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

FORM 10-Q

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

For the quarterly period ended June 30, 2022

OR

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

Commission File Number 001-36794

Chemours™

The Chemours Company

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**46-4845564**
(State or other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

1007 Market Street, Wilmington, Delaware 19801
(Address of Principal Executive Offices)

(302) 773-1000
(Registrant's Telephone Number)

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

Title of Each Class	Trading Symbol(s)	Name of Exchange on Which Registered
Common Stock ($0.01 par value)	CC	New York Stock Exchange

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

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

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

Large Accelerated Filer ☒	Accelerated Filer ☐
Non-Accelerated Filer ☐	Smaller reporting company ☐
	Emerging growth company ☐

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

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

The registrant had 155,138,348 shares of common stock, $0.01 par value, outstanding at July 25, 2022.

The Chemours Company

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PART I. FINANCIAL INFORMATION

Item 1. INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Chemours Company
Interim Consolidated Statements of Operations (Unaudited)
(Dollars in millions, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net sales	$ 1,915	$ 1,655	$ 3,679	$ 3,091
Cost of goods sold	1,418	1,391	2,697	2,530
Gross profit	497	264	982	561
Selling, general, and administrative expense	254	172	395	310
Research and development expense	25	27	55	51
Restructuring, asset-related, and other charges	1	5	12	—
Total other operating expenses	280	204	462	361
Equity in earnings of affiliates	16	10	28	20
Interest expense, net	(40)	(47)	(82)	(97)
Other income, net	38	21	44	21
Income before income taxes	231	44	510	144
Provision for (benefit from) income taxes	30	(22)	76	(17)
Net income	201	66	434	161
Net income attributable to Chemours	$ 201	$ 66	$ 434	$ 161
Per share data				
Basic earnings per share of common stock	$ 1.29	$ 0.40	$ 2.75	$ 0.97
Diluted earnings per share of common stock	1.26	0.39	2.69	0.95

See accompanying notes to the interim consolidated financial statements.

The Chemours Company
Interim Consolidated Statements of Comprehensive Income (Unaudited)
(Dollars in millions)

	Three Months Ended June 30,					
	2022			2021		
	Pre-tax	Tax	After-tax	Pre-tax	Tax	After-tax
Net income			$ 201			$ 66
Other comprehensive income (loss):						
Hedging activities:						
Unrealized gain (loss) on net investment hedge	$ 32	$ (8)	24	$ (13)	$ 3	(10)
Unrealized gain (loss) on cash flow hedge	9	(1)	8	(1)	—	(1)
Reclassifications to net income - cash flow hedge	(4)	1	(3)	2	—	2
Hedging activities, net	37	(8)	29	(12)	3	(9)
Cumulative translation adjustment	(73)	—	(73)	36	—	36
Defined benefit plans:						
Additions to accumulated other comprehensive loss:						
Effect of foreign exchange rates	4	—	4	(2)	—	(2)
Reclassifications to net income:						
Amortization of actuarial loss	2	(1)	1	2	—	2
Amortization of prior service gain	—	—	—	(1)	—	(1)
Defined benefit plans, net	$ 6	$ (1)	5	$ (1)	$ —	(1)
Other comprehensive (loss) income			(39)			26
Comprehensive income			162			92
Comprehensive income attributable to Chemours			$ 162			$ 92

	Six Months Ended June 30,					
	2022			2021		
	Pre-tax	Tax	After-tax	Pre-tax	Tax	After-tax
Net income			$ 434			$ 161
Other comprehensive income (loss):						
Hedging activities:						
Unrealized gain on net investment hedge	$ 58	$ (14)	44	$ 24	$ (6)	18
Unrealized gain on cash flow hedge	18	(3)	15	3	(1)	2
Reclassifications to net income - cash flow hedge	(6)	1	(5)	4	(1)	3
Hedging activities, net	70	(16)	54	31	(8)	23
Cumulative translation adjustment	(77)	—	(77)	(34)	—	(34)
Defined benefit plans:						
Additions to accumulated other comprehensive loss:						
Effect of foreign exchange rates	7	—	7	2	—	2
Reclassifications to net income:						
Amortization of actuarial loss	4	(1)	3	4	(1)	3
Amortization of prior service gain	(1)	—	(1)	(2)	—	(2)
Defined benefit plans, net	$ 10	$ (1)	9	$ 4	$ (1)	3
Other comprehensive loss			(14)			(8)
Comprehensive income			420			153
Comprehensive income attributable to Chemours			$ 420			$ 153

See accompanying notes to the interim consolidated financial statements.

The Chemours Company
Interim Consolidated Balance Sheets (Unaudited)
(Dollars in millions, except per share amounts)

	June 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 1,248	$ 1,451
Accounts and notes receivable, net	1,066	720
Inventories	1,219	1,099
Prepaid expenses and other	73	75
Total current assets	3,606	3,345
Property, plant, and equipment	9,264	9,232
Less: Accumulated depreciation	(6,153)	(6,078)
Property, plant, and equipment, net	3,111	3,154
Operating lease right-of-use assets	220	227
Goodwill	102	102
Other intangible assets, net	13	6
Investments in affiliates	177	169
Restricted cash and restricted cash equivalents	100	100
Other assets	401	447
Total assets	$ 7,730	$ 7,550
Liabilities		
Current liabilities:		
Accounts payable	$ 1,249	$ 1,162
Compensation and other employee-related cost	111	173
Short-term and current maturities of long-term debt	24	25
Current environmental remediation	239	173
Other accrued liabilities	263	325
Total current liabilities	1,886	1,858
Long-term debt, net	3,656	3,724
Operating lease liabilities	178	179
Long-term environmental remediation	468	389
Deferred income taxes	54	49
Other liabilities	273	269
Total liabilities	6,515	6,468
Commitments and contingent liabilities (Note 16)		
Equity		
Common stock (par value $0.01 per share; 810,000,000 shares authorized; 194,761,628 shares issued and 155,572,669 shares outstanding at June 30, 2022; 191,860,159 shares issued and 161,046,732 shares outstanding at December 31, 2021)	2	2
Treasury stock, at cost (39,188,959 shares at June 30, 2022; 30,813,427 shares at December 31, 2021)	(1,517)	(1,247)
Additional paid-in capital	1,005	944
Retained earnings	2,102	1,746
Accumulated other comprehensive loss	(378)	(364)
Total Chemours stockholders' equity	1,214	1,081
Non-controlling interests	1	1
Total equity	1,215	1,082
Total liabilities and equity	$ 7,730	$ 7,550

See accompanying notes to the interim consolidated financial statements.

The Chemours Company
Interim Consolidated Statements of Stockholders' Equity (Unaudited)
(Dollars in millions, except per share amounts)

	Common Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Non-controlling Interests	Total Equity
	Shares	Amount	Shares	Amount					
Balance at April 1, 2021	190,783,383	$ 2	25,319,235	$ (1,072)	$ 907	$ 1,357	$ (344)	$ 2	$ 852
Common stock issued - compensation plans	8,140	—	—	—	—	—	—	—	—
Exercise of stock options, net	324,086	—	—	—	5	—	—	—	5
Purchases of treasury stock, at cost	—	—	423,273	(15)	—	—	—	—	(15)
Stock-based compensation expense	—	—	—	—	8	—	—	—	8
Net income	—	—	—	—	—	66	—	—	66
Dividends declared on common shares ($0.25 per share)	—	—	—	—	—	(42)	—	—	(42)
Other comprehensive income	—	—	—	—	—	—	26	—	26
Balance at June 30, 2021	191,115,609	$ 2	25,742,508	$ (1,087)	$ 920	$ 1,381	$ (318)	$ 2	$ 900
Balance at April 1, 2022	192,509,285	$ 2	35,665,393	$ (1,393)	$ 956	$ 1,940	$ (339)	$ 1	$ 1,167
Common stock issued - compensation plans	3,717	—	—	—	—	—	—	—	—
Exercise of stock options, net	2,248,626	—	—	—	42	—	—	—	42
Purchases of treasury stock, at cost	—	—	3,523,566	(124)	—	—	—	—	(124)
Stock-based compensation expense	—	—	—	—	7	—	—	—	7
Net income	—	—	—	—	—	201	—	—	201
Dividends declared on common shares ($0.25 per share)	—	—	—	—	—	(39)	—	—	(39)
Other comprehensive loss	—	—	—	—	—	—	(39)	—	(39)
Balance at June 30, 2022	194,761,628	$ 2	39,188,959	$ (1,517)	$ 1,005	$ 2,102	$ (378)	$ 1	$ 1,215

	Common Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Non-controlling Interests	Total Equity
	Shares	Amount	Shares	Amount					
Balance at January 1, 2021	190,239,883	$ 2	25,319,235	$ (1,072)	$ 890	$ 1,303	$ (310)	$ 2	$ 815
Common stock issued - compensation plans	154,312	—	—	—	1	(1)	—	—	—
Exercise of stock options, net	721,414	—	—	—	11	—	—	—	11
Purchases of treasury stock, at cost	—	—	423,273	(15)	—	—	—	—	(15)
Stock-based compensation expense	—	—	—	—	20	—	—	—	20
Cancellation of unissued stock awards withheld to cover taxes	—	—	—	—	(2)	—	—	—	(2)
Net income	—	—	—	—	—	161	—	—	161
Dividends declared on common shares ($0.50 per share)	—	—	—	—	—	(82)	—	—	(82)
Other comprehensive loss	—	—	—	—	—	—	(8)	—	(8)
Balance at June 30, 2021	191,115,609	$ 2	25,742,508	$ (1,087)	$ 920	$ 1,381	$ (318)	$ 2	$ 900
Balance at January 1, 2022	191,860,159	$ 2	30,813,427	$ (1,247)	$ 944	$ 1,746	$ (364)	$ 1	$ 1,082
Common stock issued - compensation plans	295,736	—	—	—	—	—	—	—	—
Exercise of stock options, net	2,605,733	—	—	—	48	—	—	—	48
Purchases of treasury stock, at cost	—	—	8,375,532	(270)	—	—	—	—	(270)
Stock-based compensation expense	—	—	—	—	17	—	—	—	17
Cancellation of unissued stock awards withheld to cover taxes	—	—	—	—	(4)	—	—	—	(4)
Net income	—	—	—	—	—	434	—	—	434
Dividends declared on common shares ($0.50 per share)	—	—	—	—	—	(78)	—	—	(78)
Other comprehensive loss	—	—	—	—	—	—	(14)	—	(14)
Balance at June 30, 2022	194,761,628	$ 2	39,188,959	$ (1,517)	$ 1,005	$ 2,102	$ (378)	$ 1	$ 1,215

See accompanying notes to the interim consolidated financial statements.

The Chemours Company
Interim Consolidated Statements of Cash Flows (Unaudited)
(Dollars in millions)

	Six Months Ended June 30,	
	2022	2021
Cash flows from operating activities		
Net income	$ 434	$ 161
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	146	163
Gain on sales of assets and businesses, net	(27)	(2)
Equity in earnings of affiliates, net	(23)	(19)
Amortization of debt issuance costs and issue discounts	4	4
Deferred tax benefit	(9)	(39)
Asset-related charges	5	—
Stock-based compensation expense	17	20
Net periodic pension cost	4	3
Defined benefit plan contributions	(7)	(8)
Other operating charges and credits, net	(8)	24
Decrease (increase) in operating assets:		
Accounts and notes receivable	(339)	(288)
Inventories and other operating assets	(86)	(60)
(Decrease) increase in operating liabilities:		
Accounts payable and other operating liabilities	182	336
Cash provided by operating activities	293	295
Cash flows from investing activities		
Purchases of property, plant, and equipment	(168)	(127)
Proceeds from sales of assets and businesses	33	—
Foreign exchange contract settlements, net	(1)	(7)
Other investing activities	(9)	—
Cash used for investing activities	(145)	(134)
Cash flows from financing activities		
Debt repayments	(7)	(27)
Payments on finance leases	(6)	(5)
Payments of debt issuance cost	(1)	—
Purchases of treasury stock, at cost	(272)	(13)
Proceeds from exercised stock options, net	48	11
Payments related to tax withholdings on vested stock awards	(4)	(2)
Payments of dividends to the Company's common shareholders	(78)	(82)
Cash used for financing activities	(320)	(118)
Effect of exchange rate changes on cash, cash equivalents, restricted cash and restricted cash equivalents	(31)	(9)
(Decrease) increase in cash, cash equivalents, restricted cash and restricted cash equivalents	(203)	34
Cash, cash equivalents, restricted cash, and restricted cash equivalents at January 1,	1,551	1,105
Cash, cash equivalents, restricted cash and restricted cash equivalents at June 30,	$ 1,348	$ 1,139
Supplemental cash flows information		
Non-cash investing and financing activities:		
Purchases of property, plant, and equipment included in accounts payable	$ 41	$ 43
Treasury Stock repurchased, not settled	2	2

See accompanying notes to the interim consolidated financial statements.

Note 1. Background, Description of the Business, and Basis of Presentation

The Chemours Company ("Chemours", or the "Company") is a leading, global provider of performance chemicals that are key inputs in end-products and processes in a variety of industries. The Company delivers customized solutions with a wide range of industrial and specialty chemical products for markets, including coatings, plastics, refrigeration and air conditioning, transportation, semiconductor and consumer electronics, general industrial, and oil and gas. The Company's principal products include titanium dioxide ("TiO_2") pigment, refrigerants, industrial fluoropolymer resins, and performance chemicals and intermediates. Chemours manages and reports its operating results through its three reportable segments: Titanium Technologies, Thermal & Specialized Solutions, and Advanced Performance Materials. The Titanium Technologies segment is a leading, global provider of TiO_2 pigment, a premium white pigment used to deliver whiteness, brightness, opacity, and protections in a variety of applications. The Thermal & Specialized Solutions segment is a leading, global provider of refrigerants, thermal management solutions, propellants, blowing agents, and specialty solvents. The Advanced Performance Materials segment is a leading, global provider of high-end polymers and advanced materials that deliver unique attributes, including low friction coefficients, extreme temperature resistance, weather resistance, ultraviolet and chemical resistance, and electrical insulation. The Company's Performance Chemicals and Intermediates business and Mining Solutions business (prior to the business sale in 2021) are presented under Other Segment.

Unless the context otherwise requires, references herein to "The Chemours Company", "Chemours", "the Company", "our Company", "we", "us", and "our" refer to The Chemours Company and its consolidated subsidiaries. References herein to "EID" refer to E. I. du Pont de Nemours and Company, which is Chemours' former parent company and is now a subsidiary of Corteva, Inc. ("Corteva"). Reference herein to "DuPont" refer to DuPont de Nemours, Inc.

The accompanying interim consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). In the opinion of management, all adjustments (consisting of normal, recurring adjustments) considered necessary for a fair statement of the Company's results for interim periods have been included. The notes that follow are an integral part of the Company's interim consolidated financial statements. The Company's results for interim periods should not be considered indicative of its results for a full year, and the year-end consolidated balance sheet does not include all of the disclosures required by GAAP. As such, these interim consolidated financial statements should be read in conjunction with the *Consolidated Financial Statements* and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

Certain prior period amounts have been reclassified to conform to the current period presentation, the effect of which was not material to the Company's interim consolidated financial statements.

Note 2. Recent Accounting Pronouncements

Accounting Guidance Issued and Not Yet Adopted

Facilitation of the Effects of Reference Rate Reform on Financial Reporting

In March 2020, the Financial Accounting Standards Board ("FASB") issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* ("ASU No. 2020-04"). The amendments in this update provide optional guidance for a limited period of time to ease the potential burden associated with accounting for contracts, hedging relationships, and other transactions that reference the London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued due to reference rate reform. ASU No. 2020-04 is effective March 12, 2020 through December 31, 2022. The Company does not expect the impacts of adopting ASU No. 2020-04 to be material to its financial position, results of operations and cash flows.

Accounting for Contract Assets and Contract Liabilities from Contracts with Customers

In October 2021, the FASB issued ASU 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers* ("ASU No. 2021-08"), which requires contract assets and contract liabilities acquired in a business combination to be recognized in accordance with Topic 606 as if the acquirer had originated the contracts. The guidance will be effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating the impacts the adoption of this standard will have on its consolidated financial statements.

Disclosures by Business Entities About Government Assistance

In November 2021, the FASB issued ASU 2021-10, *Government Assistance (Topic 832): Disclosures by Business Entities About Government Assistance* ("ASU No. 2021-10"), which requires annual disclosures about transactions with a government that are accounted for by applying a grant or contribution accounting model by analogy. The guidance will be effective for fiscal years beginning after December 15, 2021, with early adoption permitted. The Company is currently evaluating the impacts the adoption of this standard will have on its consolidated financial statements.

Note 3. Acquisitions and Divestitures

Divestitures

In December 2021, the Company entered into an agreement to sell land related to the Beaumont former operating site for cash consideration of approximately $17 (the "Beaumont Transaction"). The Company completed the land sale on May 24, 2022 and received net cash proceeds of $17. In January 2022, the Company entered into a stock agreement to sell certain of its wholly-owned subsidiaries and the remaining assets at its former Aniline business facilities in Pascagoula, Mississippi (the "Pascagoula Transaction"). The Company completed the sale on June 9, 2022 and received net cash proceeds of $16. Upon completion of the sale transactions, the Company recorded a net pre-tax gain of $11 and $18 in other income, net in the consolidated statements of operations, respectively, during the three and six months ended June 30, 2022.

(Dollars in millions, except per share amounts)

Note 4. Net Sales

Disaggregation of Net Sales

The following table sets forth a disaggregation of the Company's net sales by geographic region and segment and product group for the three and six months ended June 30, 2022 and 2021.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net sales by geographic region (1)				
North America:				
Titanium Technologies	$ 366	$ 250	$ 680	$ 456
Thermal & Specialized Solutions	315	168	575	315
Advanced Performance Materials	152	130	297	240
Other Segment	16	50	29	83
Total North America	849	598	1,581	1,094
Asia Pacific:				
Titanium Technologies	284	269	564	515
Thermal & Specialized Solutions	59	49	94	86
Advanced Performance Materials	161	150	314	290
Other Segment	6	6	12	12
Total Asia Pacific	510	474	984	903
Europe, the Middle East, and Africa:				
Titanium Technologies	201	223	413	398
Thermal & Specialized Solutions	91	89	171	176
Advanced Performance Materials	72	67	145	135
Other Segment	5	5	9	9
Total Europe, the Middle East, and Africa	369	384	738	718
Latin America (2):				
Titanium Technologies	117	117	240	214
Thermal & Specialized Solutions	53	34	103	66
Advanced Performance Materials	16	15	30	30
Other Segment	1	33	3	66
Total Latin America	187	199	376	376
Total net sales	$ 1,915	$ 1,655	$ 3,679	$ 3,091
Net sales by segment and product group				
Titanium Technologies:				
Titanium dioxide and other minerals	$ 968	$ 859	$ 1,897	$ 1,583
Thermal & Specialized Solutions:				
Refrigerants	424	271	768	512
Foam, propellants, and other	94	69	175	131
Advanced Performance Materials:				
Fluoropolymers and advanced materials	401	362	786	695
Other Segment	28	94	53	170
Total net sales	$ 1,915	$ 1,655	$ 3,679	$ 3,091

(1) Net sales are attributed to countries based on customer location.

(2) Latin America includes Mexico.

Substantially all of the Company's net sales are derived from goods and services transferred at a point in time.

(Dollars in millions, except per share amounts)

Contract Balances

The Company's assets and liabilities from contracts with customers constitute accounts receivable - trade, deferred revenue, and customer rebates. An amount for accounts receivable - trade is recorded when the right to consideration under a contract becomes unconditional. An amount for deferred revenue is recorded when consideration is received prior to the conclusion that a contract exists, or when a customer transfers consideration prior to the Company satisfying its performance obligations under a contract. Customer rebates represent an expected refund liability to a customer based on a contract. In contracts with customers where a rebate is offered, it is generally applied retroactively based on the achievement of a certain sales threshold. As revenue is recognized, the Company estimates whether or not the sales threshold will be achieved to determine the amount of variable consideration to include in the transaction price.

The following table sets forth the Company's contract balances from contracts with customers at June 30, 2022 and December 31, 2021.

	June 30, 2022	December 31, 2021
Contract assets:		
Accounts receivable - trade, net (Note 8)	$ 923	$ 644
Contract liabilities:		
Deferred revenue	$ 7	$ 5
Customer rebates (Note 13)	63	83

Changes in the Company's deferred revenue balances resulting from additions for advance payments and deductions for amounts recognized in net sales during the three and six months ended June 30, 2022 were not significant. For the three and six months ended June 30, 2022, the amount of net sales recognized from performance obligations satisfied in prior periods (e.g., due to changes in transaction price) were not significant.

There were no material contract asset balances or capitalized costs associated with obtaining or fulfilling customer contracts as of June 30, 2022 and December 31, 2021.

Remaining Performance Obligations

Certain of the Company's master services agreements or other arrangements contain take-or-pay clauses, whereby customers are required to purchase a fixed minimum quantity of product during a specified period, or pay the Company for such orders, even if not requested by the customer. The Company considers these take-or-pay clauses to be an enforceable contract, and as such, the legally-enforceable minimum amounts under such an arrangement are considered to be outstanding performance obligations on contracts with an original expected duration greater than one year. At June 30, 2022, Chemours had $9 of remaining performance obligations. The Company expects to recognize approximately 35% of its remaining performance obligations as revenue in 2022 and approximately 65% as revenue in 2023. The Company applies the allowable practical expedient and does not include remaining performance obligations that have original expected durations of one year or less, or amounts for variable consideration allocated to wholly-unsatisfied performance obligations or wholly-unsatisfied distinct goods that form part of a single performance obligation, if any. Amounts for contract renewals that are not yet exercised by June 30, 2022 are also excluded.

(Dollars in millions, except per share amounts)

Note 5. Restructuring, Asset-related, and Other Charges

The following table sets forth the components of the Company's restructuring, asset-related, and other charges for the three and six months ended June 30, 2022 and 2021.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Employee separation charges	$ 1	$ (1)	$ 6	$ (2)
Decommissioning and other charges (1)	—	6	1	2
Total restructuring and other charges	1	5	7	—
Asset-related charges (2)	—	—	5	—
Total restructuring, asset-related, and other charges	$ 1	$ 5	$ 12	$ —

(1) In 2021, decommissioning and other charges includes a net $9 gain resulting from contract termination with a third-party services provider at the Company's previously owned Mining Solutions facility in Gomez Palacio, Durango, Mexico.

(2) In 2022, asset-related charges include asset charges resulting from the conflict between Russia and Ukraine and the Company's decision to suspend its business with Russian entities.

2022 Restructuring Program

In the first quarter of 2022, management initiated a severance program that was largely attributable to further aligning the cost structure of the Company's businesses and corporate functions with its financial objectives. The Company recorded $1 and $6 of employee separation costs for the three and six months ended June 30, 2022, which it expects to incur to complete the severance program. The severance costs were recognized as follows: $1 in Thermal & Specialized Solutions, $2 in Advanced Performance Materials and $3 in Corporate and Other. The program and related severance payments are expected to be substantially completed by the end of 2022.

The following table sets forth the change in the Company's employee separation-related liabilities associated with its restructuring programs for the six months ended June 30, 2022.

	Other Segment Site Closures	2022 Restructuring Program	Total
Balance at December 31, 2021	$ 1	$ —	$ 1
Charges to income	—	6	6
Payments	(1)	(2)	(3)
Balance at June 30, 2022	$ —	$ 4	$ 4

At June 30, 2022, there were no significant outstanding liabilities related to the Company's decommissioning and other restructuring-related charges.

(Dollars in millions, except per share amounts)

Note 6. Other Income (Expense), Net

The following table sets forth the components of the Company's other income (expense), net for the three and six months ended June 30, 2022 and 2021.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Leasing, contract services, and miscellaneous income	$ 11	$ 10	$ 15	$ 12
Royalty income (1)	2	4	2	7
Gain on sales of assets and businesses, net (2)	26	2	27	2
Exchange (losses) gains, net (3)	(3)	3	(3)	(5)
Non-operating pension and other post-retirement employee benefit income (4)	2	2	3	5
Total other income, net	$ 38	$ 21	$ 44	$ 21

(1) Royalty income is primarily from technology licensing.

(2) For the three and six months ended June 30, 2022, gain on sale includes net pre-tax gain on sale of $11 related to the Beaumont Transaction and $18 related to the Pascagoula Transaction which is further discussed in "Note 3 – Acquisitions and Divestitures".

(3) Exchange gains (losses), net includes gains and losses on the Company's foreign currency forward contracts that have not been designated as a cash flow hedge.

(4) Non-operating pension and other post-retirement employee benefit income represents the components of net periodic pension income (cost), excluding the service cost component.

Note 7. Earnings Per Share of Common Stock

The following table sets forth the reconciliations of the numerators and denominators of the Company's basic and diluted earnings per share ("EPS") calculations for the three and six months ended June 30, 2022 and 2021.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Numerator:				
Net income attributable to Chemours	$ 201	$ 66	$ 434	$ 161
Denominator:				
Weighted-average number of common shares outstanding - basic	156,224,802	166,168,550	158,051,092	165,912,089
Dilutive effect of the Company's employee compensation plans	3,442,411	3,989,453	3,562,159	3,693,498
Weighted-average number of common shares outstanding - diluted	159,667,213	170,158,003	161,613,251	169,605,587
Basic earnings per share of common stock	$ 1.29	$ 0.40	$ 2.75	$ 0.97
Diluted earnings per share of common stock	1.26	0.39	2.69	0.95

The following table sets forth the average number of stock options that were anti-dilutive and, therefore, were not included in the Company's diluted EPS calculations for the three and six months ended June 30, 2022 and 2021.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Average number of stock options	868,168	1,494,624	1,173,275	1,502,192

(Dollars in millions, except per share amounts)

Note 8. Accounts and Notes Receivable, Net

The following table sets forth the components of the Company's accounts and notes receivable, net at June 30, 2022 and December 31, 2021.

	June 30, 2022	December 31, 2021
Accounts receivable - trade, net (1)	$ 923	$ 644
VAT, GST, and other taxes (2)	56	41
Other receivables (3)	87	35
Total accounts and notes receivable, net	$ 1,066	$ 720

(1) Accounts receivable - trade, net includes trade notes receivable of $2 and $17 and is net of allowances for doubtful accounts of $10 and $5 at June 30, 2022 and December 31, 2021, respectively. Such allowances are equal to the estimated uncollectible amounts.

(2) Value added tax ("VAT") and goods and services tax ("GST") for various jurisdictions.

(3) Other receivables consist of derivative instruments, advances, other deposits, receivables under the transition services agreement with Draslovka Holding a.s. related to the sale of the Company's Mining Solutions business and receivables under the terms of the MOU which are further discussed in "Note 16 – Commitments and Contingent Liabilities".

Accounts and notes receivable are carried at amounts that approximate fair value. Bad debt expense amounted to $2 and $8 for the three and six months ended June 30, 2022, respectively, and $1 for the three and six months ended June 30, 2021.

Note 9. Inventories

The following table sets forth the components of the Company's inventories at June 30, 2022 and December 31, 2021.

	June 30, 2022	December 31, 2021
Finished products	$ 815	$ 704
Semi-finished products	216	192
Raw materials, stores, and supplies	499	475
Inventories before LIFO adjustment	1,530	1,371
Less: Adjustment of inventories to LIFO basis	(311)	(272)
Total inventories	$ 1,219	$ 1,099

Inventory values, before last-in, first-out ("LIFO") adjustment are generally determined by the average cost method, which approximates current cost. Inventories are valued under the LIFO method at substantially all of the Company's U.S. locations, which comprised $707 and $650 (or 46% and 47%, respectively) of inventories before the LIFO adjustments at June 30, 2022 and December 31, 2021, respectively. The remainder of the Company's inventory held in international locations and certain U.S. locations is valued under the average cost method.

(Dollars in millions, except per share amounts)

Note 10. Property, Plant, and Equipment, Net

The following table sets forth the components of the Company's property, plant, and equipment, net at June 30, 2022 and December 31, 2021.

	June 30, 2022	December 31, 2021
Equipment	$ 7,558	$ 7,559
Buildings	1,171	1,168
Construction-in-progress	396	361
Land	103	108
Mineral rights	36	36
Property, plant, and equipment	9,264	9,232
Less: Accumulated depreciation	(6,153)	(6,078)
Total property, plant, and equipment, net	$ 3,111	$ 3,154

Property, plant, and equipment, net included gross assets under finance leases of $91 and $95 at June 30, 2022 and December 31, 2021, respectively.

Depreciation expense amounted to $71 and $144 for the three and six months ended June 30, 2022, respectively, and $78 and $158 for the three and six months ended June 30, 2021, respectively.

Note 11. Investments in Affiliates

The Company engages in transactions with its equity method investees in the ordinary course of business. Net sales to the Company's equity method investees amounted to $55 and $99 for the three and six months ended June 30, 2022, respectively, and $40 and $74 for the three and six months ended June 30, 2021, respectively. Purchases from the Company's equity method investees amounted to $60 and $109 for the three and six months ended June 30, 2022, respectively, and $51 and $86 for the three and six months ended June 30, 2021, respectively. Dividends received from the equity method investees amounted to $0 and $2 for the three and six months ended June 30, 2022, respectively, and less than $1 and $1 for the three and six months ended June 30, 2021, respectively.

Note 12. Other Assets

The following table sets forth the components of the Company's other assets at June 30, 2022 and December 31, 2021.

	June 30, 2022	December 31, 2021
Capitalized repair and maintenance costs	$ 152	$ 195
Pension assets (1)	56	55
Deferred income taxes	170	171
Miscellaneous	23	26
Total other assets	$ 401	$ 447

(1) Pension assets represents the funded status of certain of the Company's long-term employee benefit plans.

(Dollars in millions, except per share amounts)

Note 13. Other Accrued Liabilities

The following table sets forth the components of the Company's other accrued liabilities at June 30, 2022 and December 31, 2021.

	June 30, 2022	December 31, 2021
Accrued litigation (1)	$ 14	$ 36
Asset retirement obligations (2)	10	14
Income taxes	35	43
Customer rebates	63	83
Accrued interest	17	17
Operating lease liabilities	52	59
Miscellaneous (3)	72	73
Total other accrued liabilities	$ 263	$ 325

(1) Represents the current portion of accrued litigation, which is discussed further in "Note 16 – Commitments and Contingent Liabilities".

(2) Represents the current portion of asset retirement obligations, which are discussed further in "Note 15 – Other Liabilities".

(3) Miscellaneous primarily includes accruals related to utility expenses, property taxes, a workers compensation indemnification liability and other miscellaneous expenses.

Note 14. Debt

The following table sets forth the components of the Company's debt at June 30, 2022 and December 31, 2021.

	June 30, 2022	December 31, 2021
Senior secured term loans:		
Tranche B-2 U.S. dollar term loan due April 2025	$ 771	$ 776
Tranche B-2 euro term loan due April 2025 (€335 at June 30, 2022 and €337 at December 31, 2021)	355	381
Senior unsecured notes:		
4.000% due May 2026 (€450 at June 30, 2022 and December 31, 2021)	476	510
5.375% due May 2027	500	500
5.750% due November 2028	800	800
4.625% due November 2029	650	650
Finance lease liabilities	66	72
Financing obligation (1)	92	93
Total debt principal	3,710	3,782
Less: Unamortized issue discounts	(5)	(5)
Less: Unamortized debt issuance costs	(25)	(28)
Less: Short-term and current maturities of long-term debt	(24)	(25)
Total long-term debt, net	$ 3,656	$ 3,724

(1) At June 30, 2022 and December 31, 2021, financing obligation includes $92 and $93, respectively, in connection with the financed portion of the Company's research and development facility located in the Science, Technology, and Advanced Research Campus of the University of Delaware in Newark, Delaware ("Chemours Discovery Hub").

Senior Secured Credit Facilities

The Company's credit agreement, as amended and restated on April 3, 2018 ("Credit Agreement"), provides for a seven-year, senior secured term loan facility and a five-year, $800 senior secured revolving credit facility ("Revolving Credit Facility") (collectively, the "Senior Secured Credit Facilities"). On October 7, 2021, the Company entered into an amendment to the Credit Agreement ("Credit Agreement Amendment") to, among other things, increase the aggregate commitment amount under the Revolving Credit Facility to $900 and extend the stated maturity date to October 7, 2026 (from April 3, 2023). The Credit Agreement is subject to a springing maturity in the event that the senior secured term loans due April 2025 and the senior unsecured notes due in May 2026 are not redeemed, repaid, modified, and/or refinanced within the 91-day period prior to their maturity date.

No borrowings were outstanding under the Revolving Credit Facility at June 30, 2022 and December 31, 2021. The Company made term loan repayments of $3 and $6 for the three and six months ended June 30, 2022, respectively, and $3 and $7 for the three and six months ended June 30, 2021, respectively. Chemours also had $105 and $107 in letters of credit issued and outstanding under the Revolving Credit Facility at June 30, 2022 and December 31, 2021, respectively. At June 30, 2022, the effective interest rates on the Dollar Term Loan and the Euro Term Loan were 3.4% and 2.5%, respectively. Also, at June 30, 2022, commitment fees on the Revolving Credit Facility were assessed at a rate of 0.15% per annum.

Accounts Receivable Securitization Facility

The Company, through a wholly-owned special purpose entity ("SPE"), maintains an amended and restated receivables purchase agreement dated March 9, 2020, which was amended on March 5, 2021 and further amended on November 24, 2021 (the "Amended Purchase Agreement"). Pursuant to the Amended Purchase Agreement, the Company does not maintain effective control over the transferred receivables, and therefore accounts for these transfers as sales of receivables.

Cash received from collections of sold receivables is used to fund additional purchases of receivables at 100% of face value on a revolving basis, not to exceed the facility limit, which is the aggregate purchase limit. During the three and six months ended June 30, 2022, the Company received $339 and $677, respectively, of cash collections on receivables sold under the Amended Purchase Agreement, following which it sold and derecognized $339 and $677, respectively, of incremental accounts receivable. During the three and six months ended June 30, 2021, the Company received $345 and $616, respectively, of cash collections on receivables sold under the Amended Purchase Agreement, following which it sold and derecognized $370 and $641, respectively, of incremental accounts receivable. The Company maintains continuing involvement as it acts as the servicer for the sold receivables and guarantees payment to the bank. As collateral against the sold receivables, the SPE maintains a certain level of unsold receivables, which amounted to $217 and $76 at June 30, 2022 and December 31, 2021, respectively. The Company incurred $1 and $2 of fees associated with the Securitization Facility during the three and six months ended June 30, 2022, respectively, and $1 during the three and six months ended June 30, 2021. Costs associated with the sales of receivables are reflected in the Company's consolidated statements of operations for the periods in which the sales occur.

Maturities

The Company has required quarterly principal payments related to the Senior Secured Credit Facilities equivalent to 1.00% per annum through December 2024, with the balance due at maturity. Also, following the end of each fiscal year, the Company is required to make additional principal payments depending on leverage levels, as defined in the Credit Agreement, equivalent to up to 50% of excess cash flows based on certain leverage targets with step-downs to 25% and 0% as actual leverage decreases to below a 3.50 to 1.00 leverage target. The Company is not required to make additional principal payments in 2022.

(Dollars in millions, except per share amounts)

The following table sets forth the Company's debt principal maturities for the next five years and thereafter.

Remainder of 2022	$	6
2023		13
2024		13
2025		1,094
2026		476
Thereafter		1,950
Total principal maturities on debt	$	3,552

Debt Fair Value

The following table sets forth the estimated fair values of the Company's senior debt issues, which are based on quotes received from third-party brokers, and are classified as Level 2 financial instruments in the fair value hierarchy.

	June 30, 2022		December 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Senior secured term loans:				
Tranche B-2 U.S. dollar term loan due April 2025	$ 771	$ 730	$ 776	$ 769
Tranche B-2 euro term loan due April 2025 (€335 at June 30, 2022 and €337 at December 31, 2021)	355	333	381	378
Senior unsecured notes:				
4.000% due May 2026 (€450 at June 30, 2022 and December 31, 2021)	476	424	510	518
5.375% due May 2027	500	457	500	538
5.750% due November 2028	800	683	800	846
4.625% due November 2029	650	516	650	645
Total senior debt principal	3,552	$ 3,143	3,617	$ 3,694
Less: Unamortized issue discounts	(5)		(5)	
Less: Unamortized debt issuance costs	(25)		(28)	
Total senior debt, net	$ 3,522		$ 3,584	

Note 15. Other Liabilities

The following table sets forth the components of the Company's other liabilities at June 30, 2022 and December 31, 2021.

	June 30, 2022	December 31, 2021
Employee-related costs (1)	$ 90	$ 94
Accrued litigation (2)	50	50
Asset retirement obligations (3)	68	62
Miscellaneous (4)	65	63
Total other liabilities	$ 273	$ 269

(1) Employee-related costs primarily represents liabilities associated with the Company's long-term employee benefit plans.

(2) Represents the long-term portion of accrued litigation, which is discussed further in "Note 16 – Commitments and Contingent Liabilities".

(3) Represents the long-term portion of asset retirement obligations, which totaled $78 and $76 when combined with the current portion at June 30, 2022 and December 31, 2021, respectively, as disclosed in "Note 13 – Other Accrued Liabilities". For the six months ended June 30, 2022, liabilities incurred during the period, reduction in estimated cash outflows, liabilities settled in the current period and accretion expense were not material.

(4) Miscellaneous primarily includes an accrued workers compensation indemnification liability of $34 and $32 at June 30, 2022 and December 31, 2021.

(Dollars in millions, except per share amounts)

Note 16. Commitments and Contingent Liabilities

Litigation Overview

The Company and certain of its subsidiaries, from time to time, are subject to various lawsuits, claims, assessments, and proceedings with respect to product liability, intellectual property, personal injury, commercial, contractual, employment, governmental, environmental, anti-trust, and other such matters that arise in the ordinary course of business. In addition, Chemours, by virtue of its status as a subsidiary of EID prior to its separation on July 1, 2015 (the "Separation"), is subject to or required under the Separation-related agreements executed prior to the Separation to indemnify EID against various pending legal proceedings. Except as noted below, while management believes it is reasonably possible that Chemours could incur losses in excess of the amounts accrued, if any, for the aforementioned proceedings, it does not believe any such loss would have a material impact on the Company's consolidated financial position, results of operations, or cash flows. It is not possible to predict the outcomes of these various lawsuits, claims, assessments, or proceedings. Disputes between Chemours and EID may arise regarding indemnification matters, including disputes based on matters of law or contract interpretation. Should disputes arise, they could materially adversely affect Chemours.

The Company accrues for litigation matters when it is probable that a liability has been incurred, and the amount of the liability can be reasonably estimated. Where the available information is only sufficient to establish a range of probable liability, and no point within the range is more likely than any other, the lower end of the range has been used. When a material loss contingency is reasonably possible, but not probable, the Company does not record a liability, but instead discloses the nature of the matter and an estimate of the loss or range of loss, to the extent such estimate can be made. Legal costs such as outside counsel fees and expenses are recognized in the period in which the expense was incurred. Management believes the Company's litigation accruals are appropriate based on the facts and circumstances for each matter, which are discussed in further detail below.

The following table sets forth the components of the Company's accrued litigation at June 30, 2022 and December 31, 2021.

	June 30, 2022	December 31, 2021
Asbestos	$ 33	$ 33
PFOA	23	23
All other matters (1)	8	30
Total accrued litigation	$ 64	$ 86

(1) At December 31, 2021, all other matters includes $25, which was paid in January 2022, associated with the Company's portion of the costs to enter into the Settlement Agreement, Limited Release, Waiver and Covenant Not to Sue reflecting Chemours, DuPont, Corteva, EID and the State of Delaware's agreement to settle and fully resolve claims alleged against the companies. For information regarding this matter, refer to "PFAS" within this "Note 16 – Commitments and Contingent Liabilities".

The following table sets forth the current and long-term components of the Company's accrued litigation and their balance sheet locations at June 30, 2022 and December 31, 2021.

	Balance Sheet Location	June 30, 2022	December 31, 2021
Accrued Litigation:			
Current accrued litigation (1)	Other accrued liabilities (Note 13)	$ 14	$ 36
Long-term accrued litigation	Other liabilities (Note 15)	50	50
Total accrued litigation		$ 64	$ 86

(1) At December 31, 2021, current accrued litigation includes $25, which was paid in January 2022, associated with the Company's portion of the costs to enter into the Settlement Agreement, Limited Release, Waiver and Covenant Not to Sue reflecting Chemours, DuPont, Corteva, EID and the State of Delaware's agreement to settle and fully resolve claims alleged against the companies. For information regarding this matter, refer to "PFAS" within this "Note 16 – Commitments and Contingent Liabilities".

Memorandum of Understanding (the "MOU") with DuPont, Corteva and EID

In January 2021, Chemours, DuPont, Corteva, and EID, a subsidiary of Corteva, entered into a binding MOU, reflecting the parties' agreement to share potential future legacy liabilities relating to per- and polyfluoroalkyl substances ("PFAS") arising out of pre-July 1, 2015 conduct (i.e., "Indemnifiable Losses", as defined in the separation agreement, dated as of June 26, 2015, as amended, between EID and Chemours (the "Separation Agreement")) until the earlier to occur of: (i) December 31, 2040; (ii) the day on which the aggregate amount of Qualified Spend is equal to $4,000; or, (iii) a termination in accordance with the terms of the MOU (e.g., non-performance of the escrow funding requirements pursuant to the MOU by any party). As defined in the MOU, Qualified Spend includes:

- All Indemnifiable Losses (as defined in the Separation Agreement), including punitive damages, to the extent relating to, arising out of, by reason of, or otherwise in connection with PFAS Liabilities as defined in the MOU (including any mutually agreed-upon settlements);
- Any costs or amounts to abate, remediate, financially assure, defend, settle, or otherwise pay for all pre-July 1, 2015 PFAS Liabilities or exposure, regardless of when those liabilities are manifested; includes Natural Resources Damages claims associated with PFAS Liabilities;
- Fines and/or penalties from governmental agencies for legacy EID PFAS emissions or discharges prior to the spin-off; and,
- Site-Related GenX Claims as defined in the MOU.

The parties have agreed that, during the term of the cost-sharing arrangement, Chemours will bear half of the cost of such future potential legacy PFAS liabilities, and DuPont and Corteva will collectively bear the other half of the cost of such future potential legacy PFAS liabilities up to an aggregate $4,000. To date under the MOU, total aggregate Qualified Spend, including settlements, by Chemours, DuPont, and Corteva has amounted to $223. Any recoveries of Qualified Spend from DuPont and/or Corteva under the cost-sharing arrangement will be recognized as an offset to the Company's cost of goods sold or selling, general, and administrative expense, as applicable, when realizable. Any Qualified Spend incurred by DuPont and/or Corteva under the cost-sharing arrangement will be recognized in the Company's cost of goods sold or selling, general, and administrative expense, as applicable, when the amounts of such costs are probable and estimable or expensed as incurred with respect to period costs, such as legal expenses. The Company incurred expenditures subject to cost-sharing as Qualified Spend under the MOU of approximately $39 and $64 during the three and six months ended June 30, 2022, respectively, and $30 and $42 during the three and six months ended June 30, 2021, respectively.

After the term of this arrangement, Chemours' indemnification obligations under the Separation Agreement would continue unchanged, subject in each case to certain exceptions set out in the MOU. Pursuant to the terms of the MOU, the parties have agreed to release certain claims regarding Chemours' Delaware lawsuit and confidential arbitration (concerning the indemnification of specified liabilities that EID assigned to Chemours in its spin-off), including that Chemours has released any claim set forth in the complaint filed in the Delaware lawsuit, any other similar claims arising out of or resulting from the facts recited by Chemours in the complaint or the process and manner in which EID structured or conducted the spin-off, and any other claims that challenge the spin-off or the assumption of Chemours Liabilities (as defined in the Separation Agreement) by Chemours and the allocation thereof, subject in each case to certain exceptions set out in the MOU. The parties have further agreed not to bring any future, additional claims regarding the Separation Agreement or the MOU outside of arbitration.

The parties have also agreed to establish an escrow account to support and manage the payments for potential future PFAS liabilities. The MOU provides that: (i) no later than each of September 30, 2021 and September 30, 2022, Chemours shall deposit $100 into an escrow account and DuPont and Corteva shall together deposit $100 in the aggregate into an escrow account, and (ii) no later than September 30 of each subsequent year through and including 2028, Chemours shall deposit $50 into an escrow account and DuPont and Corteva shall together deposit $50 in the aggregate into an escrow account. Subject to the terms and conditions set forth in the MOU, each party may be permitted to defer funding in any year. Additionally, if on December 31, 2028, the balance of the escrow account (including interest) is less than $700, Chemours will make 50% of the deposits and DuPont and Corteva together will make 50% of the deposits necessary to restore the balance of the escrow account to $700. Such payments will be made in a series of consecutive annual equal installments commencing on September 30, 2029 pursuant to the escrow account replenishment terms as set forth in the MOU. Any funds that remain in escrow at termination of the MOU will revert to the party that deposited them. As such, future payments made by the Company into the escrow account will remain an asset of Chemours, and such payments will be reflected as a transfer to restricted cash and restricted cash equivalents on its consolidated balance sheets. At June 30, 2022 and December 31, 2021, the Company had $100 deposited in the escrow account, which is recognized as restricted cash and restricted cash equivalents on its consolidated balance sheets. No withdrawals are permitted from the escrow account before January 2026, except for funding mutually agreed-upon third-party settlements in excess of $125. Starting in January 2026, withdrawals may be made from the escrow account to fund Qualified Spend if the parties' aggregate Qualified Spend in that particular year is greater than $200. Starting in January 2031, the amounts in the escrow account can be used to fund any Qualified Spend. Future payments from the escrow account for potential future PFAS liabilities will be reflected on the Company's consolidated statement of cash flows at that point in time.

The parties will cooperate in good faith to enter into additional agreements reflecting the terms set forth in the MOU.

Asbestos

In the Separation, EID assigned its asbestos docket to Chemours. At June 30, 2022 and December 31, 2021, there were approximately 900 and 1,000 lawsuits pending against EID alleging personal injury from exposure to asbestos, respectively. These cases are pending in state and federal court in numerous jurisdictions in the U.S. and are individually set for trial. A small number of cases are pending outside of the U.S. Most of the actions were brought by contractors who worked at sites between the 1950s and the 1990s. A small number of cases involve similar allegations by EID employees or household members of contractors or EID employees. Finally, certain lawsuits allege personal injury as a result of exposure to EID products.

At June 30, 2022 and December 31, 2021, Chemours had an accrual of $33 related to these matters.

Benzene

In the Separation, EID assigned its benzene docket to Chemours. At June 30, 2022 and December 31, 2021, there were 15 and 19 cases pending against EID alleging benzene-related illnesses, respectively. These cases consist of premises matters involving contractors and deceased former employees who claim exposure to benzene while working at EID sites primarily in the 1960s through the 1980s, and product liability claims based on alleged exposure to benzene found in trace amounts in aromatic hydrocarbon solvents used to manufacture EID products such as paints, thinners, and reducers.

Management believes that a loss is reasonably possible as to the docket as a whole; however, given the evaluation of each benzene matter is highly fact-driven and impacted by disease, exposure, and other factors, a range of such losses cannot be reasonably estimated at this time.

In May 2021, the Company and EID filed suit in Delaware state court against multiple insurance companies for breach of their contractual obligations to indemnify Chemours and EID against liabilities, costs and losses relating to benzene litigation which are covered under liability insurance policies purchased by EID during the period 1967 to 1986. EID and Chemours are seeking payment of all costs and settlement amounts for past and future benzene cases falling under those policies. The outcome of this matter is not expected to have a material impact on Chemours' results of operations or financial position.

PFOA

Chemours does not, and has never, used “PFOA” (collectively, perfluorooctanoic acids and its salts, including the ammonium salt) as a polymer processing aid nor sold it as a commercial product. Prior to the Separation, the performance chemicals segment of EID made PFOA at its Fayetteville Works site in Fayetteville, North Carolina (“Fayetteville”) and used PFOA as a processing aid in the manufacture of fluoropolymers and fluoroelastomers at certain sites, including: Washington Works, Parkersburg, West Virginia; Chambers Works, Deepwater, New Jersey; Dordrecht Works, Netherlands; Changshu Works, China; and, Shimizu, Japan. These sites are now owned and/or operated by Chemours.

At June 30, 2022 and December 31, 2021, Chemours maintained accruals of $23, related to PFOA matters under the Leach Settlement (discussed below), EID’s obligations under agreements with the U.S. Environmental Protection Agency (the “EPA”), and voluntary commitments to the New Jersey Department of Environmental Protection (the “NJ DEP”). These obligations and voluntary commitments include surveying, sampling, and testing drinking water in and around certain Company sites, and offering treatment or an alternative supply of drinking water if tests indicate the presence of PFOA in drinking water at or greater than the applicable levels. The Company will continue to work with EPA, NJ DEP and other authorities regarding the extent of work that may be required with respect to these matters.

Leach Settlement

In 2004, EID settled a class action captioned *Leach v. DuPont*, filed in West Virginia state court, alleging that approximately 80,000 residents living near the Washington Works facility had suffered, or may suffer, deleterious health effects from exposure to PFOA in drinking water. Among the settlement terms, EID funded a series of health studies by an independent science panel of experts (“C8 Science Panel”) to evaluate available scientific evidence on whether any probable link exists, as defined in the settlement agreement, between exposure to PFOA and disease.

The C8 Science Panel found probable links, as defined in the settlement agreement, between exposure to PFOA and pregnancy-induced hypertension, including preeclampsia, kidney cancer, testicular cancer, thyroid disease, ulcerative colitis, and diagnosed high cholesterol. Under the terms of the settlement, EID is obligated to fund up to $235 for a medical monitoring program for eligible class members and pay the administrative costs associated with the program, including class counsel fees. The court-appointed Director of Medical Monitoring implemented the program, and testing is ongoing with associated payments to service providers disbursed from an escrow account which the Company replenishes pursuant to the settlement agreement. Through June 30, 2022, approximately $1.9 has been disbursed from escrow related to medical monitoring. While it is reasonably possible that the Company will incur additional costs related to the medical monitoring program, such costs cannot be reasonably estimated due to uncertainties surrounding the level of participation by eligible class members and the scope of testing.

In addition, under the Leach settlement agreement, EID must continue to provide water treatment designed to reduce the level of PFOA in water to six area water districts and private well users. At Separation, this obligation was assigned to Chemours and is included in the $23 accrued at June 30, 2022 and December 31, 2021.

PFOA Leach Class Personal Injury

Further, under the Leach settlement, class members may pursue personal injury claims against EID only for those diseases for which the C8 Science Panel determined a probable link exists. Approximately 3,500 lawsuits were subsequently filed in various federal and state courts in Ohio and West Virginia and consolidated in multi-district litigation (“MDL”) in Ohio federal court. These were resolved in March 2017 when EID entered into an agreement settling all MDL cases and claims, including all filed and unfiled personal injury cases and claims that were part of the plaintiffs’ counsel’s claims inventory, as well as cases tried to a jury verdict (the “First MDL Settlement”) for $670.7 in cash, with half paid by Chemours, and half paid by EID.

Concurrently with the First MDL Settlement, EID and Chemours agreed to a limited sharing of potential future PFOA costs (i.e. "Indemnifiable Losses", as defined in the Separation Agreement between EID and Chemours) for a period of five years. The cost-sharing agreement entered concurrently with the First MDL Settlement has been superseded by the binding MOU addressing certain PFAS matters and costs. For more information on this matter refer to "Memorandum of Understanding (the "MOU") with Dupont, Corteva and EID" within this "Note 16 – Commitments and Contingent Liabilities".

While all MDL lawsuits were dismissed or resolved through the First MDL Settlement, the First MDL Settlement did not resolve PFOA personal injury claims of plaintiffs who did not have cases or claims in the MDL or personal injury claims based on diseases first diagnosed after February 11, 2017. Approximately 96 plaintiffs filed matters after the First MDL Settlement. In January 2021, EID and Chemours entered into settlement agreements with counsel representing these plaintiffs, providing for a settlement of all but one of the 96 then filed and pending cases, as well as additional pre-suit claims, under which those cases and claims of settling plaintiffs were resolved for approximately $83 (the "Second MDL Settlement"). Chemours contributed approximately $29 and DuPont and Corteva each contributed approximately $27 to the Second MDL Settlement.

The single matter not included in the Second MDL Settlement is a testicular cancer case tried in March 2020 to a verdict of $40 in compensatory and emotional distress damages and $10 in loss of consortium damages. The jury found that EID's conduct did not warrant punitive damages. In March 2021, the trial court issued post trial rulings which reduced the consortium damages to $0.25. The Company has appealed the verdict. Management believes that the probability of a loss regarding the verdict is remote, given numerous meritorious grounds for pending post-trial motions and appeal.

State of Ohio

In February 2018, the State of Ohio initiated litigation against EID regarding historical PFOA emissions from the Washington Works site. Chemours is an additional named defendant. Ohio alleges damage to natural resources and fraudulent transfer in the spin-off that created Chemours and seeks damages including remediation and other costs and punitive damages.

PFAS

EID and Chemours have received governmental and regulatory inquiries and have been named in other litigations, including class actions, brought by individuals, municipalities, businesses, and water districts alleging exposure to and/or contamination from PFAS, including PFOA. Many actions include an allegation of fraudulent transfer in the spin-off that created Chemours. Chemours has declined EID's requests for indemnity for fraudulent transfer claims.

Chemours has responded to letters and inquiries from governmental law enforcement entities regarding PFAS, including in January 2020, a letter informing it that the U.S. Department of Justice, Consumer Protection Branch, and the United States Attorney's Office for the Eastern District of Pennsylvania are considering whether to open a criminal investigation under the Federal Food, Drug, and Cosmetic Act and asking that it retain its documents regarding PFAS and food contact applications. In July 2020, Chemours received a grand jury subpoena for documents. The Company is presently unable to predict the duration, scope, or result of any potential governmental, criminal, or civil proceeding that may result, the imposition of fines and penalties, and/or other remedies. The Company is also unable to develop a reasonable estimate of a possible loss or range of losses, if any.

Fayetteville Works, Fayetteville, North Carolina

For information regarding the Company's ongoing litigation and environmental remediation matters at Fayetteville, refer to "Fayetteville Works, Fayetteville, North Carolina" under the "Environmental Overview" within this "Note 16 – Commitments and Contingent Liabilities".

Aqueous Film Forming Foam Matters

Chemours does not, and has never, manufactured nor sold aqueous film forming foam ("AFFF"). Numerous defendants, including EID and Chemours have been named in approximately 2,700 matters, involving AFFF, which is used to extinguish hydrocarbon-based (i.e., Class B) fires and subject to U.S. military specifications. Most matters have been transferred to or filed directly into a multi-district litigation ("AFFF MDL") in South Carolina federal court or identified by a party for transfer. The matters pending in the AFFF MDL allege damages as a result of contamination, in most cases due to migration from military installations or airports, or personal injury from exposure to AFFF. Plaintiffs seek to recover damages for investigating, monitoring, remediating, treating, and otherwise responding to the contamination. Others have claims for personal injury, property diminution, and punitive damages.

In March 2021, ten water provider cases within the AFFF MDL were approved by the court for purposes of commencing initial discovery (Tier One discovery) and in October 2021, the court approved three of these cases for additional discovery (Tier Two discovery). Upon conclusion of Tier Two discovery, one of the three water provider cases will be selected for the first bellwether trial, with the case being called for jury selection and/or trial on or after March 1, 2023. The court has encouraged all parties to discuss resolution of the water provider category of cases. Consistent with the court's instruction and under the mutual obligations of the MOU, Chemours, Corteva/EID and DuPont, together, are engaged with Plaintiffs' Counsel on these cases.

There are AFFF lawsuits pending outside the AFFF MDL that have not been designated by a party for inclusion in the MDL. These matters identifying EID and/or Chemours as a defendant are:

Valero Refining ("Valero") has five pending state court lawsuits filed commencing in June 2019 regarding its Tennessee, Texas, Oklahoma, California, and Louisiana facilities. These lawsuits allege that several defendants that designed, manufactured, marketed, and/or sold AFFF or PFAS incorporated into AFFF have caused Valero to incur damages and costs including remediation, AFFF disposal, and replacement. Valero also alleges fraudulent transfer.

In New York, four individuals filed a lawsuit against numerous defendants including Chemours. The lawsuit alleges personal injury resulting from exposure to AFFF in Long Island drinking water and violation of New York Uniform Fraudulent Conveyance Act. Plaintiffs seek compensatory and punitive damages and medical monitoring.

In Texas, a lawsuit was filed against numerous defendants including Chemours, DuPont and Corteva. The lawsuit alleges personal injury from occupational exposure to AFFF. Plaintiffs seek compensatory and punitive damages. In the first quarter of 2022, certain defendants including Chemours, DuPont and Corteva were dismissed.

In Illinois, a lawsuit was filed in May 2022 in the state court against numerous defendants, including EID. The lawsuit alleges personal injury from occupational exposure, including from AFFF-related materials/products, and seeks compensatory damages and punitive damages. Chemours is not a named defendant.

State Natural Resource Damages Matters

In addition to the State of New Jersey actions (as detailed below) and the State of Ohio action (as detailed above), the states of Vermont, New Hampshire, New York, Michigan, North Carolina, Mississippi, Alaska, Pennsylvania, Colorado, Florida and Wisconsin have filed lawsuits against defendants, including EID and Chemours, relating to the alleged contamination of state natural resources with PFAS compounds either from AFFF and/or other sources. These lawsuits seek damages including costs to investigate, clean up, restore, treat, monitor, or otherwise respond to contamination of natural resources and some include counts for fraudulent transfer.

On July 13, 2021, Chemours, DuPont, Corteva, and EID entered into a settlement agreement with the State of Delaware to settle such potential claims, including for environmental releases or sales of products containing PFAS or other known contaminants. Under the agreement, in January 2022, the companies paid a total amount of $50 to the State of Delaware, which shall be utilized to fund a Natural Resources and Sustainability Trust (the "Trust") to be used for environmental restoration and enhancement of resources, sampling and analysis, community environmental justice and equity grants, and other natural resource needs. Chemours contributed $25 to the settlement and the remaining $25 was divided between DuPont and Corteva which shall be treated as Qualified Spend under the MOU. If the companies enter into a proportionally similar agreement to settle or resolve claims of another state for PFAS-related natural resource damages, for an amount greater than $50, the companies may be required to make one or more supplemental payment(s) directly to the Trust, with such payment(s) not to exceed $25 in the aggregate. At this time, the Company has concluded the probability of loss as to any supplemental payment(s) under the settlement agreement to be remote.

Other PFAS Matters

In New York courts, EID has been named in approximately 40 lawsuits, which are not part of the Leach class, brought by individual plaintiffs alleging negligence and other claims in the release of PFAS, including PFOA, into drinking water against current and former owners and suppliers of a manufacturing facility in Hoosick Falls, New York. Two additional lawsuits have been filed by a business seeking to recover its losses and by nearby property owners and residents in a putative class action. The lawsuit filed by the business was dismissed, but the claims by the individual business owner were allowed to proceed. Furthermore, 13 Long Island water suppliers have filed lawsuits against several defendants including EID and Chemours alleging PFAS, PFOA, and perfluorooctanesulfonic acid ("PFOS") contamination through releases from industrial and manufacturing facilities and business locations where PFAS-contaminated water was used for irrigation and sites where consumer products were disposed. Claims vary between matters but include claims of personal injury alleging various disease conditions, product liability, negligence, nuisance, trespass and fraudulent transfer. All matters are seeking compensatory and punitive damages and, in certain cases, medical monitoring, declaratory and/or injunctive relief. In January 2022, Chemours filed a third-party claim for indemnity in connection with one of the Long Island water supplier matters.

In New York and New Jersey, lawsuits were filed by Suez Water against several defendants, including EID and Chemours, alleging damages from PFAS releases into the environment, including PFOA and PFOS, that impacted water sources that the utilities use to provide water, as well as products liability, negligence, nuisance, and trespass. Defendants filed motions to dismiss the complaints in both matters. The motion was denied in the Suez Water New Jersey lawsuit in October 2021. In January 2022, the court granted defendants' motion to dismiss in the Suez New York lawsuit without prejudice and the plaintiff filed a second amended complaint in February 2022. Following the filing of the second amended complaint in the Suez New York lawsuit, the defendants filed a motion to dismiss.

In New Jersey, lawsuits were filed against several defendants including EID and Chemours. The lawsuits include ten lawsuits alleging that defendants are responsible for PFAS contamination, including PFOA and PFOS, in groundwater and drinking water. In addition, seven lawsuits were filed alleging exposure to PFAS and other chemicals, including two lawsuits by parents on behalf of their adult children claiming pre-natal exposure, resulted in the children's cognitive delays, neurological, genetic, and autoimmune conditions. Furthermore, nine additional lawsuits were filed with similar allegations of personal injury, six of which have been removed to New Jersey federal court. Plaintiffs seek certain damages including punitive damages.

In Georgia and Alabama, lawsuits were filed against numerous carpet manufacturers and suppliers and former suppliers, including EID and Chemours. The lawsuits include a matter filed by the Water Works and Sewer Board of the Town of Centre, Alabama and a matter filed by the City of Rome, Georgia alleging negligence, nuisance, and trespass in the release of PFAS, including PFOA, into a river leading to the town's water source. Additionally, a putative class action was filed on behalf of customers of the Rome, Georgia water division and the Floyd County, Georgia water department alleging negligence and nuisance and related to the release of perfluorinated compounds, including PFOA, into a river leading to their water sources.

In Ohio, a putative class action ("Hardwick") was filed against several defendants including 3M, EID and Chemours seeking class action status for U.S. residents having a detectable level of PFAS in their blood serum. The complaint seeks declaratory and injunctive relief, including the establishment of a "PFAS Science Panel". In March 2022, the court granted in part and denied in part the plaintiff's class certification and certified a class covering anyone subject to Ohio laws having minimal levels of PFOA plus at least one other PFAS in their blood. The court requested further briefing on whether the class should be extended to include other states that recognize the claims for relief filed in the action. The defendants, including EID and Chemours, jointly filed a petition to appeal the class certification decision and will continue to defend at the trial court level while the petition and potential appeal are pending. Management believes that a loss is reasonably possible as to the Hardwick matter, but not estimable at this time given the significant class issues to be resolved and that this matter is entering the discovery phase.

In California, several lawsuits were filed in state court against several defendants, including EID and Chemours. The complaints allege product liability, negligence, nuisance and trespass. Plaintiffs seek declaratory and injunctive relief, including abatement, as well as compensatory and punitive damages. The lawsuits include matters filed by:

- 11 southern California public water systems, the City of Corona, California and the Corona Utility Authority that allege manufacturers of PFOA and PFOS are responsible for contaminating the drinking water supply. The matter involving the 11 southern California public water systems has been transferred to the AFFF MDL. In the matter involving the City of Corona, California and the Corona Utility Authority, in February 2022, the court dismissed the case against EID and Chemours on jurisdictional grounds and the plaintiffs appealed the decision.
- Atascadero Mutual Water Company in San Luis Obispo County, California alleging damages to drinking water supply from PFAS releases, including PFOA and PFOS, into the environment. This matter has been transferred to the AFFF MDL.
- Sacramento Suburban Water District alleging damages from PFAS releases into the environment, including PFOA and PFOS, that impacted water sources the Water District uses to provide water.

In Delaware, a putative class action was filed against two electroplating companies, 3M and EID, and two other defendants added in an amended complaint, alleging responsibility for PFAS contamination, including PFOA and PFOS, in drinking water and the environment in the nearby community. Although initially named in the lawsuit, Chemours was subsequently dismissed. The putative class of residents alleges negligence, nuisance, trespass, and other claims and seeks medical monitoring, personal injury and property damages, and punitive damages.

In South Carolina, a putative class action was filed in March 2022 in the state court against 3M, EID and the Company alleging PFAS contamination from a former textile plant located in Society Hill, South Carolina which allegedly used PFAS containing textile treatment chemicals supplied by the defendants. The lawsuit alleges negligence, trespass, strict liability and nuisance and seeks monetary damages, including property diminution, and injunctive relief, including water treatment and remediation, as well as punitive damages. The matter has been removed to federal court.

In Alabama, a purported class action was filed in July 2022 in Alabama federal court against 3M, EID, Corteva and the Company alleging contamination of drinking water. The complaints allege negligence, public nuisance, private nuisance and trespass. The plaintiffs seek injunctive relief as well as compensatory and punitive damages.

In the Netherlands, Chemours, along with DuPont and Corteva, received a civil summons filed before the Court of Rotterdam by four municipalities (Dordrecht, Papendrecht, Sliedrecht and Molenlanden) seeking liability declarations relating to the Dordrecht site's operations and emissions. Chemours reviewed the summons and filed a statement of defense during the fourth quarter of 2021. At this time, management believes that a loss related to this matter is remote.

New Jersey Department of Environmental Protection Directives and Litigation

In March 2019, NJ DEP issued two Directives and filed four lawsuits against Chemours and other defendants. The Directives are: (i) a state-wide PFAS Directive issued to EID, DowDuPont, DuPont Specialty Products USA ("DuPont SP USA"), Solvay S.A., 3M, and Chemours seeking a meeting to discuss future costs for PFAS-related costs incurred by NJ DEP and establishing a funding source for such costs by the Directive recipients, and information relating to historic and current use of certain PFAS compounds; and, (ii) a Pompton Lakes Natural Resources Damages ("NRD") Directive to EID and Chemours demanding $0.1 to cover the cost of preparation of a natural resource damage assessment plan and access to related documents.

The lawsuits filed in New Jersey state courts by NJ DEP are: (i) in Salem County, against EID, 3M, and Chemours primarily alleging clean-up and removal costs and damages and natural resource damages under the Spill Act, the Water Pollution Control Act ("WPCA"), the Industrial Site Recovery Act ("ISRA"), and common law regarding past and present operations at Chambers Works, a site assigned to Chemours at Separation; (ii) in Middlesex County, against EID, DuPont SP USA, 3M, and Chemours primarily alleging clean-up and removal costs and damages and natural resource damages under the Spill Act, ISRA, WPCA, and common law regarding past and present operations at Parlin, an EID owned site; (iii) in Gloucester County, against EID and Chemours primarily alleging clean-up and removal costs and damages and natural resource damages under the Spill Act, WPCA, and common law regarding past operations at Repauno, a non-operating remediation site assigned to Chemours at Separation which has been sold; and, (iv) in Passaic County, against EID and Chemours primarily alleging clean-up and removal costs and damages and natural resource damages under the Spill Act, WPCA, and common law regarding past operations at Pompton Lakes, a non-operating remediation site assigned to Chemours at Separation. The alleged pollutants listed in the Salem County and Middlesex County matters above include PFAS. Each lawsuit also alleges fraudulent transfer.

In August 2020, a Second Amended Complaint was filed in each matter, adding fraudulent transfer and other claims against DuPont SP USA, Corteva, and DuPont. For the Salem County matter, NJ DEP added claims relating to failure to comply with state directives, including the state-wide PFAS Directive.

The matters were removed to federal court and consolidated for case management and pretrial purposes. In December 2021, the federal court entered a consolidated order granting, in part, and denying, in part, a motion to dismiss or strike parts of the Second Amended Complaints. In January 2022, NJ DEP filed a motion for a preliminary injunction requiring EID and Chemours to establish a remediation funding source ("RFS") in the amount of $943 for the Chambers Works site, the majority of which is for non-PFAS remediation items. Chemours believes that the motion as directed to it is not supported by applicable law and the RFS sought by NJ DEP is not an appropriate estimate of remedial costs for the Chambers Works site and, subject to the discussions regarding overall remediation costs under "Environmental Overview" within this Note 16 – Commitments and Contingent Liabilities, management believes that a loss is reasonably possible, but not estimable at this time, due to various reasons, including that the motion is in its early stages and there are significant factual issues and legal questions to be resolved.

EID requested that Chemours defend and indemnify it in these matters. Chemours has accepted the indemnity and defense of EID while reserving rights and declining EID's demand as to matters involving other EID entities, as well as ISRA and fraudulent transfer, subject to the terms of the MOU.

PFOA and PFAS Summary

With the exception of the matters noted otherwise above, management believes that it is reasonably possible that the Company could incur losses related to PFOA and/or PFAS matters in excess of amounts accrued, but any such losses, which could be material, are not estimable at this time due to various reasons, including, among others, that such matters are in their early stages and have significant factual issues to be resolved.

U.S. Smelter and Lead Refinery, Inc.

There are six lawsuits, including a putative class action, pending against EID by area residents concerning the U.S. Smelter and Lead Refinery multi-party Superfund site in East Chicago, Indiana. Several of the lawsuits allege that Chemours is now responsible for EID environmental liabilities. The lawsuits include allegations for personal injury damages, property diminution, and other damages. At Separation, EID assigned Chemours its former plant site, which is located south of the residential portion of the Superfund area, and its responsibility for the environmental remediation at the Superfund site. In one of the six lawsuits, pursuant to a March 2021 court decision, there are no current pending claims against EID or Chemours. In four of the other lawsuits, pursuant to August 2021 and September 2021 court decisions, the court granted defendants' motion to dismiss and plaintiffs have filed motions for leave to file amended complaints. Management believes a loss is reasonably possible, but not estimable at this time due to various reasons including, among others, that such matters are in their early stages and have significant factual issues to be resolved.

Securities Litigation

In October 2019, a putative class action was filed in Delaware federal court against Chemours and certain of its officers. Following appointment of lead plaintiff, the New York State Teachers' Retirement System, and counsel, the plaintiff filed an amended complaint alleging that the defendants violated the Securities and Exchange Act of 1934 by making materially false and misleading statements and omissions in public disclosures regarding environmental liabilities and litigation matters assigned to Chemours in connection with its spin-off from EID. The amended complaint seeks a class of purchasers of Chemours stock between February 16, 2017 and August 1, 2019 and demands compensatory damages and fees. In February 2022, the Delaware federal court granted in part and denied in part Chemours' motion to dismiss the amended complaint and later ordered proceeding to determine if the remaining claims in the complaint shall proceed. In March 2022, plaintiff sought reconsideration of certain portions of the court's ruling. In May 2022, lead plaintiff filed a Stipulation, Joint Motion and Proposed Order ("Stipulation") withdrawing plaintiff's motion for reconsideration, striking certain allegations in the complaint relating to the claims that remained, waiving any appeal in connection with the action, and jointly moving the court to reconsider its prior partial dismissal order and grant Chemours' motion to dismiss the complaint. The court entered an order approving the Stipulation, granting Chemours' motion to dismiss, and dismissing all claims in the complaint with prejudice.

Commencing in July 2020, follow-on derivative lawsuits were filed by individual shareholders in Delaware federal court against Chemours, its directors and certain of its officers. The lawsuits rely on factual allegations similar to those in the securities action discussed above and allege breach of fiduciary duty and other claims. In July 2021 and June 2022, the plaintiffs in the follow-on lawsuits voluntarily dismissed the actions. These matters are now closed.

Patent Infringement

In November 2017, Chemours filed an action for infringement of two of its patents against Daikin America, Inc., and Daikin Industries, LTD. ("Daikin") in the Delaware federal court. Chemours alleges that Daikin have made, used, offered to sell, sold, or imported certain copolymers which infringe the patents-in-suit. In July 2022, the parties entered into a confidential settlement and the case has been dismissed.

(Dollars in millions, except per share amounts)

Environmental Overview

Chemours, due to the terms of the Separation-related agreements with EID, is subject to contingencies pursuant to environmental laws and regulations that in the future may require further action to correct the effects on the environment of prior disposal practices or releases of chemical substances, which are attributable to EID's activities before it spun-off Chemours. Much of this liability results from the Comprehensive Environmental Response Compensation and Liability Act ("CERCLA", often referred to as "Superfund"), the Resource Conservation and Recovery Act ("RCRA"), and similar federal, state, local, and foreign laws. These laws may require Chemours to undertake certain investigative, remediation, and restoration activities at sites where ownership was transferred to Chemours under the Separation-related agreements or at sites where EID-generated waste was disposed before the 2015 separation. The accrual also includes estimated costs related to a number of sites identified for which it is probable that environmental remediation will be required, but which are not currently the subject of enforcement activities.

Chemours accrues for remediation activities when it is probable that a liability has been incurred and a reasonable estimate of the liability can be made. Where the available information is sufficient to estimate the amount of liability, that estimate has been used. Where the available information is only sufficient to establish a range of probable liability, and no point within the range is more likely than any other, the lower end of the range has been used. Estimated liabilities are determined based on existing remediation laws and technologies and the Company's planned remedial responses, which are derived from environmental studies, sampling, testing, and analyses. Inherent uncertainties exist in such evaluations, primarily due to unknown environmental conditions, changing governmental regulations regarding liability, and emerging remediation technologies. These accruals are adjusted periodically as remediation efforts progress and as additional technological, regulatory, and legal information becomes available. Environmental liabilities and expenditures include claims for matters that are liabilities of EID and its subsidiaries, which Chemours may be required to indemnify pursuant to the Separation-related agreements. These accrued liabilities are undiscounted and do not include claims against third parties. Costs related to environmental remediation are charged to expense in the period that the associated liability is accrued.

The following table sets forth the Company's environmental remediation liabilities at June 30, 2022 and December 31, 2021 for the four sites that are deemed the most significant, together with the aggregate liabilities for all other sites.

	June 30, 2022	December 31, 2021
Chambers Works, Deepwater, New Jersey	$ 30	$ 27
Fayetteville Works, Fayetteville, North Carolina (1)	510	359
Pompton Lakes, New Jersey	41	42
USS Lead, East Chicago, Indiana	19	24
All other sites	107	110
Total environmental remediation	$ 707	$ 562

(1) For more information on this matter refer to "Fayetteville Works, Fayetteville, North Carolina" within this "Note 16 – Commitments and Contingent Liabilities".

The following table sets forth the current and long-term components of the Company's environmental remediation liabilities at June 30, 2022 and December 31, 2021.

	June 30, 2022	December 31, 2021
Current environmental remediation	$ 239	$ 173
Long-term environmental remediation	468	389
Total environmental remediation	$ 707	$ 562

Typically, the time-frame for a site to go through all phases of remediation (investigation and active clean-up) may take about 15 to 20 years, followed by several years of operation, maintenance, and monitoring ("OM&M") activities. Remediation activities, including OM&M activities, vary substantially in duration and cost from site to site. These activities, and their associated costs, depend on the mix of unique site characteristics, evolving remediation technologies, and diverse regulatory requirements, as well as the presence or absence of other potentially responsible parties. In addition, for claims that Chemours may be required to indemnify EID pursuant to the Separation-related agreements, Chemours, through EID, has limited available information for certain sites or is in the early stages of discussions with regulators. For these sites in particular, there may be considerable variability between the clean-up activities that are currently being undertaken or planned and the ultimate actions that could be required. Therefore, considerable uncertainty exists with respect to environmental remediation costs and, under adverse changes in circumstances, management currently estimates the potential liability may range up to approximately $720 above the amount accrued at June 30, 2022. This estimate is not intended to reflect an assessment of Chemours' maximum potential liability. As noted above, the estimated liabilities are determined based on existing remediation laws and technologies and the Company's planned remedial responses, which are derived from environmental studies, sampling, testing, and analyses. Inherent uncertainties exist in such evaluations, primarily due to unknown environmental conditions, changing governmental regulations regarding liability, and emerging remediation technologies. Management will continue to evaluate as new or additional information becomes available in the determination of its environmental remediation liability.

In October 2021, EPA released its PFAS Strategic Roadmap, identifying a comprehensive approach to addressing PFAS. The PFAS Strategic Roadmap sets timelines by which EPA plans to take specific actions through 2024, including establishing a national primary drinking water regulation for PFOA and PFOS and taking Effluent Limitations Guidelines actions to regulate PFAS discharges from industrial categories among other actions. As provided under its roadmap, EPA also released on the same day its National PFAS Testing Strategy, under which the agency will identify and select certain PFAS compounds for which it will require PFAS manufacturers to conduct testing pursuant to the Toxic Substances Control Act ("TSCA") orders. EPA has indicated that Chemours will receive orders for certain of such compounds, including seven of the testing orders will be issued for PFAS compounds alleged to be associated with Fayetteville. In June 2022, EPA issued the first TSCA Section 4(a)(2) order under this program to five recipients, including Chemours and EID, and Chemours has met with the agency in July 2022 to discuss the order and responded to it.

Also in October 2021, EPA published a final toxicity assessment for GenX compounds that decreased the draft reference dose for GenX compounds based on EPA's review of new studies and analyses. On March 18, 2022, Chemours filed a petition to EPA requesting to withdraw and correct its toxicity assessment for GenX compounds, which was denied by EPA on June 14, 2022. The next day, on June 15, 2022, EPA released health advisories for four PFAS, including interim updated lifetime drinking water health advisories for PFOA and PFOS, and final health advisories for GenX compounds, including hexafluoropropylene oxide dimer acid ("HFPO Dimer Acid"), and another PFAS compound (PFBS). On July 13, 2022 the Company filed a Petition for Review of the GenX compounds health advisory. The Company continues to evaluate the impact of EPA's June 15^{th} health advisories and the PFAS Strategic Roadmap. The environmental remediation liabilities and accrued litigation, as applicable, recorded for Fayetteville, Washington Works, Parkersburg, West Virginia and Chambers Works, Deepwater, New Jersey as of June 30, 2022 are based upon the existing Consent Orders, agreements and/or voluntary commitments with EPA, state and other local regulators and depending on the ultimate outcome of EPA's actions, could require adjustment to meet any new drinking water standards. It is reasonably possible that additional costs could be incurred in connection with EPA's actions, however, the Company cannot estimate the potential impact or additional cost at this time, due in part to the uncertainties on EPA's development of maximum contaminant levels for PFOA and PFOS and the implementation of the June 15^{th} health advisories. Refer to "Fayetteville Works, Fayetteville, North Carolina" below for further detail on the impact of EPA's final drinking water health advisory for GenX compound, including HFPO Dimer Acid.

Chemours environmental remediation expenses were $182 and $211 for the three and six months ended June 30, 2022, respectively, and $187 and $212 for the three and six months ended June 30, 2021, respectively of which $174 and $193 for the three and six months ended June 30, 2022, respectively, and $181 and $192 for the three and six months ended June 30, 2021, respectively, relate to Fayetteville (discussed further below).

Fayetteville Works, Fayetteville, North Carolina

Fayetteville has been in operation since the 1970s and is located next to the Cape Fear River southeast of the City of Fayetteville, North Carolina. HFPO Dimer Acid, (sometimes referred to as “GenX” or “C3 Dimer Acid”) is manufactured at Fayetteville. The Company has operated the site since its Separation from EID in 2015.

While the Company believes that discharges from Fayetteville to the Cape Fear River, site surface water, groundwater, and air emissions have not impacted the safety of drinking water in North Carolina, the Company is cooperating with a variety of ongoing inquiries and investigations from federal, state, and local authorities, regulators, and other governmental entities including EPA.

Consent Order with North Carolina Department of Environmental Quality (“NC DEQ”)

In September 2017, NC DEQ issued a 60-day notice of intent to suspend the National Pollutant Discharge Elimination System (“NPDES”) permit for Fayetteville, and the State of North Carolina filed an action in North Carolina state court regarding site discharges, seeking a temporary restraining order and preliminary injunction, as well as other relief, including abatement and site correction. The state court entered a partial consent order resolving NC DEQ’s motion for a temporary restraining order.

In November 2017, NC DEQ informed the Company that it was suspending the NPDES permit for Fayetteville. The Company thereafter commenced the capture and separate disposal of all process wastewater from Fayetteville related to the Company’s own operations.

In June 2018, the North Carolina Legislature enacted legislation (i) granting the governor the authority, in certain circumstances, to require a facility with unauthorized PFAS discharges to cease operations, and (ii) granting the governor the authority, in certain circumstances, to direct NC DEQ secretary to order a PFAS discharger to establish permanent replacement water supplies for parties whose water was contaminated by the discharge.

In July 2018, Cape Fear River Watch (“CFRW”), a non-profit organization, sued NC DEQ in North Carolina state court, seeking to require NC DEQ to take additional actions at Fayetteville. In August 2018, CFRW sued the Company in North Carolina federal court for alleged violations of the Clean Water Act (“CWA”) and TSCA, seeking declaratory and injunctive relief and penalties.

In February 2019, the North Carolina Superior Court for Bladen County approved a Consent Order (“CO”) between NC DEQ, CFRW, and the Company, resolving the State’s and CFRW’s lawsuits and other matters (including Notices of Violation (“NOVs”) issued by the State). Under the terms of the CO, Chemours paid $13 in March 2019 to cover a civil penalty and investigative costs and agreed to certain compliance measures (with stipulated penalties for failures to do so), including the following:

- Install a thermal oxidizer (“TO”) to control all PFAS in process streams from certain processes at Fayetteville at an efficiency of 99.99%;
- Develop, submit, and implement, subject to approval from NC DEQ and CFRW, a plan for interim actions that are economically and technologically feasible to achieve the maximum PFAS reduction from Fayetteville to the Cape Fear River within a two-year period;
- Develop and implement, subject to approval, a Corrective Action Plan (“CAP”) that complies with North Carolina’s groundwater standards and guidance provided by NC DEQ. At a minimum, the CAP must require Chemours to reduce the total loading of PFAS originating from Fayetteville to surface water by at least 75% from baseline, as defined by the CO; and,
- Provide and properly maintain permanent drinking water supplies, including via whole-building filtration units and reverse osmosis (“RO”) units to qualifying surrounding properties with private drinking water wells.

(Dollars in millions, except per share amounts)

In August 2020, NC DEQ, CFRW, and the Company reached agreement on the terms of an addendum to the CO (the "Addendum"), which includes procedures for implementing specified remedial measures for reducing PFAS loadings from Fayetteville to the Cape Fear River. The Addendum also includes stipulated financial penalties, inclusive of daily and weekly fines for untimeliness in meeting deadlines for construction, installation and other requirements, as well as intermittent performance-based fines for noncompliance in meeting PFAS loading reduction requirements and removal efficiency targets. After a period of public comment, the Addendum was approved by the North Carolina Superior Court for Bladen County on October 12, 2020. A Motion to Intervene filed by Cape Fear Public Utility Authority was denied.

The following table sets forth the on-site and off-site components of the Company's accrued environmental remediation liabilities related to PFAS at Fayetteville at June 30, 2022 and December 31, 2021.

	June 30, 2022	December 31, 2021
On-site remediation	$ 323	$ 289
Off-site groundwater remediation	187	70
Total Fayetteville environmental remediation	$ 510	$ 359

The following table sets forth the current and long-term components of the Company's accrued environmental remediation liabilities related to PFAS at Fayetteville at June 30, 2022 and December 31, 2021.

	June 30, 2022	December 31, 2021
Current environmental remediation	$ 181	$ 114
Long-term environmental remediation	329	245
Total Fayetteville environmental remediation	$ 510	$ 359

Chemours environmental remediation expenses related to Fayetteville were $174 and $193 for the three and six months ended June 30, 2022, respectively, and $181 and $192 for the three and six months ended June 30, 2021, respectively. As discussed below in accordance with the guidance on accounting changes, the Company revised its estimated liability for the three months ended June 30, 2022 and 2021. An incremental $108 and $5, respectively, was accrued related off-site drinking water remediation and an incremental $58 and $109, respectively, was accrued related to the construction of the barrier wall and the future operation of the groundwater extraction and treatment system.

Emissions to air

Fayetteville operates multiple permitted air discharge stacks, blowers, and vents as part of its manufacturing activities. A TO became fully operational at the site on December 27, 2019, and Chemours switched to the permitted operating scenario for the TO on December 31, 2019 as set forth in the CO. The TO is designed to reduce aerial PFAS emissions from Fayetteville, and testing results showed that the TO is controlling PFAS emissions at an average efficiency exceeding 99.999%. Testing was conducted by Chemours and monitored by the North Carolina Division of Air Quality ("NC DAQ"). The cost related to the installation of the TO were capitalized in accordance with the Company's policy.

Off-site replacement drinking water supplies

The CO requires the Company to provide permanent replacement drinking water supplies, including via connection to public water supply, whole building filtration units and/or RO units, to qualifying surrounding residents, businesses, schools, and public buildings with private drinking water wells. Qualifying surrounding properties with private drinking water wells that have tested for GenX above the state provisional health goal of 140 parts per trillion ("ppt"), or any applicable health advisory, whichever is lower, may be eligible for public water or a whole building filtration system. Qualifying surrounding properties with private drinking water wells that have tested above 10 ppt for GenX or other perfluorinated compounds ("Table 3 Compounds") are eligible for three under-sink RO units. The Company provides bottled drinking water to a qualifying property when it becomes eligible for a replacement drinking water supply, and continues to provide delivery of bottled drinking water to the qualifying property until the eligible supply is established or installed. Under the terms of the CO, Chemours must make the offer to install a water treatment system to property owners in writing multiple times, and property owners have approximately one year to accept the Company's offer before it expires. In September 2021, the Company entered into an agreement with Bladen County, North Carolina to fund public water system upgrades and connections associated with providing permanent replacement drinking water supplies under the CO.

In June 2022, following EPA's release of a final drinking water health advisory for GenX compounds, including HFPO Dimer Acid, by EPA, NC DEQ sent a notice to Chemours requiring the Company to revise its drinking water compliance plan and feasibility study report, and to provide public water or whole building filtration systems to eligible properties with a private drinking water well that have tested above 10 ppt for GenX compounds under Paragraph 19 of the CO. On July 13, 2022, Chemours submitted its response to NC DEQ, providing information and other items requested by NCDEQ for its approval. Notwithstanding the Petition for Review of the EPA GenX compounds health advisory, and reserving its rights related thereto, the Company proposed a plan to extend Paragraph 19 options to properties that have tested above 10 ppt for GenX compounds, including conducting a feasibility review. As a result of Chemours' proposed plan in response to the NC DEQ notice, the Company recorded approximately $108 in selling, general, and administrative expense, reflecting a change in estimate for the estimated qualifying properties previously qualified for under-sink RO units that may now be eligible for public water or a whole building filtration system resulting from the lower health advisory for GenX of 10ppt.

The Company's estimated liability for off-site replacement drinking water supplies is based on management's assessment of the current facts and circumstances for this matter, which are subject to various assumptions that include, but are not limited to, the number of affected surrounding properties, response rates to the Company's offer, the timing of expiration of offers made to the property owners, the type of water treatment systems selected (i.e., public water or whole building filtration system, or RO units), the cost of installation of the selected water treatment systems, and any related OM&M requirements, fines and penalties, and other charges contemplated by the CO. For off-site drinking water supplies, OM&M is accrued for 20 years on an undiscounted basis based on the Company's current plans under the CO.

At June 30, 2022 and December 31, 2021, the Company had $170 and $59 accrued, respectively, for off-site groundwater testing and water treatment system installations at qualifying third-party properties primarily in Bladen and Cumberland counties surrounding Fayetteville, which is expected to be disbursed over approximately 20 years. Off-site installation, maintenance, and monitoring cost estimates could change as actual experience may differ from management's estimates or new information may become available.

In November 2021, NC DEQ sent a notice to Chemours regarding PFAS contamination from the Cape Fear River of groundwater monitoring wells and water supply wells in New Hanover County and potentially three other downstream counties based on new sampling data by NC DEQ and its determination of Chemours' obligations for such contamination. NC DEQ directed Chemours to submit for its review and approval a comprehensive groundwater contamination assessment in such counties, as well as an updated drinking water program to provide for sampling under the CO in such counties. In response, the Company submitted in February 2022 an interim drinking water plan and a separate assessment framework plan, which were subsequently updated based on comments received from NC DEQ.

As of June 30, 2022 and December 31, 2021, the Company had accrued $17 and $11, respectively, for the assessment and for sampling related to potential PFAS contamination of groundwater and supply of alternative drinking water in New Hanover and three other downstream counties. The liability is based on management's preliminary assessment of the facts and circumstances for this matter and its evaluation of NC DEQ comments received to date. The estimated liability was based on certain assumptions, which management believes are reasonable under the circumstances and include, but are not limited to, implementation of the soil and groundwater assessment, the source and cause of PFAS contamination within the four counties, the estimated number of properties at which sampling is conducted and whether such property will qualify for an alternative drinking water supply, other potentially responsible parties and the method of long-term alternative water supply, if any. Management's estimate of the ultimate liability for this matter is dependent upon obtaining additional information, including, but not limited to, those items identified above, EPA's health advisories and additional investigation work that has not yet been scoped or performed. Given the level of uncertainties noted above, the Company is not able to provide a reasonable high-end estimate beyond the $17 accrued at June 30, 2022. The ultimate resolution of this matter could have a material adverse effect on the Company's financial position, results of operations and cash flow.

On-site surface water and groundwater remediation

Abatement and remediation measures already taken by Chemours, including the capture and disposal of its operations' process wastewater and other interim actions, have addressed and abated nearly all PFAS discharges from the Company's continuing operations at Fayetteville. However, the Company continues to have active dialogue with NC DEQ and other stakeholders regarding the potential remedies that are both economically and technologically feasible to achieve the CO and Addendum objectives related to the impact of site surface water and groundwater contamination from historical operations.

In 2019, the Company completed and submitted its Cape Fear River PFAS Loading Reduction Plan - Supplemental Information Report and its CAP to NC DEQ. The Supplemental Information Report provided information to support the evaluation of potential interim remedial options to reduce PFAS loadings to surface waters. The CAP described potential long-term remediation activities to address PFAS in on-site groundwater and surface waters at the site, in accordance with the requirements of the CO and the North Carolina groundwater standards, and built upon the previous submissions to NC DEQ. The NC DEQ received comments on the CAP during a public comment period, and the Company is awaiting formal response to the CAP from NC DEQ. With respect to the CO, the Addendum was approved by the North Carolina Superior Court for Bladen County in October 2020 and establishes the procedure to implement specified remedial measures for reducing PFAS loadings from Fayetteville to the Cape Fear River, including construction of a barrier wall with a groundwater extraction system to be completed by March 15, 2023, or an extended date in accordance with the Addendum.

The Company began operation of a capture and treatment system from the site's old outfall channel following the issuance of an NPDES permit by NC DEQ in September 2020. In January 2021, the operation of the old outfall treatment system was interrupted on two occasions, and notice was provided to NC DEQ of the low treatment flow conditions through the system. The Company received an NOV from NC DEQ, alleging violations of the CO and the NPDES water permit arising from the design and operation of the treatment system related to the old outfall. The Company and its third-party service provider have taken, and continue to take, interim actions intended to improve the operation of the old outfall treatment system and address challenges posed by substantial rain events, sediment loading into the system, and variability in water influent conditions. In addition, the Company and its third-party service provider are actively working on long-term enhancements to the treatment system based on learnings from the recent challenges. System enhancements completed or being implemented consist of a holding pond, installation of new ultra-filtration units and additional water pretreatment equipment which is anticipated to be completed by the fourth quarter of 2022.

In 2021, work commenced on the detailed engineering design of the barrier wall and refinement of models for the planned groundwater extraction system. Engineering designs for the Company's major construction projects are typically reviewed at 30, 60 and 90% complete.

In June 2021, the Company reviewed the 30% complete design and associated preliminary vendor estimates for the construction and operation of a barrier wall and groundwater treatment system at Fayetteville. Based upon the 30% design information, the planned construction site of the future barrier wall, that will address both on-site groundwater and long-term seep remediation, is expected to be located at an approximately 30 feet higher elevation above the Cape Fear River and depth of the wall to approximately 85 feet below ground along most of its length. Additionally, construction of approximately 69 pumping wells, are expected to extract groundwater for treatment. A 2-mile access road, with retaining walls above and below the road to reduce slope erosion and landslides are also expected for large, heavy construction equipment to access the barrier wall location safely. Further, the construction of a larger treatment plant is required to capture the volume of groundwater, seep water, and stormwater (up to a 0.5 inch rain event in any 24 hour period per the Addendum) up to a maximum of 1,500 gallons per minute (“gpm”) based on groundwater flow modeling.

In August 2021, the Company reviewed the 60% complete design and associated updated preliminary vendor estimates, which was submitted to NC DEQ for review and approval. There were no material changes in estimate upon completing the review of the 60% design. Additionally, applications for the necessary permit for the groundwater extraction system have been submitted. In September 2021, the Company received a ‘conditional approval’ of the 60% design of the barrier wall and groundwater extraction and treatment system which included comments that NC DEQ requested the Company to address, which the Company responded to in October 2021. The NC DEQ’s comments also addressed other onsite remediation activities under the CO, but unrelated to the design of the barrier wall and groundwater treatment system.

On March 25, 2022, the Company submitted the 90% design of the barrier wall and groundwater extraction and treatment system which included additional response to NC DEQ comments concerning the 60% design. Based on the 90% design report, the Company believes that the design of the barrier wall and groundwater extraction and treatment system meets the requirements for this project under the CO and Addendum. However, it is reasonably possible that additional costs could be incurred for the project, or that the project construction work be delayed, pending review and approval by NC DEQ of the 90% design report. These costs are not estimable at this time due to the uncertainty around the objective and scope of NC DEQ comments as well as additional design basis that may be required. As of June 30, 2022, NC DEQ approval of the 90% design report has not been received. Pre-construction site preparation activities are in progress and in the second quarter of 2022, construction of the water conveyance and treatment facility has begun and, pending approval by NCDEQ of the 90% design report and receipt of required permits, construction of the barrier wall is expected to commence in 2022.

During the three months ended, June 30, 2022, as the Company progressed in its soil testing, finalization of certain elements of the technical construction design for the barrier wall and mechanical and electrical elements of the groundwater treatment system, as well as obtaining new and revised vendor estimates or bids reflecting final design requirements, and increased cost of materials, equipment, and consumables for the construction of a barrier wall and groundwater treatment system, the Company recorded additional accrual of approximately $58. The change primarily related to additional materials required for the barrier wall following completion of soil testing, additional mechanical and electrical for water capture, conveyance and treatment system, additional civil construction requirements, additional soils management requirements and general increases in the cost of materials due to supply chain constraints and inflation.

Accordingly, based on the CO, the Addendum, the CAP, and management’s plans, which are based on current regulations and technology, the Company has accrued $324 and $289 at June 30, 2022 and December 31, 2021, respectively, related to the estimated cost of on-site remediation, based on the range of potential outcomes on current potential remedial options, and the projected amounts to be paid over a period of approximately 20 years. The final costs of any selected remediation will depend primarily on the final approved design, permitting and actual labor and material costs. As such, cost estimates could change as actual experience may differ from management’s estimates.

At June 30, 2022, several significant uncertainties remain, principally related to NC DEQ review and approval of the 90% design, an extension of the barrier wall along Willis Creek at the northern end of the site, additional wetlands mitigation fees, finalization of the volume of water to be treated, obtaining required operating permits, contract negotiations with key construction and water treatment vendors and the estimated future time period of OM&M. Accordingly, at June 30, 2022, the Company estimated that the cost for the barrier wall and groundwater OM&M could range up to $347, of which $210 is accrued. While the Company believes that extension of the barrier wall along Willis Creek is technically impracticable and not necessary to comply with the terms of the CO and Addendum, an estimate of the cost for the barrier wall extension of approximately $30 was included in the upper range of the cost estimates.

The final cost of the on-site groundwater treatment system primarily depends on receiving timely NC DEQ design and permit approvals and thus the timely finalization of certain significant design details, notably the actual barrier wall location, depth, and length, number and configuration of extraction wells, water extraction rates and estimated carbon usage. Per the Addendum, NC DEQ shall use best efforts to complete its review and notify the Company whether the 90% design is approved within 30 days after submittal. If not approved within 30 days, subsequent deadlines shall be extended by the time required for NC DEQ approval in excess of 30 days. Unanticipated schedule delays or other factors beyond the Company's control could lead to further increases in the cost of the barrier wall and groundwater treatment system, which could be material. Changes in estimates are recorded in results of operations in the period that the events and circumstances giving rise to such changes occur. If the Company does not achieve project completion of the barrier wall and groundwater treatment system by March 15, 2023, subject to the extension provided in the Addendum relating to approval of the 90% design report, and subject further to obtaining the required permits, the Addendum specifies penalties of $0.15 plus an additional $0.02 per week until installation is completed.

The Company's estimated liability for the remediation activities that are probable and estimable is based on the CO, the Addendum, the CAP, and management's assessment of the current facts and circumstances, which are subject to various assumptions including the transport pathways (being pathways by which PFAS reaches the Cape Fear River) which will require remedial actions, the types of interim and permanent site surface water and on-site remedies and treatment systems selected and implemented, the estimated cost of such potential remedies and treatment systems, any related OM&M requirements, and other charges contemplated by the CO and the Addendum.

Consistent with prior periods, the Company accrued 20 years of OM&M for Fayetteville environmental remediation systems based on the CO and Addendum, which includes estimated higher power consumption, ongoing monitoring, pretreatment, filtering supplies (principally carbon) and regular maintenance of the system over a 20-year period of estimated operation starting in 2023.

It is possible that issues relating to site discharges in various transport pathways, the selection of remediation alternatives to achieve PFAS loading reductions, or the operating effectiveness of the TO could result in further litigation and/or regulatory demands with regards to Fayetteville, including potential permit modifications or penalties under the CO and the Addendum. It is also possible that, as additional data is collected on the transport pathways and dialogue continues with NC DEQ and other stakeholders, the type or extent of remediation actions required to achieve the objectives committed to in the CO may change (increase or decrease) or remediation activities could be delayed. If such issues arise, or if the CO is further amended, an additional loss is reasonably possible, but not estimable at this time. With respect to the Addendum, at this time, the Company believes that payment of any of the stipulated financial penalties for untimeliness or noncompliance is remote.

Other matters related to Fayetteville

In February 2019, the Company received an NOV from EPA, alleging certain TSCA violations at Fayetteville. Matters raised in the NOV could have the potential to affect operations at Fayetteville. For this NOV, the Company responded to EPA in March 2019, asserting that the Company has not violated environmental laws. The Company also received an NOV in April 2020 from NC DEQ, alleging an air permit violation under the North Carolina Administrative Code. As of June 30, 2022, management does not believe that a loss is probable.

In August 2021, the Company received a NOV from NC DEQ alleging violations of the facility's Title V air permit for failure to reduce facility-wide annual emissions of GenX compounds and failure to properly operate and maintain a carbon absorber unit. The Company provided a response to the NOV in September 2021. In October 2021, the Company received two civil penalty assessments totaling $0.3 associated with the NOV. In November 2021, the Company appealed the civil penalty assessments in North Carolina's Office of Administrative Hearings. In April 2022, the Company and NC DEQ entered into a settlement agreement pursuant to which the Company agreed to pay the civil penalty assessed by the agency and to take additional steps toward reducing air emissions. The administrative appeal has been dismissed.

In 2019, civil actions were filed against EID and Chemours in North Carolina federal court relating to discharges from Fayetteville. These actions include a consolidated action brought by public water suppliers seeking damages and injunctive relief, a consolidated purported class action seeking medical monitoring, and property damage and/or other monetary and injunctive relief on behalf of the putative classes of property owners and residents in areas near or that draw drinking water from the Cape Fear River, and two actions encompassing approximately 1,400 private well owners seeking compensatory and punitive damages. Ruling on the Company's motions in April 2019, the court dismissed the medical monitoring, injunctive demand, and many other alleged causes of actions in these lawsuits. It is possible that additional litigation may be filed against the Company and/or EID concerning the discharges.

In addition to natural resource damages matter filed by the State of North Carolina (as discussed within the "PFAS" section of this "Note 16 – Commitments and Contingent Liabilities"), in September 2020, three additional lawsuits were filed in North Carolina state court against Chemours and EID, as well as other defendants. One of the lawsuits is a putative class action on behalf of residents who are served by the Cape Fear Public Water utility, alleges negligence, nuisance, and other claims related to the release of perfluorinated compounds from Fayetteville, and seeks compensatory and punitive damages and medical monitoring. The other two lawsuits were filed on behalf of individuals residing near Fayetteville and allege negligence, nuisance, and other claims related to the release of perfluorinated compounds. The individuals seek compensatory property damages, punitive damages, and, in some cases, medical monitoring. All three lawsuits allege fraudulent transfer against EID and other EID entities, but not against Chemours. In October 2020, the cases were removed to federal court and then the two lawsuits filed on behalf of individuals were remanded back to state court.

In March 2022, a lawsuit was filed on behalf of an individual residing near the Fayetteville site against Chemours, EID and other defendants alleging negligence, nuisance and other claims related to the discharges from the Fayetteville site. The individual seeks compensatory property damages, punitive damages and medical monitoring. The lawsuit also alleges fraudulent transfer against EID and other EID entities, but not against Chemours.

In March 2022, Cumberland County, North Carolina filed suit in state court against Chemours, EID and other defendants related to discharges from the Fayetteville site alleging negligence, nuisance, trespass and fraudulent transfer. The lawsuit seeks damages as well as injunctive and equitable relief.

It is not possible at this point to predict the timing, course, or outcome of all governmental and regulatory inquiries and notices and litigation related to Fayetteville, and it is reasonably possible that these matters could have a material adverse effect on the Company's financial position, results of operations, and cash flows. In addition, local communities, organizations, and federal and state regulatory agencies have raised questions concerning HFPO Dimer Acid and other perfluorinated and polyfluorinated compounds at certain other manufacturing sites operated by the Company. It is possible that additional developments similar to those described above and centering on Fayetteville could arise in other locations.

Other

In addition, in the ordinary course of business, the Company may make certain commitments, including representations, warranties, and indemnities relating to current and past operations, including environmental remediation and other potential costs related to divested assets and businesses, and issue guarantees of third-party obligations. The Company accrues for these matters when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated. In connection with the sale of the Mining Solutions business, the Company provided a limited indemnification with respect to environmental liabilities that may arise from activities prior to the closing date. Such indemnification would not exceed approximately $78 and will expire on December 1, 2026. No liabilities have been recorded at June 30, 2022 and December 31, 2021 with respect to this indemnification.

(Dollars in millions, except per share amounts)

Note 17. Equity

2018 Share Repurchase Program

In 2018, the Company's board of directors approved a share repurchase program authorizing the purchase of shares of Chemours' issued and outstanding common stock in an aggregate amount not to exceed $750, plus any associated fees or costs in connection with the Company's share repurchase activity (the "2018 Share Repurchase Program"). In February 2019, the Company's board of directors increased the authorization amount to $1,000. Under the 2018 Share Repurchase Program, shares of Chemours' common stock were purchased in the open market from time to time, subject to management's discretion, as well as general business and market conditions. On May 19, 2022, the Company completed the aggregate $1,000 in authorized purchases of Chemours' issued and outstanding common stock under the 2018 Share Repurchase Program, which amounted to a cumulative 28,603,784 shares purchased at an average share price of $34.96 per share. All common shares purchased under the 2018 Share Repurchase Program are held as treasury stock and accounted for using the cost method.

The following table sets forth the Company's share repurchase activity under the 2018 Share Repurchase Program for the three and six months ended June 30, 2022 and 2021, respectively.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Total number of shares purchased	2,972,073	423,273	7,824,039	423,273
Total amount for shares purchased	$ 105	$ 15	$ 251	$ 15
Average price paid per share	$ 35.31	$ 35.08	$ 32.06	$ 35.08

2022 Share Repurchase Program

On April 27, 2022, the Company's board of directors approved a share repurchase program authorizing the purchase of shares of Chemours' issued and outstanding common stock in an aggregate amount not to exceed $750, plus any associated fees or costs in connection with the Company's share repurchase activity (the "2022 Share Repurchase Program"). Under the 2022 Share Repurchase Program, shares of Chemours' common stock can be purchased in the open market from time to time, subject to management's discretion, as well as general business and market conditions. The Company's 2022 Share Repurchase Program became effective on April 27, 2022 and is scheduled to continue through the earlier of its expiration on December 31, 2025 or the completion of repurchases up to the approved amount. The program may be suspended or discontinued at any time. All common shares purchased under the 2022 Share Repurchase Program are expected to be held as treasury stock and accounted for using the cost method.

The following table sets forth the Company's share repurchase activity under the 2022 Share Repurchase Program for the three and six months ended June 30, 2022 and 2021, respectively.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Total number of shares purchased	551,493	—	551,493	—
Total amount for shares purchased	$ 19	$ —	$ 19	$ —
Average price paid per share	$ 35.14	$ —	$ 35.14	$ —

The Company purchased an aggregate 3,523,566 and 8,375,532 shares of Chemours' issued and outstanding common stock under the 2018 and 2022 Share Repurchase Program during the three and six months ended June 30, 2022, respectively, which amounted to $124 and $270 at an average share price of $35.28 and $32.26 per share, respectively.

Through June 30, 2022, the Company purchased a cumulative 551,493 shares of Chemours' issued and outstanding common stock under the 2022 Share Repurchase Program, which amounted to $19 at an average share price of $35.14 per share. The aggregate amount of Chemours' common stock that remained available for purchase under the 2022 Share Repurchase Program at June 30, 2022 was $731.

(Dollars in millions, except per share amounts)

Note 18. Stock-based Compensation

The Company's total stock-based compensation expense amounted to $7 and $17 for the three and six months ended June 30, 2022, respectively, and $8 and $20 for the three and six months ended June 30, 2021, respectively.

Stock Options

On March 1, 2022, Chemours granted approximately 1,030,000 non-qualified stock options to certain of its employees. These awards will vest over a three-year period and expire 10 years from the date of grant. The fair value of the Company's stock options is based on the Black-Scholes valuation model.

The following table sets forth the weighted-average assumptions used at the respective grant dates to determine the fair value of the Company's stock option awards granted during the six months ended June 30, 2022.

	Six Months Ended June 30, 2022
Risk-free interest rate	1.61%
Expected term (years)	6.00
Volatility	56.71%
Dividend yield	3.85%
Fair value per stock option	$ 9.89

The Company recorded $2 and $4 in stock-based compensation expense specific to its stock options for the three and six months ended June 30, 2022, respectively, and $2 and $7 for the three and six months ended June 30, 2021, respectively. At June 30, 2022, approximately 5,240,000 stock options remained outstanding.

Restricted Stock Units

During the six months ended June 30, 2022, Chemours granted approximately 320,000 restricted stock units ("RSUs") to key management employees. These awards generally vest over a three-year period and, upon vesting, convert one-for-one to Chemours' common stock. The fair value of all stock-settled RSUs is based on the market price of the underlying common stock at the grant date.

The Company recorded $3 and $6 in stock-based compensation expense specific to its RSUs for the three and six months ended June 30, 2022, respectively, and $3 and $7 for the three and six months ended June 30, 2021, respectively. At June 30, 2022, approximately 1,460,000 RSUs remained non-vested.

Performance Share Units

On March 1, 2022, Chemours granted approximately 230,000 performance share units ("PSUs") to key senior management employees. Upon vesting, these awards convert one-for-one to Chemours' common stock if specified performance goals, including certain market-based conditions, are met over the three-year performance period specified in the grant, subject to exceptions through the vesting period of three years. Each grantee is granted a target award of PSUs, and may earn between 0% and 250% of the target amount depending on the Company's performance against stated performance goals.

A portion of the fair value of PSUs was estimated at the grant date based on the probability of satisfying the market-based conditions associated with the PSUs using the Monte Carlo valuation method, which assesses probabilities of various outcomes of market conditions. The other portion of the fair value of the PSUs is based on the fair market value of the Company's stock at the grant date, regardless of whether the market-based conditions are satisfied.

The Company recorded $2 and $7 in stock-based compensation expense specific to its PSUs for the three and six months ended June 30, 2022, respectively, and $3 and $6 for the three and six months ended June 30, 2021, respectively, based on its assessment of Company performance relative to award-based financial objectives. At June 30, 2022, approximately 860,000 PSUs at 100% of the target amount remained non-vested.

(Dollars in millions, except per share amounts)

Note 19. Accumulated Other Comprehensive Loss

The following table sets forth the changes and after-tax balances of the Company's accumulated other comprehensive loss for the six months ended June 30, 2022 and 2021.

	Net Investment Hedge	Cash Flow Hedge	Cumulative Translation Adjustment	Defined Benefit Plans	Total
Balance at January 1, 2022	$ (21)	$ 5	$ (236)	$ (112)	$ (364)
Other comprehensive income (loss)	44	10	(77)	9	(14)
Balance at June 30, 2022	$ 23	$ 15	$ (313)	$ (103)	$ (378)
Balance at January 1, 2021	$ (76)	$ (8)	$ (120)	$ (106)	$ (310)
Other comprehensive income (loss)	18	5	(34)	3	(8)
Balance at June 30, 2021	$ (58)	$ (3)	$ (154)	$ (103)	$ (318)

Note 20. Financial Instruments

Objectives and Strategies for Holding Financial Instruments

In the ordinary course of business, Chemours enters into contractual arrangements to reduce its exposure to foreign currency risks. The Company has established a financial risk management program, which currently includes four distinct risk management instruments: (i) foreign currency forward contracts, which are used to minimize the volatility in the Company's earnings related to foreign exchange gains and losses resulting from remeasuring its monetary assets and liabilities that are denominated in non-functional currencies; (ii) foreign currency forward contracts, which are used to mitigate the risks associated with fluctuations in the euro against the U.S. dollar for forecasted U.S. dollar-denominated inventory purchases in certain of the Company's international subsidiaries that use the euro as their functional currency; (iii) interest rate swaps, which are used to mitigate the volatility in the Company's cash payments for interest due to fluctuations in LIBOR, as is applicable to the portion of the Company's senior secured term loan facility denominated in U.S. dollars; and, (iv) euro-denominated debt, which is used to reduce the volatility in stockholders' equity caused by changes in foreign currency exchange rates of the euro with respect to the U.S. dollar for certain of its international subsidiaries that use the euro as their functional currency. The Company's financial risk management program reflects varying levels of exposure coverage and time horizons based on an assessment of risk. The program operates within Chemours' financial risk management policies and guidelines, and the Company does not enter into derivative financial instruments for trading or speculative purposes.

Net Monetary Assets and Liabilities Hedge – Foreign Currency Forward Contracts

At June 30, 2022, the Company had 13 foreign currency forward contracts outstanding with an aggregate gross notional U.S. dollar equivalent of $297, and an average maturity of one month. At December 31, 2021, the Company had 12 foreign currency forward contracts outstanding with an aggregate gross notional U.S. dollar equivalent of $254, and an average maturity of one month. Chemours recognized a net gain of $5 and a net loss of $1 for the three and six months ended June 30, 2022, respectively, and net gain of $9 and a net loss of $11 for the three and six months ended June 30, 2021, respectively, in other income (expense), net.

Cash Flow Hedge – Foreign Currency Forward Contracts

At June 30, 2022, the Company had 185 foreign currency forward contracts outstanding under its cash flow hedge program with an aggregate notional U.S. dollar equivalent of $220, and an average maturity of five months. At December 31, 2021, the Company had 175 foreign currency forward contracts outstanding under its cash flow hedge program with an aggregate notional U.S. dollar equivalent of $195, and an average maturity of four months. Chemours recognized pre-tax gains of $6 and $11 for the three and six months ended June 30, 2022, respectively, and a pre-tax loss of $1 and a pre-tax gain of $3 for the three and six months ended June 30, 2021, respectively, within accumulated other comprehensive loss. For the three and six months ended June 30, 2022, $3 and $6 of gain was reclassified to the cost of goods sold from accumulated other comprehensive loss, respectively. For the three and six months ended June 30, 2021, $1 and $3 of loss was reclassified to the cost of goods sold from accumulated other comprehensive loss, respectively.

The Company expects to reclassify approximately $12 of net pre-tax gain, based on current foreign currency exchange rates, from accumulated other comprehensive loss to the cost of goods sold over the next 12 months.

Cash Flow Hedge – Interest Rate Swaps

At June 30, 2022 and December 31, 2021, the Company had three interest rate swaps outstanding under its cash flow hedge program with an aggregate notional U.S. dollar equivalent of $400; each of the interest rate swaps mature on March 31, 2023. Chemours recognized pre-tax gains of $3 and $7 for the three and six months ended June 30, 2022, respectively, and a pre-tax loss of less than $1 and a pre-tax gain of less than $1 for the three and six months ended June 30, 2021, respectively, within accumulated other comprehensive loss. For the three and six months ended June 30, 2022, $1 of gain and less than $1 of loss were reclassified to interest expense, net from accumulated other comprehensive loss, respectively. For the three and six months ended June 30, 2021, $1 of loss was reclassified to interest expense, net from accumulated other comprehensive loss, respectively.

The Company expects to reclassify approximately $7 of net pre-tax gain from accumulated other comprehensive loss to interest expense, net over the next 12 months, based on the current market rate.

Net Investment Hedge – Foreign Currency Borrowings

The Company recognized pre-tax gains of $32 and $58 for the three and six months ended June 30, 2022, respectively, and a pre-tax loss of $13 and a pre-tax gain of $24 for the three and six months ended June 30, 2021, respectively, on its net investment hedge within accumulated other comprehensive loss. No amounts were reclassified from accumulated other comprehensive loss for the Company’s net investment hedges during the three and six months ended June 30, 2022 and 2021.

(Dollars in millions, except per share amounts)

Fair Value of Derivative Instruments

The following table sets forth the fair value of the Company's derivative assets and liabilities at June 30, 2022 and December 31, 2021.

		Fair Value Using Level 2 Inputs	
	Balance Sheet Location	**June 30, 2022**	**December 31, 2021**
Asset derivatives:			
Foreign currency forward contracts not designated as a hedging instrument	Accounts and notes receivable, net (Note 8)	$ 1	$ 1
Foreign currency forward contracts designated as a cash flow hedge	Accounts and notes receivable, net (Note 8)	8	5
Interest rate swaps designated as a cash flow hedge	Accounts and notes receivable, net (Note 8)	7	—
Total asset derivatives		$ 16	$ 6
Liability derivatives:			
Foreign currency forward contracts not designated as a hedging instrument	Other accrued liabilities (Note 13)	$ —	$ 1
Total liability derivatives		$ —	$ 1

The Company's foreign currency forward contracts and interest rate swaps are classified as Level 2 financial instruments within the fair value hierarchy as the valuation inputs are based on quoted prices and market observable data of similar instruments. For derivative assets and liabilities, standard industry models are used to calculate the fair value of the various financial instruments based on significant observable market inputs, such as foreign exchange rates and implied volatilities obtained from various market sources. Market inputs are obtained from well-established and recognized vendors of market data, and are subjected to tolerance and/or quality checks.

(Dollars in millions, except per share amounts)

Summary of Financial Instruments

The following table sets forth the pre-tax changes in fair value of the Company's financial instruments for the three and six months ended June 30, 2022 and 2021.

	Gain (Loss) Recognized In			
Three Months Ended June 30,	**Cost of Goods Sold**	**Interest Expense, Net**	**Other Income (Expense), Net**	**Accumulated Other Comprehensive Loss**
2022				
Foreign currency forward contracts not designated as a hedging instrument	$ —	$ —	$ 5	$ —
Foreign currency forward contracts designated as a cash flow hedge	3	—	—	6
Interest rate swaps designated as a cash flow hedge	—	1	—	3
Euro-denominated debt designated as a net investment hedge	—	—	—	32
2021				
Foreign currency forward contracts not designated as a hedging instrument	$ —	$ —	$ 9	$ —
Foreign currency forward contracts designated as a cash flow hedge	(1)	—	—	(1)
Interest rate swaps designated as a cash flow hedge	—	(1)	—	—
Euro-denominated debt designated as a net investment hedge	—	—	—	(13)

	Gain (Loss) Recognized In			
Six Months Ended June 30,	**Cost of Goods Sold**	**Interest Expense, Net**	**Other Income (Expense), Net**	**Accumulated Other Comprehensive Loss**
2022				
Foreign currency forward contracts not designated as a hedging instrument	$ —	$ —	$ (1)	$ —
Foreign currency forward contracts designated as a cash flow hedge	6	—	—	11
Interest rate swaps designated as a cash flow hedge	—	—	—	7
Euro-denominated debt designated as a net investment hedge	—	—	—	58
2021				
Foreign currency forward contracts not designated as a hedging instrument	$ —	$ —	$ (11)	$ —
Foreign currency forward contracts designated as a cash flow hedge	(3)	—	—	3
Interest rate swaps designated as a cash flow hedge	—	(1)	—	—
Euro-denominated debt designated as a net investment hedge	—	—	—	24

(Dollars in millions, except per share amounts)

Note 21. Long-term Employee Benefits

Chemours sponsors defined benefit pension plans for certain of its employees in various jurisdictions outside of the U.S. The Company's net periodic pension (cost) income is based on estimated values and the use of assumptions about the discount rate, expected return on plan assets, and the rate of future compensation increases received by its employees.

The following table sets forth the Company's net periodic pension (cost) income and amounts recognized in other comprehensive income (loss) for the three and six months ended June 30, 2022 and 2021.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Service cost	$ (3)	$ (4)	$ (7)	$ (8)
Interest cost	(1)	(2)	(3)	(3)
Expected return on plan assets	5	5	9	10
Amortization of actuarial loss	(2)	(2)	(4)	(4)
Amortization of prior service gain	—	1	1	2
Total net periodic pension cost	$ (1)	$ (2)	$ (4)	$ (3)
Amortization of actuarial loss	2	2	4	4
Amortization of prior service gain	—	(1)	(1)	(2)
Effect of foreign exchange rates	4	(2)	7	2
Benefit (cost) recognized in other comprehensive income	6	(1)	10	4
Total changes in plan assets and benefit obligations recognized in other comprehensive income	$ 5	$ (3)	$ 6	$ 1

The Company made cash contributions of $2 and $7 to its defined benefit pension plans during the three and six months ended June 30, 2022, respectively, and $3 and $8 for the three and six months ended June 30, 2021, respectively, and expects to make additional cash contributions of $2 to its defined benefit pension plans during the remainder of 2022.

Note 22. Supplemental Cash Flow Information

The following table provides a reconciliation of cash and cash equivalents, as reported on the Company's consolidated balance sheets, to cash, cash equivalents, restricted cash and restricted cash equivalents, as reported on the Company's consolidated statements of cash flows.

	June 30, 2022	December 31, 2021
Cash and cash equivalents	$ 1,248	$ 1,451
Restricted cash and restricted cash equivalents (1)	100	100
Cash, cash equivalents, restricted cash and restricted cash equivalents	$ 1,348	$ 1,551

(1) Restricted cash and restricted cash equivalents balance includes cash and cash equivalents deposited in an escrow account as per the terms of the MOU, which is further discussed in "Note 16 – Commitments and Contingent Liabilities".

Note 23. Segment Information

Chemours operates through its three reportable segments, which were organized based on their similar economic characteristics, the nature of products and production processes, end-use markets, channels of distribution, and regulatory environments: Titanium Technologies, Thermal & Specialized Solutions, and Advanced Performance Materials. The Company's Performance Chemicals and Intermediates business and Mining Solutions business (prior to the business sale in 2021) are presented under Other Segment. Corporate costs and certain legal and environmental expenses, stock-based compensation expenses, and foreign exchange gains and losses arising from the remeasurement of balances in currencies other than the functional currency of the Company's legal entities are reflected in Corporate and Other.

Beginning with reports filed in the first quarter of 2022, the Company changed its methodology used to allocate certain corporate function expenses to the operating segments to provide the Company's Chief Operating Decision Maker ("CODM") with a more meaningful representation of segment profitability. This allocation methodology change reflects corporate function resource usage by each operating segment based on certain commercial drivers, in addition to the cost drivers, as well as consideration of the Company's recent sale of the Mining Solutions business in 2021. The historical segment information, including adjusted earnings before interest, taxes, depreciation, and amortization ("Adjusted EBITDA"), has been recast to conform to the current segment presentation.

Adjusted EBITDA is the primary measure of segment profitability used by the Company's CODM and is defined as income (loss) before income taxes, excluding the following:

- interest expense, depreciation, and amortization;
- non-operating pension and other post-retirement employee benefit costs, which represents the components of net periodic pension (income) costs excluding the service cost component;
- exchange (gains) losses included in other income (expense), net;
- restructuring, asset-related, and other charges;
- (gains) losses on sales of assets and businesses; and,
- other items not considered indicative of the Company's ongoing operational performance and expected to occur infrequently, including Qualified Spend reimbursable by DuPont and/or Corteva as part of the Company's cost-sharing agreement under the terms of the MOU that were previously excluded from Adjusted EBITDA.

(Dollars in millions, except per share amounts)

The following table sets forth certain summary financial information for the Company's segments for the periods presented.

	Titanium Technologies	Thermal & Specialized Solutions	Advanced Performance Materials	Other Segment	Segment Total
Three Months Ended June 30, 2022					
Net sales to external customers	$ 968	$ 518	$ 401	$ 28	$ 1,915
Adjusted EBITDA	216	213	107	(2)	534
Depreciation and amortization	30	14	21	2	67
Three Months Ended June 30, 2021					
Net sales to external customers	$ 859	$ 340	$ 362	$ 94	$ 1,655
Adjusted EBITDA	217	115	79	18	429
Depreciation and amortization	32	14	21	5	72

	Titanium Technologies	Thermal & Specialized Solutions	Advanced Performance Materials	Other Segment	Segment Total
Six Months Ended June 30, 2022					
Net sales to external customers	$ 1,897	$ 943	$ 786	$ 53	$ 3,679
Adjusted EBITDA	422	387	194	(2)	1,001
Depreciation and amortization	62	27	41	4	134
Six Months Ended June 30, 2021					
Net sales to external customers	$ 1,583	$ 643	$ 695	$ 170	$ 3,091
Adjusted EBITDA	383	205	137	27	752
Depreciation and amortization	64	30	44	10	148
Total Assets					
June 30, 2022	$ 2,437	$ 1,287	$ 1,704	$ 128	$ 5,556
December 31, 2021	2,318	1,124	1,621	149	5,212

Corporate and Other depreciation and amortization expense amounted to $5 and $12 for the three and six months ended June 30, 2022, respectively, and $7 and $15 for the three and six months ended June 30, 2021, respectively. Corporate and Other total assets amounted to $2,174 and $2,338 at June 30, 2022 and December 31, 2021, respectively.

(Dollars in millions, except per share amounts)

The following table sets forth a reconciliation of Segment Adjusted EBITDA to the Company's consolidated net income (loss) before income taxes for the three and six months ended June 30, 2022 and 2021.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Segment Adjusted EBITDA	$ 534	$ 429	$ 1,001	$ 752
Corporate and Other expenses (excluding items below)	(59)	(63)	(123)	(118)
Interest expense, net	(40)	(47)	(82)	(97)
Depreciation and amortization	(72)	(79)	(146)	(163)
Non-operating pension and other post-retirement employee benefit income	2	2	3	5
Exchange (losses) gains, net	(3)	3	(3)	(5)
Restructuring, asset-related, and other charges (1)	—	(5)	(16)	—
Gain on sales of assets and businesses, net (2)	26	2	27	2
Natural disasters and catastrophic events (3)	—	(3)	—	(19)
Transaction costs	—	—	—	(5)
Qualified spend recovery (4)	13	—	27	—
Legal and environmental charges (5,6)	(170)	(195)	(178)	(208)
Income before income taxes	$ 231	$ 44	$ 510	$ 144

(1) In 2022, restructuring, asset-related, and other charges primarily includes asset charges and write-offs resulting from the conflict between Russia and Ukraine and the Company's decision to suspend its business with Russian entities. In 2021, restructuring, asset-related, and other charges primarily includes a net $9 gain resulting from contract termination with a third-party services provider at the Company's previously owned Mining Solutions facility in Gomez Palacio, Durango, Mexico.

(2) Refer to "Note 6 – Other Income (Expense), Net" to the *Interim Consolidated Financial Statements* for further details.

(3) In 2021, natural disasters and catastrophic events pertains to the total cost of plant repairs and utility charges in excess of historical averages caused by Winter Storm Uri.

(4) Qualified spend recovery represents costs and expenses that were previously excluded from Adjusted EBITDA, reimbursable by DuPont and/or Corteva as part of the Company's cost-sharing agreement under the terms of the MOU which is discussed in further detail in "Note 16 – Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements*.

(5) Legal charges pertains to litigation settlements, PFOA drinking water treatment accruals, and other legal charges. For the three and six months ended June 30, 2021, legal charges include $25 associated with the Company's portion of the costs to enter into a Settlement Agreement, Limited Release, Waiver and Covenant Not to Sue reflecting Chemours, DuPont, Corteva, EID and the State of Delaware's agreement to settle and fully resolve claims alleged against the companies. Refer to "Note 16 – Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements* for further details.

(6) Environmental charges pertains to management's assessment of estimated liabilities associated with certain non-recurring environmental remediation expenses at various sites. In 2022, environmental charges include $165 primarily related to an update to the off-site drinking water programs at Fayetteville and changes in estimates related to the barrier wall constructions. In 2021, environmental charges include $169 primarily related to the construction of the barrier wall, operation of the groundwater extraction and treatment system, and long-term enhancements to the old outfall treatment system. Refer to "Note 16 – Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements* for further details.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") supplements the unaudited Interim Consolidated Financial Statements and the related notes thereto included elsewhere herein to help provide an understanding of our financial condition, changes in our financial condition, and the results of our operations for the periods presented. Unless the context otherwise requires, references herein to "The Chemours Company", "Chemours", "the Company", "our Company", "we", "us", and "our" refer to The Chemours Company and its consolidated subsidiaries. References herein to "EID" refer to E. I. du Pont de Nemours and Company, which is our former parent company and is now a subsidiary of Corteva, Inc. ("Corteva"), a Delaware corporation, unless the context otherwise requires. References herein to "DuPont" refer to DuPont de Nemours, Inc., a Delaware Corporation.

This MD&A should be read in conjunction with the unaudited Interim Consolidated Financial Statements and the related notes thereto included in Item 1 of this Quarterly Report on Form 10-Q, as well as our audited Consolidated Financial Statements and the related notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2021.

This section and other parts of this Quarterly Report on Form 10-Q contain forward-looking statements, within the meaning of the federal securities laws, that involve risks and uncertainties. Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. The words "believe", "expect", "anticipate", "plan", "estimate", "target", "project", and similar expressions, among others, generally identify "forward-looking statements", which speak only as of the date the statements were made. The matters discussed in these forward-looking statements are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from those set forth in the forward-looking statements.

Our forward-looking statements are based on certain assumptions and expectations of future events that may not be accurate or realized. These statements, as well as our historical performance, are not guarantees of future performance. Forward-looking statements also involve risks and uncertainties that are beyond our control. Additionally, there may be other risks and uncertainties that we are unable to identify at this time or that we do not currently expect to have a material impact on our business. Factors that could cause or contribute to these differences include, but are not limited to, the risks, uncertainties, and other factors discussed in the Forward-looking Statements and the Risk Factors sections in our Annual Report on Form 10-K for the year ended December 31, 2021, and as otherwise discussed in this report. We assume no obligation to revise or update any forward-looking statement for any reason, except as required by law.

Overview

We are a leading, global provider of performance chemicals that are key inputs in end-products and processes in a variety of industries. We deliver customized solutions with a wide range of industrial and specialty chemical products for markets, including coatings, plastics, refrigeration and air conditioning, transportation, semiconductor and consumer electronics, general industrial, and oil and gas. Our principal products include titanium dioxide ("TiO_2") pigment, refrigerants, industrial fluoropolymer resins, and performance chemicals and intermediates. We manage and report our operating results through three reportable segments: Titanium Technologies, Thermal & Specialized Solutions, and Advanced Performance Materials. Our Titanium Technologies segment is a leading, global provider of TiO_2 pigment, a premium white pigment used to deliver whiteness, brightness, opacity, and protection in a variety of applications. Our Thermal & Specialized Solutions segment is a leading, global provider of refrigerants, thermal management solutions, propellants, blowing agents, and specialty solvents. Our Advanced Performance Materials segment is a leading, global provider of high-end polymers and advanced materials that deliver unique attributes, including low friction coefficients, extreme temperature resistance, weather resistance, ultraviolet and chemical resistance, and electrical insulation. Our Performance Chemicals and Intermediates business and our Mining Solutions business (prior to the business sale in 2021) are presented under Other Segment.

The Chemours Company

We are a different kind of chemistry company, driven by our vision to create a better world through the power of our chemistry. Our world-class product portfolio brings everyday convenience to virtually everything people touch in their daily lives, making our products and the solutions they enable both vital and essential. We are committed to creating value for our customers and stakeholders around the world through innovative and sustainable solutions, environmental leadership, community impact and making Chemours the greatest place to work for every employee. Our global workforce, renowned for its deep and unmatched expertise, bring our chemistry to life, guided by five core values that form the bedrock foundation for how we operate: (i) ***Customer Centricity*** – driving customer growth, and our own, by understanding our customers' needs and building long-lasting relationships with them; (ii) ***Refreshing Simplicity*** – cutting complexity by investing in what matters, and getting results faster; (iii) ***Collective Entrepreneurship*** – empowering our employees to act like they own our business, while embracing the power of inclusion and teamwork; (iv) ***Safety Obsession*** – living our steadfast belief that a safe workplace is a profitable workplace; and, (v) ***Unshakable Integrity*** – doing what's right for our customers, colleagues, and communities – always.

Additionally, our Corporate Responsibility Commitment focuses on three key principles – inspired people, a shared planet, and an evolved portfolio – in an effort to achieve, among other goals, increased diversity and inclusion in our global workforce, increased sustainability of our products, and addressing our carbon emissions. We call this responsible chemistry – it is rooted in who we are, and we expect that our Corporate Responsibility Commitment will drive sustainable, long-term earnings growth.

Recent Developments

Russia-Ukraine Conflict

In response to the ongoing conflict between Russia and Ukraine, there have been targeted economic sanctions on Russia, and in March 2022 we announced suspension of our business with Russian entities. While neither Russia nor Ukraine has composed or is expected to compose a material portion of Chemours's total consolidated revenues, further escalation of geopolitical tensions could have a broader impact that expands into other geographical regions where we do business, which could adversely impact the economic activity in those regions and cause broader disruption of global supply chains. Potential impacts from further escalation of this rapidly evolving situation are currently unknown and could potentially subject our business to materially adverse consequences should the situation escalate beyond its current scope. The risks and uncertainties around operating as a multi-national corporation, include, but are not limited to, those described in *Item 1A - Risk Factors* in our Annual Report on Form 10-K for the year ended December 31, 2021.

Results of Operations and Business Highlights

Results of Operations

The following table sets forth our results of operations for the three and six months ended June 30, 2022 and 2021.

	Three Months Ended June 30,		Six Months Ended June 30,	
(Dollars in millions, except per share amounts)	2022	2021	2022	2021
Net sales	$ 1,915	$ 1,655	$ 3,679	$ 3,091
Cost of goods sold	1,418	1,391	2,697	2,530
Gross profit	497	264	982	561
Selling, general, and administrative expense	254	172	395	310
Research and development expense	25	27	55	51
Restructuring, asset-related, and other charges	1	5	12	—
Total other operating expenses	280	204	462	361
Equity in earnings of affiliates	16	10	28	20
Interest expense, net	(40)	(47)	(82)	(97)
Other income, net	38	21	44	21
Income before income taxes	231	44	510	144
Provision for (benefit from) income taxes	30	(22)	76	(17)
Net income	201	66	434	161
Net income attributable to Chemours	$ 201	$ 66	$ 434	$ 161
Per share data				
Basic earnings per share of common stock	$ 1.29	$ 0.40	$ 2.75	$ 0.97
Diluted earnings per share of common stock	1.26	0.39	2.69	0.95

Net Sales

The following table sets forth the impacts of price, volume, currency, and portfolio changes on our net sales for the three and six months ended June 30, 2022, compared with the same periods in 2021.

Change in net sales from prior period	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
Price	23%	24%
Volume	(1)%	1%
Currency	(2)%	(2)%
Portfolio	(4)%	(4)%
Total change in net sales	16%	19%

Our net sales increased by $260 million (or 16%) to $1.9 billion for the three months ended June 30, 2022, compared with net sales of $1.7 billion for the same period in 2021. The increase in our net sales for the three months ended June 30, 2022 was primarily attributable to an increase in price of 23%, partially offset by a decrease in volume of 1% and portfolio change of 4% driven by the sale of our Mining Solutions business in 2021. Price increased across all our reportable segments, while volume decreases were largely contributed by our Titanium Technologies segment, substantially offset by higher volume in our Thermal and Specialized Solutions segment. Unfavorable currency movements in all our reportable segments added a headwind of 2% to our net sales.

Our net sales increased by $588 million (or 19%) to $3.7 billion for the six months ended June 30, 2022, compared with net sales of $3.1 billion for the same period in 2021. The increase in our net sales for the six months ended June 30, 2022 was primarily attributable to an increase in price of 24% and an increase in volume of 1%, partially offset by portfolio change of 4% driven by the sale of our Mining Solutions business in 2021. Price increased across all our reportable segments and volume increased in our Thermal & Specialized Solutions and Advanced Performance Materials segments. Unfavorable currency movements in all our reportable segments added a headwind of 2% to our net sales.

The key drivers of these changes for each of our segments are discussed further under the "Segment Reviews" section within this *MD&A*.

Cost of Goods Sold

Our cost of goods sold ("COGS") increased by $27 million (or 2%) and $167 million (or 7%) to $1.4 billion and $2.7 billion for the three and six months ended June 30, 2022, respectively, compared with COGS of $1.4 billion and $2.5 billion for the same periods in 2021. The increases in our COGS for the three and six months ended June 30, 2022 were primarily attributable to higher net sales, higher raw material costs due to inflation and supply constraints, higher distribution, freight, and logistics expenses, partially offset by higher on-site remediation costs at our Fayetteville Works site in Fayetteville, North Carolina ("Fayetteville") during 2021 and Qualified Spend recovery from DuPont and Corteva recognized in the first and second quarter of 2022 (none recognized comparatively in the same period of 2021).

Selling, General, and Administrative Expense

Our selling, general, and administrative ("SG&A") expense increased by $82 million (or 48%) and $85 million (or 27%) to $254 million and $395 million for the three and six months ended June 30, 2022, respectively, compared with SG&A expense of $172 million and $310 million for the same periods in 2021. The increases in our SG&A expense for the three and six months ended June 30, 2022 were primarily attributable to increased off-site environmental remediation costs at Fayetteville in 2022 of approximately $108 million, partially offset by the $25 million charge incurred in the second quarter of 2021 in connection with our portion of the settlement agreement with the State of Delaware.

Research and Development Expense

Our research and development ("R&D") expense was largely unchanged at $25 million for the three months ended June 30, 2022, compared with R&D expense of $27 million for the same period in 2021. Our R&D expense increased by $4 million (or 8%) to $55 million for the six months ended June 30, 2022, compared with R&D expense of $51 million for the same period in 2021. The increase in our R&D expense for the six months ended June 30, 2022 was primarily attributable to growth initiatives in the current year and our increased focus on product development in our Advanced Performance Materials segment.

Restructuring, Asset-Related, and Other Charges

Our restructuring, asset-related, and other charges decreased by $4 million (or 80%) to $1 million for the three months ended June 30, 2022, compared with restructuring, asset-related, and other charges of $5 million for the same period in 2021. Our restructuring, asset-related, and other charges increased by $12 million (or 100%) to $12 million for the six months ended June 30, 2022, compared with restructuring, asset-related, and other charges of less than $1 million for the same period in 2021. The $12 million increase in our restructuring, asset-related, and other charges for the six months ended June 30, 2022 was primarily attributable to $5 million of asset charges resulting from the conflict between Russia and Ukraine and our decision to suspend business with Russian entities, and $6 million of employee separation charges incurred in connection with our 2022 Restructuring Program.

Our restructuring, asset-related, and other charges for the three and six months ended June 30, 2021 were primarily attributable to $4 million and $8 million of decommissioning and dismantling related charges in connection with our decision to exit the Aniline business and stop production at our Pascagoula, Mississippi manufacturing plants. For the six months ended June 30, 2021 the decrease was offset by a net $7 million gain in Other Charges in connection with our contract termination with a third-party services provider at our previously owned Mining Solutions facility in Gomez Palacio, Durango, Mexico.

Equity in Earnings of Affiliates

Our equity in earnings of affiliates increased by $6 million (or 60%) and $8 million (or 40%) to $16 million and $28 million for the three and six months ended June 30, 2022, respectively, compared with equity in earnings of affiliates of $10 million and $20 million for the same periods in 2021. The increases in our equity in earnings of affiliates for the three and six months ended June 30, 2022 were primarily attributable to increased pricing and demand for our investees' products.

Interest Expense, Net

Our interest expense, net decreased by $7 million (or 15%) and $15 million (or 15%) to $40 million and $82 million for the three and six months ended June 30, 2022, respectively, compared with interest expense, net of $47 million and $97 million for the same periods in 2021. The decreases in our interest expense, net for the three and six months ended June 30, 2022 were primarily attributable to a reduction in our outstanding debt obligations and associated rates following the refinancing of our 7.000% senior notes due May 2025, denominated in U.S. dollars, in August of 2021.

Other Income, Net

Our other income, net increased by $17 million (or 81%) and $23 million (or over 100%) to $38 million and $44 million for the three and six months ended June 30, 2022, respectively, compared with other income, net of $21 million for the same periods in 2021. The increases in our other income, net for the three and six months ended June 30, 2022 were primarily attributable to a net pre-tax gain on sale of $11 million and $18 million associated with the sale of our land related to the Beaumont former operating site (the "Beaumont Transaction") and the stock sale of certain of our wholly-owned subsidiaries and the remaining assets at our former Aniline business facilities in Pascagoula, Mississippi (the "Pascagoula Transaction"), respectively. For the three months ended June 30, 2022, the comparative increase in our other income, net was partially offset by unfavorable changes in net exchange gains and losses of $6 million.

Provision for (Benefit from) Income Taxes

We have a provision for income taxes of $30 million for the three months ended June 30, 2022 and a benefit from income taxes of $22 million for the three months ended June 30, 2021, which represented effective tax rates of 13% and negative 50%, respectively. The $52 million increase in our provision for income taxes for the three months ended June 30, 2022 was attributable to increased profitability, changes to our geographical mix of earnings, and changes to non-recurring items. Changes to non-recurring items include a tax expense of $6 million associated with the Beaumont and Pascagoula Transactions recognized in the pre-tax gain on sale during the second quarter of 2022 and an $11 million income tax benefit recognized in the second quarter of 2021 associated with a 2012 income tax refund received in a foreign subsidiary.

We have a provision for income taxes of $76 million for the six months ended June 30, 2022 and a benefit from income taxes of $17 million for the six months ended June 30, 2021, which represented effective tax rates of 15% and negative 12%, respectively. The $93 million increase in our provision for income taxes for the six months ended June 30, 2022, respectively, was primarily attributable to the same factors discussed in the preceding paragraph regarding increases for the three months ended June 30, 2022 and 2021.

Segment Reviews

Beginning with reports filed in the first quarter of 2022, we changed our methodology used to allocate certain corporate function expenses to our operating segments to provide our Chief Operating Decision Maker ("CODM") with a more meaningful representation of segment profitability. This allocation methodology change reflects corporate function resource usage by each operating segment based on certain commercial drivers, in addition to the cost drivers, as well as consideration of our recent sale of the Mining Solutions business in 2021. The historical segment information, including adjusted earnings before interest, taxes, depreciation, and amortization ("Adjusted EBITDA"), has been recast to conform to the current segment presentation.

Adjusted EBITDA is the primary measure of segment profitability used by our CODM and is defined as income (loss) before income taxes, excluding the following:

- interest expense, depreciation, and amortization;
- non-operating pension and other post-retirement employee benefit costs, which represents the component of net periodic pension (income) costs excluding the service cost component;
- exchange (gains) losses included in other income (expense), net;
- restructuring, asset-related, and other charges;
- (gains) losses on sales of assets and businesses; and,
- other items not considered indicative of our ongoing operational performance and expected to occur infrequently, including Qualified Spend reimbursable by DuPont and/or Corteva as part of our cost-sharing agreement under the terms of the Memorandum of Understanding ("MOU") that were previously excluded from Adjusted EBITDA.

A reconciliation of net income (loss) attributable to Chemours to Adjusted EBITDA for the three and six months ended June 30, 2022 and 2021 is included in the "Non-GAAP Financial Measures" section of this *MD&A*.

The following table sets forth our Adjusted EBITDA by segment for the three and six months ended June 30, 2022 and 2021.

	Three Months Ended June 30,		Six Months Ended June 30,	
(Dollars in millions)	2022	2021	2022	2021
Titanium Technologies	$ 216	$ 217	$ 422	$ 383
Thermal & Specialized Solutions	213	115	387	205
Advanced Performance Materials	107	79	194	137
Other Segment	(2)	18	(2)	27
Corporate and Other	(59)	(63)	(123)	(118)
Total Adjusted EBITDA	$ 475	$ 366	$ 878	$ 634

Titanium Technologies

The following table sets forth the net sales, Adjusted EBITDA, and Adjusted EBITDA margin amounts for our Titanium Technologies segment for the three and six months ended June 30, 2022 and 2021.

	Three Months Ended June 30,		Six Months Ended June 30,	
(Dollars in millions)	2022	2021	2022	2021
Segment net sales	$ 968	$ 859	$ 1,897	$ 1,583
Adjusted EBITDA	216	217	422	383
Adjusted EBITDA margin	22%	25%	22%	24%

The following table sets forth the impacts of price, volume, currency, and portfolio changes on our Titanium Technologies segment's net sales for the three and six months ended June 30, 2022, compared with the same periods in 2021.

Change in segment net sales from prior period	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
Price	23%	23%
Volume	(8)%	(1)%
Currency	(2)%	(2)%
Portfolio	—%	—%
Total change in segment net sales	13%	20%

Segment Net Sales

Our Titanium Technologies segment's net sales increased by $109 million (or 13%) and $314 million (or 20%) to $968 million and $1.9 billion for the three and six months ended June 30, 2022, respectively, compared with segment net sales of $859 million and $1.6 billion for the same period in 2021. The increase in segment net sales for the three and six months ended June 30, 2022 was primarily attributable to an increase in price of 23% for both periods, partially offset by a decrease in volume of 8% and 1%, respectively. Price increases were due to contractual price changes, as well as price increases in our Flex and Distribution channels. Volume decreases were driven by constraints in output due to ore shortages, despite a steady demand for our products across all end-markets and regions. Unfavorable currency movements added a 2% headwind to the segment's net sales during both the three and six months ended June 30, 2022.

Adjusted EBITDA and Adjusted EBITDA Margin

For the three months ended June 30, 2022, segment Adjusted EBITDA remained largely unchanged at $216 million and Adjusted EBITDA margin decreased by approximately 300 basis points to 22%, compared with segment Adjusted EBITDA of $217 million and Adjusted EBITDA margin of 25% for the same period in 2021. For the six months ended June 30, 2022, segment Adjusted EBITDA increased by $39 million (or 10%) to $422 million and Adjusted EBITDA margin decreased by approximately 200 basis points to 22%, compared with segment Adjusted EBITDA of $383 million and Adjusted EBITDA margin of 24% for the same period in 2021. Adjusted EBITDA for the three months ended June 30, 2022 remained largely unchanged as the impact of lower volumes and higher raw material, energy and logistics costs was largely offset by the aforementioned increase in price. The increase in Adjusted EBITDA during the six months ended June 30, 2022 was primarily attributable to the aforementioned increase in price, partially offset by higher raw material, energy and logistics costs. The decreases in Adjusted EBITDA margin during the three and six months ended June 30, 2022 were primarily attributable to the aforementioned higher raw material, energy, and logistics costs.

Thermal & Specialized Solutions

The following table sets forth the net sales, Adjusted EBITDA, and Adjusted EBITDA margin amounts for our Thermal & Specialized Solutions segment for the three and six months ended June 30, 2022 and 2021.

(Dollars in millions)	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Segment net sales	$ 518	$ 340	$ 943	$ 643
Adjusted EBITDA	213	115	387	205
Adjusted EBITDA margin	41 %	34 %	41 %	32 %

The following table sets forth the impacts of price, volume, currency, and portfolio changes on our Thermal & Specialized Solutions segment's net sales for the three and six months ended June 30, 2022, compared with the same periods in 2021.

Change in segment net sales from prior period	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
Price	39 %	40 %
Volume	15 %	8 %
Currency	(2)%	(1)%
Portfolio	—%	—%
Total change in segment net sales	52 %	47 %

Segment Net Sales

Our Thermal & Specialized Solutions segment's net sales increased by $178 million (or 52%) and $300 million (or 47%) to $518 million and $943 million for the three and six months ended June 30, 2022, respectively, compared with segment net sales of $340 million and $643 million for the same period in 2021. The increase in segment net sales for the three and six months ended June 30, 2022 was primarily attributable to an increase in price of 39% and 40%, respectively, and an increase in volume of 15% and 8%, respectively. Prices increased in most markets across the business due to changing market and regulatory dynamics and measures taken to recover increases in cost of raw materials. Volumes increased due to continued adoption of Opteon™ and other specialized solutions. Unfavorable currency movements added a 2% and 1% headwind to the segment's net sales during the three and six months ended June 30, 2022, respectively.

Adjusted EBITDA and Adjusted EBITDA Margin

For the three months ended June 30, 2022, segment Adjusted EBITDA increased by $98 million (or 85%) to $213 million and Adjusted EBITDA margin increased by approximately 700 basis points to 41%, compared with segment Adjusted EBITDA of $115 million and Adjusted EBITDA margin of 34% for the same period in 2021. For the six months ended June 30, 2022, segment Adjusted EBITDA increased by $182 million (or 89%) to $387 million and Adjusted EBITDA margin increased by approximately 900 basis points to 41%, compared with segment Adjusted EBITDA of $205 million and Adjusted EBITDA margin of 32% for the same period in 2021. The increases in segment Adjusted EBITDA and Adjusted EBITDA margin for the three and six months ended June 30, 2022 were primarily attributable to the aforementioned increase in price and favorable product mix, partially offset by higher raw material costs.

Advanced Performance Materials

The following table sets forth the net sales, Adjusted EBITDA, and Adjusted EBITDA margin amounts for our Advanced Performance Materials segment for the three and six months ended June 30, 2022 and 2021.

(Dollars in millions)	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Segment net sales	$ 401	$ 362	$ 786	$ 695
Adjusted EBITDA	107	79	194	137
Adjusted EBITDA margin	27%	22%	25%	20%

The following table sets forth the impacts of price, volume, currency, and portfolio changes on our Advanced Performance Materials segment's net sales for the three and six months ended June 30, 2022, compared with the same periods in 2021.

Change in segment net sales from prior period	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
Price	15%	15%
Volume	(1)%	1%
Currency	(3)%	(3)%
Portfolio	—%	—%
Total change in segment net sales	11%	13%

Segment Net Sales

Our Advanced Performance Materials segment's net sales increased by $39 million (or 11%) to $401 million for the three months ended June 30, 2022, compared with segment net sales of $362 million for the same period in 2021. The increase in segment net sales for the three months ended June 30, 2022 was primarily attributable to an increase in price of 15%, partially offset by a decrease in volume of 1%. Global average selling price increased due to increasing sales in high-value end-markets, including advanced electronics, semiconductors, and clean energy, as well as customer level pricing actions to offset increased raw material and energy costs. Volume decreased slightly due to lower demand in non-strategic end-markets where fade has been anticipated given our strategy to drive higher value, differentiated product offerings. Unfavorable currency movements added a 3% headwind to the segment's net sales during the three months ended June 30, 2022.

Our Advanced Performance Materials segment's net sales increased by $91 million (or 13%) to $786 million for the six months ended June 30, 2022, respectively, compared with segment net sales of $695 million for the same period in 2021. The increase in segment net sales for the six months ended June 30, 2022 was primarily attributable to increases in price of 15% and volume of 1%. Global average selling price increased due to increasing sales in high-value end-markets, including advanced electronics, semiconductors, and clean energy, as well as customer level pricing actions to offset increased raw material and energy costs. Volume increased due to higher global customer demand across nearly all regions and markets, partially offset by supply chain challenges and lower demand in non-strategic end-markets where fade has been anticipated given our strategy to drive higher value, differentiated product offerings. Unfavorable currency movements added a 3% headwind to the segment's net sales during the six months ended June 30, 2022.

Adjusted EBITDA and Adjusted EBITDA Margin

For the three months ended June 30, 2022, segment Adjusted EBITDA increased by $28 million (or 35%) to $107 million and Adjusted EBITDA margin increased by approximately 500 basis points to 27%, compared with segment Adjusted EBITDA of $79 million and Adjusted EBITDA margin of 22% for the same period in 2021. For the six months ended June 30, 2022, segment Adjusted EBITDA increased by $57 million (or 42%) to $194 million and Adjusted EBITDA margin increased by approximately 500 basis points to 25%, compared with segment Adjusted EBITDA of $137 million and Adjusted EBITDA margin of 20% for the same period in 2021. The increases in segment Adjusted EBITDA and Adjusted EBITDA margin for the three and six months ended June 30, 2022 were primarily attributable to the aforementioned favorable mix and increase in price, partially offset by higher raw material, energy, and logistics costs and growth investments.

Corporate and Other

Corporate and Other costs decreased by $4 million (or 6%) and increased by $5 million (or 4%) to $59 million and $123 million for the three and six months ended June 30, 2022, respectively, compared with Corporate and Other costs of $63 million and $118 million for the same periods in 2021. The decrease in Corporate and Other costs for the three months ended June 30, 2022 was primarily attributable to lower legacy legal costs and Qualified Spend recovery recognized in 2022 (none recognized in 2021), partially offset by regulatory and environmental-related costs. The increase in Corporate and Other costs for the six months ended June 30, 2022 was primarily attributable to higher costs associated with regulatory and environmental costs and initiatives, partially offset by lower legacy legal costs and Qualified Spend recovery from DuPont and Corteva recognized in the first half of 2022 (none recognized in the first half of 2021).

2022 Outlook

Our 2022 results will be driven by the following expectations in each of our reportable segments:

- **Titanium Technologies** –Continued demand strength across most end-markets with demand normalizing to long-term global GDP rates, partially offset by headwinds from raw material inflation and shortages, logistics challenges, and customer supply chain issues;
- **Thermal & Specialized Solutions** – Improved customer demand for our refrigerants, including continued Opteon™ adoption in mobile and stationary applications, paired with market recovery from semiconductor supply chain constraints; and,
- **Advanced Performance Materials** – Continued strong demand for our polymers across diverse end-markets, partially offset by raw material inflation, energy costs, and logistics challenges.

We expect that our capital expenditures will be approximately $400 million.

Our outlook for 2022 reflects our current visibility and expectations based on market factors, such as currency movements, macro-economic factors, and end-market demand. In particular, macro-economic factors may be impacted by factors beyond our control, including the ongoing Russia-Ukraine conflict. Our ability to meet our expectations are subject to numerous risks, including, but not limited to, those described in *Item 1A – Risk Factors* within our Annual Report on Form 10-K for the year ended December 31, 2021.

Liquidity and Capital Resources

Our primary sources of liquidity are cash generated from operations and available cash, along with our receivables securitization and borrowings under our debt financing arrangements, both of which are described in further detail in “Note 14 – Debt” to the *Interim Consolidated Financial Statements* and “Note 20 – Debt” to the *Consolidated Financial Statements* in our Annual Report on Form 10-K for the year ended December 31, 2021. Our operating cash flow generation is driven by, among other things, the general global economic conditions at any point in time and their resulting impacts on demand for our products, raw materials and energy prices, and industry-specific issues, such as production capacity and utilization. We have generated strong operating cash flows through various past industry and economic cycles, evidencing the underlying operating strength of our businesses.

At June 30, 2022, we had total cash and cash equivalents of $1.2 billion, of which $644 million was held by our foreign subsidiaries. All cash and cash equivalents held by our foreign subsidiaries is readily convertible into currencies used in our operations, including the U.S. dollar. During the six months ended June 30, 2022, we received approximately $366 million of net cash in the U.S. through dividends. Management believes that sufficient liquidity is available in the U.S. through at least July 2023, which includes borrowing capacity under our revolving credit facility. For further information related to our income tax positions, refer to “Note 9 – Income Taxes” to the *Consolidated Financial Statements* in our Annual Report on Form 10-K for the year ended December 31, 2021.

Over the course of the next 12 months and beyond, we anticipate making significant cash payments for known contractual and other obligations, which we expect to fund through cash generated from operations, available cash, receivables securitization, and our existing debt financing arrangements. Such obligations include principal and interest obligations on long-term debt, contractual obligations for operating and finance leases, purchase obligations, and our expectations for capital expenditures, which did not significantly change from what was previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2021. Our contractual and other obligations also include:

- **Environmental remediation** – We, due to the terms of our Separation-related agreements with EID, are subject to contingencies pursuant to environmental laws and regulations that in the future may require further action to correct the effects on the environment of prior disposal practices or releases of chemical substances, which are attributable to EID’s activities before our spin-off. Much of this liability results from Comprehensive Environmental Response Compensation and Liability Act (“CERCLA”), Resource Conservation and Recovery Act (“RCRA”), and similar federal, state, local, and foreign laws. These laws may require us to undertake certain investigative, remediation, and restoration activities at sites where we conduct or EID once conducted operations or at sites where waste generated by us was disposed. At June 30, 2022, our consolidated balance sheets include $707 million for environmental remediation liabilities, of which $239 million was classified as current, and a portion is subject to recovery under the MOU. Of the current environmental liabilities of $239 million, $181 million relates to Fayetteville. Pursuant to the binding MOU that we entered into with DuPont, Corteva, and EID in January 2021, costs related to potential future legacy PFAS liabilities arising out of pre-July 1, 2015 conduct will be subject to the cost-sharing arrangement, where we bear half of the cost of such future potential legacy PFAS liabilities, and DuPont and Corteva will collectively bear the other half of the cost of such future potential legacy PFAS liabilities. Refer to the “Environmental Matters” section within this *MD&A* for the anticipated environmental remediation payments over the next three years. Refer to “Note 16 – Commitments and Contingent Liabilities” to the *Interim Consolidated Financial Statements* for further discussion of the MOU and Qualified Spend.
- **PFAS escrow funding requirements** – Pursuant to the binding MOU that we entered into with DuPont, Corteva, and EID in January 2021, the next escrow payment of $100 million is expected to be made on or before September 30, 2022. Refer to “Note 16 – Commitments and Contingent Liabilities” to the *Interim Consolidated Financial Statements* for further discussion.

We continue to believe our sources of liquidity are sufficient to fund our planned operations and to meet our interest, dividend, and contractual obligations through at least July 2023. Our financial policy seeks to: (i) selectively invest in organic and inorganic growth to enhance our portfolio, including certain strategic capital investments; (ii) maintain appropriate leverage by using free cash flows to repay outstanding borrowings; and, (iii) return cash to shareholders through dividends and share repurchases. Specific to our objective to return cash to shareholders, in recent quarters, we have previously announced dividends of $0.25 per share, amounting to approximately $160 million per year, and, on July 27, 2022, we announced our quarterly cash dividend of $0.25 per share for the third quarter of 2022. Under our share repurchase program, as further discussed in *Item 2 –Unregistered Sales of Equity Securities and Use of Proceeds* in this Quarterly Report on Form 10-Q, we also have remaining authority to repurchase $731 million of our outstanding common stock. Subject to approval by our board of directors, we may raise additional capital or borrowings from time to time, or seek to refinance our existing debt. There can be no assurances that future capital or borrowings will be available to us, and the cost and availability of new capital or borrowings could be materially impacted by market conditions. Further, the decision to refinance our existing debt is based on a number of factors, including general market conditions and our ability to refinance on attractive terms at any given point in time. Any attempts to raise additional capital or borrowings or refinance our existing debt could cause us to incur significant charges. Such charges could have a material impact on our financial position, results of operations, or cash flows.

Cash Flows

The following table sets forth a summary of the net cash provided by (used for) our operating, investing, and financing activities for the six months ended June 30, 2022 and 2021.

	Six Months Ended June 30,	
(Dollars in millions)	**2022**	**2021**
Cash provided by operating activities	$ 293	$ 295
Cash used for investing activities	(145)	(134)
Cash used for financing activities	(320)	(118)

Operating Activities

We generated $293 million and $295 million in cash flows from our operating activities during the six months ended June 30, 2022 and 2021, respectively. The slight decrease in our operating cash inflows was primarily attributable to working capital build-up, primarily in receivables, and payment of the $25 million settlement with the State of Delaware. This was partially offset by a decrease in our accounts payable, which was driven by the timing of payments to our vendors.

Investing Activities

We used $145 million and $134 million in cash flows for our investing activities during the six months ended June 30, 2022 and 2021, respectively which were primarily attributable to purchases of property, plant, and equipment amounting to $168 million and $127 million, respectively, partially offset by $17 million of cash proceeds related to the Beaumont Transaction and $16 million of cash proceeds related to the Pascagoula Transaction during the six months ended June 30, 2022. Purchases of property, plant, and equipment for the six months ended June 30, 2021 included $22 million of assets acquired in exchange for the termination of a contract with a third-party service provider at our previously owned Mining Solutions facility in Gomez Palacio, Durango, Mexico.

Financing Activities

We used $320 million in cash flows for our financing activities during the six months ended June 30, 2022 which were primarily attributable to our capital allocation activities, resulting in $272 million in purchases of our issued and outstanding common stock under our 2022 Share Repurchase Program and our 2018 Share Repurchase Program and $78 million returned to our shareholders in the form of cash dividends, partially offset by $48 million in stock option exercises.

We used $118 million in cash flows for our financing activities during the six months ended June 30, 2021 which were primarily attributable to $27 million in debt repayments and return to our shareholders in the form of share repurchases of $13 million, and cash dividends of $82 million.

Current Assets

The following table sets forth the components of our current assets at June 30, 2022 and December 31, 2021.

(Dollars in millions)	**June 30, 2022**	**December 31, 2021**
Cash and cash equivalents	$ 1,248	$ 1,451
Accounts and notes receivable, net	1,066	720
Inventories	1,219	1,099
Prepaid expenses and other	73	75
Total current assets	$ 3,606	$ 3,345

Our accounts and notes receivable, net increased by $346 million (or 48%) to $1.1 billion at June 30, 2022, compared with accounts and notes receivable, net of $720 million at December 31, 2021. This increase in our accounts and notes receivable, net at June 30, 2022 was primarily attributable to higher net sales, the timing of collections from our customers, and an increase in receivables under the transition services agreement with Draslovka Holding a.s. associated with the sale of our Mining Solutions business.

Our inventories increased by $120 million (or 11%) to $1.2 billion at June 30, 2022, compared with inventories of $1.1 billion at December 31, 2021. The increase in our inventories at June 30, 2022 was primarily attributable to build-up of our finished product inventories, along with higher raw material costs.

Current Liabilities

The following table sets forth the components of our current liabilities at June 30, 2022 and December 31, 2021.

(Dollars in millions)	**June 30, 2022**	**December 31, 2021**
Accounts payable	$ 1,249	$ 1,162
Compensation and other employee-related costs	111	173
Short-term and current maturities of long-term debt	24	25
Current environmental remediation	239	173
Other accrued liabilities	263	325
Total current liabilities	$ 1,886	$ 1,858

Our accounts payable increased by $87 million (or 7%) to $1.2 billion at June 30, 2022 compared with accounts payable of $1.2 billion at December 31, 2021. The increase in our accounts payable was primarily attributable to higher raw materials purchases in connection with higher sales volumes and the timing of payments to our vendors.

Our compensation and other employee-related costs decreased by $62 million (or 36%) to $111 million at June 30, 2022 compared with compensation and other employee-related costs of $173 million at December 31, 2021. The decrease in our compensation and other employee-related costs at June 30, 2022 was primarily attributable to decreased accruals for employee performance-based compensation following payout of 2021 employee performance-based compensation during the first quarter of 2022.

Our current environmental remediation increased by $66 million (or 38%) to $239 million at June 30, 2022 compared with current environmental remediation of $173 million at December 31, 2021. The increase in our current environmental remediation at June 30, 2022 was primarily attributable to increased accruals for construction of the barrier wall at Fayetteville, as well as off-site groundwater testing and water treatment system installations at qualifying third-party properties primarily in Bladen and Cumberland counties surrounding Fayetteville and for the assessment and for sampling related to potential PFAS contamination of groundwater and supply of alternative drinking water in New Hanover and three other counties downstream from Fayetteville.

Our other accrued liabilities decreased by $62 million (or 19%) to $263 million at June 30, 2022, compared with other accrued liabilities of $325 million at December 31, 2021. The decrease in our other accrued liabilities at June 30, 2022 was primarily attributable to payment of customer rebates during the first quarter of 2022, payment of income taxes in the second quarter of 2022, and a decrease in accrued current litigation following the payment of $25 million associated with our portion of the costs to enter into the Settlement Agreement, Limited Release, Waiver and Covenant Not to Sue reflecting Chemours, DuPont, Corteva, EID and State of Delaware’s agreement to settle and fully resolve claims alleged against the companies.

Credit Facilities and Notes

Refer to "Note 14 – Debt" to the *Interim Consolidated Financial Statements* and "Note 20 – Debt" to the *Consolidated Financial Statements* in our Annual Report on Form 10-K for the year ended December 31, 2021 for a discussion of our credit facilities and notes.

Guarantor Financial Information

The following disclosures set forth summarized financial information and alternative disclosures in accordance with Rule 13-01 of Regulation S-X ("Rule 13-01"). These disclosures have been made in connection with certain subsidiaries' guarantees of the 4.000% senior unsecured notes due May 2026, which are denominated in euros and the 5.375% senior unsecured notes due May 2027 (collectively, the "Registered Notes"), which are registered under the Securities Act of 1933, as amended. Each series of the Registered Notes was issued by The Chemours Company (the "Parent Issuer"), and was fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by the existing and future domestic subsidiaries of the Parent Issuer (together, the "Guarantor Subsidiaries"), subject to certain conditions as set forth in "Note 20 – Debt" to the *Consolidated Financial Statements* in our Annual Report on Form 10-K for the year ended December 31, 2021. The assets, liabilities, and operations of the Guarantor Subsidiaries primarily consist of those attributable to The Chemours Company FC, LLC, our primary operating subsidiary in the United States, as well as the other U.S.-based operating subsidiaries as set forth in *Exhibit 22* to this Quarterly Report on Form 10-Q. Each of the Guarantor Subsidiaries is 100% owned by the Company. None of our other subsidiaries, either direct or indirect, guarantee the Registered Notes (together, the "Non-Guarantor Subsidiaries"). Pursuant to the indentures governing the Registered Notes, the Guarantor Subsidiaries will be automatically released from those guarantees upon the occurrence of certain customary release provisions.

Our summarized financial information is presented on a combined basis, consisting of the Parent Issuer and Guarantor Subsidiaries (collectively, the "Obligor Group"), in accordance with the requirements under Rule 13-01, and is presented after the elimination of: (i) intercompany transactions and balances among the Parent Issuer and Guarantor Subsidiaries, and (ii) equity in earnings from and investments in the Non-Guarantor Subsidiaries.

(Dollars in millions)	**Six Months Ended June 30, 2022**	
Net sales	$	2,397
Gross profit		530
Income before income taxes		246
Net income		213
Net income attributable to Chemours		213

(Dollars in millions)	**June 30, 2022**		**December 31, 2021**	
Assets				
Current assets (1,2,3)	$	1,909	$	1,554
Long-term assets (4)		3,394		3,720
Liabilities				
Current liabilities (2)	$	1,530	$	1,504
Long-term liabilities		4,513		4,497

(1) Current assets includes $604 million and $525 million of cash and cash equivalents at June 30, 2022 and December 31, 2021, respectively.

(2) Current assets includes $555 million and $407 million of intercompany accounts receivable from the Non-Guarantor Subsidiaries at June 30, 2022 and December 31, 2021, respectively. Current liabilities includes $286 million and $328 million of intercompany accounts payable to the Non-Guarantor Subsidiaries at June 30, 2022 and December 31, 2021, respectively.

(3) As of June 30, 2022 and December 31, 2021, $217 million and $76 million of accounts receivable generated by the Obligor Group, respectively, remained outstanding with one of the Non-Guarantor Subsidiaries under the Securitization Facility.

(4) Long-term assets includes $463 million and $729 million of intercompany notes receivable from the Non-Guarantor Subsidiaries at June 30, 2022 and December 31, 2021, respectively.

There are no significant restrictions that may affect the ability of the Guarantor Subsidiaries in guaranteeing the Parent Issuer's obligations under our debt financing arrangements. While the Non-Guarantor Subsidiaries do not guarantee the Parent Issuer's obligations under our debt financing arrangements, we may, from time to time, repatriate post-2017 earnings from certain of these subsidiaries to meet our financing obligations, as well.

Supplier Financing

We maintain supply chain finance programs with several financial institutions. The programs allow our suppliers to sell their receivables to one of the participating financial institutions at the discretion of both parties on terms that are negotiated between the supplier and the respective financial institution. Our obligations to our suppliers, including the amounts due and scheduled payment dates, are not impacted by our suppliers' decisions to sell their receivables under this program. At June 30, 2022 and December 31, 2021, the total amounts outstanding under these programs were $181 million and $153 million, respectively. Pursuant to their agreement with a financial institution, certain suppliers may elect to be paid early at their discretion. The available capacity under these programs can vary based on the number of investors and/or financial institutions participating in these programs at any point in time.

Off-Balance Sheet Arrangements

There have been no material changes to the off-balance sheet arrangement described in our *MD&A* and "Note 20 – Debt" to the *Consolidated Financial Statements* in our Annual Report on Form 10-K for the year ended December 31, 2021.

Critical Accounting Policies and Estimates

Our significant accounting policies are described in our *MD&A* and "Note 3 – Summary of Significant Accounting Policies" to the *Consolidated Financial Statements* in our Annual Report on Form 10-K for the year ended December 31, 2021. There have been no material changes to the critical accounting policies and estimates previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2021, except as described in "Note 2 – Recent Accounting Pronouncements" to the *Interim Consolidated Financial Statements*.

Recent Accounting Pronouncements

See "Note 2 – Recent Accounting Pronouncements" to the *Interim Consolidated Financial Statements* for a discussion about recent accounting pronouncements.

Environmental Matters

Consistent with our values and our *Environment, Health, Safety, and Corporate Responsibility* policy, we are committed to preventing releases to the environment at our manufacturing sites to keep our people and communities safe, and to be good stewards of the environment. We are also subject to environmental laws and regulations relating to the protection of the environment. We believe that, as a general matter, our policies, standards, and procedures are properly designed to prevent unreasonable risk of harm to people and the environment, and that our handling, manufacture, use, and disposal of hazardous substances are in accordance with applicable environmental laws and regulations.

Environmental Remediation

In large part, because of past operations, operations of predecessor companies, or past disposal practices, we, like many other similar companies, have clean-up responsibilities and associated remediation costs, and are subject to claims by other parties, including claims for matters that are liabilities of EID and its subsidiaries that we may be required to indemnify pursuant to the Separation-related agreements executed prior to our separation from EID on July 1, 2015 (the "Separation").

Our environmental liabilities include estimated costs, including certain accruable costs associated with on-site capital projects. The accruable costs relate to a number of sites for which it is probable that environmental remediation will be required, whether or not subject to enforcement activities, as well as those obligations that result from environmental laws such as CERCLA, RCRA, and similar federal, state, local, and foreign laws. These laws may require certain investigative, remediation, and restoration activities at sites where we conduct or EID once conducted operations or at sites where our generated waste was disposed. At June 30, 2022 and December 31, 2021, our consolidated balance sheets include environmental remediation liabilities of $707 million and $562 million, respectively, relating to these matters, which, as discussed in further detail below, include $510 million and $359 million, respectively, for Fayetteville.

As remediation efforts progress, sites move from the investigation phase ("Investigation") to the active clean-up phase ("Active Remediation"), and as construction is completed at Active Remediation sites, those sites move to the operation, maintenance, and monitoring ("OM&M"), or closure phase. As final clean-up activities for some significant sites are completed over the next several years, we expect our annual expenses related to these active sites to decline over time. The time frame for a site to go through all phases of remediation (Investigation and Active Remediation) may take about 15 to 20 years, followed by several years of OM&M activities. Remediation activities, including OM&M activities, vary substantially in duration and cost from site to site. These activities, and their associated costs, depend on the mix of unique site characteristics, evolving remediation technologies, and diverse regulatory requirements, as well as the presence or absence of other Potentially Responsible Parties ("PRPs"). In addition, for claims that we may be required to indemnify EID pursuant to the Separation-related agreements, we and EID may have limited available information for certain sites or are in the early stages of discussions with regulators. For these sites, there may be considerable variability between the clean-up activities that are currently being undertaken or planned and the ultimate actions that could be required. Therefore, considerable uncertainty exists with respect to environmental remediation costs, and, under adverse changes in circumstances, we currently estimate the potential liability may range up to approximately $720 million above the amount accrued at June 30, 2022. This estimate is not intended to reflect an assessment of our maximum potential liability. As noted above, the estimated liabilities are determined based on existing remediation laws and technologies and our planned remedial responses, which are derived from environmental studies, sampling, testing, and analyses. Inherent uncertainties exist in such evaluations, primarily due to unknown environmental conditions, changing governmental regulations regarding liability, and emerging remediation technologies. We will continue to evaluate as new or additional information becomes available in the determination of our environmental remediation liability.

In general, uncertainty is greatest and the range of potential liability is widest in the Investigation phase, narrowing over time as regulatory agencies approve site remedial plans. As a result, uncertainty is reduced, and sites ultimately move into OM&M, as needed. As more sites advance from Investigation to Active Remediation to OM&M or closure, the upper end of the range of potential liability is expected to decrease over time. Some remediation sites will achieve site closure and will require no further action to protect people and the environment and comply with laws and regulations. At certain sites, we expect that there will continue to be some level of remediation activity due to ongoing OM&M of remedial systems. In addition, portfolio changes, such as an acquisition or divestiture, or notification as a PRP for a multi-party Superfund site, could result in additional remediation activity and potentially additional accrual.

Significant Environmental Remediation Sites

While there are many remediation sites that contribute to our total accrued environmental remediation liabilities at June 30, 2022 and December 31, 2021, the following table sets forth the liabilities of the four sites that are deemed the most significant, together with the aggregate liabilities for all other sites.

(Dollars in millions)	**June 30, 2022**	**December 31, 2021**
Chambers Works, Deepwater, New Jersey	$ 30	$ 27
Fayetteville Works, Fayetteville, North Carolina	510	359
Pompton Lakes, New Jersey	41	42
USS Lead, East Chicago, Indiana	19	24
All other sites	107	110
Total environmental remediation	$ 707	$ 562

The four sites listed above represent 85% of our total accrued environmental remediation liabilities at June 30, 2022 and December 31, 2021. For these four sites, we expect to spend, in the aggregate, $283 million over the next three years. For all other sites, we expect to spend $67 million over the next three years.

Chambers Works, Deepwater, New Jersey ("Chambers Works")

The Chambers Works complex is located on the eastern shore of the Delaware River in Deepwater, Salem County, New Jersey. The site comprises the former Carneys Point Works in the northern area and the Chambers Works manufacturing area in the southern area. Site operations began in 1892 when the former Carneys Point smokeless gunpowder plant was constructed at the northern end of Carneys Point. Site operations began in the manufacturing area around 1914 and included the manufacture of dyes, aromatics, elastomers, chlorofluorocarbons, and tetraethyl lead. We continue to manufacture a variety of fluoropolymers and finished products at Chambers Works. In addition, two tenants operate processes at Chambers Works. As a result of over 100 years of continuous industrial activity, site soils and groundwater have been impacted by chemical releases.

In response to identified groundwater contamination, a groundwater interceptor well system ("IWS") was installed in 1970, which was designed to contain contaminated groundwater and restrict off-site migration. Additional remediation is being completed under a federal RCRA Corrective Action permit. The site has been studied extensively over the years, and more than 25 remedial actions have been completed to date and engineering and institutional controls put in place to ensure protection of people and the environment. In 2017, a site perimeter sheet pile barrier intended to more efficiently contain groundwater was completed.

Remaining work beyond continued operation of the IWS and groundwater monitoring includes completion of various targeted studies on site and in adjacent water bodies to close investigation data gaps, as well as selection and implementation of final remedies under RCRA Corrective Action for various solid waste management units and areas of concern not yet addressed through interim measures. Discussions are ongoing with the U.S. Environmental Protection Agency (the "EPA") and the New Jersey Department of Environmental Protection (the "NJ DEP") relating to such remaining work as well as the scope of remedial programs and investigation relating to the Chambers Works site historic industrial activity as well as ongoing remedial programs.

Fayetteville Works, Fayetteville, North Carolina

Fayetteville is located southeast of the City of Fayetteville in Cumberland and Bladen counties, North Carolina. The facility encompasses approximately 2,200 acres, which were purchased by EID in 1970, and are bounded to the east by the Cape Fear River and to the west by North Carolina Highway 87. Currently, the Company manufactures fluorinated monomers, fluorinated vinyl ethers, Nafion™ membranes and dispersions, and fluoropolymer processing aids at the site. A former manufacturing area, which was sold in 1992, produced nylon strapping and elastomeric tape. EID sold its Butacite® and SentryGlas® manufacturing units to Kuraray America, Inc. in September 2014. In July 2015, upon our Separation from EID, we became the owner of the Fayetteville land assets along with fluoromonomers, Nafion™ membranes, and the related polymer processing aid manufacturing units. A polyvinyl fluoride resin manufacturing unit remained with EID.

Beginning in 1996, several stages of site investigation were conducted under oversight by the North Carolina Department of Environmental Quality (the "NC DEQ"), as required by the facility's hazardous waste permit. In addition, the site has voluntarily agreed to agency requests for additional investigations of the potential release of "PFAS" (perfluoroalkyl and polyfluoroalkyl substances) beginning with "PFOA" (collectively, perfluorooctanoic acids and its salts, including the ammonium salt) in 2006. As a result of detection of GenX in on-site groundwater wells during our investigations in 2017, the NC DEQ issued a Notice of Violation ("NOV") in September 2017 alleging violations of North Carolina water quality statutes and requiring further response. Since that time, and in response to three additional NOVs issued by NC DEQ and pursuant to the Consent Order (as discussed below), we have worked cooperatively with the agency to investigate and address releases of PFAS to on-site and off-site groundwater and surface water.

As discussed in "Note 16 – Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements*, we, along with NC DEQ and Cape Fear River Watch ("CFRW"), a non-profit organization, have filed a final Consent Order ("CO") that comprehensively addressed various issues, NOVs, and court filings made by NC DEQ regarding Fayetteville and resolved litigations filed by NC DEQ and CFRW. In connection with the CO, a thermal oxidizer ("TO") became fully operational at the site in December 2019 to reduce aerial PFAS emissions from Fayetteville. The CO requires us to provide permanent replacement drinking water supplies, via connection to public water supply, whole building filtration units and/or reverse osmosis units, to qualifying surrounding residents, businesses, schools, and public buildings with private drinking water wells.

In August 2020, we, along with NC DEQ and CFRW, reached agreement on the terms of an addendum to the CO (the “Addendum”). The Addendum establishes the procedure to implement specified remedial measures for reducing PFAS loadings from Fayetteville to the Cape Fear River, including construction of a barrier wall with groundwater extraction system to be completed by March 15, 2023. After a period of public comment, the Addendum was approved by the North Carolina Superior Court for Bladen County in October 2020 and establishes the procedure to implement specified remedial measures for reducing PFAS loadings from Fayetteville to the Cape Fear River, including construction of a barrier wall with a groundwater extraction system to be completed by March 15, 2023, or an extended date in accordance with the Addendum.

Further discussion related to Fayetteville is included under the heading “Fayetteville Works, Fayetteville, North Carolina” in “Note 16 – Commitments and Contingent Liabilities” to the *Interim Consolidated Financial Statements*.

Pompton Lakes, New Jersey

During the 20th century, blasting caps, fuses, and related materials were manufactured at Pompton Lakes, Passaic County, New Jersey. Operating activities at the site were ceased in the mid-1990s. The primary contaminants in the soil and sediments are lead and mercury. Groundwater contaminants include volatile organic compounds. Under the authority of EPA and NJ DEP, remedial actions at the site are focused on investigating and cleaning-up the area. Groundwater monitoring at the site is ongoing, and we have installed and continue to install vapor mitigation systems at residences within the groundwater plume. In addition, we are further assessing groundwater conditions. In September 2015, EPA issued a modification to the site’s RCRA permit that requires us to dredge mercury contamination from a 36-acre area of the lake and remove sediment from two other areas of the lake near the shoreline. The remediation activities commenced when permits and implementation plans were approved in May 2016, and work on the lake dredging project is now complete. In April 2019, we submitted a revised Corrective Measures Study (“CMS”) proposing actions to address on-site soils impacted from past operations that exceed applicable clean-up criteria. We received comments on the CMS from EPA and NJ DEP in March 2020, and we responded to their comments in June 2020 and continue to seek resolution with EPA.

U.S. Smelter and Lead Refinery, Inc., East Chicago, Indiana

The U.S. Smelter and Lead Refinery, Inc. (“USS Lead”) Superfund site is located in the Calumet neighborhood of East Chicago, Lake County, Indiana. The site includes the former USS Lead facility along with nearby commercial, municipal, and residential areas. The primary compounds of interest are lead and arsenic which may be found in soils within the impacted area. The EPA is directing and organizing remediation on this site, and we are one of a number of parties working cooperatively with EPA on the safe and timely completion of this work. EID’s former East Chicago manufacturing facility was located adjacent to the site, and EID assigned responsibility for the site to us in the Separation Agreement.

The USS Lead Superfund site was listed on the National Priorities List in 2009. To facilitate negotiations with PRPs, EPA divided the residential part of the USS Lead Superfund site into three zones, referred to as Zone 1, Zone 2, and Zone 3. The division into three zones resulted in Atlantic Richfield Co. (“Atlantic Richfield”) and EID entering into an agreement in 2014 with EPA and the State of Indiana to reimburse EPA’s costs to implement clean-up in Zone 1 and Zone 3. In March 2017, we and three other parties – Atlantic Richfield, EID, and the U.S. Metals Refining Co. (“U.S. Metals”) – entered into an administrative order on consent to reimburse EPA’s costs to clean-up a portion of Zone 2. In March 2018, EPA issued a Unilateral Administrative Order for the remainder of the Zone 2 work to five parties, including us, Atlantic Richfield, EID, U.S. Metals, and USS Lead Muller Group, and these parties entered into an interim allocation agreement to perform that work. As of the end of 2019, the required work in Zone 3 had been completed, and Zone 2 was nearly complete by the end of 2020. The determination of a final allocation for Zone 2 and/or the other Zones is ongoing, and additional PRPs may be identified.

The environmental accrual for USS Lead continues to include completion of the remaining obligations under the 2012 Record of Decision ("ROD") and Statement of Work, which principally encompasses completion of Zone 1. The EPA released a proposed amendment to the 2012 ROD (the "ROD Amendment") for a portion of Zone 1 in December 2018 (following its August 2018 Feasibility Study Addendum), with its recommended option based on future residential use. The EPA's ROD Amendment for modified Zone 1 was released in March 2020, and selects as the preferred remedy one which requires a clean-up to residential standards based on the current applicable residential zoning. The ROD Amendment for modified Zone 1 also sets forth a selected contingent remedy which requires clean-up to commercial/industrial standards if the future land use becomes commercial/industrial. In November 2019, a Letter of Intent was executed by the City of East Chicago, Indiana and Industrial Development Advantage, LLC, relating to modified Zone 1 development, and EPA has indicated that it is "more likely" that future land use in this area will be commercial/industrial and not residential. We expect that our future costs for modified Zone 1 will be further contingent on the development of this area and implementation under the ROD Amendment, as well as any final allocation between PRPs. In 2021, we resolved the claims asserted by EPA related to past indirect costs associated with the 2012 ROD as amended, and the 2014 agreement entered into with EPA and the State of Indiana.

New Jersey Department of Environmental Protection Directives and Litigation

In March 2019, NJ DEP issued two Directives, one being a state-wide PFAS Directive, and filed four lawsuits against us and other defendants, including allegations relating to clean-up and removal costs at four sites including Chambers Works. In December 2021, a consolidated order was entered in the lawsuits granting, in part, and denying, in part a motion to dismiss or strike parts of the Second Amended Complaints. In January 2022, NJ DEP filed a motion for a preliminary injunction requiring EID and us to establish a remediation funding source ("RFS") in the amount of $943 million for Chambers Works, the majority of which is for non-PFAS remediation items. Further discussion related to these matters is included in "Note 16 – Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements*.

Climate Change

Central to our Corporate Responsibility Commitment ("CRC") are our ten goals that we aim to achieve by 2030. These goals fall into three pillars: Inspired People, Shared Planet, and Evolved Portfolio. In April 2021, we announced an update to our climate goals to better align our climate commitment with the Paris Accord and set us on a path to achieve net zero greenhouse gas emissions from our operations by 2050. The Shared Planet pillar of our CRC underlines our commitment to deliver essential solutions responsibly, without causing harm to the Earth. With a focus on the responsible treatment of climate, water, and waste, our shared planet 2030 goals are comprised of the following:

- Reduce absolute operations Scope 1 and Scope 2 greenhouse gas ("GHG") emissions by 60%;
- Reduce air and water process emissions of fluorinated organic chemicals by 99% or more; and,
- Reduce our landfill volume intensity by 70%.

As part of the Evolved Portfolio pillar of our CRC, we are reimagining our portfolio to offer solutions that are also safer, healthier, and more resilient for a world that demands more. We believe that climate change is an important global issue that presents both opportunities and challenges for our company, our partners, and our communities. Climate change matters for our company are likely to be driven by changes in physical climate parameters, regulations and/or public policy, and changes in technology and product demand. Our operations and business results are increasingly subject to evolving climate-related legislation and regulations, inclusive of restrictions on GHG emissions, cap and trade emissions trading systems, and taxes on GHG emissions, fuel, and energy, among other provisions. Such regulatory matters have led, and are expected to continue to lead, to subsequent developments in product technology and demand. This helps guide our investment decisions and drive growth in demand for low-carbon and energy-efficient products, manufacturing technologies, and services that facilitate adaptation to a changing climate. Our business segments conduct market trend impact assessments, continuously evaluate opportunities for existing and new products and are well-positioned to take advantage of opportunities that may arise from increased consumer demand for and/or legislation mandating or incentivizing the use of products and technologies necessary to achieve a low-carbon economy.

For example, global regulations driving the phase-down of HFCs, including the EU's F-Gas Directive, the EU's Mobile Air Conditioning Directive, and the recently enacted U.S. American Innovation and Manufacturing Act ("AIM"), promote the adoption and sale of our high performing Opteon™ products, which have lower global warming potential ("GWP") and zero ozone-depletion footprint. Our Opteon™ portfolio has been developed to meet global regulations while maintaining or improving performance compared to the products they replace in refrigeration and cooling applications, such as food transportation, food and pharmaceutical/medical storage, food manufacturing and retail, automotive air conditioning, and residential and commercial building air conditioning. By the year 2025, we estimate that our low GWP products will eliminate an estimated 325 million tons of carbon dioxide equivalents on a global basis.

We are a proponent of the recently passed bipartisan AIM Act, that went into effect in 2022, and will begin the national phase-down of hydrofluorocarbons. In 2021, we announced the implementation of an improvement project to significantly reduce emissions of HFC-23 at our Louisville, Kentucky manufacturing site. The project includes the design, custom-build and installation of proprietary technology to capture at least 99% of HFC-23 process emissions from the site.

Our growth prospects in fluoropolymers are also enhanced by regulation driving the increasing demand for electric vehicles and high-performance, low-emission vehicles. Our fluoropolymers are critical to delivering high performance over a wide range of harsh operating conditions, enhancing passenger safety, improving emission controls, and better fuel economy, and enable vehicle electrification and the shift to hydrogen-powered vehicles. We expect the use of our fluoropolymers in vehicles to increase, driven by the automotive industry's trends toward energy efficiency and clean energy due to evolving emissions performance regulations and increasing adoption of electric vehicles.

As an energy and emissions intensive company, our costs of complying with complex environmental laws, regulations, and enforcements, as well as internal and external voluntary programs, are significant and will continue to be significant for the foreseeable future. These laws, regulations, and enforcements may change and could become more stringent over time, which could result in significant additional compliance costs, increased costs of purchased energy or other raw materials, increased transportation costs, investments in, or restrictions on, our operations, installation or modification of GHG-emitting equipment, or additional costs associated with GHG emissions. Additionally, significant regional or national differences in approaches to the imposition of such regulations and restrictions could present competitive challenges in a global marketplace. Currently, most of our global operating facilities are required to monitor and report their GHG emissions but may or may not be subject to programs requiring trading or emission controls. The EU Emission Trading System applies to our operating sites in that region. Furthermore, U.S. political administration could lead to additional federal regulation with respect to GHG emissions limits and/or other legislation that could impact our operations. By tracking and taking action to reduce our GHG emissions footprint through energy efficiency programs and focused GHG management efforts, we can decrease the potential future impact of these regulatory matters.

PFOA

See our discussion under the heading "PFOA" in "Note 16 – Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements*.

GenX

In June 2019, the Member States Committee of the European Chemicals Agency ("ECHA") voted to list Hexafluoropropylene oxide dimer acid ("HFPO Dimer Acid") as a Substance of Very High Concern. The vote was based on Article 57(f) – equivalent level of concern having probable serious effects to the environment. This identification does not impose immediate regulatory restriction or obligations, but may lead to a future authorization or restriction of the substance. On September 24, 2019, we filed an application with the EU Court of Justice for the annulment of the decision of ECHA to list HFPO Dimer Acid as a Substance of Very High Concern. In February 2022, the General Court dismissed the annulment action and we have appealed such decision.

PFAS

Refer to our discussion under the heading "PFAS" in "Note 16 – Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements*.

In May 2020, ECHA announced that five Member States (Germany, the Netherlands, Norway, Sweden, and Denmark) launched a call for evidence to inform a PFAS restriction proposal. Companies producing or using PFAS, as well as selling mixture or products containing PFAS, were invited to provide input. This call for evidence closed July 31, 2020. Thousands of substances meet the definition of PFAS as outlined in the call for evidence. This very broad definition covers substances with a variety of physical and chemical properties, health and environmental profiles, uses, and benefits. We submitted information on the substances covered by the call for evidence to the Member State competent authority for Germany, which is the Federal Institute for Occupational Safety and Health ("BAuA").

In May 2020, five European countries began an initiative to restrict the manufacture, placing on the market and use of PFAS in the EU. In this regulatory process, more than 4,000 substances, including F-gases and fluoropolymers are being considered as part of this broad regulatory action. On July 15, 2021, the countries submitted their restriction proposal, which informs ECHA of the intent to prepare a PFAS restriction dossier for fluorinated substances within a defined structural formula scope, including branched fluoroalkyl groups and substances containing ether linkages, fluoropolymers and side chain fluorinated polymers. The restriction dossier will include information on hazards and risks, available information on alternatives and an analysis of the risk management instrument for addressing the identified risks. The submitting countries indicate that they expect to submit the restriction dossier to ECHA in January 2023. As part of the preparation of the restriction dossier, stakeholders were requested to provide relevant information and, based on risk and socio-economic information, derogations from the proposed restriction may be proposed by the submitting countries. If a derogation is not proposed by the submitting countries, the relevant stakeholders may do so during a consultation process. The draft dossier will be reviewed by the ECHA committees Risk Assessment Committee ("RAC") and Socio-economic Analysis Committees ("SEAC") and proposals submitted to the EU Commission in 2023. The estimated entry into force of restrictions is 2025. The impacts of restrictions and regulatory measures could lead to material adverse effects on our results of operations, financial condition, and cash flows.

In October 2021, EPA released its PFAS Strategic Roadmap, identifying a comprehensive approach to addressing PFAS. The PFAS Strategic Roadmap sets timelines by which EPA plans to take specific actions through 2024, including establishing a national primary drinking water regulation for PFOA and perfluorooctanesulfonic acid ("PFOS") and taking Effluent Limitations Guidelines actions to regulate PFAS discharges from industrial categories among other actions. As provided under its roadmap, EPA also released on the same day its National PFAS Testing Strategy, under which the agency will identify and select certain PFAS compounds for which it will require PFAS manufacturers to conduct testing pursuant to the Toxic Substances Control Act ("TSCA") orders. EPA has indicated that we will receive orders for certain of such compounds, including seven of the testing orders that will be issued for PFAS compounds alleged to be associated with Fayetteville. In June 2022, EPA issued the first TSCA Section 4(a)(2) order under this program to five recipients, including us and EID, and we have met with the agency in July 2022 to discuss the order and responded to it.

Also in October 2021, EPA published a final toxicity assessment for GenX compounds that decreased the draft reference dose for GenX compounds based on EPA's review of new studies and analyses. On March 18, 2022, we filed a petition to EPA requesting to withdraw and correct its toxicity assessment for GenX compounds, which was denied by EPA on June 14, 2022. The next day, on June 15, 2022, EPA released health advisories for four PFAS, including interim updated lifetime drinking water health advisories for PFOA and PFOS, and final health advisories for GenX compounds, including HFPO Dimer Acid, and another PFAS compound (PFBS). On July 13, 2022, we filed a Petition for Review of the GenX compounds health advisory. The environmental remediation liabilities and accrued litigation, as applicable, recorded for Fayetteville, Washington Works, Parkersburg, West Virginia and Chambers Works, Deepwater, New Jersey as of June 30, 2022 are based upon the existing Consent Orders, agreements and/or voluntary commitments with EPA, state and other local regulators and depending on the ultimate outcome of EPA's actions, could require adjustment to meet any new drinking water standards. We continue to evaluate the impact of EPA's June 15th health advisories and the PFAS Strategic Roadmap. It is reasonably possible that additional costs could be incurred in connection with EPA's actions, however, we cannot estimate the potential impact or additional cost at this time, due in part to the uncertainties on EPA's development of maximum contaminant levels for PFOA and PFOS and the implementation of the June 15th health advisories. Refer to our discussion under the heading "Fayetteville Works, Fayetteville, North Carolina" in "Note 16 – Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements*.

Non-GAAP Financial Measures

We prepare our interim consolidated financial statements in accordance with generally accepted accounting principles in the U.S. ("GAAP"). To supplement our financial information presented in accordance with GAAP, we provide the following non-GAAP financial measures – Adjusted EBITDA, Adjusted Net Income, Adjusted Earnings per Share ("EPS"), Free Cash Flows ("FCF"), Return on Invested Capital ("ROIC"), and Net Leverage Ratio – in order to clarify and provide investors with a better understanding of our performance when analyzing changes in our underlying business between reporting periods and provide for greater transparency with respect to supplemental information used by management in its financial and operational decision-making. We utilize Adjusted EBITDA as the primary measure of segment profitability used by our CODM.

Adjusted EBITDA is defined as income (loss) before income taxes, excluding the following:

- interest expense, depreciation, and amortization;
- non-operating pension and other post-retirement employee benefit costs, which represents the components of net periodic pension (income) costs excluding the service cost component;
- exchange (gains) losses included in other income (expense), net;
- restructuring, asset-related, and other charges;
- (gains) losses on sales of assets and business; and,
- other items not considered indicative of our ongoing operational performance and expected to occur infrequently, including Qualified Spend reimbursable by DuPont and/or Corteva as part of our cost-sharing agreement under the terms of the MOU that were previously excluded from Adjusted EBITDA.

Adjusted Net Income is defined as our net income (loss), adjusted for items excluded from Adjusted EBITDA, except interest expense, depreciation, amortization, and certain provision for (benefit from) income tax amounts. Adjusted EPS is calculated by dividing Adjusted Net Income by the weighted-average number of our common shares outstanding. Diluted Adjusted EPS accounts for the dilutive impact of our stock-based compensation awards, which includes unvested restricted shares. FCF is defined as our cash flows provided by (used for) operating activities, less purchases of property, plant, and equipment as shown in our consolidated statements of cash flows. ROIC is defined as Adjusted Earnings before Interest and Taxes ("EBIT"), divided by the average of our invested capital, which amounts to our net debt, or debt less cash and cash equivalents, plus equity. Net Leverage Ratio is defined as our total debt principal, net, or our total debt principal outstanding less cash and cash equivalents, divided by Adjusted EBITDA.

We believe the presentation of these non-GAAP financial measures, when used in conjunction with GAAP financial measures, is a useful financial analysis tool that can assist investors in assessing our operating performance and underlying prospects. This analysis should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. In the future, we may incur expenses similar to those eliminated in this presentation. Our presentation of Adjusted EBITDA, Adjusted Net Income, Adjusted EPS, FCF, ROIC, and Net Leverage Ratio should not be construed as an inference that our future results will be unaffected by unusual or infrequently occurring items. The non-GAAP financial measures we use may be defined differently from measures with the same or similar names used by other companies. This analysis, as well as the other information provided in this Quarterly Report on Form 10-Q, should be read in conjunction with the *Interim Consolidated Financial Statements* and notes thereto included in this report, as well as the *Consolidated Financial Statements* and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2021.

The Chemours Company

The following table sets forth a reconciliation of our net income (loss) attributable to Chemours to Adjusted Net Income, Adjusted EBITDA, and Adjusted EPS for the three and six months ended June 30, 2022 and 2021.

	Three Months Ended June 30,		Six Months Ended June 30,	
(Dollars in millions, except per share amounts)	2022	2021	2022	2021
Net income attributable to Chemours	$ 201	$ 66	$ 434	$ 161
Non-operating pension and other post-retirement employee benefit income	(2)	(2)	(3)	(5)
Exchange losses (gains), net	3	(3)	3	5
Restructuring, asset-related, and other charges (1)	—	5	16	—
Gain on sales of assets and businesses, net (2)	(26)	(2)	(27)	(2)
Natural disasters and catastrophic events (3)	—	3	—	19
Transaction costs	—	—	—	5
Qualified spend recovery (4)	(13)	—	(27)	—
Legal and environmental charges (5,6)	170	195	178	208
Adjustments made to income taxes (7)	(2)	(10)	(6)	(10)
Benefit from income taxes relating to reconciling items (8)	(29)	(47)	(28)	(58)
Adjusted Net Income	302	205	540	323
Interest expense, net	40	47	82	97
Depreciation and amortization	72	79	146	163
All remaining provision for income taxes	61	35	110	51
Adjusted EBITDA	$ 475	$ 366	$ 878	$ 634
Weighted-average number of common shares outstanding - basic	156,224,802	166,168,550	158,051,092	165,912,089
Dilutive effect of our employee compensation plans	3,442,411	3,989,453	3,562,159	3,693,498
Weighted-average number of common shares outstanding - diluted	159,667,213	170,158,003	161,613,251	169,605,587
Per share data				
Basic earnings per share of common stock	$ 1.29	$ 0.40	$ 2.75	$ 0.97
Diluted earnings per share of common stock	1.26	0.39	2.69	0.95
Adjusted basic earnings per share of common stock	1.93	1.23	3.42	1.95
Adjusted diluted earnings per share of common stock	1.89	1.20	3.34	1.90

(1) In 2022, restructuring, asset-related, and other charges primarily includes asset charges and write-offs resulting from the conflict between Russia and Ukraine and our decision to suspend our business with Russian entities. In 2021, restructuring, asset-related, and other charges primarily includes a net $9 million gain resulting from contract termination with a third-party services provider at our previously owned Mining Solutions facility in Gomez Palacio, Durango, Mexico.

(2) Refer to "Note 6 – Other Income (Expense), Net" to the *Interim Consolidated Financial Statements* for further details.

(3) In 2021, natural disasters and catastrophic events pertains to the total cost of plant repairs and utility charges in excess of historical averages caused by Winter Storm Uri.

(4) Qualified spend recovery represents costs and expenses that were previously excluded from Adjusted EBITDA, reimbursable by DuPont and/or Corteva as part of our cost-sharing agreement under the terms of the MOU which is discussed in further detail in "Note 16 – Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements*.

(5) Legal charges pertains to litigation settlements, PFOA drinking water treatment accruals, and other legal charges. For the three and six months ended June 30, 2021, legal charges include $25 million associated with our portion of the costs to enter into a Settlement Agreement, Limited Release, Waiver and Covenant Not to Sue reflecting Chemours, DuPont, Corteva, EID and the State of Delaware's agreement to settle and fully resolve claims alleged against the companies. Refer to "Note 16 – Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements* for further details.

(6) Environmental charges pertains to management's assessment of estimated liabilities associated with certain non-recurring environmental remediation expenses at various sites. In 2022, environmental charges include $165 million primarily related to an update to the off-site drinking water programs at Fayetteville and changes in estimates related to the barrier wall constructions. In 2021, environmental charges include $169 million primarily related to the construction of the barrier wall, operation of the groundwater extraction and treatment system, and long-term enhancements to the old outfall treatment system. Refer to "Note 16 – Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements* for further details.

(7) Includes the removal of certain discrete income tax impacts within our provision for income taxes, such as shortfalls and windfalls on our share-based payments, certain return-to-accrual adjustments, valuation allowance adjustments, unrealized gains and losses on foreign exchange rate changes, and other discrete income tax items.

(8) The income tax impacts included in this caption are determined using the applicable rates in the taxing jurisdictions in which income or expense occurred for each of the reconciling items and represent both current and deferred income tax expense or benefit based on the nature of the non-GAAP financial measure.

The following table sets forth a reconciliation of our cash flows provided by (used for) operating activities to FCF for the six months ended June 30, 2022 and 2021.

	Six Months Ended June 30,	
(Dollars in millions)	2022	2021
Cash provided by operating activities	$ 293	$ 295
Less: Purchases of property, plant, and equipment (1)	(168)	(127)
Free Cash Flows	$ 125	$ 168

(1) The six months ended June 30, 2021 includes $22 million related to construction-in-progress assets acquired in exchange for the termination of a contract with a third-party service provider at the Mining Solutions facility in Gomez Palacio, Durango, Mexico. In December 2021, the assets at the Mining Solutions facility in Gomez Palacio, Durango, Mexico were sold as part of the divestiture of our Mining Solutions Business.

The following table sets forth a reconciliation of Adjusted EBIT and average invested capital, and their nearest respective GAAP measures, to ROIC for the periods presented.

	Twelve Months Ended June 30,	
(Dollars in millions)	2022	2021
Adjusted EBITDA (1)	$ 1,557	$ 1,090
Less: Depreciation and amortization (1)	(300)	(321)
Adjusted EBIT	$ 1,257	$ 769
	As of June 30,	
(Dollars in millions)	2022	2021
Total debt, net (2)	$ 3,680	$ 3,989
Total equity	1,215	900
Less: Cash and cash equivalents	(1,248)	(1,139)
Invested capital, net	$ 3,647	$ 3,750
Average invested capital (3)	$ 3,667	$ 3,834
Return on Invested Capital	34%	20%

(1) Reconciliations of net income (loss) attributable to Chemours to Adjusted EBITDA are provided on a quarterly basis. Refer to the preceding table for the reconciliation of net income (loss) attributable to Chemours to Adjusted EBITDA for the six months ended June 30, 2022 and 2021.

(2) Total debt principal minus unamortized issue discounts of $5 million and $6 million and debt issuance costs of $25 million and $25 million at June 30, 2022 and 2021, respectively.

(3) Average invested capital is based on a five-quarter trailing average of invested capital, net.

The following table sets forth a reconciliation of our total debt principal, cash and cash equivalents, and Adjusted EBITDA to Net Leverage Ratio.

	As of June 30,	
(Dollars in millions)	2022	2021
Total debt principal	$ 3,710	$ 4,020
Less: Cash and cash equivalents	(1,248)	(1,139)
Total debt principal, net	$ 2,462	$ 2,881
	Twelve Months Ended June 30,	
(Dollars in millions)	2022	2021
Adjusted EBITDA (1)	$ 1,557	$ 1,090
Net Leverage Ratio	1.6x	2.6x

(1) Reconciliations of net income (loss) attributable to Chemours to Adjusted EBITDA are provided on a quarterly basis. Refer to the preceding table for the reconciliation of net income (loss) attributable to Chemours to Adjusted EBITDA for the six months ended June 30, 2022 and 2021.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to changes in foreign currency exchange rates because of our global operations. As a result, we have assets, liabilities, and cash flows denominated in a variety of foreign currencies. We also have variable rate indebtedness, which subjects us to interest rate risk. Additionally, we are also exposed to changes in the prices of certain commodities that we use in production. Changes in these rates and commodity prices may have an impact on our future cash flows and earnings. We manage these risks through our normal operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. We do not enter into derivative financial instruments for trading or speculative purposes.

By using derivative financial instruments, we are subject to credit and market risk. The fair values of the derivative financial instruments are determined by using valuation models whose inputs are derived using market observable inputs, and reflect the asset or liability position as of the end of each reporting period. When the fair value of a derivative contract is positive, the counterparty owes us, thus creating a receivable risk for us. We are exposed to counterparty credit risk in the event of non-performance by counterparties to our derivative agreements. We minimize counterparty credit (or repayment) risk by entering into transactions with major financial institutions of investment grade credit ratings.

Our risk management programs and the underlying exposures are closely correlated, such that the potential loss in value for the risk management portfolio described above would be largely offset by the changes in the value of the underlying exposures. Refer to “Note 20 – Financial Instruments” to the *Interim Consolidated Financial Statements* for further information.

Foreign Currency Risks

We enter into foreign currency forward contracts to minimize the volatility in our earnings related to foreign exchange gains and losses resulting from remeasuring our monetary assets and liabilities that are denominated in non-functional currencies, and any gains and losses from the foreign currency forward contracts are intended to be offset by any gains or losses from the remeasurement of the underlying monetary assets and liabilities. These derivatives are stand-alone and, except as described below, have not been designated as a hedge. At June 30, 2022, we had 13 foreign currency forward contracts outstanding with an aggregate gross notional U.S. dollar equivalent of $297 million, the fair value of which amounted to $1 million. At December 31, 2021, we had 12 foreign currency forward contracts outstanding with an aggregate gross notional U.S. dollar equivalent of $254 million, the fair value of which amounted to less than negative $1 million. We recognized a net gain of $5 million and a net loss of $1 million for the three and six months ended June 30, 2022, respectively, and a net gain of $9 million and a net loss of $11 million for the three and six months ended June 30, 2021, respectively, within other income (expense), net related to our non-designated foreign currency forward contracts.

We enter into certain qualifying foreign currency forward contracts under a cash flow hedge program to mitigate the risks associated with fluctuations in the euro against the U.S. dollar for forecasted U.S. dollar-denominated inventory purchases in certain of our international subsidiaries that use the euro as their functional currency. At June 30, 2022, we had 185 foreign currency forward contracts outstanding under our cash flow hedge program with an aggregate notional U.S. dollar equivalent of $220 million, the fair value of which amounted to $8 million. At December 31, 2021, we had 175 foreign currency forward contracts outstanding under our cash flow hedge program with an aggregate notional U.S. dollar equivalent of $195 million, the fair value of which amounted to $5 million. We recognized pre-tax gains of $6 million and $11 million for the three and six months ended June 30, 2022, respectively, and a pre-tax loss of $1 million and a pre-tax gain of $3 million for the three and six months ended June 30, 2021, respectively, within accumulated other comprehensive loss. For the three and six months ended June 30, 2022, $3 million and $6 million of gain was reclassified to the cost of goods sold from accumulated other comprehensive loss, respectively. For the three and six months ended June 30, 2021, $1 million and $3 million of loss was reclassified to the cost of goods sold from accumulated other comprehensive loss, respectively.

We designated our euro-denominated debt as a hedge of our net investment in certain of our international subsidiaries that use the euro as their functional currency in order to reduce the volatility in stockholders’ equity caused by changes in foreign currency exchange rates of the euro with respect to the U.S. dollar. We recognized pre-tax gains of $32 million and $58 million for the three and six months ended June 30, 2022, respectively, and a pre-tax loss of $13 million and a pre-tax gain of $24 million for the three and six months ended June 30, 2021, respectively, on our net investment hedge within accumulated other comprehensive loss.

Interest Rate Risk

We entered into interest rate swaps to mitigate the volatility in our cash payments for interest due to fluctuations in the London Interbank Offered Rate ("LIBOR"), as is applicable to the portion of our senior secured term loan facility denominated in U.S. dollars. At June 30, 2022, we had three interest rate swaps outstanding under our cash flow hedge program with an aggregate notional U.S. dollar equivalent of $400 million, the fair value of which amounted to $7 million. At December 31, 2021, we had three interest rate swaps outstanding under our cash flow hedge program with an aggregate notional U.S. dollar equivalent of $400 million, the fair value of which amounted to less than $1 million. We recognized pre-tax gains of $3 million and $7 million for the three and six months ended June 30, 2022, respectively, and a pre-tax loss of less than $1 million and a pre-tax gain of less than $1 million for the three and six months ended June 30, 2021, respectively, within accumulated other comprehensive loss. For the three and six months ended June 30, 2022, $1 million of gain and less than $1 million of loss was reclassified to interest expense, net from accumulated other comprehensive losses, respectively. For the three and six months ended June 30, 2021, $1 million of loss was reclassified to interest expense, net from accumulated other comprehensive loss.

Item 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to provide reasonable assurance that the information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934 ("Exchange Act") is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the U.S. Securities and Exchange Commission ("SEC"). These controls and procedures also provide reasonable assurance that information required to be disclosed in such reports is accumulated and communicated to management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), to allow timely decisions regarding required disclosures.

As of June 30, 2022, our CEO and CFO, together with management, conducted an evaluation of the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) under the Exchange Act. Based on that evaluation, the CEO and CFO have concluded that these disclosure controls and procedures are effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the quarter ended June 30, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

Legal Proceedings

We are subject to various legal proceedings, including, but not limited to, product liability, intellectual property, personal injury, commercial, contractual, employment, governmental, environmental and regulatory, anti-trust, and other such matters that arise in the ordinary course of business. In addition, we, by virtue of our status as a subsidiary of EID prior to the Separation, are subject to or required under the Separation-related agreements executed prior to the Separation to indemnify EID against various pending legal proceedings. Information regarding certain of these matters is set forth below and in "Note 16 – Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements*. In the foregoing, we have excluded matters that we expect to result in sanctions of less than $1 million, if any.

Litigation

PFOA and PFAS: Environmental and Litigation Proceedings

For purposes of this report, the term "PFOA" means, collectively, perfluorooctanoic acid and its salts, including the ammonium salt, and does not distinguish between the two forms. The term "PFAS" means per- and polyfluoroalkyl substances. Information related to these and other litigation matters is included in "Note 16 – Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements*.

Fayetteville, North Carolina

Actions related to Fayetteville, other than those by the State of North Carolina, as discussed in "Note 16 – Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements*, are shown below.

In the U.S. District Court for the Eastern District of North Carolina:

- *Carey et al. vs. E. I. DuPont de Nemours and Company* (7:17-cv-00189-D; 7:17-cv-00197-D; and, 7:17-cv-00201-D);
- *Cape Fear Public Utility Authority vs. The Chemours Company FC, LLC et al. and Brunswick County v. DowDuPont et al.* (7:17-cv-00195-D and 7:17-cv-00209-D);
- *Dew et al. vs. E. I. DuPont de Nemours and Company et al.* (17:18-cv-00030-D);
- *O'Brien et al. vs. E. I. DuPont de Nemours and Company et al.* (5:20-cv-00208-D); and,
- *Priselac vs. The Chemours Company et al.* (20-CVS-499).

In Bladen County, North Carolina:

- *Kinlaw et al. vs. The Chemours Company et al.* (20-CVS-497); and,
- *Lohr et al. vs. The Chemours Company et al.* (20-CVS-498).

Environmental Proceedings

Dordrecht, Netherlands

In May 2020, we were notified of an alleged criminal offense related to the Netherlands' Environmental Management Act and the Working Conditions Decree, regarding the use of PFOA during the pre-spin time period of June 1, 2008 to December 31, 2012. The investigation was initiated in the first quarter of 2016 by a public prosecutor. We believe that the Company has complied with all relevant laws, and we are in contact with the prosecutor.

In addition, in March 2022, the public prosecutor in The Netherlands has raised a matter related to an alleged infraction of Regulation (EU) 517/2014. Due to a reporting error, our Dordrecht Works facility exceeded its allocated or transferred quota of hydrofluorocarbons within the European market over several years. We implemented improvements to our reporting procedures and operated within the allocated quota in 2021. We are in contact with the prosecutor regarding this matter.

Fayetteville, North Carolina

In February 2019, we received a Notice of Violation ("NOV") from EPA, alleging certain Toxic Substances Control Act ("TSCA") violations at Fayetteville. Matters raised in the NOV could have the potential to affect operations at Fayetteville. For this NOV, we responded to EPA in March 2019 and at this time management does not believe that a loss is probable related to this NOV. We have also received NOVs from the North Carolina Department of Environmental Quality ("NC DEQ") following entry of the Consent Order ("CO"), including in April 2020, January 2021, and August 2021, alleging violations relating to Fayetteville. We have responded to these matters and in April 2022 entered into a settlement agreement with NC DEQ with respect to the August 2021 NOV. We do not believe that a loss is probable related to the matters in the other NOVs. Further discussion related to these matters is included under the heading "Fayetteville Works, Fayetteville, North Carolina" in "Note 16 – Commitments and Contingent Liabilities" to the *Interim Consolidated Financial Statements*.

Item 1A. RISK FACTORS

There have been no material changes to the risk factors disclosed in our Annual Report on Form 10-K for the year ended December 31, 2021.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

2018 Share Repurchase Program

In August 2018, our board of directors approved a share repurchase program authorizing the purchase of shares of our issued and outstanding common stock in an aggregate amount not to exceed $750 million, plus any associated fees or costs in connection with our share repurchase activity (the "2018 Share Repurchase Program"). In February 2019, our board of directors increased the authorization amount of the 2018 Share Repurchase Program from $750 million to $1.0 billion. Under the 2018 Share Repurchase Program, shares of our common stock can be purchased in the open market from time to time, subject to management's discretion, as well as general business and market conditions. On May 19, 2022, we completed the aggregate $1.0 billion in authorized purchases of our issued and outstanding common stock under the 2018 Share Repurchase Program, which amounted to a cumulative 28,603,784 shares purchased at an average price of $34.96 per share.

2022 Share Repurchase Program

On April 27, 2022, our board of directors approved a share repurchase program authorizing the purchase of shares of our issued and outstanding common stock in an aggregate amount not to exceed $750 million, plus any associated fees or costs in connection with our share repurchase activity (the "2022 Share Repurchase Program"). Under the 2022 Share Repurchase Program, shares of our common stock can be purchased in the open market from time to time, subject to management's discretion, as well as general business and market conditions. Our 2022 Share Repurchase Program became effective on April 27, 2022 and is scheduled to continue through the earlier of its expiration on December 31, 2025 or the completion of repurchases up to the approved amount. The program may be suspended or discontinued at any time.

The following table sets forth the purchases of our issued and outstanding common stock under the programs for the three months ended June 30, 2022.

(Dollars in millions, except per share amounts)

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet be Purchased Under the Plans or Programs (2)
Month ended April 30, 2022	1,890,821	$ 33.14	1,890,821	$ 792
Month ended May 31, 2022	1,081,252	39.11	1,081,252	750
Month ended June 30, 2022	551,493	35.14	551,493	731
Total	3,523,566	$ 35.28	3,523,566	$ 731

(1) The total number of shares purchased under the share repurchase program is determined using trade dates for the related transactions.

(2) The average price paid per share and approximate dollar value of shares that may yet be purchased under the share repurchase program exclude fees, commissions, and other charges for the related transactions.

Through June 30, 2022, we purchased a cumulative 551,493 shares of our issued and outstanding common stock under the 2022 Share Repurchase Program, which amounted to $19 million at an average share price of $35.14 per share. The aggregate amount of our common stock that remained available for purchase under the 2022 Share Repurchase Program at June 30, 2022 was $731 million.

Item 3. DEFAULTS UPON SENIOR SECURITIES

None.

Item 4. MINE SAFETY DISCLOSURES

Information regarding mine safety and other regulatory actions at our surface mines and/or mineral sands separation facilities in Starke, Florida, Jesup, Georgia, Nahunta, Georgia, and Offerman, Georgia, are included in *Exhibit 95* to this Quarterly Report on Form 10-Q.

Item 5. OTHER INFORMATION

None.

Item 6. EXHIBITS

Exhibit Number	Description
3.1	Company's Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, as filed with the U.S. Securities and Exchange Commission on July 1, 2015).
3.2	Company's Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K, as filed with the U.S. Securities and Exchange Commission on July 1, 2015).
22	List of Guarantor Subsidiaries.
31.1	Rule 13a-14(a)/15d-14(a) Certification of the Company's Principal Executive Officer.
31.2	Rule 13a-14(a)/15d-14(a) Certification of the Company's Principal Financial Officer.
32.1	Section 1350 Certification of the Company's Principal Executive Officer. The information contained in this Exhibit shall not be deemed filed with the Securities and Exchange Commission nor incorporated by reference in any registration statement filed by the registrant under the Securities Act of 1933, as amended.
32.2	Section 1350 Certification of the Company's Principal Financial Officer. The information contained in this Exhibit shall not be deemed filed with the Securities and Exchange Commission nor incorporated by reference in any registration statement filed by the registrant under the Securities Act of 1933, as amended.
95	Mine Safety Disclosures.
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2022 have been formatted in Inline XBRL: (i) the Interim Consolidated Statements of Operations (Unaudited); (ii) the Interim Consolidated Statements of Comprehensive Income (Unaudited); (iii) the Interim Consolidated Balance Sheets (Unaudited); (iv) the Interim Consolidated Statements of Stockholders' Equity (Unaudited); (v) the Interim Consolidated Statements of Cash Flows (Unaudited); and, (vi) the Notes to the Interim Consolidated Financial Statements (Unaudited). These financial statements have been tagged as blocks of text and include detailed tags.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2022, which has been formatted in Inline XBRL and included within Exhibit 101.

SIGNATURE

Pursuant to the requirements 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.

THE CHEMOURS COMPANY
(Registrant)

Date: July 29, 2022

By: /s/ Sameer Ralhan

Sameer Ralhan
Senior Vice President, Chief Financial Officer
(As Duly Authorized Officer and Principal Financial Officer)

Exhibit 22

LIST OF GUARANTOR SUBSIDIARIES

As of June 30, 2022, the following subsidiaries of The Chemours Company (the “Company”) were guarantors of the Company’s 4.000% senior unsecured notes due May 2026, which are denominated in euros and the 5.375% senior unsecured notes due May 2027 (collectively, the “Registered Notes”), which are registered under the Securities Act of 1933, as amended.

Name	Organized Under Laws Of
First Chemical Holdings, LLC	Mississippi
First Chemical Texas, L.P.	Delaware
FT Chemical, Inc.	Texas
The Chemours Company FC, LLC	Delaware

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Mark E. Newman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Chemours Company;

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

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

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

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

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

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

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

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

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

Date: July 29, 2022

By: /s/ Mark E. Newman

Mark E. Newman
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Sameer Ralhan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Chemours Company;

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

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

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

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

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

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

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

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

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

Date: July 29, 2022

By: /s/ Sameer Ralhan

Sameer Ralhan
Senior Vice President, Chief Financial Officer

Exhibit 32.1

Certification of CEO Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of The Chemours Company (the “Company”) on Form 10-Q for the period ended June 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Mark E. Newman, as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ Mark E. Newman

Mark E. Newman
President and Chief Executive Officer
July 29, 2022

Exhibit 32.2

Certification of CFO Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of The Chemours Company (the “Company”) on Form 10-Q for the period ended June 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Sameer Ralhan, as Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ Sameer Ralhan

Sameer Ralhan
Senior Vice President, Chief Financial Officer
July 29, 2022

Exhibit 95

MINE SAFETY DISCLOSURES

The Company owns and operates a mineral sands mining and separation facility in Starke, Florida, mineral sands mining facilities in Jesup, Georgia and Nahunta, Georgia, and a mineral sands separation facility in Offerman, Georgia. The following table provides information about citations, orders and notices issued from the Mine Safety and Health Administration ("MSHA") under the Federal Mine Safety and Health Act of 1977 ("Mine Act") for the quarter ended June 30, 2022.

Mine (MSHA Identification Number)	Section 104 S&S[1] Citations (#)	Section 104(b) Orders (#)	Section 104(d) Citations and Orders (#)	Section 110(b)(2) Violations (#)	Section 107(a) Orders (#)	Total Dollar Value of MSHA Assessments Proposed ($)	Total Number of Mining Related Fatalities (#)	Received Notice of Pattern of Violations Under Section 104(e) (yes/no)	Received Notice of Potential to Have Pattern Under Section 104(e) (yes/no)	Legal Actions Pending as of Last Day of Period (#)	Legal Actions Initiated During Period (#)	Legal Actions Resolved During Period (#)
Starke, FL (0800225)	—	—	—	—	—	$ 863	—	No	No	—	—	—
Jesup, GA (0901256)	—	—	—	—	—	$ —	—	No	No	—	—	—
Mission Mine (0901230)	—	—	—	—	—	$ —	—	No	No	—	—	—
Offerman MSP (0901236)	—	—	—	—	—	$ —	—	No	No	—	—	—

1 S&S refers to significant and substantial violations of mandatory health or safety standards under section 104 of the Mine Act.