

Legal Claims and Costs—The Company accrues for legal claims and costs in the period in which a claim is made or an event becomes known, if the amounts are probable and reasonably estimable. Each claim is assigned a range of potential liability and the most likely amount is accrued. If there is no amount in the range of potential liability that is most likely, the low end of the range is accrued. The amount accrued includes all costs associated with the claim, including settlements, assessments, judgments and fines. Legal fees are expensed as incurred (see Note 14).

Environmental Matters—Accruals for environmental matters are recorded when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated. Environmental accruals are reviewed on a quarterly basis and as events and developments warrant (see Note 14).

Asset Retirement Obligations—Asset retirement obligations are initially recorded at their estimated net present values in the period in which the obligation occurs, with a corresponding increase to the related long-lived asset. Over time, the liability is accreted to its settlement value and the capitalized cost is depreciated over the useful life of the related asset. When the liability is settled, a gain or loss is recognized for any difference between the settlement amount and the liability that was recorded.

Revenue Recognition—The Company follows the principles-based five step model to recognize revenue upon the transfer of promised goods or services to customers and in an amount that reflects the consideration for which the entity expects to be entitled in exchange for those goods or services. Revenue, net of estimated allowances and returns, is recognized when the Company has completed its performance obligations under a contract and control of the product is transferred to the customer. Substantially all revenue is recognized at the time shipment is made or upon delivery as risk and title to the product transfer to the customer. Sales, value add, and other taxes that are collected concurrently with revenue-producing activities are excluded from revenue. Contract terms for certain transactions, including sales made on a consignment basis, result in the transfer of control of the finished product to the customer prior to the point at which the Company has the right to invoice for the product. In these cases, timing of revenue recognition will differ from the timing of invoicing to customers and will result in the Company recording a contract asset. The Company adopted ASU 2014-09 as of January 1, 2018 utilizing a modified retrospective approach. A contract asset balance of \$5 and \$6 is recorded within “Other current assets” at December 31, 2020 and 2019, respectively, in the Consolidated Balance Sheet. Refer to Note 20 for additional discussion of the Company’s net sales by reportable segment disaggregated by geographic region.

Shipping and Handling—Freight costs that are billed to customers are included in “Net sales” in the Consolidated Statements of Operations. Shipping costs are incurred to move the Company’s products from production and storage facilities to the customer. Handling costs are incurred from the point the product is removed from inventory until it is provided to the shipper and generally include costs to store, move and prepare the products for shipment. Revenue from shipping and handling services is recognized when control of the product is transferred to the customer. Shipping and handling costs are recorded in “Cost of sales” in the Consolidated Statements of Operations.

Turnaround Costs—The Company periodically performs procedures at its major production facilities to extend the useful life, increase output and efficiency and ensure the long-term reliability and safety of plant machinery (“turnaround” or “turnaround costs”). As a result of the application of fresh start accounting upon the Company’s emergence from Chapter 11, the Successor Company adopted an accounting policy to capitalize certain turnaround costs and amortize on a straight-line basis over the estimated period until the next turnaround. Costs for routine repairs and maintenance are expensed as incurred. Capitalized turnaround costs were \$7 and \$2 at December 31, 2020 and 2019 and are included in “Machinery and equipment” in the Consolidated Balance Sheets.

Research and Development Costs—Funds are committed to research and development activities for technical improvement of products and processes that are expected to contribute to future earnings. We also provide customer service through our technical staff as part of our research and development program to discover new applications and processes. All costs associated with research and development and technical services are charged to expense as incurred. Research and development and technical service expense was \$38, \$20, \$21 and \$43 for the year ended December 31, 2020, the Successor period ended July 2, 2019 through December 31, 2019, the Predecessor period January 1, 2019 through July 1, 2019 and the year ended December 31, 2018, respectively, and is included in “Selling, general and administrative expense” in the Consolidated Statements of Operations.

Business Realignment Costs—The Company incurred “Business realignment costs” totaling \$69, \$22, \$14 and \$27 for the year ended December 31, 2020, the Successor period July 2, 2019 through December 31, 2019, the Predecessor period January 1, 2019 through July 1, 2019 and the year ended December 31, 2018, respectively. These costs primarily included costs related to in-process cost reduction programs and certain in-process and recently completed facility rationalizations.

Pension and Other Non-Pension Postretirement Benefit Liabilities—Pension and other non-pension postretirement benefit (“OPEB”) assumptions are significant inputs to the actuarial models that measure pension and OPEB benefit obligations and related effects on operations. Two assumptions, discount rate and expected return on assets, are important elements of plan expense and asset/liability measurement. The Company evaluates these critical assumptions at least annually on a plan and country-specific basis. The Company periodically evaluates other assumptions involving demographic factors, such as retirement age, mortality and turnover, and updates them to reflect the Company’s experience and expectations for the future. Actual results in any given year will often differ from actuarial assumptions because of economic and other factors.

Accumulated and projected benefit obligations are measured as the present value of future cash payments. The Company discounts these cash payments using a split-rate interest approach. This approach uses multiple interest rates from market-observed forward yield curves which correspond to the estimated timing of the related benefit payments. Lower discount rates increase present values and higher discount rates decrease present values.