanced through various positions including Technical Director, Corporate Research Process Laboratory, from March 2017 to July 2019; Laboratory Manager, Corporate Research Materials Laboratory, from March 2016 to February 2017; Laboratory Manager (Korea), from March 2015 to March 2016; Laboratory Manager, Electronics Materials Solutions division, from September 2010 to March 2015; Technical Manager, Electronics Markets Materials division, from April 2007 to August 2010; and Advanced Product Development Specialist, Electronics Markets Materials division from July 2005 to March 2007.

Kristen A. Gajewski: Senior Vice President and Chief Human Resources Officer, February 2023 to date. Global HR Director, Talent Management and Corporate Functions, September 2022 to January 2023. Global HR Director, Color, Additives and Inks, February 2017 to August 2022 including an international assignment from December 2017 to September 2019 with additional responsibility for the EMEA and India region. Global Training and Organizational Development Director from January 2016 to January 2017. Training and Organizational Development Senior Manager from March 2015 to December 2015. Training and Organizational Development Manager from July 2013 to February 2015. Prior to joining Avient, Ms. Gajewski held HR roles of increasing responsibility at AkzoNobel Decorative Coatings (a business unit of AkzoNobel specializing in manufacturing paints and coatings) from May 2009 to June 2013.

Michael J. Irwin: Senior Vice President, New Business Development & Marketing Excellence, October 2024 to date. Vice President, Abrasive Systems Division at 3M from October 2018 to October 2024. During his 22-year career at 3M, Mr. Irwin progressed through a series of roles, including U.S. Vice President, Abrasive Systems division, from June 2018 to October 2018; U.S. Business Director, from March 2017 to May 2018; Regional Business Leader, Precision Grinding & Finishing, from January 2016 to March 2017; Global Business Leader, from February 2014 to December 2015; Global Business manager, from September 2012 to February 2014; Global Market Development Manager, from February 2011 to August 2012; Global marketing Manager, from July 2010 to January 2011; Marketing Supervisor, from December 2008 to June 2010; and other positions beginning in November 2002 including Lean Six Sigma Black Belt.

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

Woon Keat Moh: Senior Vice President and President of Color, Additives and Inks, July 2024 to date. Senior Vice President and President of Color, Additives and Inks — Americas and Asia, April 2020 to July 2024. Senior Vice President and President of Color, Additives and Inks, January 2020 to March 2020. Vice President of Asia, January 2019 to December 2019. General Manager of Specialty Engineered Materials Asia, December 2014 to December 2018. Sales Director of Color and Additives Asia, February 2011 to November 2014. Business Development Manager, Color and Additives Asia, February 2010 to January 2011. From October 1999 to January 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.

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

Joel R. Rathbun: Senior Vice President, Mergers and Acquisitions, January 2016 to date. General Manager, Specialty Engineered Materials North America, February 2013 to January 2016. Vice President, Mergers and Acquisitions, June 2011 to February 2013. Mr. Rathbun served as Senior Vice President, Mergers and Acquisitions, Moelis & Company (an American global independent investment bank) from January 2008 to June 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.

Amy M. Sanders: Senior Vice President, General Counsel and Secretary, April 2024 to date. Senior Vice President and Deputy Chief Legal Officer, Global Operations, Eaton Corporation (a power management company) from October 2023 to April 2024. Senior Vice President and Deputy General Counsel, Business Counsel, 3M from February 2022 to October 2023. Over her 20-year career at 3M, Ms. Sanders held roles of increasing responsibility within the legal department, including Vice President and General Counsel, Transportation and Electronics Business Group, from July 2017 to February 2022; Assistant General Counsel, from March 2016 to July 2017, among other roles from November 2002 to March 2016.

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 10, 2025, there were 1,362 holders of record of our common shares.

We currently have an authorized common share repurchase program. During the twelve months ended December 31, 2024, we did not repurchase any common shares.

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	—	\$ —	—	4,957,472
November 1 to November 30	—	\$ —	—	4,957,472
December 1 to December 31	—	\$ —	—	4,957,472
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 5.0 million shares. As of December 31, 2024, approximately 5.0 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 2024 and 2023. For a discussion of changes from fiscal year 2023 to fiscal year 2022, 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, 2023, filed with the SEC on February 20, 2024.

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 an innovator of materials solutions to help our customers succeed, while enabling a sustainable world. Our products include specialty engineered materials, performance fibers, advanced composites, and color and additive solutions. We are also a highly specialized developer and manufacturer of performance enhancing additives, liquid colorants and silicone colorants. Headquartered in Avon Lake, Ohio, with 2024 sales of \$3.2 billion from continuing operations, we have manufacturing and warehouses around the globe, with 60% of our sales to customers outside the United States. We provide value to our customers through our ability to link our knowledge of polymers and materials science with our manufacturing and supply chain capabilities to provide value-added solutions to designers, assemblers and processors of materials.

Strategy and Key Trends

In 2024, we developed a refined strategy for the Avient of the future. It begins with our purpose: to be an innovator of materials solutions to help our customers succeed, while enabling a sustainable world. We have a two-pronged strategic approach, where we seek to intersect high-growth markets and secular trends with our technologies to 1) build new platforms of scale by playing bigger and bolder in high growth markets, and 2) catalyze the core of our business, maximizing the impact of what we have. Our strategy utilizes four supporting strategic drivers: Portfolio Prioritization; Amplify Innovation; Digital for Operational Excellence and Growth; and Leadership, Talent and Culture for the Avient of the Future. All of this is underpinned by the established foundational strengths of Avient, which have been built and refined over the 25-year history of the company.

We maintain a strong commitment to sustainability. Like all that we do, we start by putting the safety of our employees and needs of our customers first, then look inward to make a difference. We offer a broad portfolio of technologies that are designed to help our customers succeed, while enabling a sustainable world. Through our design expertise and materials science, we seek to positively contribute to our customers' products in many end markets. We have three overarching ways we help our customers meet their sustainability goals: Renew, Reduce, and Preserve. Examples include developing unique technologies that improve the recyclability of products and allow recycled content to be incorporated in products, thus advancing a more circular economy; light-weighting solutions that replace heavier traditional materials like metal, glass and wood, which can improve fuel efficiency in all modes of transportation and reduce the carbon footprint; and infrastructure solutions that are designed to increase energy efficiency, renewable energy, and natural resource conservation.

Long-term trends that currently provide opportunities to leverage our strategy include improving health and wellness, protecting the environment, and increasing need for power and electricity.

Operationally, 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.

Subsequent Events

In the first quarter of 2025, the Company completed a review of the cloud-based enterprise resource planning system, S/4HANA, including updated project timelines, cost incurred to date, required internal resources and expected costs to complete the initial site implementations, and the evolution of options that could provide better returns for shareholders. As a result of this review, the Company determined it would cease the ongoing development of S/4HANA and re-allocate capital to other projects which will support the Company's new strategy.

As a result of this decision, the Company will recognize a non-cash, pre-tax impairment charge of approximately \$71 million, associated with capitalized implementation costs. The Company will also recognize pre-tax charges of approximately \$15 million associated with unpaid contractual obligations for hosting fees within its *Consolidated Statements of Income* in the first quarter of 2025.

Results of Operations

(Dollars in millions, except per share data)	Variances — Favorable (Unfavorable)				
	2024 versus 2023				
	2024	2023	2022	Change	% Change
Sales	\$3,240.4	\$3,142.8	\$3,396.9	\$ 97.6	3.1 %
Cost of sales	2,183.7	2,250.3	2,514.2	66.6	3.0 %
Gross margin	1,056.7	892.5	882.7	164.2	18.4 %
Selling and administrative expense	727.4	695.7	639.4	(31.7)	(4.6)%
Operating income	329.3	196.8	243.3	132.5	67.3 %
Interest expense, net	(105.6)	(115.3)	(119.8)	9.7	8.4 %
Other income (expense), net	1.1	5.8	(59.7)	(4.7)	nm
Income from continuing operations before income taxes	224.8	87.3	63.8	137.5	157.5 %
Income tax (expense) benefit	(54.1)	(11.0)	19.3	(43.1)	nm
Net income from continuing operations	\$ 170.7	\$ 76.3	\$ 83.1	\$ 94.4	123.7 %
(Loss) income from discontinued operations, net of income taxes	—	(0.1)	620.3	0.1	nm
Net income	170.7	76.2	703.4	94.5	124.0 %
Net income attributable to noncontrolling interests	(1.2)	(0.5)	(0.3)	(0.7)	nm
Net income attributable to Avient common shareholders	\$ 169.5	\$ 75.7	\$ 703.1	\$ 93.8	123.9 %
Earnings per share attributable to Avient common shareholders - basic:					
Continuing operations	\$ 1.86	\$ 0.83	\$ 0.91		
Discontinued operations	—	—	6.80		
Total	\$ 1.86	\$ 0.83	\$ 7.71		
Earnings per share attributable to Avient common shareholders - diluted:					
Continuing operations	\$ 1.84	\$ 0.83	\$ 0.90		
Discontinued operations	—	—	6.73		
Total	\$ 1.84	\$ 0.83	\$ 7.63		
Gross margin as a percentage of sales	32.6 %	28.4 %	26.0 %		

nm - not meaningful

Sales

Sales increased \$97.6 million, or 3.1%, in 2024 compared to 2023, primarily driven by increased demand of 4.0%, partially offset by unfavorable foreign currency impacts of 0.9%. Increased demand was driven by strength in the consumer, defense, building and construction, packaging and healthcare end markets, partially offset by weakness in the telecommunications and transportation end markets.

Gross Margin

Gross margin increased to 32.6% from 28.4% in 2024 compared to 2023, primarily driven by the benefits of raw material deflation, mix improvement, lower environmental remediation costs of \$34.6 million, and lower restructuring charges of \$12.9 million. Further, in 2024, Avient recognized a gain from insurance recoveries associated with previously incurred environmental remediation costs of \$34.7 million as compared to a gain of \$1.7 million in 2023.

Selling and administrative expense

These costs include selling, technology, administrative functions, amortization of intangible assets, corporate and general expenses. Selling and administrative expense in 2024 increased \$31.7 million compared to 2023, primarily due to higher employee related costs, partially offset by lower restructuring costs of \$9.0 million.

Interest expense, net

Interest expense, net decreased \$9.7 million in 2024 as compared to 2023, primarily due to the refinancing of our senior secured term loans in April 2024 and August 2023, which included a partial principal repayment of \$102.3 million during the third quarter of 2023.

Other income (expense), net

Other income (expense), net decreased \$4.7 million in 2024 as compared to 2023, primarily associated with \$6.3 million in amortization of prior service credits associated with the phase out of certain post-employment benefits in 2023.

Income taxes

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.

(In millions)	Twelve Months Ended December 31,	
	2024	2023
U.S. federal income tax rate	21.0 %	21.0 %
Net tax on GILTI and Subpart F Income	(0.5)	2.2
International tax on certain current and prior year earnings	1.6	3.9
Non-deductible interest	0.4	5.3
Research and development credit	(1.7)	(3.7)
Capital losses	—	(5.4)
State and local tax, net	(0.7)	(2.3)
International tax rate differential	1.7	0.2
International permanent items	0.7	(7.5)
U.S. permanent items	2.1	2.5
Net impact of uncertain tax positions	(1.1)	(5.3)
Changes in valuation allowances	—	3.6
Other	0.6	(1.9)
Effective income tax rate	<u>24.1 %</u>	<u>12.6 %</u>

The consolidated effective income tax rate from continuing operations was 24.1%, which was higher than the U.S. federal rate of 21%. This higher rate was primarily driven by U.S. permanent items of 2.1%, international rate differential of 1.7% and tax associated with foreign income repatriation of 1.6%. These items were partially offset by credits associated with research and development of 1.7% and changes in uncertain tax position which resulted in a net benefit of 1.1%.

The 2023 consolidated effective income tax rate from continuing operations was 12.6%, which was lower than the U.S. federal rate of 21%. This lower rate was primarily driven by the recognition of tax benefits of 7.5% associated with tax impairments of investments in affiliates, driven in part from European restructuring actions. Further, we recognized a 5.4% tax benefit from federal and state capital losses associated with an international affiliate's tax status change in 2022. Finally, we recognized tax benefits from the reduction of uncertain tax positions as well as the U.S. R&D tax credit, which reduced the tax rate, 5.3% and 3.7%, respectively. Partially offsetting these benefits were non-deductible foreign interest, 5.3%, tax associated with foreign income repatriation, 3.9%, and an increase of our valuation allowance which impacted the rate 3.6%.

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 costs that are not allocated to segments, restructuring charges, environmental remediation obligations and associated recoveries, acquisition-related charges, mark-to-market adjustments on pension and other post-retirement obligations, 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*.

Avient has two reportable segments: (1) Color, Additives and Inks and (2) Specialty Engineered Materials. Our segments are further discussed in Note 14, *Segment Information*, to the accompanying consolidated financial statements.

Sales and Operating Income

(Dollars in millions)	2024 versus 2023			
	2024	2023	Change	% Change
Sales:				
Color, Additives and Inks	\$ 2,046.5	\$ 2,007.4	\$ 39.1	1.9 %
Specialty Engineered Materials	1,196.8	1,138.2	58.6	5.1 %
Corporate	(2.9)	(2.8)	(0.1)	(3.6)%
Total sales	\$ 3,240.4	\$ 3,142.8	\$ 97.6	3.1 %
Operating income:				
Color, Additives and Inks	\$ 296.2	\$ 259.9	\$ 36.3	14.0 %
Specialty Engineered Materials	167.2	142.5	24.7	17.3 %
Corporate	(134.1)	(205.6)	71.5	34.8 %
Total operating income	\$ 329.3	\$ 196.8	\$ 132.5	67.3 %

Color, Additives and Inks

Sales increased \$39.1 million, or 1.9%, in 2024 compared to 2023, primarily driven by increased demand of 2.9%, partially offset by unfavorable foreign currency impacts of 0.9%. Increased demand was driven by strength in the packaging, consumer, healthcare and building and construction end markets, partially offset by weakness in the transportation end market.

Operating income increased \$36.3 million, or 14.0%, in 2024 compared to 2023, primarily driven by increased sales and benefits from raw material deflation, which occurred in the first half of 2024, partially offset by higher employee related costs and unfavorable foreign currency impacts.

Specialty Engineered Materials

Sales increased by \$58.6 million, or 5.1%, in 2024 compared to 2023, primarily driven by increased demand of 6.1%, partially offset by an unfavorable foreign currency impact of 0.7%. Increased demand was driven by strength in the defense, building and construction, consumer and healthcare end markets, partially offset by weakness in the telecommunications end market.

Operating income increased by \$24.7 million, or 17.3%, in 2024 compared to 2023, primarily driven by increased sales, benefits from raw material deflation, which occurred in the first half of 2024, and favorable product mix, partially offset by higher employee related costs and unfavorable foreign currency impacts.

Corporate

Costs decreased \$71.5 million, or 34.8%, in 2024 compared to 2023, primarily driven by \$34.6 million of lower environmental remediation costs in 2024 compared to 2023, while gains from insurance recoveries associated with previously incurred environmental remediation costs were \$33.0 million higher in 2024 compared to 2023. Further, lower restructuring costs of \$21.9 million in 2024 more than offset higher employee related costs in 2024.

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 on hand 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, 2024:

(In millions)		
Cash and cash equivalents	\$	544.5
Revolving credit availability		211.4
Liquidity	\$	<u>755.9</u>

As of December 31, 2024, 64% 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 for at least twelve months and the foreseeable future thereafter.

Expected sources of cash needed to satisfy cash requirements in 2025 include our cash on hand, cash from operations, the receipt of \$34.0 million of insurance recoveries, as described in Note 11, *Commitments and Contingencies*, and available liquidity under our revolving credit facility, if necessary. Expected uses of cash in 2025 include interest payments, cash taxes, dividend payments, share repurchases, environmental remediation payments and capital expenditures. Capital expenditures are currently estimated to be approximately \$120 million in 2025, primarily to support organic sales growth and other strategic investments.

Cash Flows

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

(In millions)	2024	2023	2022
Cash provided by (used by):			
Operating Activities	\$ 256.8	\$ 201.6	\$ 398.4
Investing Activities	(120.6)	(94.2)	(504.0)
Financing Activities	(120.9)	(201.7)	166.4
Effect of exchange rate on cash	(16.6)	(1.0)	(20.9)
Net (decrease) increase in cash and cash equivalents	<u>\$ (1.3)</u>	<u>\$ (95.3)</u>	<u>\$ 39.9</u>

Operating Activities

Net cash provided by operating activities increased to \$256.8 million in 2024, as compared to \$201.6 million in 2023, driven primarily by higher earnings and lower tax payments as 2023 included tax payments of \$104.1 million associated with the gain on sale of our Distribution business. This was partially offset by an increase in working capital of \$28.6 million as compared to a decrease of \$40.7 million in 2023, a \$15.4 million increase in environmental remediation payments, and \$21.1 million of higher benefit payments associated with executive retirements.

Investing Activities

Net cash used by investing activities during 2024 of \$120.6 million primarily reflects the impact of capital expenditures.

Financing Activities

Net cash used by financing activities of \$120.9 million in 2024 primarily reflects repayment on long-term borrowings of \$660.9 million, \$94.0 million of dividends paid and \$9.6 million of debt financing costs, partially offset by \$650.0 million of proceeds received from long-term borrowings.

Total Debt

The following table summarizes debt as of December 31, 2024 and 2023.

(In millions)	2024	2023
Senior secured revolving credit facility due 2026	\$ —	\$ —
Senior secured term loan due 2029	705.2	709.0
7.125% senior notes due 2030	717.5	716.2
6.250% senior notes due 2031	640.8	—
5.75% senior notes due 2025	—	647.2
Other Debt	3.5	7.6
Total Debt	\$ 2,067.0	\$ 2,080.0
Less short-term debt	7.7	9.5
Total long-term debt, net of current portion	\$ 2,059.3	\$ 2,070.5

On April 9, 2024, the Company refinanced its senior secured term loan by amending the credit agreement governing such term loan (the Term Loan Amendment). The Term Loan Amendment reduced the interest rates per annum by 50 basis points, which are now either (i) Adjusted Term SOFR (as defined in the Term Loan Amendment) plus 2.00%, or (ii) a Base Rate (as defined in the Term Loan Amendment) plus 1.00%. The maturity date and other terms and conditions are substantially the same as the terms and conditions under the credit agreement immediately prior to the Term Loan Amendment.

On September 19, 2024, the Company completed the issuance of \$650.0 million aggregate principal amount of 6.250% Senior Notes which will mature on November 1, 2031 (the 2031 Notes). The Company received proceeds of \$641.9 million, net of financing costs, related to the issuance. Interest on the 2031 Notes is payable semi-annually in arrears on May 1 and November 1 of each year, commencing on May 1, 2025. The 2031 Notes were sold in a private offering and are senior unsecured obligations of the Company.

Proceeds from the 2031 Notes and cash on hand were used to fully redeem the \$650.0 million aggregate principal amount outstanding of the Company's 5.750% Senior Notes due May 15, 2025. The notes were redeemed at a redemption price equal to 100.0% of the principal amount.

The Company maintains a senior secured revolving credit facility (the Revolving Credit Facility), which matures on October 26, 2026 and provides a maximum borrowing facility size of \$500.0 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. As of December 31, 2024, we had no borrowings outstanding under our Revolving Credit Facility, which had remaining availability of \$211.4 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, 2024, we were in compliance with all customary financial and restrictive covenants pertaining to our debt.

For additional information regarding our debt, please see Note 5, *Financing Arrangements* to the accompanying consolidated financial statements.

Letters of Credit

Our Revolving Credit Facility provides up to \$50.0 million for the issuance of letters of credit, \$12.9 million of which was used at December 31, 2024. These letters of credit are issued by the bank in favor of third parties and are mainly related to required insurance programs.

Material Cash Requirements

We have future obligations under various contracts relating to debt and interest payments, operating leases, pension and post-retirement benefit plans, purchase obligations and environmental remediation obligations. The following table summarizes our obligations as of December 31, 2024 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.

(In millions)	Payment Due by Period				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
Total debt	\$ 2,099.2	\$ 7.7	\$ 15.3	\$ 699.7	\$ 1,376.5
Operating leases	101.1	22.6	34.3	15.8	28.4
Interest on debt obligations (1)	761.3	145.1	264.3	249.7	102.2
Pension and post-retirement obligations (2)	68.4	7.9	14.3	14.3	31.9
Purchase obligations (3)	134.6	63.7	61.8	6.9	2.2
Environmental remediation obligations	146.0	16.2	60.6	48.3	20.9
Total	\$ 3,164.6	\$ 247.0	\$ 390.0	\$ 986.4	\$ 1,541.2

- (1) Represents estimated contractual interest payments for all outstanding debt. Excludes cash receipts from cross-currency swaps as described in Note 15, *Derivatives and Hedging*.
- (2) 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.
- (3) 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.

Revenue Recognition

Sales are recognized when control of promised goods or services are transferred to customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. Control is transferred when the customer has the ability to direct the use of and obtain benefits from the goods or services, which is typically when products are shipped from our facilities. The majority of the Company's sales agreements contain performance obligations satisfied at a point in time when control is transferred to the customer. Avient records reductions to sales for customer incentives, primarily comprised of rebates, at the time of the initial sale. Rebates are estimated based on sales terms, historical experience along with annual sales projections. Rebate programs offered are typically credited to customers for achieving defined volume levels.

Environmental Liabilities

We are a party to a Consent Decree related to remedial actions at the former Goodrich Corporation Calvert City site and will incur environmental remediation costs related to this matter. We recognize an estimate of environmental liabilities on an undiscounted basis 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. In some cases, the Company recovers a portion of the costs relating to these obligations from insurers or other third parties, and the recovery is recognized when realization of the proceeds is deemed as probable.

Environmental liabilities 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. As we progress through remedial design and remedial action related to the Goodrich Corporation Calvert City site, additional information will become available that may require an adjustment to our existing accrual. Adjustments have been material to our financial statements in the past and it is reasonably possible that they could be in the future.

Additional information related to the accounting for environmental liabilities is found in Note 11, *Commitments and Contingencies*.

Acquisitions of Businesses

The acquisition of a business is accounted for using the acquisition method of accounting which requires assets and liabilities to be recognized at their fair values on the acquisition date. The initial fair value of assets acquired and liabilities assumed may be revised based on the final determination of fair value during the measurement period of 12 months from the acquisition date. The Company generally determines the fair value of intangible assets acquired using third-party valuations that are prepared using discounted cash flow models that rely on the Company's estimates. These estimates can require judgement of future revenue growth rates, future margins, applicable royalty rates, customer retention and the applicable weighted-average cost of capital used to discount those estimated cash flows. Sensitivity analyses are performed around certain of these assumptions in order to assess the reasonableness of the assumptions and the resulting estimated fair values.

Pension and Other Post-retirement Benefit Plans

The measurement of liabilities related to pension plans and other post-retirement benefits plans is based on assumptions related to future events including interest rates, return on plan assets, and mortality assumptions. We immediately recognize actuarial gains and losses in our operating results in the year in which the gains or losses occur.

Asset returns and interest rates significantly affect the value of assets and liabilities related to 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 forward looking long-term asset returns and the expected investment portfolio mix of plan assets. Life expectancy is another significant assumption that impacts our pension and other post-retirement benefits obligation, which is based on mortality data and improvement scales issued by the Society of Actuaries.

Additional information related to the accounting for pension and other post-retirement benefits is found in Note 10, *Employee Benefit Plans*.

Income Taxes

We account for income taxes using 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 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 recognize net tax benefits under the recognition and measurement criteria, which prescribes requirements and other guidance for financial statement recognition and measurement of positions taken or expected to be taken on tax returns. We recognize an income tax benefit from an uncertain tax position only if it is more likely than not that the benefit would be sustained upon examination by taxing authorities, based on the technical merits of the position. The Company evaluates and adjusts the amount of unrecognized income tax benefits based on changes in law, facts and circumstances. We record interest and penalties related to uncertain tax positions as a component of income tax expense. The ultimate resolution of unrecognized income tax benefits is often dependent upon uncontrollable factors such as the timing of finalizing resolutions of audit disputes through reaching settlement agreements, or changes in law.

Additional information related to the accounting for income taxes is found in Note 12, *Income Taxes*.

Goodwill

Goodwill is evaluated annually for impairment as of October 1 using either a quantitative or qualitative analysis. Goodwill is tested for impairment at the reporting unit level, and is based on the net assets for each reporting unit, including goodwill and intangible assets. The Company's reporting units are at a level below the Company's reportable operating segments. Goodwill is assigned to each reporting unit, as this represents the lowest level that constitutes a business and is the level at which management regularly reviews the operating results.

Additionally, goodwill is evaluated for impairment whenever an event occurs or circumstances change that would indicate that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. Events or circumstances that may result in an impairment review include changes in macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, other relevant entity-specific events, specific events affecting the reporting unit or sustained decrease in share price.

Quantitative analyses are performed by estimating the fair value for each reporting unit using a discounted cash flow model. These analyses include estimates of future cash flows, future growth rates, terminal value amounts, and the applicable weighted-average cost of capital used to discount estimated cash flows. The future cash flows are based on the Company's long-term strategic plan, and a terminal value is used to estimate the reporting unit's cash flows beyond the period covered by the strategic plan. The weighted-average cost of capital is an estimate of the overall after-tax rate of return required by equity and debt market holders of a business enterprise. These analyses require the exercise of judgments, including judgments about appropriate discount rates, revenue growth, operating margins, and long-term growth rates.

A qualitative analysis is performed by assessing certain trends and factors, including projected market outlook and growth rates, forecasted and actual sales and operating profit margins, discount rates, industry data, and other relevant qualitative factors. These trends and factors are compared to, and based on, the assumptions used in the most recent quantitative analysis performed for each reporting unit.

In 2023, the annual goodwill impairment test was performed using a quantitative approach. In 2024, the Company performed a qualitative approach, including assessing certain trends and factors, including projected market outlook and growth rates, forecasted and actual sales and operating profit margins, discount rates, industry data and other relevant qualitative factors. These trends and factors were compared to the assumptions used in the 2023 quantitative analysis for each reporting unit. The results of the qualitative assessment did not indicate a need to perform a quantitative analysis.

Based on the results of our impairment analysis, the Company concluded the fair value of its reporting units continued to exceed their respective carrying value.

Indefinite-lived Trade Names

Indefinite-lived trade names are evaluated annually for impairment as of October 1 using either a quantitative or qualitative analysis to determine whether their fair values exceed their respective carrying amounts. Additionally, indefinite-lived trade names are evaluated for impairment whenever an event occurs or circumstances change that would indicate that it is more likely than not that the asset is impaired. Events or circumstances that may result in an impairment review include changes in industry and market considerations, cost factors, financial performance, and other relevant entity-specific events that could affect inputs used to determine the respective fair values of the indefinite-lived intangible assets.

Quantitative analyses are performed by estimating the fair value for each indefinite-lived trade name using a royalty relief methodology. These analyses include estimates of future cash flows that are based on the Company's long-term strategic plan and the applicable weighted-average cost of capital used to discount estimated cash flows. The primary inputs to these estimates require the exercise of judgements, including judgements about appropriate discount rates, revenue growth, royalty rates, and long-term growth rates.

A qualitative analysis is performed by assessing certain trends and factors, including projected market outlook and growth rates, forecasted and actual sales, discount rates, industry data, and other relevant qualitative factors. These trends and factors are compared to, and based on, the assumptions used in the most recent quantitative analysis performed for each indefinite-lived trade name.

In 2023, the indefinite-lived intangible asset impairment tests were performed using a quantitative approach. In 2024, the Company performed both qualitative and quantitative approaches. The qualitative approach includes assessing certain trends and factors, including projected market outlook and growth rates, forecasted and actual sales, discount rates, other relevant qualitative factors. These trends and factors were compared to the assumptions used in the 2023 quantitative analysis. The quantitative analysis was performed by estimating the fair value of the indefinite-lived trade name using a royalty relief methodology. This analysis includes estimates of future cash flows that are based on the Company's long-term strategic plan and the applicable weighted-average cost of capital used to discount estimated cash flows.

Based on the results of our impairment analysis, the Company concluded the fair value of its trade names continued to exceed their respective carrying value.

For additional information about goodwill and intangible assets see Note 3, *Goodwill and Intangible Assets*.

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.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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 Base Rate or Adjusted Term SOFR, plus a margin. There would be no material impact on our interest expense or cash flows from either a 100 basis point increase or decrease in market rates of interest on our outstanding variable rate debt as of December 31, 2024.

Foreign currency exposure — We have exposure from both third-party and intercompany transactions that are denominated in various foreign currencies and are subject to financial exposure from foreign exchange rate movements. 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 also 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 income (loss)* in the Shareholders' equity section of the accompanying *Consolidated Balance Sheets*. To mitigate a portion of this risk, we may enter into cross-currency swaps. Gains and losses on these contracts generally offset gains and losses on the Euro denominated investment in our foreign entities. 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

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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, 2024.

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, 2024 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, 2024 and has prepared Management's Annual Report On Internal Control Over Financial Reporting contained on page 62 of this Annual Report, which concludes that as of December 31, 2024, Avient's internal control over financial reporting was effective and that no material weaknesses were identified.

/s/ ASHISH K. KHANDPUR

Ashish K. Khandpur
President, Chief Executive Officer and Board
Member

/s/ JAMIE A. BEGGS

Jamie A. Beggs
Senior Vice President and Chief Financial Officer

February 18, 2025

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors 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, 2024, 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, 2024, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2024 and 2023, 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, 2024, and the related notes and our report dated February 18, 2025, 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 18, 2025

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors 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, 2024 and 2023, 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, 2024, 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, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, 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, 2024, 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 18, 2025 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 Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter 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 matter below, providing a separate opinion on the critical audit matter or on the account or disclosure to which it relates.

Environmental Accrued Liabilities - Calvert City

Description of the Matter

As described in Note 11 to the consolidated financial statements, the environmental accrued liability as of December 31, 2024 is approximately \$146.0 million and is comprised primarily of the cost estimate for the Calvert City location of \$137.7 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 estimate the Calvert City environmental-related accrual. For example, we tested controls over management's review of the estimate and key assumptions, as well as monitoring for current year developments.

With the assistance of our specialists, we tested the balance of the Calvert City environmental accrued liability and the disclosure of the expected costs to remediate. Our audit procedures included, among others, making inquiries of internal general counsel and obtaining legal letters from internal and external counsel. We also evaluated external communications including those from the US EPA and cost estimates from management's Specialists and other third parties used in determining the environmental accrued liability. We tested the key assumptions used by management by comparing those assumptions to accepted industry practice and information included in the Record of Decision issued by the US EPA, as applicable. We examined historical costs for recurring items and evaluated updated cost estimates for any current period changes. We searched publicly available information that might indicate facts contrary to the cost estimates and timeline used to determine the Calvert City accrual.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1993.

Cleveland, Ohio

February 18, 2025

Consolidated Statements of Income

(In millions, except per share data)	Year Ended December 31,		
	2024	2023	2022
Sales	\$ 3,240.4	\$ 3,142.8	\$ 3,396.9
Cost of sales	2,183.7	2,250.3	2,514.2
Gross margin	1,056.7	892.5	882.7
Selling and administrative expense	727.4	695.7	639.4
Operating income	329.3	196.8	243.3
Interest expense, net	(105.6)	(115.3)	(119.8)
Other income (expense), net	1.1	5.8	(59.7)
Income from continuing operations before income taxes	224.8	87.3	63.8
Income tax (expense) benefit	(54.1)	(11.0)	19.3
Net income from continuing operations	170.7	76.3	83.1
(Loss) income from discontinued operations, net of income taxes	—	(0.1)	620.3
Net income	170.7	76.2	703.4
Net income attributable to noncontrolling interests	(1.2)	(0.5)	(0.3)
Net income attributable to Avient common shareholders	\$ 169.5	\$ 75.7	\$ 703.1
Earnings per share attributable to Avient common shareholders - Basic:			
Continuing operations	\$ 1.86	\$ 0.83	\$ 0.91
Discontinued operations	—	—	6.80
Total	\$ 1.86	\$ 0.83	\$ 7.71
Earnings per share attributable to Avient common shareholders - Diluted:			
Continuing operations	\$ 1.84	\$ 0.83	\$ 0.90
Discontinued operations	—	—	6.73
Total	\$ 1.84	\$ 0.83	\$ 7.63
Weighted-average shares used to compute earnings per common share:			
Basic	91.3	91.1	91.2
Plus dilutive impact of share-based compensation	0.7	0.7	1.0
Diluted	92.0	91.8	92.2
Anti-dilutive shares not included in diluted common shares outstanding	0.4	0.7	0.3
Cash dividends declared per share of common stock	\$ 1.0425	\$ 1.0000	\$ 0.9600

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,		
	2024	2023	2022
Net income	\$ 170.7	\$ 76.2	\$ 703.4
Other comprehensive (loss) income, net of tax:			
Translation adjustments and related hedging instruments	(90.4)	(5.3)	(36.4)
Pension and postretirement benefits	—	(6.3)	6.2
Total other comprehensive loss	(90.4)	(11.6)	(30.2)
Total comprehensive income	80.3	64.6	673.2
Comprehensive income attributable to noncontrolling interests	(1.2)	(0.5)	(0.3)
Comprehensive income attributable to Avient common shareholders	<u>\$ 79.1</u>	<u>\$ 64.1</u>	<u>\$ 672.9</u>

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,	
	2024	2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 544.5	\$ 545.8
Accounts receivable, net	399.5	399.9
Inventories, net	346.8	347.0
Other current assets	131.3	114.9
Total current assets	1,422.1	1,407.6
Property, net	955.3	1,028.9
Goodwill	1,659.7	1,719.3
Intangible assets, net	1,450.4	1,590.8
Operating lease assets, net	89.1	65.3
Deferred income tax assets	81.3	92.3
Other non-current assets	153.2	64.3
Total assets	\$ 5,811.1	\$ 5,968.5
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term and current portion of long-term debt	\$ 7.7	\$ 9.5
Accounts payable	417.4	432.3
Accrued expenses and other current liabilities	331.0	331.8
Total current liabilities	756.1	773.6
Non-current liabilities:		
Long-term debt	2,059.3	2,070.5
Deferred income taxes	260.4	281.6
Other non-current liabilities	405.7	504.8
Total non-current liabilities	2,725.4	2,856.9
SHAREHOLDERS' EQUITY		
Common Shares, \$0.01 par, 400.0 shares authorized, 122.2 shares issued	1.2	1.2
Additional paid-in capital	1,537.5	1,529.7
Retained earnings	1,882.5	1,808.2
Common shares held in treasury, at cost, 30.8 shares in 2024 and 31.0 shares in 2023	(929.6)	(932.5)
Accumulated other comprehensive loss	(177.8)	(87.4)
Avient shareholders' equity	2,313.8	2,319.2
Noncontrolling interest	15.8	18.8
Total equity	2,329.6	2,338.0
Total liabilities and equity	\$ 5,811.1	\$ 5,968.5

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,		
	2024	2023	2022
Operating activities			
Net income	\$ 170.7	\$ 76.2	\$ 703.4
Adjustments to reconcile net income to net cash provided by operating activities:			
Gain on sale of business, net of tax expense	—	—	(550.1)
Depreciation and amortization	179.7	188.8	163.1
Amortization of inventory step-up	—	—	34.4
Increase in environmental insurance receivable	(34.0)	—	—
Deferred income tax (benefit) expense	(23.8)	(61.3)	0.5
Share-based compensation expense	15.4	13.2	13.2
Changes in assets and liabilities, net of the effect of acquisitions:			
(Increase) decrease in accounts receivable	(15.2)	38.6	32.6
(Increase) decrease in inventories	(13.7)	24.3	14.0
Increase (decrease) in accounts payable	0.3	(22.2)	10.7
(Decrease) increase in pension, retirement benefits and deferred compensation	(34.3)	(8.7)	9.6
Taxes paid on gain on sale of business	—	(104.1)	(2.8)
(Decrease) increase in environmental obligations	(11.2)	38.9	(6.2)
Accrued expenses and other assets and liabilities, net	22.9	17.9	(24.0)
Net cash provided by operating activities	256.8	201.6	398.4
Investing activities			
Capital expenditures	(121.9)	(119.4)	(105.5)
Business acquisitions, net of cash acquired	—	—	(1,426.1)
Settlement of foreign exchange derivatives	—	—	93.3
Net proceeds from divestiture	—	7.3	928.2
Proceeds from plant closures	3.4	7.6	6.1
Other investing activities	(2.1)	10.3	—
Net cash used by investing activities	(120.6)	(94.2)	(504.0)
Financing activities			
Proceeds from long-term borrowings	650.0	—	1,300.0
Payments on long-term borrowings	(660.9)	(105.8)	(956.8)
Purchase of common shares for treasury	—	—	(36.4)
Cash dividends paid	(94.0)	(90.2)	(86.8)
Payments on withholding tax on share awards	(6.4)	(3.4)	(4.3)
Debt financing costs	(9.6)	(2.3)	(49.3)
Net cash (used) provided by financing activities	(120.9)	(201.7)	166.4
Effect of exchange rate changes on cash	(16.6)	(1.0)	(20.9)
(Decrease) increase in cash and cash equivalents	(1.3)	(95.3)	39.9
Cash and cash equivalents at beginning of year	545.8	641.1	601.2
Cash and cash equivalents at end of year	\$ 544.5	\$ 545.8	\$ 641.1

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

Consolidated Statements of Shareholders' Equity

(In millions)	Common Shares		Shareholders' Equity							
	Common Shares	Common Shares Held in Treasury	Common Shares	Additional Paid-in Capital	Retained Earnings	Common Shares Held in Treasury	Accumulated Other Comprehensive (Loss) Income	Total Avient Shareholders' Equity	Non-controlling Interests	Total Equity
Balance at January 1, 2022	122.2	(30.6)	\$ 1.2	\$ 1,511.8	\$ 1,208.0	\$ (900.7)	\$ (45.6)	\$ 1,774.7	\$ 15.8	\$1,790.5
Net income	—	—	—	—	703.1	—	—	703.1	0.3	703.4
Other comprehensive loss	—	—	—	—	—	—	(30.2)	(30.2)	—	(30.2)
Cash dividends declared -- \$0.9600 per share	—	—	—	—	(87.5)	—	—	(87.5)	—	(87.5)
Repurchase of common shares	—	(0.8)	—	—	—	(36.4)	—	(36.4)	—	(36.4)
Share-based compensation and exercise of awards	—	0.1	—	8.7	—	2.1	—	10.8	—	10.8
Acquisitions/other	—	—	—	—	—	—	—	—	2.2	2.2
Balance at December 31, 2022	<u>122.2</u>	<u>(31.3)</u>	<u>\$ 1.2</u>	<u>\$ 1,520.5</u>	<u>\$ 1,823.6</u>	<u>\$ (935.0)</u>	<u>\$ (75.8)</u>	<u>\$ 2,334.5</u>	<u>\$ 18.3</u>	<u>\$2,352.8</u>
Net income	—	—	—	—	75.7	—	—	75.7	0.5	76.2
Other comprehensive loss	—	—	—	—	—	—	(11.6)	(11.6)	—	(11.6)
Cash dividends declared -- \$1.0000 per share	—	—	—	—	(91.1)	—	—	(91.1)	—	(91.1)
Share-based compensation and exercise of awards	—	0.3	—	9.2	—	2.5	—	11.7	—	11.7
Balance at December 31, 2023	<u>122.2</u>	<u>(31.0)</u>	<u>\$ 1.2</u>	<u>\$ 1,529.7</u>	<u>\$ 1,808.2</u>	<u>\$ (932.5)</u>	<u>\$ (87.4)</u>	<u>\$ 2,319.2</u>	<u>\$ 18.8</u>	<u>\$2,338.0</u>
Net income	—	—	—	—	169.5	—	—	169.5	1.2	170.7
Other comprehensive loss	—	—	—	—	—	—	(90.4)	(90.4)	—	(90.4)
Noncontrolling interest activity	—	—	—	0.3	—	—	—	0.3	(4.2)	(3.9)
Cash dividends declared -- \$1.0425 per share	—	—	—	—	(95.2)	—	—	(95.2)	—	(95.2)
Share-based compensation and exercise of awards	—	0.2	—	7.5	—	2.9	—	10.4	—	10.4
Balance at December 31, 2024	<u>122.2</u>	<u>(30.8)</u>	<u>\$ 1.2</u>	<u>\$ 1,537.5</u>	<u>\$ 1,882.5</u>	<u>\$ (929.6)</u>	<u>\$ (177.8)</u>	<u>\$ 2,313.8</u>	<u>\$ 15.8</u>	<u>\$2,329.6</u>

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 an innovator of materials solutions to help our customers succeed, while enabling a sustainable world. Our products include specialty engineered materials, performance fibers, advanced composites, and color and additive solutions. 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, and manufacturing sites 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 materials science with our manufacturing and supply chain to provide value added solutions to designers, assemblers and processors of materials. 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 two reportable segments: Color, Additives and Inks, and Specialty Engineered Materials. See Note 14, *Segment Information*, for more information.

Accounting Standards Adopted

In November 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which requires additional segment disclosures on an annual and interim basis, including significant segment expenses that are regularly provided to the chief operating decision maker. The Company adopted this standard for the year ended December 31, 2024, and applied retrospective changes to all periods presented in the consolidated financial statements. The adoption of ASU 2023-07 impacted segment disclosures within Note 14, *Segment Information*.

Accounting Standards Not Yet Adopted

ASU 2023-09, *Income Taxes*, provides guidance requiring disaggregated income tax disclosures on an annual basis, including information on the Company's effective tax rate reconciliation and income taxes paid. This guidance is effective for fiscal years beginning after December 15, 2024, and may be applied prospectively or retrospectively. The Company is currently evaluating the standards impacts on its income taxes disclosures.

ASU 2024-03, *Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures*, provides guidance requiring disaggregated disclosure of income statement expenses. This guidance is effective for annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. This guidance may be applied prospectively or retrospectively. The Company is currently evaluating the impacts of adopting this standard to its financial statement 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. Certain prior year amounts have been adjusted to conform to current year presentation.

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 net realizable value using either the weighted average cost or the first-in, first-out (FIFO) method. We record reserves for inventory that is damaged, obsolete, excess and slow-moving to *Cost of sales*.

Long-lived Assets

Property, plant and equipment is carried at historical 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 3 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). 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.

We account for operating and finance leases under the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (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 25 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.

Internal-Use Software and Cloud Computing Arrangements

We capitalize costs related to computer software obtained or developed for internal use. Software obtained for internal use has generally been enterprise-level business software that the Company customizes to meet its specific operational needs. Costs incurred in the application development phase are capitalized as *Property, Net* in the Company's *Consolidated Balance Sheets* and are depreciated using the straight-line method over their estimated useful lives.

We also enter into certain cloud-based software hosting arrangements. Capitalizable cloud computing arrangement costs are generally consistent with those incurred during the application development stage for internal-use software, however, these costs are capitalized as *Other assets* in the Company's *Consolidated Balance Sheets*. As of December 31, 2024, there is \$76.4 million capitalized within *Other non-current assets*.

Goodwill and Indefinite Lived Intangible Assets

Goodwill is the excess of the purchase price paid over the fair value of the net assets of the acquired business. We assess goodwill for impairment on an annual basis or more frequently when events or changes in circumstance indicate that the asset may be impaired. Goodwill is tested for impairment at the reporting unit level. The Company's reporting units are at a level below the Company's reportable operating segments. 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 intangible assets is October 1.

The Company may perform a qualitative test to determine whether it is more likely than not the fair value of a reporting unit is less than its carrying amount in order to determine whether it is necessary to perform a quantitative goodwill impairment test. For our quantitative test, 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 sales growth rates, operating margins, capital expenditures, working capital, discount rates and terminal value growth rates. 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.

Indefinite-lived intangible assets primarily consist of the Dyneema, GLS, ColorMatrix, Gordon Composites, and Fiber-Line trade names. Indefinite-lived intangible assets are tested qualitatively or quantitatively for impairment at least annually as of October 1 to determine whether their fair values exceed their respective carrying amounts, unless events or changes in circumstance indicate that the asset may be impaired prior to the annual test. For our quantitative test, the implied fair value of indefinite-lived intangible assets is determined based on significant unobservable inputs. 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.

In 2023, the annual goodwill impairment test was performed using a quantitative approach. In 2024, the Company performed a qualitative approach, including assessing certain trends and factors, including projected market outlook and growth rates, forecasted and actual sales and operating profit margins, discount rates, industry data and other relevant qualitative factors. These trends and factors were compared to the assumptions used in the 2023 quantitative analysis for each reporting unit. The results of the qualitative assessment did not indicate a need to perform a quantitative analysis.

In 2023, the indefinite-lived intangible asset impairment tests were performed using a quantitative approach. In 2024, the Company performed both qualitative and quantitative approaches. The qualitative approach includes assessing certain trends and factors, including projected market outlook and growth rates, forecasted and actual sales, discount rates, other relevant qualitative factors. These trends and factors were compared to the assumptions used in the 2023 quantitative analysis. The quantitative analysis was performed by estimating the fair value of the indefinite-lived trade name using a royalty relief methodology. This analysis includes estimates of future cash flows that are based on the Company's long-term strategic plan and the applicable weighted-average cost of capital used to discount estimated cash flows.

Based on the results of our impairment analyses, the Company concluded the fair value of its reporting units and trade names continued to exceed their respective carrying value.

Litigation Reserves

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 11, *Commitments and Contingencies*, for further information.

Derivative Financial Instruments

All derivative financial instruments, such as foreign exchange contracts, are recognized in the financial statements and measured at fair value, regardless of the purpose or intent in holding them.

We are exposed to changes in foreign currency exchange changes and to changes in cash flows due to changes in our contractually specified interest rates (e.g., SOFR) 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, 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.

We have executed cross-currency swaps which are documented and designated as net investment hedges of our Euro denominated investment in foreign entities. We pay fixed-rate interest in Euros and receive fixed-rate interest in U.S. dollars related to our future obligations to exchange Euros for U.S. dollars. The interest receivable on the swaps is accrued each month for effective instruments designated as a hedge and is reflected within *Interest expense, net* within the *Consolidated Statements of Income* and the remaining change in the fair value of the derivatives is recorded as a component of *Accumulated Other Comprehensive Income (Loss) (AOCI)*. From time to time, we may enter into certain foreign currency exchange forward contracts, which are not designated as hedges and are adjusted to fair value at each period end, with the resulting gains and losses recognized in the accompanying *Consolidated Statements of Income* immediately. In 2022, we entered into certain foreign currency derivative contracts to mitigate the potential impact of foreign currency exchange rate changes on the purchase price associated with the APM Acquisition, which the Company did not originally designate as hedges.

Refer to Note 15, *Derivatives and Hedging*, for more information.

Pension and Other Post-retirement Plans

We immediately recognize actuarial gains and losses in our operating results in the year in which the gains or losses occur. Refer to Note 10, *Employee Benefit Plans*, for more information.

Accumulated Other Comprehensive Income (Loss)

Changes in accumulated other comprehensive income (loss) in 2024, 2023 and 2022 were as follows:

(In millions)	Cumulative Translation Adjustment and Related Hedging Instruments	Pension and other post-retirement benefits	Total
Balance at January 1, 2022	\$ (50.8)	\$ 5.2	\$ (45.6)
Translation Adjustments	(60.3)	—	(60.3)
Unrealized gains on derivatives	23.9	—	23.9
Prior service credit	—	6.2	6.2
Balance at December 31, 2022	(87.2)	11.4	(75.8)
Translation Adjustments	90.9	—	90.9
Unrealized losses on derivatives	(96.1)	—	(96.1)
Amortization of prior service credit	—	(6.4)	(6.4)
Balance at December 31, 2023	(92.4)	5.0	(87.4)
Translation Adjustments	(167.7)	—	(167.7)
Unrealized gains on derivatives	77.3	—	77.3
Balance at December 31, 2024	<u>\$ (182.8)</u>	<u>\$ 5.0</u>	<u>\$ (177.8)</u>

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 reporting 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 \$98.7 million in 2024, \$90.3 million in 2023 and \$84.9 million in 2022 are charged to expense as incurred.

Environmental Remediation 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 recovers a portion of the costs relating to these obligations from insurers or other third parties, and the recovery is recognized when realization of the proceeds is deemed as probable.

Share-Based Compensation

In accounting for share-based compensation, we 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, 2024, we had one active share-based employee compensation plan, which is described more fully in Note 13, *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. 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 12, *Income Taxes*, for additional detail.

Note 2 — DISCONTINUED OPERATIONS

On November 1, 2022, Avient sold its Distribution business to an affiliate of H.I.G. Capital for \$950.0 million in cash consideration, subject to a customary working capital adjustment. Total proceeds were \$935.5 million, of which \$7.3 million was received in the year ended December 31, 2023. The results of the Distribution business are classified as discontinued operations for all years presented. The sale resulted in the recognition of an after-tax gain of \$550.1 million, which is reflected within the *Income from discontinued operations, net of income taxes* line of the *Consolidated Statements of Income*.

The following table summarizes the major line items constituting pretax income of discontinued operations associated with the Distribution business segment for the years ended December 31, 2023 and 2022.

(In millions)	2023	2022
Sales	\$ —	\$ 1,331.7
Cost of sales	—	(1,191.9)
Selling and administrative expense	(0.9)	(41.9)
Pre-tax gain on sale	—	717.0
(Loss) income from discontinued operations before income taxes	(0.9)	814.9
Income tax benefit (expense)	0.8	(194.6)
(Loss) income from discontinued operations, net of income taxes	\$ (0.1)	\$ 620.3

Note 3 — GOODWILL AND INTANGIBLE ASSETS

Changes in the carrying amount of goodwill by segment were as follows:

(In millions)	Specialty Engineered Materials	Color, Additives and Inks	Total
Balance at January 1, 2023	\$ 652.2	\$ 1,019.7	\$ 1,671.9
Acquisition of businesses	10.3	—	10.3
Currency translation	20.0	17.1	37.1
Balance at December 31, 2023	682.5	1,036.8	1,719.3
Currency translation	(26.2)	(33.4)	(59.6)
Balance at December 31, 2024	\$ 656.3	\$ 1,003.4	\$ 1,659.7

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

As of December 31, 2024				
(In millions)	Acquisition Cost	Accumulated Amortization	Currency Translation	Net
Customer relationships	\$ 726.2	\$ (234.9)	\$ (0.4)	\$ 490.9
Patents, technology and other	847.0	(255.8)	(6.1)	585.1
Indefinite-lived trade names	362.8	—	11.6	374.4
Total	<u>\$ 1,936.0</u>	<u>\$ (490.7)</u>	<u>\$ 5.1</u>	<u>\$ 1,450.4</u>

As of December 31, 2023				
(In millions)	Acquisition Cost	Accumulated Amortization	Currency Translation	Net
Customer relationships	\$ 726.2	\$ (199.8)	\$ 20.0	\$ 546.4
Patents, technology and other	841.8	(213.1)	22.5	651.2
Indefinite-lived trade names	368.0	—	25.2	393.2
Total	<u>\$ 1,936.0</u>	<u>\$ (412.9)</u>	<u>\$ 67.7</u>	<u>\$ 1,590.8</u>

Amortization of finite-lived intangible assets included in continuing operations for the years ended December 31, 2024, 2023 and 2022 was \$77.8 million, \$79.8 million and \$63.6 million, respectively.

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

(In millions)	2025	2026	2027	2028	2029
Expected amortization expense	\$ 77.8	\$ 77.1	\$ 75.0	\$ 74.3	\$ 73.9

Note 4 — EMPLOYEE SEPARATION AND RESTRUCTURING COSTS

We are engaged in a restructuring program associated with our integration of Clariant Color. These actions are expected to enable us to better serve customers, improve efficiency and deliver cost savings. We expect that the full restructuring plan will be implemented by the end of 2025 and anticipate that we will incur approximately \$70.0 million of charges in connection with the restructuring plan. As of December 31, 2024, \$62.3 million had been incurred.

A summary of the Clariant Color integration restructuring is shown below:

(In millions)	Workforce reductions	Plant closing and other	Total
Balance at January 1, 2022	\$ 7.5	\$ 0.6	\$ 8.1
Restructuring charges	30.8	2.1	32.9
Payments, utilization and translation	(4.0)	(0.3)	(4.3)
Balance at December 31, 2022	\$ 34.3	\$ 2.4	\$ 36.7
Restructuring charges	6.9	1.2	8.1
Payments, utilization and translation	(10.9)	(2.8)	(13.7)
Balance at December 31, 2023	\$ 30.3	\$ 0.8	\$ 31.1
Restructuring charges	0.4	1.6	2.0
Payments, utilization and translation	(23.3)	(1.6)	(24.9)
Balance at December 31, 2024	<u>\$ 7.4</u>	<u>\$ 0.8</u>	<u>\$ 8.2</u>

Additional charges, primarily personnel reductions, taken throughout 2023 due to slowing global demand resulted in costs of \$18.3 million recorded. Cash payments of \$14.2 million were made in relation to these reductions throughout 2023.

Total restructuring costs included in the *Consolidated Statements of Income* for the years ended December 31, 2024, 2023 and 2022 are shown in the table below, and are primarily associated with the Clariant Color integration.

(In millions)	2024	2023	2022
Cost of goods sold	\$ (1.0)	\$ 11.9	\$ 31.1
Selling and administrative expenses	5.5	14.5	7.0
Total employee separation and restructuring charges	<u>\$ 4.5</u>	<u>\$ 26.4</u>	<u>\$ 38.1</u>

Note 5 — FINANCING ARRANGEMENTS

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

As of December 31, 2024 (in millions)	Principal Amount	Unamortized discount and debt issuance cost	Net Debt	Weighted average interest rate
Senior secured revolving credit facility due 2026	\$ —	\$ —	\$ —	— %
Senior secured term loan due 2029	720.7	15.5	705.2	7.30 %
7.125% senior notes due 2030	725.0	7.5	717.5	7.125 %
6.250% senior notes due 2031	650.0	9.2	640.8	6.250 %
Other Debt	3.5	—	3.5	
Total Debt	2,099.2	32.2	2,067.0	
Less short-term and current portion of long-term debt	7.7	—	7.7	
Total long-term debt, net of current portion	<u>\$ 2,091.5</u>	<u>\$ 32.2</u>	<u>\$ 2,059.3</u>	

As of December 31, 2023 (in millions)	Principal Amount	Unamortized discount and debt issuance cost	Net Debt	Weighted average interest rate
Senior secured revolving credit facility due 2026	\$ —	\$ —	\$ —	— %
Senior secured term loan due 2029	727.9	18.9	709.0	7.88 %
5.750% senior notes due 2025	650.0	2.8	647.2	5.75 %
7.125% senior notes due 2030	725.0	8.8	716.2	7.125 %
Other Debt	7.6	—	7.6	
Total Debt	2,110.5	30.5	2,080.0	
Less short-term and current portion of long-term debt	9.5	—	9.5	
Total long-term debt, net of current portion	<u>\$ 2,101.0</u>	<u>\$ 30.5</u>	<u>\$ 2,070.5</u>	

On April 9, 2024, the Company refinanced its senior secured term loan by amending the credit agreement governing such term loan (the Term Loan Amendment). The Term Loan Amendment reduced the interest rates per annum by 50 basis points, which are now either (i) Adjusted Term SOFR (as defined in the Term Loan Amendment) plus 2.00%, or (ii) a Base Rate (as defined in the Term Loan Amendment) plus 1.00%. The maturity date and other terms and conditions are substantially the same as the terms and conditions under the credit agreement immediately prior to the Term Loan Amendment.

On September 19, 2024, the Company completed the issuance of \$650.0 million aggregate principal amount of 6.250% Senior Notes which will mature on November 1, 2031 (the 2031 Notes). The Company received proceeds of \$641.9 million, net of financing costs, related to the issuance. Interest on the 2031 Notes is payable semi-annually in arrears on May 1 and November 1 of each year, commencing on May 1, 2025. The 2031 Notes were sold in a private offering and are senior unsecured obligations of the Company.

Proceeds from the 2031 Notes and cash on hand were used to fully redeem the \$650.0 million aggregate principal amount outstanding of the Company's 5.750% Senior Notes due May 15, 2025. The notes were redeemed at a redemption price equal to 100.0% of the principal amount.

The Company maintains a senior secured revolving credit facility (the Revolving Credit Facility), which matures on October 26, 2026 and provides a maximum borrowing facility size of \$500.0 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. As of December 31, 2024, we had no borrowings outstanding under our Revolving Credit Facility, which had remaining availability of \$211.4 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, 2024, we were in compliance with all covenants.

The estimated fair value of Avient's debt instruments at December 31, 2024 and 2023 was \$2,083.3 million and \$2,113.7 million, respectively, compared to carrying values of \$2,067.0 million and \$2,080.0 million as of December 31, 2024 and 2023, 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)	
2025	\$ 7.7
2026	7.7
2027	7.6
2028	7.7
2029	692.0
Thereafter	1,376.5
Aggregate maturities	<u>\$ 2,099.2</u>

Included in *Interest expense, net* for the years ended December 31, 2024, 2023 and 2022 was interest income of \$50.1 million, \$49.8 million, and \$34.0 million, respectively. Total interest paid on debt, net of the impact of hedging (see Note 15, *Derivatives and Hedging*), was \$85.2 million in 2024, \$106.3 million in 2023 and \$69.4 million in 2022.

Note 6 — 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 consolidated financial statements. Operating lease assets and obligations are reflected within *Operating lease assets, net*, *Accrued expenses and other current liabilities*, and *Other non-current liabilities*, 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 *Consolidated Statements of Income* for the years ended December 31, 2024, 2023 and 2022 were as follows:

(In millions)	2024	2023	2022
Cost of sales	\$ 20.8	\$ 19.7	\$ 18.8
Selling and administrative expense	11.2	11.6	10.1
Total operating lease cost	<u>\$ 32.0</u>	<u>\$ 31.4</u>	<u>\$ 28.9</u>

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 both December 31, 2024 and 2023 was 5.6 years. The non-cash net increase in operating lease liabilities was \$37.3 million, \$18.1 million and \$13.8 million for the years ended December 31, 2024, 2023 and 2022, 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, 2024 and 2023 were 6.0% and 5.0%, respectively.

Maturities of lease liabilities at December 31, 2024 are as follows:

(In millions)	2024	
2025	\$	22.6
2026		18.8
2027		15.5
2028		10.0
2029		5.8
Thereafter		28.4
Total	\$	101.1
Less amount of lease payment representing interest		(19.4)
Total present value of lease payments	\$	81.7

Note 7 — INVENTORIES, NET

Components of *Inventories, net* as of December 31, 2024 and 2023 are as follows:

(In millions)	2024		2023	
Finished products	\$	159.2	\$	166.0
Work in process		21.0		19.8
Raw materials and supplies		166.6		161.2
Inventories, net	\$	346.8	\$	347.0

Inventory reserves totaled \$36.3 million and \$34.5 million at December 31, 2024 and 2023, respectively, and are included within the table above.

Note 8 — PROPERTY, NET

Components of *Property, net* as of December 31, 2024 and 2023 are as follows:

(In millions)	2024		2023	
Land and land improvements	\$	93.9	\$	98.5
Buildings		438.3		439.8
Machinery and equipment		1,291.6		1,381.1
Property, gross		1,823.8		1,919.4
Less accumulated depreciation		(868.5)		(890.5)
Property, net	\$	955.3	\$	1,028.9

Depreciation expense, including accelerated depreciation associated with restructuring actions, from continuing operations was \$101.9 million in 2024, \$109.0 million in 2023 and \$98.9 million in 2022.

Note 9 — OTHER BALANCE SHEET LIABILITIES

Other current and non-current liabilities as of December 31, 2024 and 2023 consist of the following:

(In millions)	Accrued expenses and other current liabilities		Other non-current liabilities	
	2024	2023	2024	2023
Employment costs	\$ 147.9	\$ 119.8	\$ 15.7	\$ 12.6
Deferred compensation	—	—	16.3	31.7
Restructuring costs	10.1	35.0	—	—
Environmental liabilities	16.2	32.1	129.8	125.1
Accrued taxes	48.1	45.5	—	—
Pension and other post-retirement benefits	6.2	5.6	58.0	67.2
Accrued interest	44.1	33.6	—	—
Dividends payable	24.7	23.5	—	—
Unrecognized tax benefits	6.5	3.0	9.6	16.4
Derivatives	—	—	104.7	199.1
Operating lease obligations	18.2	16.6	63.5	43.2
Other	9.0	17.1	8.1	9.5
Total	\$ 331.0	\$ 331.8	\$ 405.7	\$ 504.8

Note 10 — 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.

(In millions)	Pension Benefits		Health Care Benefits	
	2024	2023	2024	2023
Change in benefit obligation:				
Projected benefit obligation - beginning of year	\$ 423.8	\$ 433.8	\$ 4.4	\$ 5.9
Service cost	2.7	3.1	—	—
Interest cost	18.2	19.6	0.2	0.3
Actuarial (gain) / loss	(9.1)	9.2	(0.7)	(1.0)
Benefits paid	(39.1)	(44.8)	(0.4)	(0.9)
Other	(4.8)	2.9	(0.1)	0.1
Projected benefit obligation - end of year	391.7	423.8	3.4	4.4
Projected salary increases	(5.5)	(6.5)	—	—
Accumulated benefit obligation	<u>\$ 386.2</u>	<u>\$ 417.3</u>	<u>\$ 3.4</u>	<u>\$ 4.4</u>
Change in plan assets:				
Plan assets - beginning of year	\$ 400.5	\$ 396.6	\$ —	\$ —
Actual return on plan assets	17.9	37.7	—	—
Company contributions	7.0	9.1	0.4	0.9
Benefits paid	(39.1)	(44.8)	(0.4)	(0.9)
Other	0.2	1.9	—	—
Plan assets - end of year	<u>\$ 386.5</u>	<u>\$ 400.5</u>	<u>\$ —</u>	<u>\$ —</u>
Unfunded status at end of year	<u>\$ (5.2)</u>	<u>\$ (23.3)</u>	<u>\$ (3.4)</u>	<u>\$ (4.4)</u>

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

(In millions)	Pension Benefits		Health Care Benefits	
	2024	2023	2024	2023
Non-current assets	\$ 55.5	\$ 45.1	\$ —	\$ —
Accrued expenses and other liabilities	5.7	5.1	0.4	0.5
Other non-current liabilities	55.0	63.3	3.0	3.9

As of December 31, 2024 and 2023, we had plans with total projected and accumulated benefit obligations in excess of the related plan assets as follows:

(In millions)	Pension Benefits		Health Care Benefits	
	2024	2023	2024	2023
Projected benefit obligation	\$ 88.7	\$ 92.9	\$ 3.4	\$ 4.4
Fair value of plan assets	25.2	24.5	—	—
Accumulated benefit obligation	81.2	86.6	3.4	4.4
Fair value of plan assets	22.7	23.8	—	—

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

	Pension Benefits		Health Care Benefits	
	2024	2023	2024	2023
Discount rate	4.9 %	4.5 %	5.1 %	4.9 %

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, 2024.

(In millions)	Pension Benefits			Health Care Benefits		
	2024	2023	2022	2024	2023	2022
Components of net periodic benefit cost:						
Service cost	\$ 2.7	\$ 3.1	\$ 4.1	\$ —	\$ —	\$ —
Interest cost	18.2	19.6	14.1	0.2	0.3	0.4
Expected return on plan assets	(24.1)	(25.5)	(22.4)	—	—	—
Amortization of prior service cost	(0.1)	(0.1)	—	—	(6.3)	—
Mark-to-market actuarial net (gains) losses	(2.9)	(2.8)	31.4	(0.7)	(1.0)	(2.9)
Net periodic (income) cost	\$ (6.2)	\$ (5.7)	\$ 27.2	\$ (0.5)	\$ (7.0)	\$ (2.4)

In 2022, we recognized a \$28.5 million mark-to-market loss that was primarily the result of actual asset returns that were lower than our expected return on plan assets. Partially offsetting the lower asset returns was an increase in our year end discount rate from 2.7% to 4.7%.

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

	Pension Benefits			Health Care Benefits		
	2024	2023	2022	2024	2023	2022
Discount rate*	4.5 %	4.7 %	2.7 %	4.9 %	5.2 %	2.9 %
Expected long-term return on plan assets*	6.3 %	6.7 %	4.4 %	—	—	—

*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 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 weighted heavily to fixed income securities. The plan keeps a minimal amount of cash available to fund benefit payments. See the following table for the plans' asset allocation.

The fair values of pension plan assets at December 31, 2024 and 2023, by asset category, are as follows:

Fair Value of Plan Assets at December 31, 2024				
(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	\$ 4.6	\$ —	\$ —	\$ 4.6
Bonds and notes	46.9	—	—	46.9
Global equity	8.5	—	—	8.5
Other	—	4.1	16.2	20.3
Total	<u>\$ 60.0</u>	<u>\$ 4.1</u>	<u>\$ 16.2</u>	<u>\$ 80.3</u>
Investments measured at NAV:				
Common collective funds:				
United States equity				42.3
International equity				25.5
Fixed income				238.4
Total common collective funds				<u>\$ 306.2</u>
Total investments at fair value				<u>\$ 386.5</u>

Fair Value of Plan Assets at December 31, 2023				
(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	\$ 3.9	\$ —	\$ —	\$ 3.9
Bonds and notes	52.8	—	—	52.8
Global equity	8.7	—	—	8.7
Other	—	3.1	15.3	18.4
Total	<u>\$ 65.4</u>	<u>\$ 3.1</u>	<u>\$ 15.3</u>	<u>\$ 83.8</u>
Investments measured at NAV:				
Common collective funds:				
United States equity				43.8
International equity				44.0
Global equity				21.9
Fixed income				207.0
Total common collective funds				<u>\$ 316.7</u>
Total investments at fair value				<u>\$ 400.5</u>

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
2025	\$ 39.2	\$ 0.4
2026	37.5	0.4
2027	35.9	0.4
2028	35.8	0.3
2029	36.0	0.3
2030 through 2034	154.7	1.2

We currently estimate that employer contributions will be \$7.5 million to all qualified and non-qualified pension plans and \$0.4 million to all healthcare benefit plans in 2025.

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)	2024	2023	2022
Retirement savings match	\$ 11.8	\$ 11.9	\$ 12.7

Note 11 — COMMITMENTS AND CONTINGENCIES

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 support 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 Avient 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 Avient 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.

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 Avient nor The Geon Company ever operated the facility.

Since 2009, Avient, along with respondents Westlake Vinyls and Goodrich Corporation, has worked with the United States Environmental Protection Agency (USEPA) to address the remedial activities at the site. The USEPA issued its Record of Decision (ROD) in September 2018. 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, three companies signed the agreed Consent Decree and remedial action Work Plan, which received Federal Court approval in January 2021.

In 2023, the Company recognized charges of \$20.6 million associated with the completion of certain remedial action activities at the site. Further, the Company received construction bids based on an interim design for the largest component of remedial action at Calvert City, the construction of a barrier wall around the site, which began in 2024. These construction cost updates resulted in an additional charge of \$36.2 million in 2023. In 2024, the Company finalized the design and construction estimates for one phase of the barrier wall, as well as an updated remedial action timeline at the site, which resulted in charges of \$19.8 million. Construction of the initial barrier wall section began in 2024 and was substantially complete as of December 31, 2024. The remaining wall designs and construction are expected to be completed in phases between 2025 and 2028. As the Company completes further design work and begins construction on the remaining sections of the barrier wall, the Company will update its accrual, which was \$137.7 million as of December 31, 2024 for any new information as it becomes available.

Total environmental accruals of \$146.0 million and \$157.2 million are reflected within *Accrued expenses and other current liabilities* and *Other non-current liabilities* in our *Consolidated Balance Sheets* as of December 31, 2024 and December 31, 2023, respectively. These undiscounted accruals represent our best estimate of probable future costs that we can reasonably estimate, based upon currently available information and technology and how the remedy will be implemented. It is reasonably possible that we could incur additional costs in excess of the amount accrued, which could be material to our *Consolidated Statements of Income*. However, such additional costs cannot currently be estimated as they are dependent upon the results of future testing and findings during the execution of remedial design and remedial action, changes in the Calvert City construction timeline, changes in regulations, technology development, new information, newly discovered conditions and other factors that are not currently known.

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

(In millions)	2024	2023	2022
Balance at beginning of the year	\$ 157.2	\$ 118.3	\$ 124.5
Environmental expenses	35.0	69.6	24.1
Net cash payments	(46.1)	(30.7)	(30.2)
Currency translation and other	(0.1)	—	(0.1)
Balance at the end of year	<u>\$ 146.0</u>	<u>\$ 157.2</u>	<u>\$ 118.3</u>

The environmental expenses noted in the table above, primarily related to the ongoing remedial action at Calvert City, are included in *Cost of sales* within the *Consolidated Statements of Income*.

In 2024, Avient recognized a gain of \$34.7 million associated with insurance recoveries for previously incurred losses at the Calvert City site. This gain is included in *Cost of sales* within the *Consolidated Statements of Income*. We received \$0.7 million of cash associated with these insurance recoveries in the fourth quarter of 2024, while \$34.0 million is expected to be received in the first quarter of 2025. Further insurance recoveries related to remedial activities at the Calvert City site are expected to be immaterial. We received insurance recoveries of \$1.7 million and \$8.3 million in 2023 and 2022, respectively.

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 consolidated financial statements.

Note 12 — 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 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.

In January 2019, the Organization for Economic Co-operation and Development (OECD) announced further work in continuation of its Base Erosion and Profit Shifting project, focusing on two "pillars." Pillar One provides a framework for the reallocation of certain residual profits of multinational enterprises to market jurisdictions where goods or services are used or consumed. Pillar Two consists of two interrelated rules referred to as Global Anti-Base Erosion ("GloBe") Rules, which operate to impose a minimum tax rate of 15% calculated on a jurisdictional basis for companies with revenue above €750 million. Certain jurisdictions enacted legislation to adopt GloBE rules with effective dates beginning in 2024. As a result of the transition rules, Avient does not expect there to be a material impact to its financial statements. The Company will continue to monitor legislative and regulatory developments in this area.

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 (loss) from continuing operations, before income taxes consists of the following:

(In millions)	2024	2023	2022
Domestic	\$ (25.3)	\$ (2.7)	\$ (82.4)
International	250.1	90.0	146.2
Income from continuing operations, before income taxes	<u>\$ 224.8</u>	<u>\$ 87.3</u>	<u>\$ 63.8</u>

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

(In millions)	2024	2023	2022
Current income tax expense (benefit):			
Domestic	\$ 7.5	\$ 18.5	\$ (76.2)
International	70.4	53.8	56.4
Total current income tax expense (benefit)	<u>\$ 77.9</u>	<u>\$ 72.3</u>	<u>\$ (19.8)</u>
Deferred income tax expense (benefit):			
Domestic	\$ (11.4)	\$ (35.8)	\$ 2.6
International	(12.4)	(25.5)	(2.1)
Total deferred income tax (benefit) expense	<u>\$ (23.8)</u>	<u>\$ (61.3)</u>	<u>\$ 0.5</u>
Total income tax expense (benefit)	<u>\$ 54.1</u>	<u>\$ 11.0</u>	<u>\$ (19.3)</u>

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 reconciling items is included below for the years ended December 31, 2024, 2023 and 2022.

	2024	2023	2022
U.S. federal income tax rate	21.0 %	21.0 %	21.0 %
International tax rate differential:			
Asia	0.4	0.9	1.1
Europe	(0.8)	(5.2)	(12.4)
North and South America	2.1	4.5	5.9
Total international tax rate differential	1.7	0.2	(5.5)
Net tax on GILTI and Subpart F Income	(0.5)	2.2	5.9
International tax on certain current and prior year earnings	1.6	3.9	0.2
Non-deductible interest	0.4	5.3	2.9
Research and development credit	(1.7)	(3.7)	(5.0)
Capital losses	—	(5.4)	(88.1)
State and local tax, net	(0.7)	(2.3)	(4.0)
International permanent items	0.7	(7.5)	12.1
U.S. permanent items	2.1	2.5	1.9
Net impact of uncertain tax positions	(1.1)	(5.3)	12.9
Changes in valuation allowances	—	3.6	15.4
Other	0.6	(1.9)	0.1
Effective income tax rate	<u>24.1 %</u>	<u>12.6 %</u>	<u>(30.2)%</u>

The effective tax rates for all periods differed from the applicable U.S. federal income 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 items impacting the effective income tax rate are described below.

2024 Significant items

The consolidated effective income tax rate from continuing operations was 24.1%, which was higher than the U.S. federal rate of 21%. This higher rate was primarily driven by U.S. permanent items of 2.1%, international rate differential of 1.7% and tax associated with foreign income repatriation of 1.6%. These items were partially offset by credits associated with research and development of 1.7% and changes in uncertain tax position which resulted in a net benefit of 1.1%.

2023 Significant items

The consolidated effective income tax rate from continuing operations was 12.6%, which was lower than the U.S. federal rate of 21%. This lower rate was primarily driven by the recognition of tax benefits of 7.5% associated with tax impairments of investments in affiliates, driven in part from European restructuring actions. Further, we recognized a 5.4% tax benefit from federal and state capital losses associated with an international affiliate's tax status change in 2022. Finally, we recognized tax benefits from the reduction of uncertain tax positions as well as the U.S. R&D tax credit, which reduced the tax rate, 5.3% and 3.7%, respectively. Partially offsetting these benefits were non-deductible foreign interest, 5.3%, tax associated with foreign income repatriation, 3.9%, and an increase of our valuation allowance which impacted the rate 3.6%.

2022 Significant items

We recognized a net tax benefit of 88.1% in 2022 from federal and state capital loss deductions associated with an international affiliate's tax status change. We also recognized a tax benefit of 5.5% associated with earnings in foreign jurisdictions with statutory rates below the U.S. federal income tax rate. Further, the state and local tax benefit was 4.0%, driven by a U.S. tax loss.

Offsetting these benefits in 2022 were the tax impact of international permanent items of 12.1%, which primarily included an unfavorable tax effect of withholding taxes. We also increased our valuation allowance, which impacted the rate 15.4%, for deferred tax assets that are unlikely to create income tax benefits before their expiration. Further, uncertain tax positions increased, which impacted the rate 12.9%, primarily associated with European restructuring charges which are not expected to realize and a tax effect of non-deductible foreign interest of 2.9%.

Components of our deferred tax assets (liabilities) as of December 31, 2024 and 2023 were as follows:

(In millions)	2024	2023
Deferred tax assets:		
Employment costs	22.0	21.4
Environmental accruals	35.5	38.5
Net operating loss carryforwards	60.8	66.0
Operating leases	9.5	7.8
Research and development	53.0	45.8
Capitalized and carryforward interest	78.5	48.7
Financial Derivatives	4.5	48.3
Other	32.7	52.2
Gross deferred tax assets	\$ 296.5	\$ 328.7
Valuation allowances	(30.3)	(39.6)
Total deferred tax assets, net of valuation allowances	\$ 266.2	\$ 289.1
Deferred tax liabilities:		
Property, plant and equipment	\$ (100.4)	\$ (101.3)
Goodwill and intangibles	(318.5)	(351.2)
Operating leases	(9.7)	(7.6)
Other	(16.7)	(18.3)
Total deferred tax liabilities	\$ (445.3)	\$ (478.4)
Net deferred tax liabilities	\$ (179.1)	\$ (189.3)
Consolidated Balance Sheets:		
Non-current deferred income tax assets	\$ 81.3	\$ 92.3
Non-current deferred income tax liabilities	\$ (260.4)	\$ (281.6)

As of December 31, 2024, we had gross state net operating loss carryforwards of \$66.6 million that expire between 2025 and 2038 or that have indefinite carryforward periods. Various international subsidiaries have gross net operating loss carryforwards totaling \$225.7 million that expire between 2025 and 2041 or that have indefinite carryforward periods.

As of December 31, 2024, no tax provision has been made on approximately \$93.1 million of undistributed earnings of certain non-U.S. subsidiaries as these amounts continue to be indefinitely reinvested consistent with our policy. The cash that is permanently reinvested is typically used for operations. It is not practical to estimate the additional income taxes and applicable withholding taxes that would be payable on the remittance of such undistributed earnings. Tax on certain foreign earnings as of December 31, 2024 and 2023 included in the *Other* deferred tax liabilities line in the table above are \$9.7 million and \$9.2 million, respectively.

We made worldwide income tax payments of \$74.2 million, \$156.4 million and \$109.7 million in 2024, 2023, and 2022, respectively. We received refunds of \$8.3 million, \$5.2 million and \$29.4 million in 2024, 2023, and 2022, respectively.

A reconciliation of unrecognized tax benefits is as follows:

(In millions)	Unrecognized Tax Benefits		
	2024	2023	2022
Balance as of January 1,	\$ 16.9	\$ 25.4	\$ 19.8
Increases as a result of positions taken during current year	0.3	1.9	10.6
Increases as a result of positions taken for prior years	0.7	0.4	0.4
Reductions for tax positions of prior years	(0.6)	(10.7)	(4.3)
Decreases as a result of lapse of statute of limitations	(3.2)	(0.6)	(0.6)
Other, net	(0.5)	0.5	(0.5)
Balance as of December 31,	<u>\$ 13.6</u>	<u>\$ 16.9</u>	<u>\$ 25.4</u>

We recognize interest and penalties related to uncertain tax positions in the tax provision. We had \$2.5 million accrued as of December 31, 2024 and 2023.

Expected tax settlements during the next twelve months are expected to be a benefit of \$5.8 million to our unrecognized tax positions. If all unrecognized tax benefits were recognized, the net impact on the tax provision would be a benefit of \$13.6 million.

In December 2024, Avient received a Notice of Deficiency (Notice) from the U.S. Internal Revenue Service (IRS) proposing an adjustment to the 2019 tax year resulting from a disallowed capital loss. The proposed incremental tax liability associated with the Notice is \$23.8 million. We disagree with the Notice and will vigorously contest it by filing a petition in U.S. Tax Court in the first quarter of 2025. However, there can be no assurance this dispute with the IRS will be resolved favorably. As of December 31, 2024, no income tax provision has been recorded related to this matter. An unfavorable resolution in U.S. Tax Court could result in cash tax payments, plus interest, and adversely impact the effective tax rate. With limited exceptions, we are no longer subject to U.S. federal, state and international tax examinations for periods preceding 2021.

Note 13 — SHARE-BASED COMPENSATION

Share-based compensation cost recognized in the accompanying *Consolidated Statements of Income* includes compensation cost for share-based payment awards based on an estimated grant date fair value. 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 Plan). 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.

In May 2023, our shareholders voted to approve an amendment and restatement of the 2020 Plan (Amended 2020 Plan). The Amended 2020 Plan increases the number of common shares available for awards under the 2020 plan by 2.5 million common shares.

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

(In millions)	2024	2023	2022
Stock appreciation rights	\$ 6.5	\$ 6.1	\$ 5.9
Performance shares	0.1	0.2	0.2
Restricted stock units	8.8	6.9	7.1
Total share-based compensation	<u>\$ 15.4</u>	<u>\$ 13.2</u>	<u>\$ 13.2</u>

Stock Appreciation Rights

During the years ended December 31, 2024, 2023 and 2022, the total number of SARs granted was 0.5 million, 0.5 million and 0.4 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 2024, 2023 and 2022 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 stock price target requirements, both of which must be achieved in order to vest. 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 2024, 2023 and 2022:

	2024	2023	2022
Expected volatility	36.0%	35.0%	33.0%
Expected dividends	2.6%	2.3%	1.8%
Expected term (in years)	6.4	6.4	6.9
Risk-free rate	4.3%	3.8%	2.0%
Value of SARs granted	\$12.36	\$13.28	\$14.91

A summary of SAR activity for 2024 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, 2024	2.5	\$ 40.18	6.6	\$ 9.2
Granted	0.5	39.27		
Exercised	(0.4)	34.24		
Forfeited or expired	(0.1)	44.38		
Outstanding as of December 31, 2024	2.5	\$ 40.93	6.6	\$ 6.2
Vested and exercisable as of December 31, 2024	1.3	\$ 37.59	5.2	\$ 5.5

The total intrinsic value of SARs exercised during 2024, 2023 and 2022 was \$5.6 million, \$0.7 million and \$2.4 million, respectively. As of December 31, 2024, there was \$3.1 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 2024, 2023 and 2022, the total number of RSUs granted were 0.2 million, 0.3 million and 0.2 million, respectively. In 2024, 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, 2024, 0.6 million RSUs remain unvested with a weighted-average grant date fair value of \$42.65. Unrecognized compensation cost for RSUs at December 31, 2024 was \$11.3 million, which is expected to be recognized over the weighted average remaining vesting period of 24 months.

Note 14 — SEGMENT INFORMATION

Operating segments are components of the Company about which separate financial information is available and evaluated on a regular basis by the chief operating decision maker (CODM), which is the Company's chief executive officer, for the purpose of allocating resources and assessing performance. The Company's primary segment performance measure is operating income. Operating income at the segment level does not include corporate general and administrative expenses that are not allocated to segments, restructuring charges, environmental remediation obligations and associated recoveries, acquisition-related charges, mark-to-market adjustments on pension and other post-retirement obligations, 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*.

Segment assets are primarily customer receivables, inventories, net property, plant and equipment, intangible assets and goodwill. *Corporate* assets and liabilities primarily include cash, debt, pension and other employee benefits, environmental liabilities, 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 two reportable segments: (1) Color, Additives and Inks and (2) Specialty Engineered Materials. The following is a description of each reportable segment.

Color, Additives and Inks

Color, Additives and Inks is a leading innovator 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, regarding 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 innovator of specialty polymer materials, 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 thermoset and thermoplastic composites, reinforced with glass, carbon, aramid, and ultrahigh molecular weight polyethylene fibers. These solutions meet a wide variety of unique customer requirements, 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 in a variety of markets, including defense, consumer, industrial, transportation, energy, building and construction and healthcare. 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, The Netherlands 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.

Financial information by reportable segment is as follows:

(In millions)				
Year Ended December 31, 2024	Color, Additives and Inks	Specialty Engineered Materials	Corporate	Consolidated Total
Sales	\$ 2,046.5	\$ 1,196.8	\$ (2.9)	\$ 3,240.4
Cost of sales	1,365.4	821.9	(3.6)	2,183.7
Selling and administrative expense	384.9	207.7	134.8	727.4
Operating income	296.2	167.2	(134.1)	329.3
Interest expense, net				(105.6)
Other income				1.1
Income from continuing operations before income taxes				\$ 224.8

Other disclosures:

Depreciation and amortization	\$ 87.5	\$ 82.1	\$ 10.1	\$ 179.7
Capital expenditures	33.6	48.7	39.6	121.9
Total assets	2,574.2	2,452.3	784.6	5,811.1

Year Ended December 31, 2023	Color, Additives and Inks	Specialty Engineered Materials	Corporate	Consolidated Total
Sales	\$ 2,007.4	\$ 1,138.2	\$ (2.8)	\$ 3,142.8
Cost of sales	1,376.2	796.4	77.7	2,250.3
Selling and administrative expense	371.3	199.3	125.1	695.7
Operating income	259.9	142.5	(205.6)	196.8
Interest expense, net				(115.3)
Other income				5.8
Income from continuing operations before income taxes				\$ 87.3

Other disclosures:

Depreciation and amortization	\$ 98.3	\$ 81.5	\$ 9.0	\$ 188.8
Capital expenditures	21.4	50.1	47.9	119.4
Total assets	2,657.2	2,532.6	778.7	5,968.5

Year Ended December 31, 2022	Color, Additives and Inks	Specialty Engineered Materials	Corporate	Consolidated Total
Sales	\$ 2,355.0	\$ 1,044.4	\$ (2.5)	\$ 3,396.9
Cost of sales	1,673.7	760.7	79.8	2,514.2
Selling and administrative expense	380.3	143.6	115.5	639.4
Operating income	301.0	140.1	(197.8)	243.3
Interest expense, net				(119.8)
Other expense				(59.7)
Income from continuing operations before income taxes				\$ 63.8

Other disclosures:

Depreciation and amortization	\$ 101.3	\$ 48.7	\$ 12.5	\$ 162.5
Capital expenditures	41.3	37.4	26.4	105.1

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 property based on the geographic areas where the sales originated and where the assets are located, in addition to other relevant financial information by reportable segment:

(In millions)	2024	2023	2022
Sales:			
United States and Canada	\$ 1,336.3	\$ 1,271.2	\$ 1,372.9
Latin America	180.1	167.5	180.1
EMEA	1,154.2	1,151.9	1,213.1
Asia	569.8	552.2	630.8
Total Sales	<u>\$ 3,240.4</u>	<u>\$ 3,142.8</u>	<u>\$ 3,396.9</u>
Property, net:			
United States and Canada	\$ 449.8	\$ 506.4	
Latin America	25.4	29.4	
EMEA	306.5	311.5	
Asia	173.6	181.6	
Total Property, net	<u>\$ 955.3</u>	<u>\$ 1,028.9</u>	

Note 15 — 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. In accordance with ASU 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities* (ASU 2017-12), that ongoing assessment will be done qualitatively for highly effective relationships.

Net Investment Hedge

As a means of mitigating the impact of currency fluctuations on our Euro investments in foreign entities, we have executed cross-currency swaps, in which we pay fixed-rate interest in Euros and receive fixed-rate interest in U.S. dollars related to our future obligations to exchange Euros for U.S. dollars.

As of December 31, 2023, we held cross-currency swaps with a combined notional amount of €1,467.2 million, maturing in May 2025 and €900.0 million maturing in August 2027. In November 2024, the Company completed a transaction to effectively amend and extend the cross-currency swaps maturing in May 2025. The liability position of the existing cross-currency swaps was blended into new cross-currency swap agreements with notional amounts of €538.1 million, €464.2 million and €464.9 million, maturing in November 2026, January 2028 and January 2029, respectively.

In November 2024, the Company also entered into an additional cross-currency swap agreement to further hedge its net investment in its European operations. This additional agreement has a combined notional amount of €161.9 million and €46.3 million, maturing in November 2026 and January 2028, respectively.

We designated the cross-currency swaps as net investment hedges of our net investment in our European operations under ASU 2017-12 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 *Accumulated Other Comprehensive Income (Loss)* (AOCI) to offset the changes in the values of the net investment being hedged. For the years ended December 31, 2024 and 2023, a gain of \$77.3 million and a loss of \$96.1 million, respectively, were recognized within translation adjustments in AOCI, net of tax.

These cross-currency swaps effectively convert a portion of our U.S. dollar denominated fixed-rate debt to Euro denominated fixed-rate debt. Included in *Interest expense, net* within the *Consolidated Statements of Income* are benefits of \$38.4 million, \$38.8 million and \$30.3 million for the years ended December 31, 2024, 2023 and 2022, respectively, related to net interest payments received from counterparties. We received cash proceeds of \$132.1 million related to the settlement of prior cross-currency swap positions during the year ended December 31, 2022.

Derivatives Not Initially Designated for Hedge Accounting

On April 20, 2022, we executed forward starting cross-currency swaps, pursuant to which we pay fixed-rate interest in euros and receive fixed-rate interest in U.S. dollars with a combined notional amount of €900.0 million, as a means of mitigating the impact of currency fluctuations on our future Euro investments in foreign entities related to the APM Acquisition. Additionally, we entered into foreign currency forward contracts with an aggregate notional amount of €350 million, to mitigate the impact of currency fluctuations on the euro-denominated purchase price for the APM Acquisition. In conjunction with the closing of the APM Acquisition, we completed the initial exchange of U.S. dollars for euros as part of the cross-currency swaps and designated these instruments as a net investment hedge of the acquired Euro net assets of APM. Changes in the fair value of the cross-currency swaps prior to the hedging designation as well as the foreign exchange forward contracts were recorded in earnings directly. Beginning September 1, 2022, changes in the fair value of these instruments are recognized in AOCI. The amount of expense recognized within *Other income, net* in our *Consolidated Statements of Income* was \$37.3 million for the year ended December 31, 2022, which resulted in a \$38.8 million cash payment during 2022.

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 *Consolidated Balance Sheets* as of December 31, 2024 and 2023 is as follows:

(In millions)	Balance Sheet Location	2024		2023	
Assets					
Cross-currency Swaps (Net Investment Hedge)	Other non-current assets	\$	6.1	\$	—
Liabilities					
Cross-currency Swaps (Net Investment Hedge)	Other non-current liabilities	\$	104.7	\$	199.1

Note 16 — SUBSEQUENT EVENTS

In the first quarter of 2025, the Company completed a review of the cloud-based enterprise resource planning system, S/4HANA, including updated project timelines, cost incurred to date, required internal resources and expected costs to complete the initial site implementations, and the evolution of options that could provide better returns for shareholders. As a result of this review, the Company determined it would cease the ongoing development of S/4HANA and re-allocate capital to other projects which will support the Company's new strategy.

As a result of this decision, the Company will recognize a non-cash, pre-tax impairment charge of approximately \$71 million, associated with capitalized implementation costs. As of December 31, 2024, the Company had \$69.9 million capitalized within *Other non-current assets* on its *Consolidated Balance Sheets*. The Company will also recognize pre-tax charges of approximately \$15 million associated with unpaid contractual obligations for hosting fees within its *Consolidated Statements of Income* in the first quarter of 2025.

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, 2024. 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, 2024.

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, 2024 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, 2024. 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, 2024, 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 30 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, 2024 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

Trading Arrangements

None of the Company's directors or officers (as defined in Rule 16a-1(f) promulgated under the Exchange Act) adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K, during the Company's fiscal quarter ended December 31, 2024.

Subsequent Events

In the first quarter of 2025, the Company completed a review of the cloud-based enterprise resource planning system, S/4HANA, including updated project timelines, cost incurred to date, required internal resources and expected costs to complete the initial site implementations, and the evolution of options that could provide better returns for shareholders. As a result of this review, the Company determined it would cease the ongoing development of S/4HANA and re-allocate capital to other projects which will support the Company's new strategy as noted in Item 7, "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Business and Key Trends.*"

As a result of this decision, the Company will recognize a non-cash, pre-tax impairment charge of approximately \$71 million, associated with capitalized implementation costs. The Company will also recognize pre-tax charges of approximately \$15 million associated with unpaid contractual obligations for hosting fees within its *Consolidated Statements of Income* in the first quarter of 2025.

Departure of Directors or Certain Officers

On February 21, 2025, Joel R. Rathbun, Senior Vice President, Mergers & Acquisitions, will be leaving the Company. Mr. Rathbun's employment will terminate due to the Company's strategic direction, which no longer requires this officer position. In connection with the cessation of Mr. Rathbun's employment with the Company he will receive (in exchange for a release of claims and continued compliance with applicable restrictive covenants) the compensation and benefits that the Company is obligated to provide him under its existing severance arrangements for a termination without cause. Further, in recognition of his contributions to the Company, and in exchange for an extension of Mr. Rathbun's post-employment non-competition and non-solicitation covenants for an additional year, plus his commitment to provide consulting support, the Compensation Committee of the Board of Directors approved pro-rata continued vesting of his outstanding restricted stock unit awards, in accordance with the other terms of such awards, upon his departure.

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, and Avient's insider trading policies and procedures is incorporated by reference to the information contained in Avient's Proxy Statement with respect to the 2025 Annual Meeting of Shareholders (2025 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 2025 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 2025 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 2025 Proxy Statement.

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

<u>Plan category</u>	<u>Number of securities to be issued upon exercise of outstanding options, warrants and rights ⁽¹⁾</u>	<u>Weighted-average exercise price of outstanding options, warrants and rights ⁽²⁾</u>	<u>Number of securities remaining available for future issuance under equity compensation plans ⁽³⁾</u>
Equity compensation plans approved by security holders	3,092,061	\$40.93	2,769,611
Equity compensation plans not approved by security holders	—	—	—
Total	3,092,061	\$40.93	2,769,611

⁽¹⁾ This amount represents shares of common stock underlying awards that have been granted under the terms of the PolyOne Corporation 2010 Equity and Performance Incentive Plan, the PolyOne Corporation 2017 Equity and Performance Incentive Plan, and the Amended 2020 Plan, including 2,500,029 shares issuable pursuant to outstanding stock appreciation rights (SARs) (assuming maximum achievement, so this aggregate reported number may overstate actual dilution) and 592,032 shares issuable pursuant to outstanding restricted stock unit (RSU) and performance share awards.

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

⁽³⁾ Represents the number of shares of common stock remaining available for future awards (options, warrants, restricted stock, unrestricted stock, or performance shares) under the Amended 2020 Plan.

The information regarding security ownership of certain beneficial owners is incorporated by reference to the information contained in the 2025 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 2025 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 2025 Proxy Statement.

PART IV

ITEM 15. EXHIBITS 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, 2024, 2023 and 2022

Consolidated Statements of Comprehensive Income for the years ended December 31, 2024, 2023 and 2022

Consolidated Balance Sheets at December 31, 2024 and 2023

Consolidated Statements of Cash Flows for the years ended December 31, 2024, 2023 and 2022

Consolidated Statements of Shareholders' Equity for the years ended December 31, 2024, 2023 and 2022

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
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	Avient Corporation Regulations (amended and restated, effective May 11, 2023) (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on May 16, 2023, SEC File No. 1-16091)
4.1	Indenture, dated August 10, 2022, between Avient Corporation and U.S. Bank Trust Company, National Association as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on August 10, 2022, SEC File No. 1-16091)
4.2	Indenture, dated September 19, 2024, between Avient Corporation and U.S. Bank Trust Company, National Association as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on September 19, 2024, 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†	Second Amendment to Third Amended and Restated Credit Agreement, dated as of April 3, 2023, 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 Avient S.a.r.l. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, SEC File No. 1-16091)
10.4	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)
10.5	Amendment Agreement No. 1 to the Credit Agreement, dated as of June 15, 2016, among PolyOne Corporation, the subsidiaries of PolyOne Corporation party thereto, the existing lenders under the Credit Agreement, and Citibank, N.A., as administrative agent and the Additional Term B-1 Lender (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)
10.6	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 Citibank, N.A., as the incremental term lender (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)
10.7	Amendment Agreement No. 3, dated January 24, 2017, by and among PolyOne Corporation, the subsidiaries of PolyOne Corporation party thereto, the existing lenders under the Credit Agreement, and Citibank, N.A., as administrative agent and the Additional Term B-2 Lender (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)

- 10.8 Amendment Agreement No. 4, dated August 15, 2017, by and among PolyOne Corporation, the subsidiaries of PolyOne Corporation party thereto, the existing lenders under the Credit Agreement, Citibank, N.A., as administrative agent and the Additional Term B-3 Lender (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)
- 10.9 Amendment Agreement No. 5, dated April 11, 2018, by and among PolyOne Corporation, the subsidiaries of PolyOne Corporation party thereto, the existing lenders under the Credit Agreement, Citibank, N.A., as administrative agent, and SunTrust Bank, as the Additional Term B-4 Lender (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)
- 10.10 Amendment Agreement No. 6, dated November 9, 2018, by and among PolyOne Corporation, the subsidiaries of PolyOne Corporation party thereto, the existing lenders under the Credit Agreement, Citibank, N.A., as administrative agent, and Wells Fargo Bank, National Association, as the Additional Term B-5 Lender (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)
- 10.11 Amendment Agreement No. 7, dated as of August 29, 2022, by and among Avient Corporation, the subsidiaries of Avient Corporation party thereto, Citibank, N.A., as administrative agent, and the Term B-6 Lenders party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 1, 2022, SEC File No. 1-16091)
- 10.12 Amendment Agreement No. 8, dated August 16, 2023, by and among Avient Corporation, the subsidiaries of Avient Corporation party thereto, the existing lenders under the Credit Agreement, Citibank, N.A., as administrative agent, and Morgan Stanley Bank, N.A., as the Amendment No. 8 Additional Term Lender (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 17, 2023, SEC File No. 1-16091)
- 10.13 Amendment Agreement No. 9, dated as of April 9, 2024, by and among Avient Corporation, the subsidiaries of Avient Corporation party thereto, the existing lenders under the Credit Agreement, and Citibank, N.A., as the administrative agent and as the Amendment No. 9 Additional Term Lender (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024, SEC File No. 1-16091)
- 10.14+ 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)
- 10.15+** 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; and Amendment No. 4 to the Avient Supplemental Retirement Benefit Plan (As Amended and Restated Effective January 1, 2014), dated as of December 18, 2019
- 10.16+ 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)
- 10.17+ 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)
- 10.18+ 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)
- 10.19+** Schedule of Executive Officers and Others with Management Continuity Agreements
- 10.20+ 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)
- 10.21 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)
- 10.22+ 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)
- 10.23+ 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)
- 10.24+ 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 December 31, 2020, SEC File No. 1-16091)
- 10.25+ Form of 2022 Award Agreement under the Avient Corporation 2020 Equity and Incentive Compensation Plan (incorporated by reference to Exhibit 10.26 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021, SEC File No. 1-16091)
- 10.26+ Form of 2023 Award Agreement under the Avient Corporation 2020 Equity and Incentive Compensation Plan (incorporated by reference to Exhibit 10.27 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022, SEC File No. 1-16091)
- 10.27+ Avient Corporation 2020 Equity and Incentive Compensation Plan (Amended and Restated Effective May 11, 2023) (incorporated by reference to Appendix B to the Registrant's Definite Proxy Statement on Schedule 14A, filed March 29, 2023, SEC File No. 1-16091)
- 10.28+ Form of 2024 Award Agreement under the Avient Corporation 2020 Equity and Incentive Compensation Plan (incorporated by reference to Exhibit 10.29 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, SEC File No. 1-16091)
- 10.29+** Form of 2025 Award Agreement under the Avient Corporation 2020 Equity and Incentive Compensation Plan (Amended and Restated Effective May 11, 2023)

10.30+	Letter agreement, dated May 3, 2024, between Robert M. Patterson and Avient Corporation (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, SEC File No. 1-16091)
10.31+	Letter agreement, dated July 22, 2024, between Michael A. Garratt and Avient Corporation (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024, SEC File No. 1-16091)
19.1**	Avient Corporation Securities Trading Policy
21.1**	Subsidiaries of the Company
23.1**	Consent of Independent Registered Public Accounting Firm - Ernst & Young LLP
31.1**	Certification of Ashish K. Khandpur, President, Chief Executive Officer and Board Member, 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 Ashish K. Khandpur, President, Chief Executive Officer and Board Member
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
97.1+	Avient Corporation Compensation Clawback Policy Effective October 2, 2023 (incorporated by reference to Exhibit 97.1 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, SEC File No. 1-16091)
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.

* Furnished herewith.

** 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 18, 2025

BY: /S/ JAMIE A. BEGGS

Jamie A. Beggs
Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

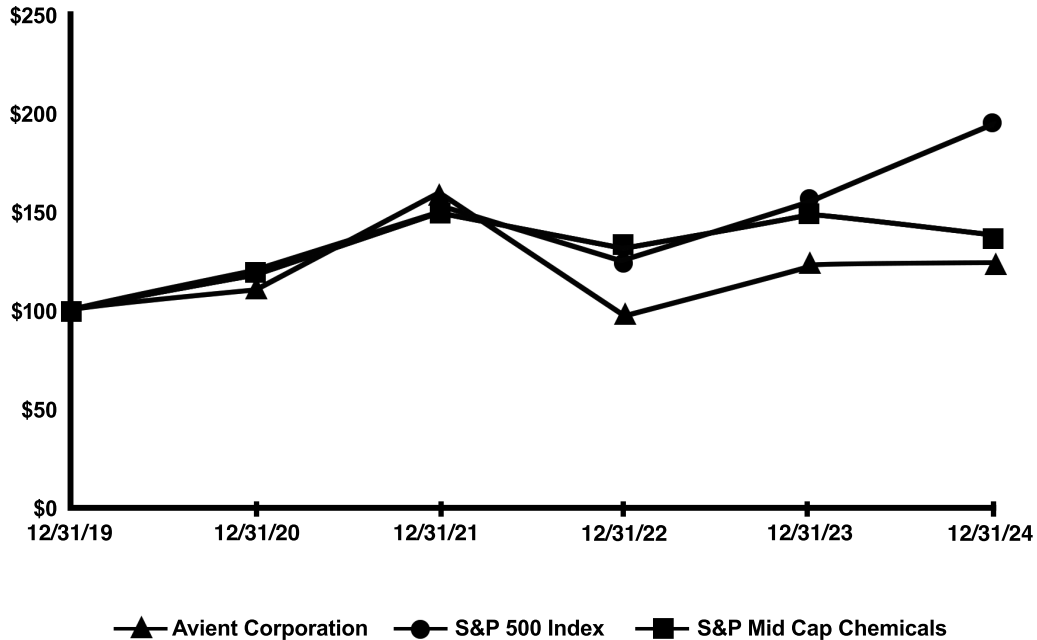
Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated and on the dates indicated.

<u>Signature and Title</u>		
<u>/S/ ASHISH K. KHANDPUR</u> Ashish K. Khandpur	President, Chief Executive Officer and Board Member (Principal Executive Officer)	February 18, 2025
<u>/S/ JAMIE A. BEGGS</u> Jamie A. Beggs	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	February 18, 2025
<u>/S/ ROBERT E. ABERNATHY</u> Robert E. Abernathy	Director	February 18, 2025
<u>/S/ RICHARD H. FEARON</u> Richard H. Fearon	Director (Non-Executive Chairman of Board)	February 18, 2025
<u>/S/ GREGORY J. GOFF</u> Gregory J. Goff	Director	February 18, 2025
<u>/S/ NEIL GREEN</u> Neil Green	Director	February 18, 2025
<u>/S/ WILLIAM R. JELLISON</u> William R. Jellison	Director	February 18, 2025
<u>/S/ SANDRA BEACH LIN</u> Sandra Beach Lin	Director	February 18, 2025
<u>/S/ KIM ANN MINK</u> Kim Ann Mink	Director	February 18, 2025
<u>/S/ ERNEST NICOLAS</u> Ernest Nicolas	Director	February 18, 2025
<u>/S/ KERRY J. PREETE</u> Kerry J. Preete	Director	February 18, 2025
<u>/S/ PATRICIA VERDUIN</u> Patricia Verduin	Director	February 18, 2025
<u>/S/ WILLIAM A. WULFSOHN</u> William A. Wulfsohn	Director	February 18, 2025

Avient Stock Performance

The following is a graph that compares the cumulative total shareholder returns for Avient's common shares, the S&P 500 index and the S&P Mid Cap Chemicals index, with dividends assumed to be reinvested when received. The graph assumes the investing of \$100 from December 31, 2019 through December 31, 2024. The S&P Mid Cap Chemicals index includes a broad range of chemical manufacturers. Because of the relationship of Avient's business within the chemical industry, comparison with this broader index is appropriate.

Comparison of Cumulative Total Return to Shareholders



STOCK EXCHANGE LISTING

Avient's Common Stock is listed on the New York Stock Exchange, Symbol: AVNT

SHAREHOLDER INQUIRIES

If you have any questions concerning your account as a shareholder, name or address changes, inquiries regarding stock certificates, or if you need tax information regarding your account, please contact our transfer agent:

Equiniti Trust Company, LLC
 1110 Centre Pointe Curve, Suite 101
 Mendota Heights, MN 55120-4100
 Phone: 1-855-598-2615
 or 1-651-450-4064
www.shareowneronline.com

Additional information about Avient, including current and historic copies of Annual Reports on Form 10-K and other reports filed with the Securities and Exchange Commission, is available online at www.avient.com or free of charge from:

Investor Relations
 Avient Corporation
 33587 Walker Road
 Avon Lake, Ohio 44012
 Phone: 1-440-930-1000

ANNUAL MEETING

The annual meeting of Avient will be held virtually via live webcast at 9:00 a.m. Eastern Time on Wednesday, May 14, 2025. Shareholders will be able to attend and participate in the annual meeting online, vote shares electronically, and submit questions during the annual meeting by visiting www.virtualshareholdermeeting.com/AVNT2025. The meeting notice and proxy materials were made available to shareholders with this annual report. Avient urges all shareholders to vote their proxies so that they can participate in the decisions at the annual meeting.

FINANCIAL INFORMATION

Security analysts and representatives of financial institutions are invited to contact:

Joe Di Salvo
 Vice President, Treasurer and Investor Relations
 Phone: 1-440-930-1921
 Email: giuseppe.disalvo@avient.com

AUDITORS

Ernst & Young LLP
 North Point Tower II, Suite 1800
 1001 Lakeside Ave
 Cleveland, OH 44114

INTERNET ACCESS

Information on Avient's products and services, news releases, corporate governance, EDGAR filings, Reports on Forms 10-K and 10-Q, etc. as well as an electronic version of this annual report, are available on the Internet at www.avient.com.

**Reconciliation of Non-GAAP Financial Measures
(Unaudited)**

(In millions, except for per share data)

Senior management uses comparisons of adjusted net income from continuing operations attributable to Avient shareholders and diluted adjusted earnings per share (EPS) from continuing operations attributable to Avient shareholders, excluding special items, to assess performance and facilitate comparability of results. Further, as a result of Avient's strategic shift to an innovator of materials solutions, it has completed several acquisitions and divestitures which have resulted in a significant amount of intangible asset amortization. Management excludes intangible asset amortization from adjusted EPS as it believes excluding acquired intangible asset amortization is a useful measure of current period earnings per share. Senior management believes these measures are useful to investors because they allow for comparison to Avient's performance in prior periods without the effect of items that, by their nature, tend to obscure Avient's operating results due to the potential variability across periods based on timing, frequency and magnitude. Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation from, or solely as alternatives to, financial measures prepared in accordance with GAAP. Below is a reconciliation of these non-GAAP financial measures to their most directly comparable financial measures calculated and presented in accordance with GAAP.

	Year Ended December 31,			
	2024		2023	
	\$	EPS ⁽¹⁾	\$	EPS ⁽¹⁾
Reconciliation to Condensed Consolidated Statements of Income				
Net income from continuing operations attributable to Avient shareholders	\$ 169.5	\$ 1.84	\$ 75.8	\$ 0.83
Special items, after-tax	15.9	0.17	79.3	0.86
Amortization expense, after-tax	59.5	0.65	61.5	0.67
Adjusted net income / EPS	<u>\$ 244.9</u>	<u>\$ 2.66</u>	<u>\$ 216.6</u>	<u>\$ 2.36</u>

⁽¹⁾ Per share amounts may not recalculate from figures presented herein due to rounding

	Year Ended December 31,			
	2024		2023	
	\$	\$	\$	\$
Reconciliation to EBITDA and Adjusted EBITDA:				
Net income from continuing operations – GAAP	\$	170.7	\$	76.3
Income tax expense		54.1		11.0
Interest expense		105.6		115.3
Depreciation and amortization from continuing operations		179.7		188.8
EBITDA from continuing operations	\$	510.1	\$	391.4
Special items, before tax		20.1		114.6
Interest expense included in special items		(2.3)		(2.3)
Depreciation and amortization included in special items		(1.5)		(1.9)
Adjusted EBITDA	<u>\$</u>	<u>526.4</u>	<u>\$</u>	<u>501.8</u>
Adjusted EBITDA as a percent of sales		16.2 %		16.0 %

Leadership

Corporate Officers

Ashish K. Khandpur, Ph.D.

President and Chief Executive Officer

Jamie A. Beggs

Senior Vice President, Chief Financial Officer

Philip G. Clark, Jr., Ph.D.

Senior Vice President, Chief Technology Officer

Giuseppe DiSalvo

Vice President, Treasurer and Investor Relations

Kristen A. Gajewski

Senior Vice President, Chief Human Resources Officer

George Inglis

Vice President, Corporate Controller

Michael J. Irwin

Senior Vice President, New Business Development & Marketing Excellence

Avery L. Johnson

Vice President, Tax

Holger Kronimus

Vice President, Europe, General Manager, Engineered Materials, Europe

M. John Midea, Jr.

Senior Vice President, Global Operations and Process Improvement

Woon Keat Moh

Senior Vice President, and President of Color, Additives and Inks

Christopher L. Pederson

Senior Vice President, and President of Specialty Engineered Materials

Kyle G. Rose

Vice President, Corporate Communications

Amy M. Sanders

Senior Vice President, General Counsel, Secretary and Corporate Ethics Officer

Leslie M. Sequeira

Vice President, Chief Information Officer

Board of Directors



Richard H. Fearon

Non-Executive Chairman of the Board, Avient Corporation
Retired Vice Chairman and Chief Financial and Planning Officer, Eaton plc

Committees: 2, 4*



Robert E. Abernathy

Retired Chairman and Chief Executive Officer, Halyard Health, Inc.

Committees: 1, 2



Gregory J. Goff

Chief Executive Officer of Claire Technologies, Amber Energy and Manifest Energy Transitions Company, Former Chairman, President and CEO, Andeavor

Committees: 3*, 4



Neil Green

Executive Vice President and Chief Digital Officer, Otis Worldwide Corporation

Committees: 1, 4



William R. Jellison

Retired Vice President, Chief Financial Officer, Stryker Corporation

Committees: 1*, 3



Ashish K. Khandpur, Ph.D.

President and Chief Executive Officer, Avient Corporation

Committee: 3



Sandra B. Lin

Retired President, Chief Executive Officer and Director, Calisolar Inc. (now Silicor Materials Inc.)

Committees: 1, 4



Kim Ann Mink, Ph.D.

Former Chairman, President and Chief Executive Officer, Innophos Holdings, Inc.

Committees: 1, 3



Ernest Nicolas

Chief Enterprise Operations Officer, HP Inc.

Committees: 2, 3



Kerry J. Preete

Retired Executive Vice President, Chief Strategy Officer, Monsanto Company

Committees: 2*, 4



Patricia D. Verduin, Ph.D.

Retired Chief Technology Officer, Colgate-Palmolive Company

Committees: 3, 4



William A. Wulfsohn

Former Chairman and Chief Executive Officer, Ashland Global Holdings Inc.

Committees: 1, 2

Committees

1. Audit 2. Compensation 3. Environmental, Health and Safety 4. Governance and Corporate Responsibility

* Denotes Chairperson

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