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A LETTER FROM THE CEO
Sustainability matters

In the context of doing business in a global marketplace for over a hundred years — sustainability has proven to be a successful strategy. Bridging social and environmental impact with economic performance, Albemarle Corporation (Albemarle) demonstrates that doing what's right creates a strong balance sheet, financial flexibility, and long-term value.

Albemarle's commitment to sustainability includes producing eco-friendly products, in a sustainable manner and employing safe work practices. It entails strong ethics, meeting regulatory requirements and engaging with non-governmental organizations (NGOs). It intertwines to protection and preservation of the environment and respect and improvement of social and human rights.

At Albemarle, sustainability is also about discovery and continuous improvement. It's about responding to emerging challenges, adapting to new realities, and responding to protection and preservation of the environment and respect and improvement of social and human rights.

Getting It Right

While we still have considerable work to do, the results of the materiality assessment revealed our focus has been on many of the right things. Case in point: water. Reducing its consumption has long been a major company initiative. It’s an area in which we’ve made significant progress, benefitting the communities in which we work, the environment, and the continued viability of our businesses.

For example, Albemarle is balancing its production of lithium to meet growing demand for electric vehicle batteries and off-grid storage with water conservation in Chile’s El Llano mine, yet water-starved Alacalau safe flat. By employing transformative technologies, extensive environmental monitoring, and additional voluntary activities, we’re now recharging more lithium in that area with little to no increase in fresh water usage.

At the same time, Albemarle is working to ensure the sustainability and equilibrium of that ecosystem, as well as improve quality of life in the local indigenous communities. That includes sharing 3.5% of our Chilean revenue for community development projects. With Chile boasting the world’s largest reserves of lithium and a strong global demand for the mineral, investing in both the people and the environment of the area is the right thing to do and is also good business.

You’ll find more examples in this report where we highlight our 2019 initiatives through the lens of our new sustainability framework. It’s helping us to better focus our efforts where they matter most, so we can make sustainable value on multiple fronts for our customers and communities — and across the broad spectrum of all our stakeholders.

All the best and keep safe,

Kent Masters
Chairman, President and Chief Executive Officer
Albemarle Corporation (NYSE: ALB), headquartered in Charlotte, North Carolina, USA, is a leading specialty chemicals company operating under three global business units (GBU): Lithium, Bromine Specialties, and Catalysts. With approximately 5,600 employees worldwide, we serve a broad spectrum of end markets including automotive, construction, consumer electronics, crop protection, custom chemistry services, energy storage, transportation fuels, lubricants, and pharmaceuticals.

While our business is specialty chemicals, what we do at Albemarle is power the potential of a safer, cleaner, sustainable world. Working side-by-side with our customers, we create solutions that meet a diverse range of societal and environmental needs — from enabling grid-scale energy storage to increasing food safety.

We also think beyond “business-as-usual” to drive innovations that meet changing and emerging needs. Our commitment to and investment in research and development enables us to remain agile and open to new opportunities.

Albemarle Corporation was honored by The American Chemistry Council (ACC):
• for implementing energy efficiency improvements in 2019, in the category: “Significant Improvement in Energy Efficiency in Manufacturing.”
• awards in the Waste Minimization category for its substantial achievements.
• 2019 Responsible Care Facility Safety Certificate for several sites.

Albemarle was also recognized by China Chemical News:
Model of Corporate Citizen – Best Social Responsibility Award was granted to Albemarle China by China Chemical News.

FINANCIAL HIGHLIGHTS

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales</th>
<th>Net Income</th>
<th>Diluted Earnings per Share</th>
<th>Adjusted Diluted Earnings per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$3,072B</td>
<td>$885M</td>
<td>$0.49</td>
<td>$4.59</td>
</tr>
<tr>
<td>2018</td>
<td>$3,375B</td>
<td>$694M</td>
<td>$6.34</td>
<td>$5.48</td>
</tr>
<tr>
<td>2019</td>
<td>$3,589B</td>
<td>$533M</td>
<td>$5.02</td>
<td>$6.04</td>
</tr>
</tbody>
</table>

¹ Non-GAAP measures. See Non-GAAP Reconciliations in Exhibit 99.1 of the Current Report on Form 8-K filed on February 19, 2020 and Exhibit 99.1 of the Current Report on Form 8-K filed on February 20, 2019 for reconciliations to the most directly comparable financial measure calculated and reported in accordance with U.S. GAAP.

2019 DIVIDEND PAYOUT RATIO 29%
The most obvious value we deliver is through our products. A conservative estimate shows that at least 50% of our revenue comes from products that have a positive impact on resource efficiency or lowering water usage and greenhouse gases (GHG) emissions.¹

For example, our refinery catalysts remove contaminants like sulfur and nitrogen from transportation fuels. Without the use of these catalysts, it’s estimated that approximately 10 million tons of sulfur would end up in the environment each year.

The value Albemarle delivers, however, goes beyond the products we produce and the capabilities and innovations they enable. It impacts our company, employees, and other stakeholders; the environment; the communities in which we live and work; and society in general.

Albemarle generates value through wages, dividends, and taxes paid, and through our interactions with the suppliers who sell goods and services to us. Value is further expressed in our engagement with our local communities, whether it’s through our philanthropic efforts, volunteerism, or sharing of resources.

It’s also realized by the investments we make in our facilities and in research and development efforts that drive innovation and contribute to and inspire new ways of working and thinking.

¹Calculated in accordance with SASB definition of product design for use-phase efficiency. Only direct impacts of our products in their use-phase were used in the calculation. Calculation excludes smaller or secondary impacts on resource efficiencies.

HOW WE CREATE VALUE

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¹Calculated in accordance with SASB definition of product design for use-phase efficiency. Only direct impacts of our products in their use-phase were used in the calculation. Calculation excludes smaller or secondary impacts on resource efficiencies.
The products from our lithium business enable the growth of "clean miles" driven with electric vehicles, more efficient use of renewable energy through grid storage, batteries for medical devices, and medical imaging – just to name a few.

Albemarle is a leader in this long-term high growth specialty chemicals segment. Our unmatched natural resource position, chemical processing expertise and technology leadership allow us to provide one of the most diverse product portfolios in the industry and to grow sustainably with our end market. We are a low-cost producer of one of the most diverse product portfolios of lithium derivatives in the industry.

- Globally diverse, high quality, low-cost resource position
- Vertically integrated from natural resource to specialty performance products
- Specialty chemical and extraction expertise
- Strong technical and application expertise

### KEY DRIVERS

#### ENERGY STORAGE:
- Used for consumer electronics, power grid, and mobility; the primary growth driver - electric vehicle sales.

#### SPECIALTIES AND TECHNICAL GRADE:
- Used for pharmaceuticals, eco-tires, medical devices, greases, glass and ceramics; the primary driver - consumer spending and industrial production.

### LITHIUM

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue ($M)</th>
<th>% Total Revenue</th>
<th>Adj. EBITDA ($M)</th>
<th>Adj. EBITDA Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$1,019</td>
<td>28%</td>
<td>$447</td>
<td>44%</td>
</tr>
<tr>
<td>2018</td>
<td>$1,228</td>
<td>36%</td>
<td>$531</td>
<td>43%</td>
</tr>
<tr>
<td>2019</td>
<td>$1,358</td>
<td>45%</td>
<td>$525</td>
<td>39%</td>
</tr>
</tbody>
</table>
**OUR BUSINESSES BROMINE SPECIALITIES**

The products from our bromine business enable the prevention of fires related to electronic and durable plastics used in homes, industry and transportation and the delay in “flashover of fires” to increase escape time. Our products also support more efficient oilfield drilling, pharmaceutical manufacturing, pollution control, water treatment, disinfectants, and food safety for a growing world.

Our diverse, low-cost resource position, broad product portfolio and focus on operational excellence are competitive advantages that allow us to deliver custom chemistry solutions to the world’s leading producers of pharmaceuticals, agricultural products and electronic chemicals.

- Globally diverse, high-quality, low-cost resource position
- Vertically integrated from natural resource to specialty performance products
- Specialty chemical and extraction expertise
- Strong technical and application expertise

**KEY DRIVERS**

### FLAME RETARDANTS
- Used for electronics, automotive, construction, appliances
- Primary drivers – Automotive electronics and electrification, 5G, IoT, servers, construction

### OILFIELD
- Used for deep water off-shore and high-pressure drilling
- Primary drivers – global energy demand and oil price

### OTHER
- Used for agriculture and pharmaceutical intermediates, radial tires, PET plastics
- Primary drivers – growing middle class

<table>
<thead>
<tr>
<th>BROMINE</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue ($M)</td>
<td>$855</td>
<td>$918</td>
<td>$1,004</td>
</tr>
<tr>
<td>% Total Revenue</td>
<td>24%</td>
<td>27%</td>
<td>33%</td>
</tr>
<tr>
<td>Adj. EBITDA ($M)</td>
<td>$259</td>
<td>$288</td>
<td>$328</td>
</tr>
<tr>
<td>Adj. EBITDA Margin</td>
<td>30%</td>
<td>31%</td>
<td>33%</td>
</tr>
</tbody>
</table>

~ 50%  
~ 30%  
~ 25%  
<20%
OUR BUSINESSES
CATALYSTS

The products from our catalysts segment enable reduced SOx and NOx emissions through cleaner transportation fuels and improve the efficiency of natural resources by facilitating more usable products from a single barrel of oil.

Our catalysts business operates three primary product lines: Clean Fuels Technologies (“CFT”), which is primarily composed of hydrotreating catalysts (“HPC”) together with isomerization and alkylation catalysts, fluidized catalytic cracking (“FCC”) catalysts and additives, and performance catalyst solutions (“PCS”), which is primarily composed of organometallics and curatives. We are exploring divestment options for our PCS business.

• Focus on value creation for refiners
• Application expertise which drives the optimum catalyst system design
• Strong technical and application expertise

CATALYSTS

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue ($M)</td>
<td>$1,068</td>
<td>$1,102</td>
<td>$1,062</td>
</tr>
<tr>
<td>% Total Revenue</td>
<td>30%</td>
<td>33%</td>
<td>35%</td>
</tr>
<tr>
<td>Adj. EBITDA ($M)</td>
<td>$284</td>
<td>$284</td>
<td>$271</td>
</tr>
<tr>
<td>Adj. EBITDA Margin</td>
<td>27%</td>
<td>26%</td>
<td>25%</td>
</tr>
</tbody>
</table>

KEY DRIVERS

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FCC (Fluid Cracking Catalysts)</td>
<td>Used in refineries to upgrade crude transportation fuels into clean transportation fuels and high-value chemicals; Primary drivers - miles driven/transportation fuel consumption, growing prosperity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HPC (Hydrotreating Catalysts)</td>
<td>Used in refineries to reduce sulfur and other contaminants during refining; Primary driver - environmental sulfur regulations and customer turnarounds. Through cycle, revenues average ~40% FCC and ~40% HPC. HPC business is lumpy due to customer turnaround timing</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Revenues average ~60% FCC and ~40% HPC.

McAlester, OK, U.S.
Mobile, AL, U.S.
Amsterdam, Netherlands
Bitterfeld, Germany
Jubail, Saudi Arabia
Takashi City, Osaka, Japan
Nihama, Japan
Pasadena, TX, U.S.
Bayport, TX, U.S.
Santa Cruz, Brazil
La Vouette, France
Corporate governance provides the framework of rules and practices by which we ensure transparency, accountability, and fairness in the company's interactions with and on behalf of all our stakeholders. It helps ensure the company operates responsibly and with sound ethics.

Corporate governance helps ensure we are honest in our disclosures, strike the right balance in our endeavors, and pursue our goals with integrity.

Albemarle is fortunate to have a diverse, engaged, and accountable board of directors at the helm. Their skill sets and experiences, provide essential insights to guide us in achieving our goals and overall long-term vision.

While the entire board of directors is committed to sustainability, the Health Safety & Environment Committee has explicit oversight on the Company’s health, safety, environment and sustainability programs and initiatives. It also oversees any matters relating to the company’s global reputation for corporate stewardship and social responsibility.

In the coming months, we will conduct a detailed review of committee charters to directly set out each committee’s responsibility for their portion of the sustainability program.
**PURPOSE & VALUES**

The Albemarle purpose statement — *Making the World Safe and Sustainable by Powering the Potential of People* — provides the foundation, inspiration, and motivation for everything we do. That potential plays out in the market sectors in which we work and it’s both complemented and reinforced by our core values. These values are formally embedded within Albemarle’s policies, procedures, and systems and permeate all aspects of our company culture.

**STRATEGY**

Albemarle’s business strategy is informed by secular trends, those market activities that we see staying relevant for the foreseeable future. And, while the specifics have changed over the years, that strategy remains focused on four actions: grow, maximize, assess, and invest.

We’re confident that we have the right strategy in place to position Albemarle for success. As we have in the past, we will alter and modify the execution of that strategy based on the conditions that we see in the short and midterm.

- **GROW**
  We are investing in the long-term growth of the Lithium market, focusing on cash generation through smart investments that leverage our world-class assets.

- **MAXIMIZE**
  We are driving maximum value of our business through operational discipline including: manufacturing excellence, lean in data and asset management, and product quality.

- **ASSESS**
  We continue to refine our portfolio, divesting non-core businesses and acquiring or building conversion assets to match demand.

- **INVEST**
  We take a thoughtful, disciplined approach to capital allocation, while preserving financial flexibility.
COVID-19 RESPONSE

Every now and then, an event occurs that drastically changes how business is done. One of them occurred towards the end of 2019: the novel coronavirus (COVID-19) outbreak and pandemic. It continues to have repercussions around the world, impacting all facets of business, as well as daily life.

While the pandemic itself is not a sustainability topic, how we handle it at Albemarle is. Our actions reflect both our core values and our commitment to safety.

Our operations were first affected by the virus in China in early 2020. We have been able to take early learnings from our teams there and deploy them around the globe.

At the time of this writing, we have had relatively few diagnosed individuals out of our approximately 5,600 employees worldwide. Using our exposure protocols, we trace the contact path for any confirmed case among employees and have acted to isolate colleagues as needed. We are staying in close contact with impacted employees to monitor their welfare. We are grateful that diagnosed employees have recovered or are recovering as expected.

Nonetheless, we know that the pandemic is affecting our employees and local communities in many ways. To help alleviate some of the negative effects, we’re making contributions through the Albemarle Foundation to help those in need.

We will continue to closely monitor the situation and make decisions that will contribute to the well-being of all our stakeholders. We will also remain agile and responsive to changing business needs resulting from the pandemic.

COMMUNICATION

Albemarle Executive Leadership Team meeting multiple times per week
- COVID-19 global pandemic response team: update and recommendations
- Employee health and safety task/activities
- Business, Supply Chain, Manufacturing and Operations task/activities
- Financial task/activities

Frequent communication with employees
- Weekly email from CEO
- Weekly update from each CEO president, virtual town halls
- Weekly status and protocol update on company intranet

ACTIONS TAKEN

Employees
- Protocols to decrease risk for our team, partners and communities
  - Social distancing, work at home, adjusted shift schedules
  - Health screening, social distancing at the worksite
  - Return-to-work protocols

Manufacturing & Operations
- Business continuity plans in place to serve our customers with minimal disruption
  - Agile logistics team
  - Ability to ship from multiple ports and freight lines
  - Phased resumption of raw materials and supplies, where possible

Business Partners
- Frequent communications with customers to help us manage and meet their demand
- Plant entry protocols in place for safe and efficient deliveries

Communities
- To date, Albemarle, the Albemarle Foundation, and our JNE have contributed ~$1.2M to help those in need
  - Donations to PPE globally
  - Fighting hunger
  - Relief for medical providers
  - Research grants
  - Improving access to learning
MATERIALITY: DETERMINING WHAT MATTERS MOST
The Sustainability Steering Committee is both proud of and humbled by our role in helping to unify Albemarle’s business and sustainability priorities.

It’s increasingly clear that organizations that want to thrive, not just survive, can’t delegate issues such as human rights or climate change to silos separate from business objectives.

While sustainability has long been valued and practiced at Albemarle, we are charged with ensuring that it’s fully and meaningfully integrated throughout all aspects of the business. Our work is focused on mapping out a multi-year path to guide that integration.

In 2019, we renewed our focus to identify the sustainability issues that matter most to Albemarle’s stakeholders and for which our company can make a difference. A global cross-functional sustainability team was created, and dedicated internal and external sustainability communications were launched.

For 2020, our attention is on setting Albemarle’s baseline sustainability performance.

We’ve expanded our sustainability team to include representatives at each of our material sites. We’re implementing systems and processes to efficiently collect and analyze relevant data. We’re also working to improve reporting transparency.

In 2021 and going forward, the concentration will be on continuous improvement. We’ll strive to be even more transparent in how we measure and report on Albemarle’s progress in achieving its sustainability goals. We’ll continue to engage stakeholders and use their feedback, as well as other resources, to fine tune those goals. We’ll gather information and provide guidance to help Albemarle be responsive to trends, challenges, and opportunities that impact its sustainability efforts.

Sustainability is a journey, and we’re thrilled to help chart the course for it.

Albemarle has adopted a Health, Safety, Security & Environmental Policy (the “HSSE Policy”).

The HSSE Policy covers:

- **Governance and Safety Stewardship**: No one will undertake a task unless it can be done in a safe and environmentally responsible manner; employees are empowered to elevate issues to the appropriate level, including (if necessary) discontinuing operations.

- **Social Responsibility**: We will extend our HSSE philosophy beyond our workplace and into our communities.

- **Green Chemistry Principles, Product Safety, and Environmental Obligations**: We will strive for continuous improvement in environmental performance throughout the entire product lifecycle.

- **People and Development**: We will ensure our employees have the necessary understanding, education, expertise, and training to allow them to perform in a safe and environmentally responsible manner.

- **Financial Performance**: We will make wise investments to improve operational efficiencies and ensure compliance with current and future health, safety, and environmental standards.

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Albemarle has adopted a Health, Safety, Security & Environmental Policy (the “HSSE Policy”).
To successfully integrate sustainability into all aspects of the business, we must prioritize the topics that matter most — mitigate risks and deliver the greatest value to our stakeholders. We conducted a materiality assessment in 2019 to identify the “material topics” to form the basis of our sustainability framework. As defined by the Global Reporting Initiative (GRI), these are topics that have a direct or indirect impact on our company’s “ability to create, preserve or erode economic, environmental and social value for itself, its stakeholders and society at large.”

A cross-functional team was created, drawing from Corporate Strategy, Investor Relations, Legal, and Health & Safety, under supervision of the CEO. The team compiled a preliminary list of material topics based on interviews with a broad cross-section of investors and customers and a review of publicly available competitor and customer information. The list and the definition of topics were fine-tuned by leveraging the Sustainability Accounting Standards Board (SASB) industry-specific materiality matrix and standards for (i) Chemicals and (ii) Metals and Mining industries. We subsequently engaged with more than 40 leaders and subject matter experts internally and with multiple investors and customers to further sharpen the definition and rank of topics, using online questionnaires. The results are provided in the materiality matrix.

While all of the topics in the materiality matrix are by definition important, topics 1-12 are considered to be critically important for the execution of our strategy and creation of long-term value for our stakeholders.

With the results of this materiality assessment, we worked with senior leadership to establish a sustainability framework in line with Albemarle’s vision, strategy, and core values. We introduced this framework publicly in December 2019.
This sustainability report marks a renewal of Albemarle’s sustainability journey. Our 2019 materiality assessment has opened the way to the disclosure of our material subjects using the SASB Standards. For topics that could not be disclosed with SASB standards, we used the relevant GRI standards. As such, parts of this report contain GRI referenced disclosures.

Unless otherwise noted, the 2019 Albemarle Sustainability Report covers calendar year 2019. Some initiatives or targets launched in early 2020, including our response to the COVID-19 pandemic, are included to provide certain up-to-date information for our stakeholders. Also, unless otherwise noted, financially consolidated joint ventures are included on a pro-rata basis in accordance with guidance published by the World Business Council for Sustainable Development (WBCSD). Because financial information is regularly provided in our annual reports, proxy statements, quarterly reports, and SEC filings, we’ve chosen to only provide financial highlights of it for our 2019 Sustainability Report.

Customers and product quality were also cited as key topics of interest, and have long been cornerstones of Albemarle’s sustainability efforts and our long-term success. Because of the importance of this topic and the limited time for gathering all the information to do it justice, it was determined it would be best to reserve coverage of it to 2020.
OUR PEOPLE & WORKPLACE
SAFETY

Campaign Promotes Life-Critical Policies and Procedures

In 2019, we introduced Albemarle’s eight Life-Saving Rules as part of an internal campaign to generate global awareness of our most important HSSE policies and procedures. The campaign was well-received by employees and will continue to be a focus throughout 2020 and beyond.

Programs to Enable, Empower and Engage

Albemarle’s searching HSSE program is executed with a continuous improvement mindset and is built upon three foundational elements: sense of vulnerability, leadership commitment, and employee engagement. These elements are supported by various programs and initiatives that fall into the following categories:

Effective Audits and Assessments

We routinely audit ourselves against Albemarle’s policies, procedures and standards, using internal and third-party resources to make sure we are working the right way, every time.

Leading and Lagging Indicator Reporting and Communications

We use traditional lagging indicator metrics to monitor what has happened in relation to safety on a daily, quarterly, and annual basis. We also consider leading indicators like close calls and near misses to try to get a sense for where important fundamental reasons for why incidents are happening. We can then put corrective actions in place to prevent similar incidents from occurring in the future.

Incentives

We use a variety of incentive initiatives that fall into the following categories:

Corrective Actions

We consider root cause analyses critical, as they allow us to make sure we are getting to the real, deep fundamental reasons for why incidents are occurring. They can then put corrective actions in place to prevent similar incidents from occurring in the future.

Root Cause Analysis and Corrective Actions

We believe that engaged employees are a critical factor in fostering workplace safety and environmental stewardship. Our approach to process safety involves identifying, managing and mitigating risks by raising awareness, providing strong safety leadership, and continuously improving our process safety procedures, systems, and standards.

Process Safety

Our process safety program is designed to prevent unplanned or uncontrolled loss of primary containment of any material that could result in an accident such as an injury, loss, illness or environmental impact. Our process safety program is key to our operational excellence. Our approach to process safety involves identifying, managing and mitigating risks by raising awareness, providing strong safety leadership, and continuously improving our process safety procedures, systems, and standards.

In 2019, we implemented a global electronic management of change system that provides a consistent approach to change management in our processing operations. The system also allows us to develop meaningful metrics to track change management performance.

We have also developed global standard process safety leading indicators to identify weaknesses in key processes, operating discipline, or layers of protection before they lead to a process safety event. We rely on a risk matrix to identify and clearly understand the potential risks we face each day, and we consider root cause analyses critical, as they allow us to make sure we are getting to the real, deep fundamental reasons for why incidents are happening.

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Root Cause Analysis and Corrective Actions

We believe that engaged employees are a critical factor in fostering workplace safety and environmental stewardship. Our approach to process safety involves identifying, managing and mitigating risks by raising awareness, providing strong safety leadership, and continuously improving our process safety procedures, systems, and standards.

Process Safety

Our process safety program is designed to prevent unplanned or uncontrolled loss of primary containment of any material that could result in an accident such as an injury, loss, illness or environmental impact. Our process safety program is key to our operational excellence. Our approach to process safety involves identifying, managing and mitigating risks by raising awareness, providing strong safety leadership, and continuously improving our process safety procedures, systems, and standards.

In 2019, we implemented a global electronic management of change system that provides a consistent approach to change management in our processing operations. The system also allows us to develop meaningful metrics to track change management performance.

We have also developed global standard process safety leading indicators to identify weaknesses in key processes, operating discipline, or layers of protection before they lead to a process safety event. We rely on a risk matrix to identify and clearly understand the potential risks we face each day, and we consider root cause analyses critical, as they allow us to make sure we are getting to the real, deep fundamental reasons for why incidents are happening.

Incentives

We use a variety of incentive initiatives that fall into the following categories:

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**Hazard Recognition Tool Leads to Success in Safety**

At Albemarle, we believe that all accidents are preventable and that everyone should return home to their family safe and free from workplace injury or illness. This year, in support of this goal, we launched a refreshed version of a hazard recognition tool called SCAN.

SCAN is a simple yet powerful tool that helps identify and mitigate potential hazards and reduce the risk of injury. To make the tool more effective, we continuously improve it and then follow through with action and communication. To achieve our mission, we must continuously improve workplace safety by focusing on hazard recognition.

**Best Practice Sharing Encourages Collaboration**

Albemarle’s Best Practice Sharing program provides a way for sites with mature safety cultures to share their successful safety practices with one another. By sharing best practices, the HSSE organization now offers a growing library of best practices, as well as tools, templates, and other resources. Each best practice includes a program summary, key benefits, implementation strategy, elements needed for successful implementation, and a call to action.

**Safest Year in Recent History**

Albemarle’s commitment to safety is reflected in its 2019 performance. Rate targets were among the best in the company’s history, and Albemarle’s 2019 safety incident and lost time incident rates were among the best in the company’s history. As a result, Albemarle’s 2019 safety incident and lost time incident rates were among the best in the company’s history.

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It is important at Albemarle to ensure our employees feel safe, supported, and empowered to do the best work they can do. Among the ways we make this happen is by providing an inclusive, diverse workplace.

Doing so also facilitates opportunities for innovation, fosters good decision making practices, and promotes employee health and employee satisfaction as an organization. We know because we’ve experienced it firsthand.

Establishing a sense of belonging so all employees feel safe, supported, and empowered to do the best work they can do.

**INCLUSIVE & DIVERSE WORKPLACE**

We are committed to building a workplace that is diverse, inclusive, and that treats all employees equally — because we are required to do so but because it is the right and fair thing to do.

Deeshawn Martin, Chief Human Resources Officer

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**Highlights of Inclusion and Diversity Activities**

Among our efforts to continue building an inclusive, diverse workplace in 2019 was an increase in the representation of women on our board of directors, resulting in a board that is 50% diverse. The addition of two highly experienced women as directors broadens the range of perspectives, insights, experiences, and talents that our board can bring to our organization.

In 2020, we also pledged to build on our commitment to inclusion and diversity through a new action plan to focus directly on these areas. This includes achieving an inclusive and diversity leader to accelerate our inclusion and diversity roadmap and deliver meaningful change in our global organization.

The plan also entails our corporate leaders participating in recurring inclusion/anti-bias boot camp training. In the future, this training will be included in the core recruitment process for all new hires. In addition, an online module on inclusion will be rolled out to Albemarle’s new employee onboarding curriculum.

These actions, along with others currently in process or in development, will help us continue building a culture where our values are clear, all are welcome to collaborate and contribute, and differences are celebrated as a competitive advantage.

**Improving our Recruitment Process**

Driving greater diversity in our workforce, including higher representation in the professional and managerial job categories, continues to be a priority in our recruiting efforts and related activities. To help us continue building a diverse and inclusive workplace that is diverse, inclusive, and that treats all employees equally — because we are required to do so but because it is the right and fair thing to do.

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Building Black Employee Connect, and Women’s Connect. From mentoring to volunteering in the local community, each Connect group provides opportunities for employees to share their backgrounds, experiences, and beliefs, and use them to benefit others.

We also have official programs that support our leadership development efforts, including LAUNCH and the Women’s Connect Leadership Development Program.

LAUNCH is a two-year rotational development program for recent graduates. It gives a cohort of recent graduates the opportunity to participate in three assignments (two domestic and one international) to gain unique insight into our organization and processes. Participants are encouraged to apply real-time problem-solving skills, collaborate with industry professionals, and adapt to new and changing environments. In 2019, we welcomed the first LAUNCH program members. This group, in addition to three members welcomed in 2018, collectively worked at seven sites across three countries.

Women Connect Leadership Development Program: This is a three-year program designed to educate, inspire, and encourage women as they progress toward meeting their individual goals. In 2019, we welcomed our first cohort of 20 women across 10 of Albemarle’s global sites. We’ll introduce more accurate reporting methods. Now, we can share data about this process with our leaders, which in turn keeps them informed and engaged in our workforce development efforts.

Succession planning is a critical process for Albemarle because it allows us to be proactive and anticipate key organizational needs for talent and capability. This enables us to efficiently and effectively ensure that we have the right talent pipeline to drive Albemarle’s success in the future.

Each of our executive and key positions are evaluated through Albemarle University, our internal learning and development program. Each year, we evaluate, and provide feedback on the roll-up of the organizational succession plans with a specific focus on CEO and executive role successors.

In 2019, employees averaged 30 hours of online training through Albemarle University, our internal learning and development program. Each year, we introduce more accurate reporting methods. Now, we can share data about this process with our leaders, which in turn keeps them informed and engaged in our workforce development efforts.

Performance Management and Succession Planning

Performance reviews and succession planning also contribute to our talent management endeavors, helping us plan for career progression and increase the visibility of employee talents to a broader set of leaders.

We currently have the resources to do what they do best and what aligns with Albemarle to carry out its mission.

That is why talent management is critical to our organization: Engaging, developing, motivating, and retaining top talent, as well as fostering a supportive environment for our high-performing workforce, enables us to achieve our goals for a world that they thought possible.

We also recognize these efforts help position us as a desirable workplace, enabling us to attract candidates who have the skills, experience, and values that align with our business objectives.

In 2019, our talent management efforts took shape through a number of specific programs and initiatives across the company. Much of this work focused on leadership development, online learning through Albemarle University, and performance management and succession planning.

Leadership Development

Leadership development is a cornerstone to our talent management strategy. It provides us with critical opportunities to teach our employees how to lead effectively in accordance with our core values. We do this through formal and informal practices including:

- Performance coaching - to facilitate the growth and development of employees across the company. 360-degree feedback - to provide employees with targeted feedback from a broad subset of stakeholders.

Experiential development and mentoring - to provide learning through “doing” using on-the-job training, project development opportunities, and mentoring.

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As a leader in the lithium industry, we believe we have a role to play in reducing energy consumption and emission of greenhouse gases (GHG). Our products are essential in the reduction of GHG, most notably in the use of our lithium products in batteries for electric vehicles. In our sustainability journey, we are committed to good stewardship of the environment and energy-efficient manufacturing of our products. As climate change concerns grow globally, we are committed to reducing the emissions of GHG and ozone depleting substances. We will strive to minimize our energy and carbon footprint while continuing to meet growing lithium demand.

In 2019, our refinery catalyst plant at the Bayport facility in Texas was able to improve the slurry feeding system, control allowing for the process to reduce variability and operate more efficiently, reducing energy usage by 2% annually for the site. In 2020, Albemarle was honored by the American Chemistry Council with an award for energy efficiency for this project.

### Progress to Improve Operational Efficiency

Our global HSSE policy includes a focus on continuous improvement, optimizing energy usage to drive efficiencies and technology changes, and reducing GHG at all production sites, which helps improve our low-cost supplier capability.

In 2019, at our Kingsford hydroxide plant in China, we initiated the project to convert the power supply of the site from coal to natural gas. Although it is commonly used and a more cost-effective energy source, the site from coal to natural gas although coal is a more renewable and 11% of the energy consumption is covered by switching from hydrochloric/hydrofluoric (HCl/HF) containing refrigerants, such as R-22, that contribute to the depletion of the Earth’s protective ozone layer.

### Use of Passive Solar Energy

As part of our energy conservation efforts, we use passive solar power in Salar de Atacama (Chile) and Silver Peak (Nevada, USA) to concentrate lithium-containing brine extracted from the salt flats.

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### Energy and Greenhouse Gas Data

Passive solar energy represents 79% of our total energy use. Passive solar energy is used in Salar de Atacama (Chile) and Silver Peak (Nevada, USA) for the concentration of lithium-containing brines. The numbers are based on calculations of water evaporation from brines.

Given the magnitude of passive solar energy consumed, the breakdown of the non-solar energy provides a better view of the energy-intensity of our businesses. Including passive solar, Albemarle consumed approximately 14.1 million GJ of energy in 2019 of which Lithium consumed 22%, Bromine 35%, and Catalysts 40%. The remaining 3% represents our Fine Chemistry Solutions (FCS) operations, global offices, and company-owned or leased transportation.

### Energy usage including Passive Solar Energy

About 2% of the energy mix (excluding passive solar) was renewable and 11% of the energy consumption is covered under emission-limiting regulations, such as the European Trading System (ETS).

<table>
<thead>
<tr>
<th>Energy Usage</th>
<th>Lithium</th>
<th>Bromine</th>
<th>Catalysts</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passive Solar, %</td>
<td>79</td>
<td>3%</td>
<td>35%</td>
<td>40%</td>
</tr>
<tr>
<td>Other Sources, %</td>
<td>22</td>
<td>35%</td>
<td>35%</td>
<td>14%</td>
</tr>
</tbody>
</table>

### GHG-Emissions (CO2e)

<table>
<thead>
<tr>
<th>Emissions</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lithium</td>
<td>14.1</td>
<td>14.1</td>
</tr>
<tr>
<td>Bromine</td>
<td>4.2</td>
<td>4.2</td>
</tr>
<tr>
<td>Catalysts</td>
<td>4.6</td>
<td>4.6</td>
</tr>
<tr>
<td>Other</td>
<td>1.1</td>
<td>1.1</td>
</tr>
</tbody>
</table>

Emissions in 2020 are lower than the reported number in 2019 (15.6 million CO2e) due to energy reduction measures and better assessment of all GHG sources and the underlying energy mix of the electricity providers.
Responsible Users of Water in Water-Scarce Areas

The Salar de Atacama is the largest salt flat in Chile and the highest grade, most productive lithium brine deposit in the world. Lithium, an indispensable material for electric vehicle batteries, is also key for global energy transition. Understandably, battery producers, automotive OEM’s and end users want assurance that emission-free electric vehicles are built using sustainable materials. Water management allows us to provide the lithium the world needs to combat the effects of climate change in a sustainable manner.

In the Atacama basin, there are three primary zones:
- Salt flat or salar nucleus: where the brine is located
- Mixing or transition zone: where the brine meets the fresh water
- Recharge zone: where surface or groundwater collects

The groundwater that reaches the lowest part of the basin meets the dense brine. Due to this difference in density, the saline interphase is formed, causing the water to be forced to the surface forming lagoons in some areas of the basin. The saline interphase and the low permeability sediments around it reduce the effects of brine extraction in the nucleus.

Albemarle operates an extensive water monitoring network throughout the Salar to help ensure that the pumping of brine is not adversely impacting the water system. Each pumping well is monitored in real-time and reported to environmental authorities. In addition to the pumping wells, we operate 110 monitoring wells. A representative of the indigenous community accompanies us on each trip to a monitoring well. To ensure transparency, the monitoring data is also shared with the community.

At Albemarle, we understand that fresh water is critical for the communities, the environment, biodiversity, and our operations. Our goal is to produce the lithium that is needed to combat climate change, while minimizing impact to the ecosystem and maximizing benefit for all stakeholders.

Our fresh water rights make up 0.5% or less than 24 liters per second (l/s) of the total fresh water rights in the Salar de Atacama basin. Of those rights we use just nine (9) l/s for the production of potassium chloride and rinsing our equipment. In the Salar de Atacama, no fresh water is used in the brine concentration process.

WATER MANAGEMENT

Efficient water use is integral to Albemarle’s business strategy, as well as its commitment to ethical interactions with the planet and its people. The development of technologies that allow us to increase production using less water will be fundamental to our long-term business.

A number of our plants are located in areas categorized as high or extremely high water risk by the Aqueduct Atlas of World Resources Institute (WRI). Our lithium-producing locations in Salar de Atacama (Chile) and La Negra (Chile) fall in the category “high overall water risk.” Our bromine operations in Salt (Jordan) fall in the “extremely high water risk” category.

Our Chilean production sites are located in areas with an arid climate and low population density, especially in the Salar de Atacama. Our production location in Magnolia, Arkansas, USA — one of the world’s largest bromine and bromine chemicals sites — has an artificial marsh, which acts as a unique wastewater treatment facility. Our bromine production site in Safi (Jordan) has extensive water management and reduction programs given the scarcity of fresh water.

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The total amount of water consumed in 2019 was approximately 13.6 million m³ including 46% by Catalysts, 34% by Bromine, and 20% by Lithium. Other consumption includes Fine Chemistry Solution (FCS). Approximately 80% of water is consumed at sites with low to medium high water risk as defined by WRI. The remaining 20% is from high or extremely high risk sites, specifically in Chile and Jordan as discussed above. Reported water consumption in 2019 was higher than in 2018 (12.1 million m³) partially due to higher production, but primarily due to better and broader assessment of all water use streams.

We’re also investing to conserve water. In Chile, we spent more than $100 million to install equipment in our new La Negra plant expansion that allows us to increase capacity without proportionally increasing the water footprint. In Jordan we reduced fresh water usage at cooling towers by process heat integration and operating at higher concentrations in certain process streams. Two investments in innovative reclamation of water from waste streams (slated for startup in 2020 and 2021) will lead to further reduction of the water footprint.

Our current process has a lower water footprint than other technologies currently under development by third parties. We continuously search for efficiency improvements in the use of these resources and assess new technologies against sustainability criteria. We are currently developing a detailed management system for this brine resource in order to improve processes and reduce water requirements.

MINERALS
Natural resources are a critical component and the starting point for processes in two of our core businesses, Lithium and Bromine. It is our responsibility to manage these natural resources efficiently, effectively, and sustainably and to be transparent through the process.

Water Management Data
Assessment of water consumption in this report was performed in accordance with SASB standards.

As an industry leader, it is important to Albemarle to be a good corporate citizen and to bring about sustainable solutions for the future through our core values.

Mark Hummert,
Chief Operating Officer of Lithium.
Managing Our Natural Resources

To understand the impact of extracting valuable minerals from these natural resources, Albemarle has focused on building detailed models based on data collection on location.

In Magnolia Arkansas, we have built a model of the brine field based on our knowledge of the formation geology and operating history. Using this model, we can predict optimal placement of both supply and injection wells. Effective injection well placement is key to minimize dilution of fresh brine by depleted tail brine.

In the Salar de Atacama in Chile, we have collected water level and other environmental variables for more than 20 years and have established a detailed hydrogeological model. As discussed above, the model is used to verify whether the pumping of the brine has adverse effects on the water systems. Results are shared with regulatory authorities and the community. We continue to collect data and input into the model to improve our ability to operate effectively and sustainably.

These models allow us to estimate reserve capacity and life. We have a strong commitment to conserving resources and their ecosystems and these models take that delicate balance into consideration.

Maximizing Recovery and Recycling

We are committed to maximizing the minerals extracted to allow for the most efficient, sustainable and economical operating processes – this includes optimizing recovery and recycling processes. In Bromine, we leverage decades of experience to optimize our processes and maximize first pass extraction. We also recycle the brine extracted to improve recovery before returning it back into the formation. Injection is particularly critical for the preservation of the Magnolia Arkansas formation, as it would cause depressurization otherwise.

In Lithium, a by-product (lithium aluminosilicate) is produced when converting spodumene into lithium salts (Hydroxide or Carbonate). At our China conversion sites, this material is 100% reused in the cement industry.

At our spodumene concentrate production plant at Talison⁷ in Greenbushes, Australia, a special plant is under construction to reprocess a by-product stream in order to extract additional lithium. When by-products of lithium production cannot be re-cycled or re-used elsewhere, such non-hazardous materials are stored as tailings. We are aware of the public expectation and our responsibility to minimize the volume of tailings. We continue to consider new technologies to reduce the amount of resources consumed to obtain the same amount and quality of production. We will provide more information about waste management in general, and tailings in particular, in future editions of our sustainability report.

Transparency and Accountability with Compliance and Governance

Our company takes pride in our ability to meet permit requirements. Our efforts are concentrated on compliance with those permits. Our procedures and policies are geared toward verifying consistent compliance.

In the Salar de Atacama, we are transparent and report the results of our environmental monitoring to the authorities of Chile and the surrounding indigenous communities to show we are complying with the permit. We foster our relationship with the community by sharing information in our monthly meetings with the Council of Indigenous Peoples (CPA) regarding our environmental commitments.

At our Talison and JEC joint ventures, Albemarle is represented by board members, who are thoughtful about roles and responsibility they provide as a form of governance. They are responsible for approving operating plans and also the goals and targets with respect to sustainability and overall performance of the operations.

Albemarle is setting targets, encouraging continuous improvement, and using new technologies to improve how we manage our natural resources in the most efficient and sustainable manner.
COMMUNITY ENGAGEMENT
Empowering Employees

In addition to community grants, we empower employees to support charitable organizations through special matching gifts and volunteer opportunities.

The Matching Grants program gives all eligible employees, retirees, and our board of directors the opportunity to support various causes by matching individual donations on a one-to-one basis. Matches are for up to $2,500 per eligible contributor each year. Employees can select non-profits that are most important to them.

The Foundation provides employees with a platform for volunteerism. The Volunteer Grant program honors employees’ volunteer time with up to $1,000 per calendar year. The program distributed $158,000 in 2019 in support of the over 14,000 hours of volunteer service completed by employees. In addition, the Foundation collaborates with the organization’s sites and departments to execute community service projects.

Albemarle Care Fund

Established in 2013, the Albemarle Care Fund helps employees prepare for some of their toughest moments. The fund provides financial assistance to Albemarle employees and retirees who experience financial hardship due to a natural disaster, life-threatening illness or injury, death or other catastrophic or extreme circumstance beyond the employee’s control.

Employees raise money, and the Care Fund matches the donations. To date, over $1.4 million has been distributed.

In 2019, the Care Fund was enacted to help employees suffering damage from Tropical Storm Imelda in Texas and flooding in the Asia-Pacific region. The Foundation is working with CAP America to fund grants outside the U.S. These grants will support volunteer and community outreach, allowing our international sites to expand their community engagement.

In 2019, our Singapore site volunteered for Willing Hearts, helping pack lunch boxes for people in need. Employees in Australia and Chile supported STEM outreach programs. In Norway, employees collaborated to help clean up garbage from the coast as part of World Cleanup Day. In Belgium, the team partners with the Prevent organization to help children who have suffered burn-related injuries.

Growing the Good

Employee engagement is evident each year when the Foundation holds its annual campaign at each of our U.S. and international sites. We believe that nurturing our communities and promoting our employees’ philanthropic efforts are among our most important investments.

The Foundation’s board of directors approves an annual budget that is distributed by the foundation staff to site councils. These employee-led councils are responsible for the philanthropic efforts at their respective locations, identifying, leveraging, and maximizing opportunities to strengthen their communities and promote volunteerism.

Financial contributions support key components of sustainability within the local communities, such as education, health and social services, and cultural initiatives. Potential grant recipients are selected for their alignment with Albemarle’s core values, markers of healthy non-profits, and use of the United Nations’ sustainability development goals.

The Albemarle Foundation has launched at all our U.S. sites and is currently being introduced at our international sites. We believe that nurturing our communities and promoting our employees’ philanthropic efforts are among our most important investments.

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Across all of our sites, giving to educational programs accounts for more than half of our campaign contributions. This includes a special five-year, $10 million educational initiative in Charlotte, North Carolina, our corporate headquarters. Through this initiative, we distributed $2.5 million to five non-profits. Partnering with organizations like Communities in Schools, Bank of America, and Charlotte, and Carolina Youth Coalitions, the Foundation is focusing on early education as well as workforce and college preparatory and technical support to students overcome challenges and reach their full potential.

The Albemarle Foundation scholarship program began in 2007 to assist up to 100 students and depends on the number of Albemarle employees. Graduating seniors from around the world who are attending college in the U.S. are invited to apply. The program awards multiple $10,000 scholarships and a $10,000 Albemarle Scholarship. Scholarship recipients are selected by an independent scholarship committee comprised of educators from our communities. In 2019, the Foundation granted six new scholarships.

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Albemarle granted $6,198,675 to over 1,000 nonprofits in 2019 through foundation programs. Students at Kings Mountain High School in Kings Mountain, North Carolina, are playing safely on an improved gym floor thanks to a $15,000 grant. Employees at our Bayport and Clear Lake sites in Texas volunteered with CYCLE. The charity rewards students with new bicycles for achieving better academic performance. In 2019, employees contributed $2.3 million in support of the over 14,000 hours of volunteer time to help build more than 100 bike to donate to the program.

Funding Contributions

An effective way to support our employees and communities is through our Employee Gift Matching Program. The Albemarle Foundation matches all campaign contributions. This employee-led council is responsible for strengthening their communities and promote volunteerism.

At our New Johnsonville, Tennessee, site we had 100% of employees participated in the campaign, donating close to $1 million. We believe that nurturing our communities and promoting our employees’ philanthropic efforts are among our most important investments.

Albemarle and its employees are committed to improving the quality of life for those living and working in the communities where we operate. This commitment led to the 2007 formation of the Albemarle Foundation, a charitable 501(c)(3) organization. This corporate support and volunteer efforts are channeled through the foundation to ensure they have the most meaningful, sustainable impact.

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In 2019, the Foundation collaborated with the organization’s sites and departments to execute community service projects. For the past six years, employees at our Rapport and Clear Lake sites in Texas volunteered with CYCLE. The charity rewards students with new bicycles for achieving better academic performance. In 2019, employees contributed $2.3 million in support of the over 14,000 hours of volunteer time to help build more than 100 bike to donate to the program.

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COMMUNITY & STAKEHOLDER ENGAGEMENT

Albemarle operates in some of the most beautiful, ecologically sensitive areas in the world. As such, sustainability serves as the cornerstone of our community and stakeholder engagement efforts. We acknowledge that our social license to operate is contingent on the trust and reputation that comes with engagement.

Approach to stakeholder engagement

As an open and growing corporation, Albemarle regularly engages with many stakeholder groups to maintain strong relationships, share information, and gather feedback.

Employees

Albemarle regularly communicates company initiatives, news, goals and performance to employees through daily updates to our intranet and external websites, regular town hall meetings, written memos and face-to-face meetings. These town hall meetings are held at least quarterly by our corporate headquarters and each of our business units. These meetings are recorded and posted to our Intranet site for later viewing.

Communities in which we operate

Most of our US sites conduct Community Advisory Panels (CAPs) under the Responsible Care Management System, where site leaders and employees meet regularly with members of the community to discuss site programs and other initiatives. The goal of these community meetings is to inform the community about our operations and progress on important initiatives and, in turn, to gather feedback and suggestions from local community members.

Our sites also donate funds and volunteer time toward community initiatives, typically with the assistance of the Albemarle Foundation. From time to time, we open our gates to give area residents an opportunity to tour our facilities and gain insight into our operations. We also provide technical assistance and expertise by joining forces with a variety of community organizations. For example, several of our operations run joint firefighting drills with local fire departments.

Shareholders and the Investment Community

The company regularly updates shareholders and the investment community primarily through SEC filings. We also host publicly available quarterly earnings calls and other presentations to industry and investor groups. In an effort to increase transparency, these presentations are webcast and available for replay as often as possible.

Government and Regulators

Albemarle staff host regular communications via phone, email or in-person meetings with government officials, and regulation worldwide to help ensure that Albemarle is focusing on the most significant regulatory concerns and initiatives and the compliance of our products and operations.

Media

Albemarle routinely communicates to industry and investor groups. In an example, several of our operations run joint firefighting drills with local fire departments.

Non-Governmental Organizations (NGOs)

Albemarle works to engage with global, regional and national NGOs on a range of environmental, health and social issues. We strive to demonstrate the benefits of our products and how we reduce any negative impacts from our production processes. NGOs can also play a role in a number of legislative and regulatory processes in which we engage.

Industry & Trade Associations

Albemarle is a member of trade associations across the globe. As a result, we leverage these relationships to influence legislation or regulation of interest to Albemarle. We are in the process of reviewing these associations and intend to terminate membership in associations whose mission is not consistent with our values, strategy and sustainability priorities.

Advocacy focused on Sustainable Solutions

Our advocacy efforts are focused on promoting sustainable solutions to global challenges, supporting our communities and customers, and defending the science upon which our chemistry solutions are based.

Some of our primary focus areas in 2019 were and remain:
• Developing and promoting the use of our memory control technologies to help customers solve some of the world’s most complex problems and promote environmentally friendly solutions.
• Supporting increased fire safety standards with industry organizations and national regulatory bodies.
• Promoting science-based evaluations of flame retardants to drive regulations and contribute to the circular economy without compromising fire safety standards.
• Defending our continued ability to use cobalt salts in our catalysts to contribute to increasing fuel quality and cleaner air standards.
• Compliance with the Lautenberg Chemical Safety Act (LCSA), a chemical regulatory framework to replace Toxic Substances Control Act (TSCA) in the United States.

Albemarle is dedicated to the principles of Green Chemistry and Green Engineering. We advocate the use of science-based chemical legislative and regulatory processes in preference to product specific legislation. Through our advocacy and community relations efforts, we seek to gather feedback from multiple stakeholder
groups and educate stakeholders on the merits of our science-based solutions and the positive impacts they have on the world in which we live and operate.

Societal concerns raised by multiple stakeholders about certain chemicals is of particular concern to Albemarle. We have phased-out and replaced the flame retardants Hexabromocyclododecane (HBCD) and Decabromodiphenyl ether (DECA-BDE) with new and safer alternatives. We continue to develop new flame retardant chemistries that, in addition to meeting economic and performance requirements, seek to be non-toxic, non-bioaccumulative, and facilitate recycling.

A Case Study in Chile

A good example of our community relations outreach efforts is our operations in Chile — specifically in the Salar de Atacama (Salar). Albemarle has successfully operated in this environmentally sensitive area for 40 years.

Our company strategy is to grow by investing in our lithium business with Chile as a key supplier of our product offering. That makes employing sustainable, environmentally sensitive processes mandatory and maintaining a strong relationships with Chile critical. Among the ways we do this is through:

- Consistent dialogue with the local communities where we work
- Monthly meetings with community stakeholders
- Collaboration with the Chilean Economic Development Agency (Corfo)
- Informal daily discussions to better understand risks and opportunities, and to work collaboratively to achieve shared goals

Knowledge-sharing and ongoing engagement with key stakeholders enabled us to establish long-term agreements founded in transparent dialogue. These agreements among Albemarle and the communities in Chile are initiated and executed voluntarily by Albemarle and are not required by the Chilean government. We do it because it is the right thing to do. As a leader in the lithium market, we strive to lead the way when it comes to community outreach and engagement.

An example of this engagement is at our salar plant, located in the community of San Pedro de Atacama, an Indigenous Development Area (ADI). More than 30% of all of our direct workers belong to an Atacama indigenous community. This percentage of direct hiring from within the community is one of the highest in Chile.

Our other contributions to Chile include providing significant funding for research and development in energy storage, advanced battery materials, and renewable energy. We maintain a constructive and collaborative relationship with Corfo, the Chilean economic development agency. Our contract with the agency establishes rigorous conditions to the benefit of the country, and Albemarle will continue contributing to this relationship as a key pillar of our community relations commitment.

We also have voluntary agreements with local indigenous groups including with the Council of Atacameños Peoples (CPA), which represents 18 indigenous communities that live around the Salar. These agreements are based on UN Declaration of Human Rights principles and principles encompassed in the Indigenous and Tribal Peoples Convention (ILO Convention 169), which recognize indigenous peoples’ right to self-determination.

Under the CPA agreement, which is in effect through 2043, we contribute 3.5% of our Chilean revenue to the CPA. Resources provided by Albemarle under the framework of the agreement support community development.

Projects carried out include:
- New and expanded water systems in 50% of the local communities
- Construction of the first photovoltaic plant in the area
- Installation of photovoltaic panels on homes in 50% of the communities, reducing reliance on diesel generators
- Awarding scholarships to 350 students
- Constructing a wastewater treatment plant
- Constructing a community headquarters facility in Catarpe

Through audits are conducted to ensure that the funding was utilized according to the communities’ project plans.

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SUSTAINABLE BUSINESS MODEL
BUSINESS ETHICS

Albemarle’s potential is powered by our passion to innovate, our dedication to serve our customers, and our willingness to collaborate with each other. It’s also driven by our trust built with our stakeholders, including customers, neighbors, communities, suppliers, and investors. These attributes have contributed to a reputation that has taken years to build.

To protect and further enhance this reputation, our work is guided by our core values. In August 2019, to support our core values, we launched a newly revised Code of Conduct (Code) which provides an overview of our expectations and standards of ethical behavior and compliance in day-to-day employee activities.

All of us at Albemarle are fully committed to working with integrity. Doing what’s right is more than a policy; it’s who we are and what we do. We will continue to build upon the foundation we have already achieved as we do what has been achieved.

Our Ethics & Compliance Program

Our Code is managed by our chief compliance officer, in consultation with the general counsel and chief human resources officer. The board’s audit and finance committee is responsible for overseeing the board with oversight for our compliance and ethics programs. The chief compliance officer reports to the audit and finance committee on the status of the ethics and compliance programs quarterly.

The Code is supplemented by several ethics and compliance-related policies including:

- A revised Anti-Corruption Policy published in March 2019
- A revised Ethics & Compliance Program published in March 2019
- A revised Antitrust Policy published in July 2020

These policies are supported by procedures that govern pre-approvals in compliance-sensitive situations and guidelines for employees on how to apply these policies in accordance with Albemarle’s core values. In addition, appropriate ethics and compliance controls have been incorporated into new global functional policies including:

- A Global Sales Policy published in August 2019
- A Global Procurement Policy published in January 2020
- A Human Rights Policy and a Global Community Relations & Indigenous Peoples Policy are expected to be approved in late 2020

Risk Assessment

The design and execution of Albemarle’s ethics and compliance programs is driven by continuous assessment, undertaken in accordance with the company’s enterprise risk management framework. For example:

- All Albemarle business partners are subject to contractual agreements
- The use of third-party sales representatives and vendors who engage with government officials are subject to risk-mitigated due diligence
- Pre-approval is required before making compliance-sensitive payments such as charitable donations or commercial sponsorships.

Albemarle’s core values, we launched our newly revised Code in 2019,

Communications & Training

We communicate our expectations of employees in a clear and accessible manner, using our Code and related trainings to demonstrate how employees should act in accordance with our core values.

When we launched our newly revised Code in 2019, we organized it in common day-to-day situations, rather than area of law. It was intended to be “started with the Code,” especially when they are undertaking an unfamiliar activity.

We also direct employees to supporting policies, guidance materials, and contacts within the Company for further guidance. The Code is interactive and accessible to employees on their computers and smartphones.

This user-oriented approach is also reflected in our training activities. We provide in-depth compliance training to employees according to the ethics and conduct pertinent to their role.

Universal training intended for all employees (e.g. Code of Conduct)

- Legal training (e.g. sales, procurement) which includes an ethics and compliance component
- General training (e.g. anti-corruption, anti-compromise privacy)
- Skills-based training (e.g. conduct of internal investigations)

Our Ethics & Compliance Program is an essential part of their performance for Albemarle. In December 2019, Albemarle launched a new Business Partner Code of Conduct. Albemarle expects its vendors, contractors, sales representatives and any other third party doing business with Albemarle to act in a manner consistent with our values and our Code. This includes sub-contractor engagement on behalf of our business partners.

We also influence our non-controlled joint ventures, and our partners in these ventures that the joint venture adopts requirements similar to those in our Code and policies.

Speak Up

Albemarle provides several channels for employees to report code violations including a confidential Ethics Helpline. In addition, the Code report their concerns confidentially and anonymously.

Employees may report suspected violations of the Code. Employees may report their concerns confidentially and anonymously.

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Monitoring & Audit

To ensure the successful execution of our ethics and compliance program and to further mitigate associated risk, we undertake:

- Reputational monitoring
- Monitoring of employee expenses, including gifts and hospitality provided to third parties
- Employment, including gifts and hospitality provided to third parties
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In addition, Albemarle’s internal audit function undertakes periodic audits of:

- Third-party sales representatives
- Vendors engaging with government officials on behalf of Albemarle
- Non-controlled joint ventures, and on the board of directors’ audit and finance committee.

Our Compliance Program is driven by the trust we have built with our stakeholders, including customers, neighbors, communities, suppliers, and investors. These attributes have contributed to a reputation that has taken years to build.

To protect and further enhance this reputation, our work is guided by our core values. In August 2019, to support our core values, we launched a newly revised Code of Conduct (Code) which provides an overview of our expectations and standards of ethical behavior and compliance in day-to-day employee activities.

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INNOVATION

Throughout Albemarle, we are inspired by “what’s next” and our part in transforming that “next idea” into reality. Finding new and more sustainable solutions drives everything we do.

It is about helping our customers create a better tomorrow by designing products with more sustainable footprints and highest added value. That includes enabling energy storage for batteries in electric vehicles and grid energy storage, raising the standards of fire safety and food safety, and finding better ways to supply clean, reliable energy to a growing global economy.

Our global team of researchers and data scientists, chemists, hydrogeologists, engineers, and other professionals collaborated across our boundaries to tackle technology challenges, create innovative, more sustainable solutions, and ultimately extend our environmental footprint.

Innovation Spans from Minerals to Markets

Across the company, our approach to innovation is broad, spanning from minerals to markets. It is also deep, ranging from minerals to markets. It is also deep, ranging from fundamental materials all the way to customer-tailored solutions.

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When we think about innovation at the resource level, it begins with high-end technologies like hydrogeology and modeling that allows us to precisely pinpoint the location for improved and reduced water consumption through improved feed control.

Our products are used by our customers in numerous applications. It is in the use-phase that our products market added value for the environment. For example, the majority of our lithium products end up in batteries that enable emission-free mobility of electric vehicles. We work with our lithium customers and the automotive industry every day to improve our products.

Our bromine products include flame retardants that are used in electronics, construction, and transportation applications. The “C” in bromine is for “clean.” In one case, we use bromine for decontamination to reduce the re-emission of sulfur and particulate matter to virtually zero. About 50%-60% of our 2019 revenue comes from products that contribute to the reduction of GHG emissions or water usage or that lower resource-intensity in the use-phase in accordance to the SASB RT-CH-410a.1 metric.

Putting Process Technology to work

Most of our processes are energy intensive by nature, so we focus on process technology to lower the use of energy, water, ore materials, and reduce waste. This helps us maximize the use of our equipment, lower our footprint, and increase our return on investment.

We have numerous programs in place for reducing energy usage and GHG emissions. In Amsterdam, where EU regulations demand a 49% reduction of GHG emissions by 2030, we have an active technology program to make such reductions. In other energy-intensive locations, we have similar programs aimed at footprint reduction, increasing plant reliability and safety, and enhancing productivity.

Reduction of the environmental footprint in Amsterdam

In our Research and Technology group in Amsterdam we put technology to work to enable a drastic reduction of GHG emissions from GHG-emitters to our catalyst manufacturing plants. In our Bayport, U.S. plant, we work in collaboration with our customers to improve the environmental footprint of their operations. This includes reducing energy consumption and increasing plant efficiency. One example of this is the work underway in our USA research laboratories to recycle lithium from end of life batteries.

Improving process control in Bayport

Project teams successfully reduced energy consumption by optimizing drying processess and increasing production throughput. This also achieved higher product quality and reduced water consumption through improved feed control.

Innovation for and with Customers

As an industry leader, we think beyond business-as-usual to drive innovations that create lasting value for our customers. We collaborate with customers to help them meet their objectives. For example, in Bromine, we work with our customers using our extensive database to improve safety and performance in the new applications. In Lithium, we work closely with cathode and anode manufacturers to create new materials for next-generation batteries. In one case, our Catalyst division partnered with Neste in the development of NEXBTL catalysts, enabling the production of renewable diesel from animal fat, cooking oil, and other waste streams.

Next Generation Innovating

If you are not innovating today, you will quickly fall behind. This is particularly true in many of the high-growth markets we serve. To extend our technical differentiation we are continuously advancing our chemical processes and developing new products. One example of this is the work underway in our USA research laboratories to recycle lithium from end of life batteries.

Our researchers are also engineering and combining new materials for the next wave of battery development. They have already created novel forms of stable, water-soluble lithium to make safer and longer lasting next-generation batteries. They also advanced the creation of more stable, better performing lithium metal surfaces.

In addition, Albemarle researchers are tackling one of the greatest challenges today: increasing battery energy density. Albemarle owns numerous patents, including lithium-sulfur separation and lithium metal foils — both of which are likely to play a role in solid-state battery design.

Celebrating Innovation

Albemarle has built a culture thatcelebrates curiosity and courage. This year, 193 employees were honored as winners of the 2019 Albemarle Technology Awards for their contribution to one of 47 unique global projects. This program, sponsored by technology leaders of our business units, recognized individuals and their internal projects that delivered outstanding approaches to technology challenges, created innovative and more sustainable solutions, and ultimately extended our competitive advantage. The awards were granted for the following six categories: Customer Aligned Innovation, Technology Excellence, Manufacturing Innovation, Material Breakthrough, Safety in Practice and Sustainability.

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Information on Employees and Other Workers

Regular Employment denotes Albemarle employees hired for an indefinite period. Fixed Term Employment denotes Albemarle employees hired for a specific amount of time. Contractors include third party employees who require access to Albemarle's systems.

<table>
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</tr>
<tr>
<td>Latin America</td>
<td>745</td>
<td>31</td>
<td>70</td>
<td>846</td>
</tr>
<tr>
<td>Europe</td>
<td>1,471</td>
<td>40</td>
<td>278</td>
<td>1,799</td>
</tr>
<tr>
<td>APAC</td>
<td>1,280</td>
<td>9</td>
<td>93</td>
<td>1,412</td>
</tr>
<tr>
<td>Total*</td>
<td>5,524</td>
<td>80</td>
<td>1,357</td>
<td>6,961</td>
</tr>
</tbody>
</table>

*Total does not include employees of our consolidated joint ventures.

External Initiatives

Following is a list of principles and initiatives that Albemarle has endorsed or adopted:

<table>
<thead>
<tr>
<th>Principle / Initiative</th>
<th>Date of adoption</th>
<th>Countries</th>
<th>Stakeholders involved in development</th>
<th>Voluntary/mandatory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsible Care® - 14001</td>
<td>1988</td>
<td>United States</td>
<td>The International Council of Chemical Associations (ECA) and member association ACC</td>
<td>Voluntary</td>
</tr>
<tr>
<td>Responsible Care® - re-confirmation</td>
<td>Varies by facility</td>
<td>China, Netherlands</td>
<td>The International Council of Chemical Associations (ECA) and member association Asiquim A.G., VNCI</td>
<td>Voluntary</td>
</tr>
<tr>
<td>VECAP®</td>
<td>2006</td>
<td>United States, Jordan</td>
<td>International Organization for Brominated flame retardant companies</td>
<td>Voluntary</td>
</tr>
<tr>
<td>ISO 14001</td>
<td>ISO 9001, ISO 45001</td>
<td>Varies by facility</td>
<td>International Organization for Standardization and is administered by accreditation and certification bodies</td>
<td>Voluntary</td>
</tr>
<tr>
<td>OHSA 18302, ISO 45001</td>
<td>Varies by facility</td>
<td>China, Germany, Jordan</td>
<td>International Organization for Standardization and is administered by accreditation and certification bodies</td>
<td>Voluntary</td>
</tr>
</tbody>
</table>

Precautionary Principle or Approach

Through the careful and scientific testing and development of our products we strive to ensure our products are safe for both humans and the wider environment. We spend considerable resources ensuring our compliance with both the letter and spirit of chemicals management and other relevant legislation/regulation, many of which are based upon the precautionary principle.

Albemarle complies with several procedures and programs which use the precautionary principle or approach. Examples of such procedures and programs are detailed on our website including Responsible Care® 14001 (RC14001®) and VECAP® (Voluntary Emissions Control Action Program).

Significant Changes to the Organization

On October 31, 2019, we completed the acquisition of a 60% interest in Mineral Resources Limited ("MRL") Wodgina hard rock lithium mine project ("Wodgina Project") in Western Australia. To complete the transaction, Albemarle paid MRL a cash purchase price of $820 million and transferred to MRL a 40% interest in two of its Kemerton operating units. Additionally, Albemarle and MRL formed an unincorporated joint venture, MRL Lithium-Operations Pty. Ltd., whose purpose will be exploration, development, mining, processing and production of lithium and other minerals (other than iron ore and tantalum) from the Wodgina Project and for the operation of the Kemerton lithium hydroxide conversion facility.

Membership of associations

| Active Pharmaceutical Ingredients Committee (APIC) | American Chemistry Council (ACC) |
| American Fuel and Petrochemical Manufacturers (AFPM) | American Chemical Society (ACS) |
| American Petroleum Institute (API) | Americas Environmental Federation |
| Association of Chemical Companies of China (ACC) | Association of Mining and Exploration Companies (AMEC) |
| Association of the Dutch Chemical Industry (VNCI) | Association of the German Chemical Industry (VCI) |
| Australian Institute of Energy (AIE) | AICM—Association of International Chemical Manufacturers (AICM) |
| Battery Association of Japan | AIMM-China; Bronewide Europe |
| Bundesverband Chlor und Brom | Briten Science and Environmental Forum (BSEF) |
| Buls Pharma Verband | Catalyse Europe |
| Catalysers Manufacturers Association of Japan | EFIEC-European Chemical Industry Council |
| Chamber of Mines and Energy Western Australia (CME WA) | China Flame Retardant Society (CIFRS) |
| China Non-Ferrous Metal Association - Li Branch | China Petroleum and Chemical Industry Federation (CPCIF) |
| China Plastic Processing Industry Association (CPIPA) | China RoHS Working Group |
| Cobalt Institute | CETOC |
| European Cobalt Association | European Halogen and Brominated Products Platform (EHPBP) |
| European Flame Retardant Association (EFRA) | European Union |
| Flame Retardant Chemical Association | European Association of the Chemical Industry (CEFIC) |
| International Antimony Association (I2A) | European Federation of Chemical Manufacturers (CEFIC) |
| International Molybdenum Association | European Federation of Chemical Manufacturers (CEFIC) |
| Japanese Chemical Export and Import Association | Japanese Chemical Industry Association (JCI) |
| Japan Chemical Export and Import Association | Korea International Trade Association |
| Korea International Trade Association | MIE-SSZ-Hungarian Chemicals trade association |
| Minerals Council of Australia (MCA) National Association | MRL formed a unincorporated joint venture, MRL Lithium Operations Pty. Ltd., whose purpose will be exploration, development, mining, processing and production of lithium and other minerals (other than iron ore and tantalum) from the Wodgina Project and for the operation of the Kemerton lithium hydroxide conversion facility.

For more information on our organizational profile, please see our annual report blog.
Executive Compensation, Nominating & Governance and Health Safety & Environment.

Ethical Business Principles

All Albemarle employees, officers and directors understand the importance of and our commitment to ethical business practices and other governance matters, please see our Annual Report. For more information on our corporate governance guidelines including a copy of our Corporate Governance Guidelines and Code of Conduct, please refer to our corporate website.

Governing the Business

The board oversees corporate strategy, business performance and other governance matters. Please see our Corporate Governance Guidelines for more information on the board’s role in overseeing management and to act in the best interests of Albemarle and its shareholders. To assist in its oversight responsibilities, the board maintains the following five committees: Audit & Finance, Capital Investment, Executive Compensation, Nominating & Governance and Health Safety & Environment.

Effectiveness of risk management process

The Audit & Finance Committee reports to the full board on risk oversight, among other matters. Additionally, the board receives a copy of the annual ERM report presented by the Vice President, Audit and Risk Management to the Audit & Finance Committee in which they identify the board’s risk areas and oversight responsibility. The board also engages in periodic risk discussions with the CFO, Chief Compliance Officer and other members of the ERM Committee, as appropriate.

The board oversees corporate strategy, business performance, corporate governance, reputation and the sustainability of our products and operations. We believe the current leadership structure of the board supports the risk oversight functions described above through providing independent leadership at the committee level with ultimate oversight by the full board.

Nominating and selecting the highest governing body

The Nominating & Governance Committee assists the board on all matters relating to the selection of directors (including determinations of “independence”), duties, and qualifications of nominees in preparation for the annual election of directors. It also assists the board with oversight of corporate governance matters, succession planning and other senior executives who are elected annually by the shareholders to serve as a member of the board, management, shareholders, and other interested parties. The full board, including the Audit & Finance Committee, Capital Investment, Executive Compensation, Health Safety & Environment Committee and Nominating & Governance Committee each conduct an annual self-evaluation of their performance and procedures. The self-evaluation leads to a full board discussion of the results.

The Lead Independent Director consults with each of the directors as part of the evaluation. The qualifications and performance of all board members are reviewed in connection with their re-nomination to the board. The Nominating & Governance Committee reviews the effectiveness in balancing these considerations through its ongoing consideration of Directors and nominees, as well as the Nominating & Governance Committee’s annual self-assessment process.

Stakeholder Engagement

Shareholders and employees may communicate with the board by sending written correspondence to the Chair of the Board of Directors and nominees, as well as the Nominating & Governance Committee c/o Albemarle Corporation, 4250 Congress Street, Suite 100, Charlotte, North Carolina 28209 or by email at governance@albemarle.com.

Communicating critical concerns

Shareholders and employees may communicate with the board by sending written correspondence to the Chair of the Nominating & Governance Committee c/o Albemarle Corporation, 4250 Congress Street, Suite 100, Charlotte, North Carolina 28209 or by email at governance@albemarle.com.
We respect the freedom of association and collective bargaining rights of our employees. As of December 31, 2019, the percentage of our employees covered by collective bargaining agreements was approximately 48%.

We use the market median as our reference point for our compensation and benefits programs globally. The market median is specific for each country where we compete for talent and is used for all levels of employees. While using the median as our reference point, we differentiate pay based on performance, expertise, experience and the overall value to the organization.

Our employees have a living wage that is well above country specific minimum wage levels. Even measured by the lowest wage level we pay at each of our locations with more than 50 employees, we pay well above the local minimum wage, as illustrated in the graph below, in which 100% represents the local minimum wage.
Communication and training about anti-corruption policies and procedures

We communicate our expectations of employees in a clear and accessible manner, using our Code of Conduct and related trainings to demonstrate how employees should act in accordance with our core values.

All employees are required to complete training with respect to our Code of Conduct (Albemarle’s principal document and philosophy for the prevention of corruption). Before the launch of Code of Conduct training (which included a specific section addressing corruption issues), the CEO sent a communication to all employees about the importance of acting in accordance with our core values, related trainings to demonstrate how employees should act in accordance with our core values, and accessible manner, using our Code of Conduct and procedures.

We communicate our expectations of employees in a clear and accessible manner, using our Code of Conduct and related trainings to demonstrate how employees should act in accordance with our core values.

Our training on the Code of Conduct and anti-corruption Compliance Officer when communicating the mechanics of Conduct, and completing Code of Conduct training.

Conflicted interests or corruption and actions taken

Violations of policy law, and including anti-corruption law, are taken seriously and any such incidents result in a variety of disciplinary measures, up to and including termination.

As indicated in Albemarle’s Form 10-K Annual Report for FY2019, following receipt of information regarding potential improper payments being made by third party sales representatives of our Refining Solutions business, within our Catalyst segment, we promptly notified outside counsel and forensic accountants to investigate potential violations of the Company’s Code of Conduct, the US Foreign Corrupt Practices Act, and other potentially applicable laws. Based on this internal investigation, we have voluntarily self-reported potential issues relating to the use of third party sales representatives in our Refining Solutions business, within our Catalyst segment, to the U.S. Department of Justice (“DOJ”), SEC, and Dutch Public Prosecutor (“DDG”), and are cooperating with the DDG, SEC, and DPP in their review of these matters. In connection with our internal investigation, we have implemented, and are continuing to implement, appropriate remedial measures.

At this time, we are unable to predict the duration, scope, number of incidents of non-compliance associated with water management risks and discussion of strategies and practices to mitigate those risks.

The data in this 2019 report are the result of a thorough analysis in close collaboration with all Albemarle sites using a standardized method of boundary setting, calculation and estimations. For reporting purposes, the boundaries of energy consumption and greenhouse gas emissions are set in line with the G4H Protocol and the SASB standards.

ADDITIONAL ENVIRONMENTAL DISCLOSURES (GRI 300 SERIES)

Energy consumption within the organization

Water withdrawal and consumption

Withdrawn water includes water from rivers and lakes, extracted groundwater, collected and stored rainwater, municipal water and water obtained from other public sources. Water from rainwater sources and brine (as source of lithium and bromine) are not included in this calculation because its extreme salinity makes it unusable as fresh water source. The use of brine for lithium and bromine production is deemed not to be in competition with the use as drinking water.

Consumed water is defined as water that evaporates during processing, is incorporated into our products, or does not otherwise return to the same catchment area from which it was withdrawn. In many locations a large fraction of the water withdrawn returns to the same catchment area and is therefore not considered to be consumed.

SASB code | Water Management
--- | ---
BT-CH-140a.1 (1) Total water withdrawn (millions of cubic meters) | n/a 12.1
EM-MH-140a.1 (1) Total water consumed (millions of cubic meters) | n/a 13.6

** Source: WRI Aqueduct, accessed June 2020
* rounding difference
* n/a = Not available

** Description of water management risks and discussion of strategies and practices to mitigate those risks.
**GHG emissions (Scope 1 & 2)**

GHG emissions are broken down by scope 1 and scope 2, as defined in the GHG protocol, WBCSD and SASB standards. Scope 1 comprises emissions from (1) combustion of fuels on our locations, (2) release of CO₂ in chemical reactions and (3) fugitives, such as refrigerants. Scope 2 covers indirect emissions e.g. due to the use of purchased electricity or steam. In this stage, we do not have sufficient data to assess scope 3 emissions (emissions related to raw materials, services and the use of our products).

GHG emissions are based on fuel and electricity consumption data and careful assessment of process and fugitive emissions. We used IPCC 2014 data for calculation of the scope 1 emissions. For calculation of scope 2 emissions (indirect from electricity consumption) we used the conversion factors related to the actual energy mix of the electricity suppliers (if available) or a national / state level average energy mix. In some cases, immaterial to the total numbers, we used estimations. Emissions derived from combustion represented 92% of the total scope 1, while process and fugitives were (7.6%) and (0.2%), respectively. More than 96% of combustible fuels is natural gas and none of the sites uses coal or coke.

### GHG emissions (2018-2019)

<table>
<thead>
<tr>
<th>SASB code</th>
<th>GHG emissions category</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>RT-CH-110a.1 / EM-MM-110a.1</td>
<td>Gross global Scope 1 emissions (Thousand Metric tons (t) CO₂-e)</td>
<td>575</td>
<td>603</td>
</tr>
<tr>
<td>RT-CH-110a.1 / EM-MM-110a.1</td>
<td>Gross global Scope 2 emissions (Thousand Metric tons (t) CO₂-e)</td>
<td>386</td>
<td>293</td>
</tr>
<tr>
<td>RT-CH-110a.1 / EM-MM-110a.1</td>
<td>Total GHG emissions (Thousand Metric tons (t) CO₂-e)</td>
<td>960</td>
<td>896</td>
</tr>
<tr>
<td>RT-CH-110a.1 / EM-MM-110a.1</td>
<td>GHG Lithium (Thousand Metric tons (t) CO₂-e)</td>
<td>n/a</td>
<td>330</td>
</tr>
<tr>
<td>RT-CH-110a.1 / EM-MM-110a.1</td>
<td>GHG Lithium (Thousand Metric tons (t) CO₂-e)</td>
<td>n/a</td>
<td>330</td>
</tr>
<tr>
<td>RT-CH-110a.1 / EM-MM-110a.1</td>
<td>GHG Lithium (Thousand Metric tons (t) CO₂-e)</td>
<td>n/a</td>
<td>330</td>
</tr>
<tr>
<td>RT-CH-110a.1 / EM-MM-110a.1</td>
<td>Percentage covered under emissions-limiting regulations</td>
<td>n/a</td>
<td>11%*</td>
</tr>
</tbody>
</table>

*Locations in countries falling under European Trading System

### Air Quality

<table>
<thead>
<tr>
<th>SASB code</th>
<th>Air Quality category</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>RT-CH-120a.1 / EM-MM-120a.1</td>
<td>NOx (excluding N2O) (Metric tons (t))</td>
<td>639</td>
<td>790</td>
</tr>
<tr>
<td>RT-CH-120a.1 / EM-MM-120a.1</td>
<td>SOx (Metric tons (t))</td>
<td>3,015</td>
<td>1,458</td>
</tr>
<tr>
<td>RT-CH-120a.1 / EM-MM-120a.1</td>
<td>Volatile Organic compounds (VOCs) (Metric tons (t))</td>
<td>n/a</td>
<td>847</td>
</tr>
<tr>
<td>RT-CH-120a.1 / EM-MM-120a.1</td>
<td>Hazardous Air Pollutants (HAPs) (Metric tons (t))</td>
<td>64</td>
<td>178</td>
</tr>
</tbody>
</table>

### Hazardous Waste Management

<table>
<thead>
<tr>
<th>SASB code</th>
<th>Hazardous Waste Management category</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>RT-CH-150a.1</td>
<td>Amount of hazardous waste generated</td>
<td>n/a</td>
<td>19%</td>
</tr>
</tbody>
</table>

### Waste by type and disposal method

**Non-compliance with environmental laws and regulations**

Albemarle maintains a very robust management system for environmental performance and compliance. In 2019, penalties for environmental infractions were not material, and any required corrective measures had been implemented prior to the receipt of the final enforcement action.
ADDITIONAL SOCIAL DISCLOSURES

(GRI 400 SERIES)

New employee hires and employee turnover

As of December 31, 2019:

Note: all data for employees only, excluding contractors

<table>
<thead>
<tr>
<th>Category</th>
<th>Average Head-head</th>
<th>Termination</th>
<th>% Turnover</th>
<th>New Hires</th>
<th>New Hires minus Terminations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>4,085</td>
<td>113</td>
<td>7%</td>
<td>124</td>
<td>7%</td>
</tr>
<tr>
<td>Female</td>
<td>1,135</td>
<td>54</td>
<td>4%</td>
<td>31</td>
<td>27%</td>
</tr>
<tr>
<td>Non-Disclosed</td>
<td>382</td>
<td>55</td>
<td>15%</td>
<td>136</td>
<td>6%</td>
</tr>
<tr>
<td>Age Group</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age &lt;25</td>
<td>2,841</td>
<td>203</td>
<td>7%</td>
<td>347</td>
<td>12%</td>
</tr>
<tr>
<td>Age &gt;45</td>
<td>2,192</td>
<td>128</td>
<td>6%</td>
<td>89</td>
<td>4%</td>
</tr>
<tr>
<td>Age &lt;25</td>
<td>2,522</td>
<td>128</td>
<td>5%</td>
<td>89</td>
<td>4%</td>
</tr>
<tr>
<td>Age &gt;45</td>
<td>2,192</td>
<td>128</td>
<td>6%</td>
<td>89</td>
<td>4%</td>
</tr>
<tr>
<td>Region</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>APAC</td>
<td>1,289</td>
<td>77</td>
<td>6%</td>
<td>389</td>
<td>15%</td>
</tr>
<tr>
<td>EMEA</td>
<td>1,491</td>
<td>129</td>
<td>8%</td>
<td>152</td>
<td>13%</td>
</tr>
<tr>
<td>Latin America</td>
<td>2,074</td>
<td>229</td>
<td>11%</td>
<td>732</td>
<td>36%</td>
</tr>
<tr>
<td>Asia</td>
<td>5,602</td>
<td>463</td>
<td>8%</td>
<td>1,310</td>
<td>23%</td>
</tr>
<tr>
<td>North America</td>
<td>2,192</td>
<td>229</td>
<td>11%</td>
<td>732</td>
<td>36%</td>
</tr>
</tbody>
</table>

Benefits provided to full-time employees that are not provided to temporary or part-time employees

We view our employee benefits as supplemental to statutory employee benefits, which are in combination geared to supporting our employees and their families in managing their physical and financial wellness, and in achieving an appropriate work-life balance. We offer part-time employees around the globe that benefits are comparable to full-time employees.

Worker participation, consultation, and communication on occupational health and safety

Almost all of Albemarle’s US sites are ISO/IEC 14001 certified. As part of the certification process, each site must have a Responsible Care Steering Group (RCSC), led by the plant manager for overseeing the site Responsible Care Management System. The RCSC will include a cross-sectional representation of the site (salary, wage and any nested contractor contact). The RCSC will work with the site management to set the site HSE policies and procedures consistent with the Corporate HSE policies and procedures, to establish specific significant HSE aspects along with the operation controls for such aspects, to establish and monitor the HSE performance measures for the site. The RCSC will meet at least four times per year (typically quarterly) - some sites charged to monthly meetings (if available) and they report annually to the Corporate RCSC on the status of their site-specific significant HSE aspects and objectives.

Austria/Austria/Arbeitskreis Soziale Sicherheit (ASAS) - for the German sites, which meets at least four times a year. Representatives of the workforce in this Safety Council are members of the works council (Betriebsrat) and the Speaker of the works council (Arbeitgebervertretung). The ASAS Safety Council represents the total workforce on the German sites.

At the Amsterdam site, two special Works Councils (Betriebsrats) meet on a regular basis to discuss Health and Safety issues. In Belgium, both production sites have worker participation committees, which are required by the Belgian government.
Significant Location(s) | Location Name | Average Hours of Training/Employee per year |
--- | --- | --- |
Americas - USA | Arkansas Magnolia Plants | 8.7 |
| Louisiana BRT - Baton Rouge Tower | 27 |
| Louisiana PDC - Baton Rouge Process Development Center | 32 |
| Michigan South Haven Plant | 359 |
| Nevada Silver Peak | 475 |
| North Carolina Charlotte - Corporate Head Quarters | 768 |
| North Carolina Kings Mountain | 528 |
| Pennsylvania Tyrone Plant | 40 |
| Tennessee New Johnsonville | 25 |
| Texas Bayport Plant | 90.2 |
| Texas Clariant Tyler Plant | 20 |
| Texas Pasadena Plant | 7 |
Americas-Chile | Antofagasta La Negra | 43.8 |
| Chile Santiago | 48.7 |
| Santiago | 316 |
Europe, Middle East and Africa | Belgium Louvain-la-Neuve | 23 |
| Germany Albermarle Germany | 20 |
| Hungary Budapest | 73 |
| Latvia Albermarle-Riga | 14 |
| Pacific | Australia Sydney | 42.4 |
| China Shanghai | 55.5 |
| Shanghai | 55.5 |
| Vietnam Saigon | 55.8 |
| Las Vegas | 20 |
| Taiwan | 7 |

**Prevention and mitigation of occupational health and safety impacts directly linked by business relationships**

Albemarle provides training, counseling, prevention, risk-control programs and training for handling of diseases. These programs vary by region. Albemarle does not have a high incidence or risk of specific occupational diseases. We have proactive wellness programs that provide information and resources for good nutrition, exercise and stress management.

**Programs for upgrading employee skills and transition assistance programs**

We invest in our employees through many different channels. At all locations, we use internal training programs for skill development. Programs range from broad leadership programs to specific skill development such as welding. The internal training programs are supplemented with external programs that provide for new skill development or skill refresher. Additionally, for those eligible individuals willing to make the commitment, we support employees’ continuing education aspirations by funding university tuition and allowing the necessary time for classroom attendance. In addition to our education and training programs, we also offer outplacement services to employees who leave the organization due to a significant reduction-in-force.

**Work-related injuries**

<table>
<thead>
<tr>
<th>SASB code</th>
<th>Workforce Health &amp; Safety</th>
<th>Direct employees</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>RT-CH-302a(1)(a)</td>
<td>Total Recordable Injury Rate (TRIR)</td>
<td>0.64</td>
<td>0.55</td>
<td>0.36</td>
<td></td>
</tr>
<tr>
<td>RT-CH-302a(1)(b)</td>
<td>Falsality rate</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

**Contract employees**

<table>
<thead>
<tr>
<th>SASB code</th>
<th>Workforce Health &amp; Safety</th>
<th>Contract employees</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>RT-CH-302a(1)(b)</td>
<td>Total Recordable Injury Rate (TRIR)</td>
<td>0.53</td>
<td>0.76</td>
<td>0.32</td>
<td></td>
</tr>
<tr>
<td>RT-CH-302a(1)(b)</td>
<td>Falsality rate</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

**Total**

<table>
<thead>
<tr>
<th>Workforce Health &amp; Safety</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Recordable Injury Rate (TRIR)</td>
<td>0.61</td>
<td>0.59</td>
<td>0.33</td>
</tr>
</tbody>
</table>

**Average hours of training per year per employee**

For the year ended December 31, 2019:

<table>
<thead>
<tr>
<th>Significant Location(s)</th>
<th>Location Name</th>
<th>Average Hours of Training/Employee per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas - USA</td>
<td>Arkansas Magnolia Plants</td>
<td>27</td>
</tr>
<tr>
<td>Louisiana BRT - Baton Rouge Tower</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>Louisiana PDC - Baton Rouge Process Development Center</td>
<td>32</td>
<td></td>
</tr>
<tr>
<td>Michigan South Haven Plant</td>
<td>359</td>
<td></td>
</tr>
<tr>
<td>Nevada Silver Peak</td>
<td>475</td>
<td></td>
</tr>
<tr>
<td>North Carolina Charlotte - Corporate Head Quarters</td>
<td>768</td>
<td></td>
</tr>
<tr>
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<td>Total Recordable Injury Rate (TRIR)</td>
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As an organization, we have a philosophy as well as a practice of paying equally for the same job across genders. As discussed above, using our annual pay review process and other tools, we are actively identifying and eliminating pay gaps between individuals who work in the same role at the same location.

In 2019, three allegations of discrimination were reported. These allegations were either fully or partially substantiated during internal investigation and appropriate disciplinary action taken.

Employee training on human rights policies or procedures

Our global employees were provided with one hour of employee training on the Code of Conduct as part of New Hire On boarding. Employees that are promoted to a new level will receive the required training upon returning to work.

Operations with local community engagement, impact assessments, and development programs

We view the community in which we operate as our partner and key stakeholders. We realize that they provide Albemarle with open perspective regarding the priorities and issues of concern of the community and an outlet for communications from Albemarle about the state of the company and those related initiatives.

Political contributions

Albemarle is committed to participating constructively in the political process with the ultimate goal of advancing and protecting the best interests of Albemarle and our stakeholders. The political process significantly impacts Albemarle through government policies, legislation and regulatory decisions. Through our participation, we promote legislative and regulatory actions that further Albemarle’s business objectives and work to protect the company from unreasonable, unnecessary or burdensome legislative or regulatory actions at all levels of government. We are fully committed to conducting our political activities in compliance with all applicable campaign finance laws and reporting requirements and in accordance with the Albemarle Corporation Political Contribution Policy (the “Policy”). A summary of the Policy is available on our website at https://albemarle.com/investors/corporate-governance.

Albemarle supports transparency in the political process and has on an annual basis commencing in 2014 publicly disclosed its corporate political contributions and political contributions by the Albemarle Corporation Political Action Committee (the “Albemarle PAC”), which is registered with the U.S. Federal Election Commission (“Super PACs”) in connection with any federal or state election. If Albemarle or the Albemarle PAC changes its general guidelines to allow independent expenditures or contributions to Super PACs, we expect that any such expenditures or contributions would be disclosed in Albemarle’s Annual Report on Form 10-Q following such political contributions.

Neither Albemarle nor the Albemarle PAC intends to make “independent expenditures” or contributions to political committees that make such independent expenditures (“Taxes” or “Independent Committees”). A CAP serves as the conduit for open communication between the site and the community in which it operates.

As discussed above, using our annual pay review process and other tools, we are actively identifying and eliminating pay gaps between individuals who work in the same role at the same location.
Albemarle's political activities, including corporate contributions and contributions by the Albemarle PAC.

No political contributions were made by Albemarle Corporation nor the Albemarle PAC in 2019.

Incidents of non-compliance concerning the health and safety impacts of products and services

During 2019, there were no material monetary fines or non-monetary sanctions for non-compliance concerning the health and safety impacts of products and services.

Non-compliance with laws and regulations in the social and economic area

During 2019, there were no material monetary fines or non-monetary sanctions for non-compliance with laws and regulations.

GRI STANDARDS REFERENCE TABLE

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413-1 | Operations with local community engagement, impact assessments, and development programs | Community Engagement / Appendix: Operations with local community engagement, impact assessments, and development programs | Page 54-49 / Page B3 |  
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415-1 | Political contributions | Appendix: Political contributions | Page B3 |  
GRI-416: Customer Health and Safety 2016
416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | Appendix: Incidents of non-compliance concerning the health and safety impacts of products and services | Page B4 |  
GRI-419: Socioeconomic Compliance 2016
419-1 | Non-compliance with laws and regulations in the social and economic area | Appendix: Non-compliance with laws and regulations in the social and economic area | Page B4 |  

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**GRI-102: Greenhouse gas emissions**

2018 | 2019 | Appendix: Direct (Scope 1) GHG emissions / Energy indirect (Scope 2) GHG emissions | Page 76

**RT-CH-110a.1 / EH-MM-110a.1**

- Gross global Scope 1 emissions (Thousand Metric tons (t) CO₂-e) 575 603
- Gross global Scope 2 emissions (Thousand Metric tons (t) CO₂-e) 386 299
- Total GHG emissions (Thousand Metric tons (t) CO₂-e) 960 902
- GBU Lithium (Thousand Metric tons (t) CO₂-e) n/a 230
- GBU Bromine (Thousand Metric tons (t) CO₂-e) n/a 372
- GBU Catalysis (Thousand Metric tons (t) CO₂-e) n/a 320
- Other (TCL, office) (Thousand Metric tons (t) CO₂-e) n/a 30
- Percentage covered under emissions-limiting regulations n/a 11%*

*Locations in countries falling under European Trading System

**RT-CH-110a.1 / EH-MM-110a.1**

- Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets
- Natural Resource Management - Energy and Greenhouse Gases | Page 44

**Air Quality**

2018 | 2019 | Appendix: - Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | Page 76

**RT-CH-120a.1 / EH-MM-120a.1**

- NOx (excluding N2O) (Metric tons (t)) 639 730
- SOx (Metric tons (t)) 3,056 1,458
- Volatile Organic compounds (VOC) (Metric tons (t)) n/a 947
- Hazardous Air Pollutants (HAPs) (Metric tons (t)) 64 178

**RT-CH-120a.2 / EH-MM-120a.2**

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RT-CH-130a.1 (1) / EM-MM-130a.1 (1) | Total energy consumed (million GJ) | 2019 | 141 | Page 44 / Page 74
RT-CH-130a.1 (2) / EM-MM-130a.1 (2) | Percentage grid electricity | 22% | Natural Resource Management: Energy and Coverhouse Cases / Appendix: Energy consumption within the organization
RT-CH-130a.1 (3) / EM-MM-130a.1 (3) | Percentage renewable from primary energy sources | 2% | 0 2
RT-CH-130a.1 (4) | Self generated energy (million GJ) | 0.2 | Water Management 2018 2019
--- | --- | --- | --- | ---
RT-CH-140a.1 (1) | Total water withdrawn (millions of cubic meters) | n/a | 26.1 | Appendix: Water withdrawal and consumption
EM-MM-140a.1 (1) | Total fresh water withdrawn (millions of cubic meters) | n/a | 26.1 |
RT-CH-140a.1 (2) | Percentage of fresh water in regions with High or Extremely High Baseline Water Stress | 92% | Water Management 2018 2019
EM-MM-140a.1 (2) | Percentage of fresh water in regions with Extremely High Baseline Water Stress (category 4-5)* | n/a | 4%
RT-CH-140a.1 (3) | Total water consumed (millions of cubic meters) | 12.1 | 13.6 |
EM-MM-140.a.1 (3) | Total fresh water consumed (millions of cubic meters) | 12.1 | 13.6 |
RT-CH-140a.2 / EM-MM-140a.2 | Number of incidents of non-compliance associated with water quality permits, standards, and regulations | n/a | 0 |
RT-CH-140a.1 (3) | Description of water management risks and discussion of strategies and practices to mitigate those risks | Natural Resource Management: Water management
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RT-CH-150a.1 | Amount of hazardous waste generated | 10 | 13 | Appendix: Waste by type and disposal method Page 77
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EM-MM-210a.3 | Discussion of engagement process and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict | Community Engagement - Community & Stakeholder Engagement Page 56
--- | --- | --- | --- | ---
EM-MM-310.a.1 | Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees | US: 6% - Chile: 86% - China: 84% - Germany: 73% - Netherlands: 93% | Appendix: Collective bargaining agreements Page 72
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** www.wri.org/applications/aqueduct/water-risk-atlas
* rounding difference
" meaning Avenue
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