

As of May 26, 2021

Albemarle Climate Strategy

Introduction

Albemarle Corporation (we, our, Albemarle) is a global specialty chemicals company with leading positions in lithium, bromine, and refining catalysts. As a global corporate citizen, Albemarle shares our stakeholders' aspiration to be the best in our industry by focusing on our people, planet, and profitability. Our corporate strategy includes advancing sustainability by implementing processes and best practices to 1) achieve sector-leading environmental, social, and governance performance and 2) enable our customers' sustainability ambitions.

We acknowledge our responsibility to address the impact of our operations on the environment, and our corporate values – Care, Curiosity, Integrity & Transparency – are driving our actions to reduce carbon intensity.

We support the goals of the Paris Agreement - to avoid dangerous climate change by limiting global warming to well below 2°C (WB2C) - and are pursuing efforts to limit it to 1.5°C. This is not only the right thing to do, but it will also strengthen our competitive position, improve our operational efficiency, and create value for our stakeholders.

We are committed to and have begun our journey to achieve science-based environmental targets and other important milestone goals.

Leveraging Our Framework to Measure Progress and Improve Business Results

Reducing our carbon footprint is a multi-decade, continuous improvement journey requiring investments in technology, infrastructure, and people. We will proactively partner with suppliers and customers to combat climate change. We will identify, measure, and calculate GHG emissions of our manufacturing operations according to the GHG protocol.

- We will include sustainability criteria – particularly GHG emissions - in the design phase of our plants and products.
- We will identify and implement projects to reduce GHG emissions and improve energy efficiency including but not limited to 1) overall energy reduction; 2) process design and execution; 3) energy carrier substitution; and 4) green electricity procurement.
- We are evaluating the use of an internal notional value for the (social / environmental) cost of CO₂ to balance traditional financial parameters and GHG reduction targets in our decision making and capital allocation process.

Enabling Our Customers' Sustainability Ambitions

We are committed to helping our customers achieve their sustainability objectives. In many cases, our high-value solutions result in lower GHG emissions in their use phase. For example:

- One kilogram of CO₂ emitted in our Lithium production delivers more than 50 kilograms of annual CO₂ avoidance in the use phase¹.
 - The use of our refining catalysts enables cleaner, more efficient transportation fuels and reduced GHG emissions by refiners.
 - Bromine is added to bromobutyl rubber to extend tire life, reduce fuel consumption, and minimize CO₂ emissions.
- We will continue to collaborate with customers to increase transparency across the supply chain, including measuring Scope 3 emissions and creating life cycle assessments (LCA).
 - We will partner with industry organizations, including the Institute for Responsible Mining Assurance (IRMA) and the Responsible Minerals Institute (RMI), to increase transparency and sustainability in the supply chain.

Our Sustainability Ambitions

We will set meaningful and achievable targets for greenhouse gas emissions for each of our businesses. Our first set of aspirational targets, established in 2021, include:

- Achieving net zero carbon emissions by 2050.
- Reducing the carbon-intensity of our Catalysts and Bromine businesses by a combined 35% by 2030, in line with science-based targets.
- Growing our Lithium business in a carbon-intensity neutral manner through 2030.

Over the next two years, we will invest in the technology and people to build the infrastructure to assess, measure, and track these goals, while evolving our thinking and goal setting over time.

Bromine and Catalysts: Our businesses operate in mature markets with long-term growth rates roughly in line with GDP. We are targeting these two businesses to realize GHG-emission reductions in line with or as close as possible to WB2C² reduction requirements as defined in the Paris Agreement. This translates into a net 27% reduction by 2030 versus 2019, or a 35% reduction on a GHG-intensity basis (kg CO₂e per kg product).

Lithium: The lithium market is forecast to grow by more than 20% per year through 2030³ driven by electrification and the adoption of electric vehicles. GHG-emissions related to the production of lithium will grow through 2030 in absolute terms due to planned capacity growth. Against the background of high growth, the target for the Lithium business is to grow in a carbon-neutral manner through 2030. This means that the average GHG emission per kg of product in 2030 is the same as (or lower than) in 2019.

Collaborating with All Our Stakeholders

Addressing climate change requires cooperation and collaboration with all our diverse stakeholders.

¹ Based on internal manufacturing footprint data and IEA data of avoided emissions on a Well-to-Wheel basis

² Well below 2°C

³ IHS Markit

- We will engage with our stakeholders including our employees, customers, suppliers, government partners, communities, and investors to effect positive change and minimize disruption as we progress on our journey.
- We will align with and leverage third-party experts including:
 - Carbon Disclosure Project (CDP): CDP’s global disclosure system is widely considered to be the “gold standard” of environmental reporting; we expect to begin reporting under CDP’s system in 2021
 - Taskforce on Climate-related Financial Disclosures (TCFD): Created to improve and increase recommendations reporting of climate-related financial information; we expect to evaluate disclosure under TCFD beginning in 2022
 - Science Based Targets Institute (SBTi): SBTi provides guidance to calibrate company targets with the goals of the Paris Agreement; we expect to actively engage with SBTi to identify opportunities to set science-based targets

Governance and Disclosure

Remaining transparent and holding ourselves accountable are critical to our success.

- Our senior executive leadership will review progress on our climate strategy on an ongoing basis
- Our board of directors will review progress on our climate strategy on an ongoing basis
 - The Health, Safety, and Environmental (HSE) committee will review progress on climate strategy and targets at least annually
 - The Audit & Finance committee will review enterprise risk management, including climate, at least annually
- We will publicly report progress on our climate strategy and targets at least annually, in our annual Sustainability Report
 - We currently disclose Scope 1 and Scope 2 emissions in our annual sustainability report
 - We expect to disclose Scope 3 emissions beginning in 2022
 - We expect to align with CDP in 2021 and will consider disclosure under TCFD in 2022

Continuous Improvement as a Way of Life

The tenants of environmental stewardship are not new to Albemarle. Our culture is grounded in continuous improvement, and our strategy will be reviewed at least every five years or as needed to align our efforts with industry practices and standards and ensure we are on track to achieve our goals.

Albemarle is committed to building its position as an industry leader in corporate social responsibility and a force for good for our planet. We have committed to clear targets and are in the process of aligning our businesses to achieve these important aspirations – for all our stakeholders.