Charting our COURSE

2020 SUSTAINABILITY REPORT
Welcome to Albemarle’s 2020 Sustainability Report, Charting Our Course. As I reflect on this past year, I am grateful for what we accomplished. When our 2019 Sustainability Report was published, we were at the beginning of a global pandemic. We did not know then what impact COVID-19 would have on our world, and how it would reshape some of the ways Albemarle does business. For example, we were able to accelerate our remote working capability to drive employee and community engagement, customer collaboration, and product innovation during the pandemic. Our Response Team enacted a series of safety policies and protocols to ensure the health of all employees, but especially our essential colleagues who remained onsite to keep our operations running smoothly. I shifted to a weekly employee email to keep our global workforce apprised of critical information, reminders, and resources. And we offered materials and services within our local communities to help fight the pandemic. During an unprecedented time of crisis, our actions reflected our purpose and values.

Advancing Sustainability

Over the past year, we formally incorporated “Advance Sustainability” as a pillar in our corporate strategy. We also updated our sustainability framework, in part to incorporate the changes we have experienced during the COVID-19 pandemic. Under this framework are three sustainability priority areas: People, Workplace & Community, Natural Resource Management, and Sustainable Shareholder Value. Throughout this report, you will see how Albemarle is Charting Our Course and making a difference across these priority areas.

This year’s report builds on the baseline environmental data from last year and incorporates new sustainability targets for greenhouse gas emissions and water intensity. Additionally, we developed a Climate Strategy that puts forth a new approach to improving the efficiency of our operations, advancing the sustainability ambitions of our customers, and collaborating with our other key stakeholders. Please visit our website to view our full Climate Strategy.

In early 2021, Albemarle became a signatory to the United Nations Global Compact—our commitment to be a sustainable and responsible business. Additionally, we mapped our sustainability priorities to the UN Sustainable Development Goals (SDGs) to determine where Albemarle can have the greatest impact. To see how we contribute to the SDGs, please read the Alignment to UN SDGs and UNIQUE section of this report.

Diversity, Equity, and Inclusion

In 2020, we welcomed our first Vice President of Diversity, Equity & Inclusion, strengthening our commitment to foster a more diverse workforce, an equitable workplace, and inclusive culture for our employees. In February 2021, I signed the CEO Action for Diversity & Inclusion pledge, an initiative that brings together more than 1,600 executives across 85 different industries in support of advancing diversity and inclusion in the workplace. I am encouraged by these steps taken along our diversity and inclusion journey and look forward to reporting on future progress.

Living our Purpose & Values

Albemarle’s commitment to sustainability stems directly from our Purpose & Values. Sustainability is a key part of our corporate strategy and company culture, and it drives us to make the world safer and more sustainable by powering the potential of people. From research and development to operational efficiency to capital investments, we incorporate sustainability thinking into our daily business activities and decisions in Charting Our Course to a more sustainable future.

Sustainability goes beyond upholding the highest levels of ethics and integrity and complying with applicable laws and regulations. For our employees, sustainability means keeping each other safe, supporting personal and professional development, and providing opportunities to give back to the communities where we live and work. For our communities, sustainability means creating jobs, supporting the local economy, preserving indigenous cultures, and protecting the ecologically sensitive areas where we operate. For our investors, sustainability includes strategic execution, disciplined capital allocation, and effective risk management.

Finally, sustainability is a key part of our value proposition to the customer—now and into the future.

Looking Ahead

This past year has confirmed what we already knew is true—that Albemarle is a strong, resilient, and values-driven organization that is committed to doing the right things the right way to ensure success for our stakeholders. We are dedicated to growing responsibly and sustainably as we closely partner with our lithium, bromine specialties, and catalyst customers to make the world safer, more sustainable, and environmentally sound. We are encouraged by the progress we have made in 2020, and we look forward to Charting Our Course for continued growth in the coming year. I invite you to continue reading our 2020 Sustainability Report, and I welcome any feedback you have on our efforts.

Best regards,

J. Kent Masters
Chairman, President and Chief Executive Officer
Albemarle Corporation (NYSE: ALB), headquartered in Charlotte, North Carolina, is a global developer, manufacturer, and marketer of highly engineered specialty chemicals. We combine world-class resource assets with great talent, technological know-how, and strong customer partnerships to find new and innovative ways to improve essential aspects of life such as clean energy, food and fire safety, and sustainable transportation. With approximately 5,900 employees worldwide, Albemarle operates under three global business units (GBUs)—Lithium, Bromine Specialties, and Catalysts.

At Albemarle, we strive to create products that enable a safer, cleaner, and more sustainable world. We are committed to doing the right things, the right way, with the right resources to uncover new opportunities for the future.

GLOBAL WORKFORCE

- Americas 44%
- Europe 24%
- APAC 22%
- EMEA / Other 7%
Our BUSINESS SEGMENTS

Each GBU has a dedicated team of sales, R&D, process engineering, manufacturing and sourcing, and business strategy personnel, as well as full accountability for improving execution of its respective business activities through greater asset efficiency, market focus, agility, and responsiveness.

LITHIUM

Albemarle’s lithium products foster a more sustainable world, by reducing CO₂ emissions and fuel consumption, enabling efficient use of renewable energy through grid storage, and powering medical devices. We are a leader in this high-growth market, utilizing our world-class resources, chemical processing expertise, and efficient use of technology to drive new product development and create innovative customer solutions.

Our Lithium business develops lithium-based materials for a variety of industries and end markets. Lithium is a key component in products and processes used in a variety of applications and industries, including lithium batteries used in consumer electronics and electric vehicles (EV), high performance greases, catalysts for chemical reactions, various life science applications, and intermediaries in the pharmaceutical industry. We also provide technical services to our customers—including the handling and use of reactive lithium products—as well as recycling services for organolithium products, lithium metal, and other reagents. We are proud to be a low-cost producer of one of the most diverse product portfolios of lithium derivatives in the industry.

FINANCIALS | FULL YEAR 2020

NET SALES

$1.1B

Adj. EBITDA¹

$393M

Adj. EBITDA Margin¹

34%

Note: Financials for the 12 months ended December 31, 2020.

¹ Non-GAAP measure. See Appendix for definition and Non-GAAP reconciliations of historical measures.

KEY DRIVERS²

ENERGY STORAGE
Automotive, Grid Storage, Electronics

SPECIALTIES AND TECHNICAL GRADE
Specialty Glass, Lubricants, Health

SPECIALTIES
Tires, Pharma, Agriculture

² Based on approximate average of 2019 and 2020 net sales splits.
Our bromine products support a safer world for all. Our fire safety technology enables the use of plastics in high-performance, high-heat applications by enhancing the flame-resistant properties of these materials in end markets such as plastic enclosures for consumer electronics, printed circuit boards, wire and cable products, electrical connectors, textiles, and foam insulation.

Our bromine-based solutions include specialty chemical applications that are used in chemical synthesis, oil and gas well drilling completion fluids, mercury control, water purification, meat processing, and various other industrial applications. Albemarle manages a low-cost resource position and diverse product portfolio to deliver custom chemistry solutions to our global customers.
The catalysts products enable cleaner air and more efficient use of natural resources. Albemarle has three main product divisions in our Catalysts segment:

- **Clean Fuels Technologies (CFT)** – primarily composed of hydroprocessing catalysts (HPC) together with isomerization and alkylation catalysts.
- **Fluid catalytic cracking (FCC) catalysts and additives**; and
- **Performance catalyst solutions (PCS)** – primarily composed of organometallics and curatives.

Our wide range of HPC products—applied throughout the oil refining industry—enable the upgrading of oil fractions to clean fuels and other valuable oil feedstocks and products by removing sulfur, nitrogen, and other impurities from the feedstock. These products also improve product properties by adding hydrogen and, in some cases, improve the performance of downstream catalysts and processes. Our customized FCC catalyst systems assist in high yield cracking of refinery petroleum streams into derivatives, higher-value products such as transportation fuels and petrochemical feedstocks like propylene. Our FCC additives are used to reduce emissions of sulfur dioxide and nitrogen oxides in FCC units, increase liquefied petroleum gas in olefins yield, such as propylene, and to boost octane in gasoline.

Our HPC and FCC catalysts also allow refineries to run at lower temperatures, thereby saving costs and reducing energy use and GHG emissions. Our PCS product division includes organometallic co-catalysts used in the manufacturing of alpha-olefins, polyolefins, and electronics. Our curatives include a range of curing agents used in polyurethanes, epoxies, and other engineered resins.

### CATALYSTS

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Albemarle strives to create value for all our stakeholders—employees, customers, communities, and shareholders. The most significant way we create shared value is through our products. We estimate that nearly 50% of our revenue comes from products designed to improve resource efficiency, lower water consumption, or reduce greenhouse gas (GHG) emissions.¹ The majority of our bromine products are used in fire safety—enabling fire prevention and the delay in “flashover of fires” to increase escape time. By providing value-added products to our customers, we also generate returns for our investors and contribute taxes to governments. Our investments in R&D drive new ways of thinking and innovative products and processes that contribute to a more sustainable future. We provide an innovative and inclusive work environment for our employees, offering competitive compensation and benefits, and opportunities for professional and personal growth. For our communities, we work to preserve the human rights and culture of indigenous peoples who live near our operations, as well as preserve the ecologically sensitive areas we touch. We also donate our time and money to support important causes in the communities where we live and work. Albemarle continues to make the world safe and sustainable by powering the potential of people. This purpose statement inspires and motivates us to always strive for better—for ourselves, our stakeholders, and our world. We live this purpose through our daily interactions and activities, pushing ourselves to think beyond the usual and drive toward the innovative. Further, our core values are how we put our purpose into action.

¹ Calculated 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.
Our **STRATEGY**

Albemarle has a clear strategy to drive sustainable value for our shareholders including four key tenants:

**GROW PROFITABLY**
- Pursue profitable growth to align with customer demand
- Build capabilities to accelerate lower capital intensity, higher return projects

**MAXIMIZE PRODUCTIVITY**
- Optimize earnings and cash flow generation across all our businesses
- Drive productivity through operational discipline

**INVEST WITH DISCIPLINE**
- Focus investment capital on highest-return opportunities
- Generate shareholder value through continual portfolio assessment; buy vs build
- Maintain Investment Grade credit rating and support our dividend

**ADVANCE SUSTAINABILITY**
- Enable our customers sustainability ambitions
- Continue to implement and improve ESG performance across all our businesses
Albemarle is proud to be recognized by the following organizations for industry and sustainability excellence:

- Albemarle Corp HQ Expansion - LEED ID+C: Commercial Interiors (v4) - Gold, Awarded March 2020 - Charlotte, North Carolina
- Albemarle Corporation was honored by The American Chemistry Council (ACC):
  - Responsible Care Facility Safety Award for several sites
  - Outstanding COVID-19 Response Efforts Award recognizing Magnolia’s efforts to minimize employee and contractor exposure to COVID-19 during a 10-day maintenance shutdown in June 2020

FTSE Russell confirmed that Albemarle has been included in the FTSE4Good Index Series. The FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong environmental, social and governance (ESG) practices. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is used by a wide variety of market participants to create and assess responsible investment funds and other products.

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Model of Corporate Citizens - Best Social Responsibility Award was granted to Albemarle China by China Chemical News

Disclaimer statement:
The use by Albemarle of any MSCI ESG Research LLC or its affiliates (“MSCI”) data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Albemarle by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided “as is” and without warranty. MSCI names and logos are trademarks or service marks of MSCI.
Albemarle values diversity of perspective, experience, and expertise in our directors to help us achieve our long-term strategic goals and ensure we are living our purpose and values. Following our 2021 Annual Meeting of Shareholders, we are governed by a nine-person Board of Directors comprised of eight independent directors including a lead independent director. Our Board maintains five “standing committees”—Audit & Finance, Executive Compensation, Nominating & Governance, Capital, Investment, and Health, Safety & Environment. In addition, our Board maintains an Executive Committee, composed of our CEO and lead independent director.

Our Board is guided by our that set forth the overarching governance principles to which our directors adhere: Company Leadership, Active Board, Compliance with Laws and Ethics, and Continuous Improvement. We believe that sound corporate governance practices ensure we act honestly, transparently, and with accountability.

The Health, Safety & Environment Committee of the Board provides oversight of the majority of Albemarle’s sustainability programs and initiatives, including matters related to corporate stewardship and social responsibility. The Executive Compensation Committee oversees Diversity, Equity & Inclusion and Investment in Talent. The Audit & Finance committee oversees Business and Financial Resilience including the enterprise risk management program and sustainability-related risks (e.g., climate change).

Additionally, our Annual Incentive Program (AIP)—designed to provide incentives to achieve and rewards for achieving Albemarle’s annual goals and objectives—includes a Stewardship metric. Under the Stewardship metric, performance objectives related to health, safety, and environmental (HSE) performance, such as occupational safety, process safety, and environmental responsibility. The Executive Compensation Committee of the Board determines performance goals for the AIP annually to ensure our named executive officers execute on short-term financial and strategic initiatives that drive our business strategy and long-term shareholder value.

CORPORATE GOVERNANCE

BOARD OF DIRECTORS CAPABILITIES & EXPERIENCE

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<thead>
<tr>
<th>Experiences &amp; Capabilities</th>
<th>Definition</th>
<th>Directors</th>
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<tbody>
<tr>
<td>Global Industry Experience</td>
<td>Experience setting strategy for a global industrial or manufacturing company</td>
<td>9 of 9</td>
</tr>
<tr>
<td>Financial Literacy</td>
<td>Advanced understanding of finance and accounting including M&amp;A and capital markets transactions</td>
<td>9 of 9</td>
</tr>
<tr>
<td>Risk Management</td>
<td>Ability to identify and manage enterprise risks, including cybersecurity risks</td>
<td>9 of 9</td>
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<tr>
<td>Governance</td>
<td>Oversight of ethics and compliance, aligning executive compensation structures to achieve desired outcomes</td>
<td>9 of 9</td>
</tr>
<tr>
<td>People &amp; Workplace</td>
<td>Care for our employees including health, safety and wellness, leadership development and succession, diversity, equity and inclusion</td>
<td>9 of 9</td>
</tr>
<tr>
<td>Government &amp; Communities</td>
<td>Care for our communities including stakeholder engagement and government relations</td>
<td>8 of 9</td>
</tr>
<tr>
<td>Natural Resources Management</td>
<td>Care for the environment, understanding of the risks and responsibilities facing a global industrial manufacturer</td>
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<td>ESG &amp; Innovation</td>
<td>Product and process technology and innovation</td>
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<td>Value Chain Excellence</td>
<td>Supply chain and logistics</td>
<td>5 of 9</td>
</tr>
<tr>
<td>Public company CEO/COO</td>
<td>Understanding of the regulations and considerations of a US-listed, public company</td>
<td>4 of 9</td>
</tr>
</tbody>
</table>

Racial Diversity

Black
White
Hispanic

Gender Diversity

Male
Female

Average Tenure

4.6 Years
BOARD of DIRECTORS

Kent Masters
Chairman

Laurie Brlas
Former EVP & CFO, Newmont Mining

Glenda Minor
CEO & Principal, Silket Advisory Services
Former SVP & CFO, Evraz North America

Diarmuid O’Connell
Former VP, Corporate & Business Development, Tesla Motors

Dean Seavers
Former President, National Grid U.S.

Gerald Steiner
CEO & Member of Board of Managers, CoverCress Inc.
Former EVP, Sustainability & Corporate Affairs, Monsanto Co.

Holly Van Deursen
Former Group President, Petrochemicals, BP

Alejandro Wolff
Former U.S. Ambassador to Chile

James O’Brien
Former Chairman & CEO, Andeavor Inc.
Lead Independent Director

Audit & Finance Committee
Executive Compensation Committee
Nominating & Governance Committee
Capital Investment Committee
Health, Safety & Environment Committee
Chairman of the Board
Lead Independent Director
Chairperson
At Albemarle, sustaining a resilient business has never been more important, especially during the COVID-19 pandemic. We take a cross-functional approach to managing critical business risks to maintain financial stability and keep our operations running, and we are prepared for unforeseen circumstances and emergencies. Effectively managing our business risk helps us preserve our strong reputation in the marketplace and continue serving our customers’ needs while charting our course for a sustainable future.

**Entrepreneur Risk Management**

Albemarle employs an Entrepreneur Risk Management (ERM) program that clearly identifies and defines risks that could significantly impact shareholder value on a long-term or permanent basis. Our ERM program helps us identify key risks and develop and track execution of plans to improve our risk mitigation and management.

Albemarle integrates ERM assessment and risk mitigation into our key decision-making processes, including our long-range strategic and annual operating plans.

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**FINANCIAL HIGHLIGHTS**

An important part of our business resilience is a stable balance sheet, supported by strong dividends and the ability to show our investors a positive return on investment. At the onset of the pandemic, we successfully accelerated our sustainable cost savings initiatives and implemented further cash management actions to reduce costs and preserve capital. These actions enabled us to continue our operations without interruption while maintaining our investment grade credit rating and supporting our dividend.

**Business and Financial Resilience**

We work with relevant stakeholders to pressure test our risk mitigation and management activities, and ensure these activities are reassessed periodically and when significant changes occur in our risk landscape. Albemarle’s ERM program is overseen by our Vice President, Audit and Risk Management, and our ERM Committee, which is comprised of the Executive Leadership Team (ELT). Our ERM program provides consistent and transparent reporting to the Audit & Finance Committee of the Board, which occurs annually in July as part of Albemarle’s mid-year strategy update and in January as part of our annual operating plan.

We regularly monitor and manage key enterprise risks as part of our ERM program, and we map these and other risks to low, moderate, and high levels of severity and likelihood of occurrence to determine which risks need immediate attention. In 2020, Albemarle identified top enterprise risks including execution of complex capital projects, geopolitical risk, talent, catastrophic incident, cybersecurity, compliance, regulatory pressure, external risks to strategy, shareholder activism and access to key raw materials.

**Internal Audit**

Albemarle’s internal audit team is a key function of our ERM program. There are several inputs considered during the development of our annual audit plan, including:

- Strategic objectives and key initiatives
- Key risk factors as defined in the Form 10-K
- Internal audit risk assessment, which includes interviews with cross-functional Albemarle leaders
- ERM framework coupled with internal and external risk information
- Direct input from the internal audit team
In 2020, four key risk themes emerged during our annual audit planning process as we looked towards 2021: operational, capital projects, compliance, and information technology and cybersecurity. As always, our annual audit plan is subject to change in response to circumstances or emerging risks, and these changes are communicated directly to the Audit & Finance Committee of the Board.

COVID-19 Response

Albemarle first addressed our COVID-19 response in our 2019 Sustainability Report as the pandemic began to impact our global operations. Immediately, we established a global, cross-functional response team that provided weekly updates and recommendations to the Albemarle ELT regarding employee health and safety, supply chain, manufacturing, and operations, and business finances. Each site also had a local COVID-19 response team that engaged regularly with the global response team—daily in the beginning and twice a week as the pandemic progressed. We also provided frequent communications to employees, including a weekly email from our CEO, weekly updates from GBU presidents and virtual town halls, and weekly status and protocol updates on our company intranet site, Albert.

As the pandemic continued, we leveraged our strong ethics and compliance team and used our Integrity Helpline as a vehicle for stakeholders to ask questions or raise concerns about our COVID-19 response. The COVID-19 pandemic brought about unprecedented circumstances for the world and Albemarle is proud of our continued support to the communities where we operate in their fight against the pandemic. For example, our plant in Langelsheim, Germany produced just over 5,300 gallons of high-quality hand sanitizer disinfectant to help address a critical shortage in their community.

Albemarle Foundation acted to ensure that our partner agencies were taken care of during this difficult time. At the onset of the pandemic, we contacted all our partner agencies to release restricted funds, and refocused our Foundation to three critical areas: food, remote learning, and PPE and emergency response. We also increased our Matching Gift maximum to $25,000. Since we could not have in-person events, we created virtual volunteer opportunities and special matching gift fundraisers to help fill gaps. The Foundation distributed masks, hand sanitizers, and safety information to all 15 employees on behalf of the Albemarle Care Fund, as well as PPE to local emergency responders and facilities.

In 2020, Albemarle, the Albemarle Foundation and our Jordan Bromine Company (JBC) JV together donated $1.2 million to help those affected by the COVID-19 pandemic. In Western Australia, where the Kemerton lithium hydroxide processing plant is currently under construction, we invested in COVID-19 relief efforts as part of our commitment to the community. In China, we donated funds to local NGOs through the Albemarle Foundation. We donated masks from our plants to the surrounding communities as part of our COVID-19 pandemic relief efforts. For more information on the Albemarle Foundation, please see the Community and Stakeholder Engagement section of this report.

Climate Change Risks and Opportunities

Albemarle recognizes that climate change is a critical issue to manage and report, especially given the global nature of our business and associated activities.

In 2020, we began reviewing our metrics and progress on sustainability with our ELT on a quarterly basis. This included GHG emissions, energy consumption, water usage, employee safety, and community relations activities, as well as our mining activities and resource stewardship.

Under the leadership of our CEO, the importance of sustainability has been elevated to the highest level of our company. In 2020, we began developing internal scorecards to measure our environmental, health, and safety risks and performance. These scorecards will help us track progress towards our targets for GHG emissions and water use and, specifically, to better understand how our operations impact climate change.

Our Climate Strategy details how we manage climate-related risks in our existing operations and new projects, partner with our customers to enable their sustainability ambitions, and engage with our stakeholders to help fight climate change.
A Message from the Sustainability Steering Committee

The Albemarle Sustainability Steering Committee is pleased to present our 2020 Sustainability Report. Though the past year has brought unprecedented challenges, our company persevered and made great progress on our sustainability efforts. Guided by our Health, Safety, Security & Environmental Policy (HSSE Policy), Albemarle takes accountability for our actions both internally and externally to demonstrate transparency and maintain trusted relationships with our stakeholders.

Our 2020 sustainability reporting process included re-evaluating our material topics and incorporating these renewed focus areas into our sustainability framework. The integration of sustainable thinking into our business strategy reinforces the importance of employing sustainable practices to drive Albemarle’s success as we Chart Our Course for a sustainable future. We also engaged a large, cross-functional group of internal subject matter experts to assess how Albemarle contributes to the United Nations Sustainable Development Goals (UN SDGs). Please see the Alignment to UN SDGs and UNGC section of this report for more information on how our business activities and sustainability priorities are aligned with select UN SDGs.

In early 2021, we established a Climate Strategy, and the Health, Safety & Environment Committee of our Board approved several corporate sustainability targets related to addressing climate change and reducing GHG emissions globally, as well as reducing our freshwater impact at relevant operations. Our first set of aspirational targets are as follows:

- Achieving net zero carbon emissions in 2050.
- Reducing the carbon intensity of our Catalysts and Bromine businesses by a combined 35% by 2030, in line with science-based targets.
- Growing our Lithium business in a carbon-intensity neutral manner through 2030.
- Reducing the intensity of freshwater usage by 25% by 2020 in areas of high and extremely high-water risk as defined by the World Resources Institute (Chile and Jordan).

Over the next two years, we will invest in the technology and people to build the infrastructure to assess, measure and track these goals, while evolving our thinking and goal setting over time. In 2022, we plan to report our progress quarterly to internal stakeholders, and annually to external stakeholders.

We continue to report our sustainability efforts in alignment with the Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB), and we regularly seek to increase our disclosures around our material topics.

Thank you for following our sustainability journey, and we look forward to sharing our progress now and in the future.

Sincerely,

Meredith Bandy – VP, Investor Relations & Sustainability (Chair)
Raphael Crawford – President, Catalysts
Karen Narwold – EVP, Chief Administrative Officer & General Counsel
Bo Bruton – VP, HSSE & Operational Excellence
Michael Brown – Chief Operating Officer, Bromine
Mark Hummert – Chief Operating Officer, Lithium
Building on our 2019 materiality assessment, we engaged a third-party firm to assess our material topics to ensure our sustainability management and reporting practices aligned to our corporate strategy. Part of our update was to incorporate Advancing Sustainability as one of our four strategic objectives and aligning our reporting to our updated sustainability framework topics: Natural Resource Management, Sustainable Shareholder Value, and People, Workplace & Community.
In April 2021, Albemarle announced that we became a signatory to the United Nations Global Compact (UNGC), a voluntary leadership platform for the development, implementation, and disclosure of responsible business practices, and the largest corporate sustainability initiative in the world. In addition to supporting the UNGC’s Ten Principles, we also align our sustainability practices to the United Nations Sustainable Development Goals (SDGs).

We believe our products, services, and investments directly contribute to the SDGs, and aligning our sustainability programs and corporate goals to the SDGs has many advantages, such as attracting and retaining an engaged workforce that will help build a better world for all our stakeholders. Additionally, through this alignment, Albemarle aims to increase our positive impact on society while reducing potential negative impacts and managing risks. In early 2021, we convened a large, cross-functional group of Albemarle subject matter experts (SMEs) to determine where we can have the greatest impact relative to the SDGs. We held several introductory calls, solicited feedback through a questionnaire, and conducted virtual working sessions with our SMEs to map alignment to a subset of SDGs.

Our Sustainability Steering Committee presented our recommendations to our ELT for approval and communicated results to all employees through a global town hall meeting and Albert.

Albemarle mapped the following SDGs to our corporate goals, core values, material topics, and strategic focus areas within our businesses. We also identified risks and opportunities associated with these SDGs to understand how we can actively contribute to progress.

We are pleased to confirm Albemarle’s support of the Ten Principles of the UN Global Compact. The UN Global Compact principles align well with Albemarle’s core values, culture and the way we do business. In addition to our membership and existing business strategy, we will engage in collaborative projects to advance the broader development goals of the UN, in particular the Sustainable Development Goals, and will continue our commitment to act as good stewards for the environment and the communities in which we live and work.

Kent Masters
Chairman, President, and CEO
Albemarle’s 2020 Sustainability Report covers data and information for calendar year 2020, 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)³. Our report content and disclosures reference the GRI and SASB Standards – Chemicals Standard and Mining & Metals Standard. Please see our GRI and SASB Content Indices and ESG Data Download for more information.

SAFETY

The importance of safety stems from our core value of Care. We value the safety and well-being of our employees, contractors, suppliers, business partners, and community members. It is our personal responsibility to keep each other safe. Additionally, our effective management of safety helps us operate better in all areas of our business.

Our Approach

Albemarle has a robust set of safety standards, policies, and procedures at both the corporate and site level, which include regional safety standards that are country-specific. Every Albemarle site has a health, safety, and environmental manager or safety manager equivalent with a dedicated safety staff to oversee the implementation of these robust standards. Through our safety management system, we aim to foster a strong culture of safety among our employees that helps keep safety, and environmental managers as a top priority for everyone.

This strong safety culture is driven from the top by our leadership’s commitment to, and engagement in, a safe working environment, including a commitment to safety from our Board of Directors. The Health, Safety & Environment (HSE) Committee of the Board provides oversight of Albemarle’s safety program, and meets with our Vice President, HSE and Operational Excellence, quarterly to review our performance, identify trends in safety performance, and evaluate corrective actions. The HSE Committee reports to the full Board on a quarterly basis. At the executive leadership level, our CEO is accountable for Albemarle’s safety performance, which cascades down to our Vice President, HSE and Operational Excellence, and Global Business Unit (GBU) Presidents. Our CEO and GBU Presidents hold quarterly town halls to report on Albemarle’s safety performance.

In 2020, we evolved our global safety management structure to establish safety leads in each of our operating regions and distribute safety subject matter experts more evenly to enhance the ability to personally engage with all Albemarle sites. Additionally, having regional safety leaders provides employees with a more local safety resource that can be reached with timely questions or concerns.

Albemarle sites employ best practices to foster employee engagement in our safety programs. Each shift change meeting begins with a safety share, which sites employ to share safety moments at the start of each shift. Sites utilize an employee-staffed site management teams sharing safety moments at site management meetings for all employees.

At Albemarle, we greatly value our people, workplace, and communities. It is important for us to build an inclusive, equitable, and diverse workforce focused on safety, mutual respect, development, and well-being for all our current and potential employees. We actively engage and collaborate with the communities where we live and work to enable positive social impact and Chart Our Course to a more sustainable future.
Safeguarding the health and well-being of our employees is critical to our ability to effectively carry out our mission. These fundamental and value-enhancing tenets are critical to our company culture and drive the safety practices. Across the organization we continuously work to attract, hire, develop, and retain high-quality, diverse talent. In doing so, we aim to cultivate a work environment that reflects and celebrates the unique backgrounds and experiences of our employees, while also appreciating and engaging the diversity of our communities where we work and live.

We create an inclusive culture by intentionally leveraging diverse perspectives, backgrounds, skills and experiences rather than gender, race/ethnicity or physical abilities of an employee. Diversity is also about thinking style, cultural influences, life experiences, age, background, religion, interpersonal, economic and social status, sexual orientation and marital status. We commit to an equitable workplace where our employees have fair access to opportunities to develop their career aspirations. We actively work to remove systemic barriers that limit fair and equal participation and discrimination within our workplace and in the communities where we live and work.

In 2019, we bolstered our commitment to building an inclusive, equitable, and diverse workplace. We enhanced our recruitment process by implementing diverse candidate slates and developed Enterprise Resource Group (ERG) Under the unified Connect brand. In 2020, we not only faced a global pandemic but uncovered vast socioeconomic inequities around the world. Everyone also felt the real impacts of racial injustice in the United States. In the wake of recent violence and expressions in the United States, our CEO communicated directly to employees that Albemarle would be a force of change in fighting against violence against minorities in the United States, and we also felt the real impacts of racial injustice. We are pleased to report that in 2020, we hired our Vice President of Inclusion and Diversity and Diversity, who is responsible for establishing our diversity and inclusion strategy and providing education around what DE&I means at Albemarle. This leader also provides oversight of our Connect groups and works with our ELT to identify opportunities for increased diversity and inclusion within our organization and in the communities where we live.

DIVERSITY, EQUITY, and INCLUSION

Theks actions included hiring an Inclusion & Diversity leader, anchoring unconscious bias training, and establishing employee and leadership development initiatives that addressed equity and included diversity in our communities. We are pleased to report that in 2020, we hired our Vice President of Inclusion and Diversity, who is responsible for establishing our DE&I strategy and providing education around what DE&I means at Albemarle. This leader also provides oversight of our Connect groups and works with our ELT to identify opportunities for increased diversity and inclusion within our organization and in the communities where we live.

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Internal, we created a Diversity, Equity, and Inclusion (DE&I) Steering Committee. This diverse group includes Albemarle employees who serve as thought leaders and advocates of the DE&I strategy. Post-strategy development and implementation, the Steering Committee will continue to inform, encourage, and monitor our progress.

Training

In October 2020, the DE&I participated in numerous unconscious bias awareness tools, which included facilitated discussion with a diversity expert about our content, silence, and the importance of active listening. In addition, we offered training on how the pandemic has impacted their work-life balance and potential opportunities. We plan to add new modules to our 2021 New Employee Orientation program to support employees from the moment they join the Albemarle family. Orientation materials will cover topics such as Responsible Workplace, Diversity in the Workplace, and Diversity for Leaders. This training will be available for all new employees and new managers. Currently, there are 30 different course modules available to employees, including training on DE&I awareness and on Albemarle’s online learning platform.

Connect Groups

Albemarle is proud of our Connect groups. These executive-sponsored, employee-led groups promote an atmosphere of inclusion and recognition that values and respects each employee’s voice. In 2021, we welcomed our new Connect groups: Latino/Latinx Connect, Veterans Connect, Faith Connect, Black Employees Connect (BE Connect), and Women Connect (which serves our LGBTQ+ employee and ally community).

Partnerships

In February 2021, we joined CEO Action for Diversity & Inclusion, the largest CEO-driven business commitment to advance diversity and inclusion in the workplace. As a first step toward achieving this goal, Albemarle signed a pledge called Can’t We Talk? to discuss topics such as racism, identity—understanding how a person’s social and political identity combine to create diverse, inclusive workplaces. Two Connect groups, Women’s Connect and Gender Diversity Connect, focused on advancing unconscious bias education, sharing best practices, and providing a forum for Albemarle leaders to discuss the diversity, equity, and inclusion work.

We continue to partner with influential organizations that advocate for diversity and inclusion, as well as our Connect groups. Albemarle plans to continue to extend this training throughout the organization in 2021 and 2022, as we offer more in-depth training in areas around inclusion leadership and fostering a culture of allyship. Additionally, we offer training courses responsible for recruiting and hiring talent to recognize and overcome biases during the hiring process.

In 2021, we ensured that new employees were provided an opportunity to bring women together in our Women’s Connect group, we offer coaching, mentoring, and networking programs. For example, through our Women’s Connect group, we have established a series of Courageous Conversations and advocates of the DE&I strategy. Post strategy implementation, we hope our people will come to implement an inclusion moment into every staff interaction at a time.

We recognize this is a shift in mindset and a change in behavior. Part of this process is our desire to implement an inclusion moment into every staff meeting, much like we do with our safety moments. Through this, we hope we will become more comfortable in having conversations around DE&I, and we are engaging inclusive culture one interaction at a time.

In an increasingly competitive marketplace, attracting and retaining top talent is incredibly important. We focus on hiring the right people for the right roles and investing in their personal and professional development. Albemarle’s business continues to succeed and grow at Albemarle. This philosophy on investing in people and culture is demonstrated through Albemarle’s commitment to equip our employees with the knowledge and experiences they need not just today, but five and 10 years into their Albemarle career.

Our Programs

Albemarle is proud of our employee Connect groups, and our training and development teams often partner with these groups to provide professional development programs. For example, through our Women’s Connect group, we offer coaching, mentoring, and networking opportunities. Before the pandemic, this program was largely to virtual learning through the Albemarle University platform, which provides access to nearly 350 virtual training abuses. We report to the EEO on completion percentage of mandatory training, as well as virtual learning modules are being used the most via Albemarle University.

Leadership Development

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Once a year we conduct an executive talent review of our senior management team and their direct reports, including evaluation of their performance and potential successors. This critical process allows Albemarle to identify key employees for executive talent and associated capabilities. This process also ensures we are building the right talent pipeline for future executive roles. Albemarle’s various Boards of Directors, reviewers, evaluators, and provide feedback on our executive talent succession plans and identified successors.

Compensation and Benefits

At Albemarle, people are our asset and the key to our success. We strive to provide competitive compensation programs inclusive of various components such as a competitive compensation and benefits package, (THP), including performance management experiences, development programs, such as performance coaching and 360-degree feedback, as well as our experiential learning to adapt to new and evolving environments. For instance, Albemarle’s five-year Global Leadership Development Program provides opportunities for career advancement, and resources to employees to effectively manage their health and well-being and personally thrive.

Part of our Total Rewards package is recognizing that our workforce is global, multi-generational, and diverse in nature. There is no one-size-fits-all benefits package, but rather we consider these factors as we constantly evolve and expand our Total Rewards programs. We believe that employees want the tools and framework necessary to manage their financial health, whether during their working career or after retirement. They also want proper health benefits to manage their physical and mental health and wellness. We strive to offer a comprehensive benefits package to all of our global employees while also considering regional needs.

In 2020, Albemarle China received a 2020 AON Best Wellbeing Practice award through the Healthiest Employer Awards program hosted by AON, a leading reinsurance company. We're pleased that the incoming 2021 LAUNCH cohort is 80% diverse. Participants are empowered to apply the tools and resources we offer them during this program to allow them to gain unique insight into Albemarle’s culture. We have 18 participants in the LAUNCH program this year, distributed globally.

At Albemarle, we continue to support our LAUNCH program. This two-year professional development program allows employees the opportunity to learn through ‘doing’ and real work experiences. We have defensible reasons for our pay practices. If there are any instances in which we pay our employees a different rate than we pay our business partners, we work with our global leaders and weifang to investigate these outliers to ensure we are making pay decisions that are fair for pay practices. If these reasons do not exist, we immediately rectify any issues in pay. We made 14 such changes in 2020. In our 2020 audit, we did not discover any patterns of systemic unequal pay globally. Additionally, this pay practice review enables us to develop and implement tools, processes, and interventions where our leadership understands how pay should be determined in order to ensure fairness and consistency.

Health and Well-Being

Promoting the total health and well-being of our workforce is an extension of our strong safety culture. We believe that providing our people with health and wellness tools is instrumental in helping them bring the best possible services to every workday needs in happier, more engaged, and longer-term employees. For example, in addition to our traditional compensation and benefits packages we offer parental leave across our global footprint, including leave for adoptive families.

Throughout 2020, we worked hard to keep our people fully employed, and to not shut down any of our operations. We maintained our traditional number of furloughs that lasted just a few months. We also worked hard to provide employees with the tools and resources they needed to continue doing their job’s without disruption while staying engaged with their teams. Andy’s quick action was critical in maintaining impact on our continued success during the COVID-19 pandemic.

Our Performance

One way we formally measure our success in talent investment is through our Total Rewards review process, using a stoplight approach:

- Green – a successor is named and ready to step into a role for 1-2 years
- Yellow – a successor is identified but not ready to step into a role for 2-3 years
- Red – a successor is not identified for a role

During this review process we focus specifically on the med and work toward identifying and developing talent for the associated roles.

Other programs in some of our international sites.

Albemarle Foundation

Albemarle is instrumental in sustaining our success in these areas. Most of our U.S. sites conduct Community Advisory Panels (CAPs) under the Responsible Care Management System, in which site leaders and employees regularly with their local communities to listen to community and key stakeholder input about community and social responsibility, fairness, and social and career health and well-being. Specifically, Albemarle China received the award for outstanding comprehensive health care program, comprehensive annual health check-up program, and overall innovative health and well-being programs at our site in Nan, Hefei, Jinja, Hebei, Beijing, and Wuxi.

Albemarle’s commitment to its communities and employees is guided by its mission to be a world leader in its communities of operation in the U.S. In 2019, we maintained an overarching commitment to respect the human rights of all individuals, including indigenous peoples and other vulnerable communities. Our approach to doing business globally demonstrates our commitment to building our stakeholder relationships and improving the performance of our operations and developments.

Albemarle is passionate about collaborating with and contributing to the communities where we live and work. We take pride in being a part of the fabric of our communities, and we consider well-being to be a core of our business decisions. In cases where Albemarle’s operations are in areas with indigenous populations, we work to maintain positive relationships with these groups through open, transparent communication as well as economic and community development.

Through the Albemarle Foundation, we support our communities in the U.S. through charitable donations, employee volunteer efforts, and by engaging with market leaders in employee health and safety programs in China. Peek at our success stories, volunteer opportunities, and stay engaged with the Foundation through its website.

Our Approach

Community Engagement and Indigenous Relations

Albemarle’s community engagement efforts are led by our country site leaders and employees who provide a direct line to the local stakeholders in our communities. These initiatives are instrumental in sustaining our success in these areas. Most of our U.S. sites conduct Community Advisory Panels (CAPs) under the Responsible Care Management System, in which site leaders and employees regularly with their local communities to listen to community and key stakeholder input about community and social responsibility, fairness, and social and career health and well-being. Specifically, Albemarle China received the award for outstanding comprehensive health care program, comprehensive annual health check-up program, and overall innovative health and well-being programs at our site in Nan, Hefei, Jinja, Hebei, Beijing, and Wuxi.

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Community Engagement Around the World

We are extremely proud of the impact we have on the communities where we live and work. We believe that you can only effectively manage a relationship if you first meet each other. It is important for Albemarle to be embedded in our communities to spur economic development, create jobs, and help preserve some of the most environmentally sensitive areas in the world. The following highlights are just a sample of the great work we are doing globally and are not exhaustive of all our community engagement efforts.

Chile

In August 2020, Albemarle celebrated 40 years of investment in our Chuquicamata (Cobre) operations. We greatly value our longstanding relationship with CORFO, the Chilean economic development agency. We are pleased to report that with the use of $17 million of Albemarle contributions, CORFO has selected a consortium to develop a circular economy R&D center in northern Chile as a component in a national effort to promote electric transportation in Chile. The Salar de Atacama (the Salar) in northern Chile is home to the driest desert in the world. We work we are doing globally and are not exhaustive of all our community engagement efforts.

Chile

In 2020, in reaction to the COVID-19 pandemic, the Foundation focused more of its efforts on food security, remote learning, and personal protective equipment (PPE) distribution. In 2020, we also illuminated the way we are also funding to better understand and address health disparities in our communities and evaluate how we can have a positive role in eliminating these disparities.

The Care Fund enables employees and retirees around the world to directly help employees who experience financial hardship due to a natural disaster, life-threatening illness or injury, death or other catastrophic financial hardship. The Foundation has always been proactive with dollars and time to meet the unmet needs of our communities, and therefore we is well positioned to continue our efforts, with regard to racial and social equity. We are proud to say that 100% of our charitable dollars go to under-resourced and underserved populations. For example, more than 70% of our $10 million educational initiative in Charlotte, North Carolina, is distributed to minority-led organizations. In addition, the Foundation is working with our BE Connect group to further clarify organizations to partner with and to advance the call for racial and ethnic equity. Albemarle serves as a committee member on the Public Private Partnership for Racial Equity, led by the mayor of Charlotte, which focuses on employer commitments to racial equity.

Stakeholder Engagement

Albemarle’s stakeholder engagement efforts are jointly managed by a team of senior leaders. This team ensures that our messaging—whether internal or external—is consistent across the various communications outlets we leverage and transparent with our key stakeholder groups. Stakeholder engagement is embedded in our culture, and we regularly engage with our stakeholder groups globally to build and maintain strong relationships.

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In early 2020, Albemarle joined 52 companies in Chile, an important topic in a post-pandemic world. Our Chile country manager also addressed forward-thinking to continuously operate both plants in Chile throughout 2020.

China
Albemarle’s China-country manager shares in the importance of collaborating and communicating with stakeholders in China. It is important for us to understand the various concerns and answering questions. Additionally, many communities have councils or committees to formally discuss community priorities, and foster collaboration within our communities.

During major Chinese holidays, plant leadership invites families to the plants to see how we keep our operations safe for our communities. At the beginning of the pandemic, our local communities in China were heavily impacted, and we donated plants of stocks of masks to those in need. Through Albemarle Foundation and a Matching Gift, employees in China donated to the Xinyu City Red Cross Society Fund, and have increased our employees’ giving potential to both communities and fellow employees. For example, in Datun, China, more than 60 Albemarle employees cleaned up more than 20,000 square meters of beach, collecting 27 bags of trash and debris. In August 2020, our Shanghai office partnered with HandsOn Shanghai to participate in their River Watching program. HandsOn Shanghai provided 24 volunteers to participate in their River Watcher Development Center so it can continue to offer support to preserve water resources in Shanghai.

Despite the significant challenges, leading us to engage with more local suppliers, especially in the chlorine business. In 2021, we will be a socially responsible corporate citizen. We are fully committed to and working towards developing an Indigenous Participation Plan as a meaningful and relevant Indigenous Participation Plan for the regions in which we operate, including the Kimberley region. Our design project and development, Albanerle engaged many key stakeholders, including local and Indigenous Peoples Policy, we have commenced a meaningful and relevant Indigenous Participation Plan for the regions in which we operate, including the Kimberley region. Our design project and development, Albanerle engaged many key stakeholders, including local and Indigenous Peoples Policy, we have commenced an Indigenous Participation Plan as a meaningful and relevant Indigenous Participation Plan for the regions in which we operate, including the Kimberley region. 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The leadership team at our Kemerton site developed the Kemerton Diversity and Inclusion Strategy with the commitment to build an environment that is inclusive of diversity and the community in which we operate. In March 2021, under the umbrella of the Chamber of Liberal and Energy of Western Australia, we hosted the first regional industry event of its kind—the Albemarle Women in Resources—so participants could engage in conversations that will help inform plans for robust diversity and equal opportunity at Kemerton.

Leveraging the Albemarle Foundation

Over the years, Albemarle, our employees and retirees have invested millions of dollars and countless volunteer hours in support of our communities. The Albemarle Foundation builds on this history of commitment and participation to make an even greater, more sustainable and profound impact on the places we call home. By utilizing the tools and resources of the Albemarle Foundation, Albemarle Foundation and the Albemarle Care Fund—employees are empowered to Grow the Good in our own communities, and beyond.

Grow the Good Community Campaign

In 2020, through our Grow the Good Community Campaign, we conducted a one-day virtual Albemarle Foundation Day across all our U.S. sites. Engagement was high with over 1,000 employees tuned in to participate. We highlighted short videos of employees speaking about their personal giving, with the Foundation is important to our communities, as well as partner programs such as volunteering and giving. In total, employees invested $5,000 USD to the Amsterdam Food Bank in support of COVID-19 relief efforts.

Our Silver Peak, Nevada site enabled their local fire department to purchase live saving equipment for their firetruck and ambulance services through both volunteer and Grow the Good grants. Additionally, our Budapest, Hungary, site contributed to a local cancer charity by organizing a photoshoot to raise funds for the CYC.

In March 2021, under the umbrella of the Chamber of Liberal and Energy of Western Australia, we hosted the first regional industry event of its kind—the Albemarle Women in Resources—to highlight our commitment to engaging employees around community outreach and volunteerism, and encouraging continued engagement.

Matching Grant and Volunteer Grant Programs

Engaging employees around community outreach efforts is an important part of the Albemarle experience. We empower employees to support causes that are meaningful to them, whether it is through charitable donations or volunteer time. Our Matching Grant program provides eligible employees, retirees, and directors the opportunity to donate to accredited organizations or by matching individual contributions up to $2,500 per eligible contributor, each year. In 2020, as a part of COVID-19 pandemic response, the match was raised to $5,000, encouraging employees to give back more into their communities during these challenging times, and a record amount of over $770,000 was distributed.

The Care Fund also mobilizes during natural disasters in which employees are significantly impacted. The Care Fund has its own Board of Directors that oversees the Care Fund. The Care Fund matched 46% of all donation requests in 2020, a 28% increase compared to 2019. The Care Fund has its own Board of Directors that oversees the Care Fund. The Care Fund matched 46% of all donation requests in 2020, a 28% increase compared to 2019. The Care Fund has its own Board of Directors that oversees the Care Fund. The Care Fund matched 46% of all donation requests in 2020, a 28% increase compared to 2019.
Effective and frequent stakeholder engagement is part of Albemarle’s DNA. Our focus on sustainability serves as the foundation for how we engage with our stakeholders, and we recognize that our social license to operate depends on our ability to build and maintain trusted relationships with these important groups. Further, we believe in a ‘never say no’ philosophy—we endeavor to always provide a response to a stakeholder question or concern.

**Government and Regulators**

Albemarle employees responsible for managing government and regulatory affairs regularly engage with governments and regulators via phone, email, or in-person meetings (when possible). We ensure these groups are aware that Albemarle is focused on regulatory requirements and the compliance of our products and operations.

The Albemarle Corporation Political Action Committee (Albemarle PAC) supports federal candidates who have demonstrated support for the principles to which the Company is dedicated. Political contributions are funded by voluntary contributions from eligible employees. Following the violence at the U.S. Capitol on January 6, 2021, we suspended contributions pending a review of our political contribution policy. To view our political contributions for 2020, please see our Data Download.

**NGOs**

We engage with global, regional, and national NGOs on environmental, social, and governance issues to demonstrate the benefits of our products and the sustainable operation of our facilities.

**Sustainability Advocacy**

Albemarle’s advocacy efforts promote sustainable solutions to global challenges, support our customers and local communities, and defend science-based chemistry solutions. In 2020, we specifically focused on demonstrating our diverse product offerings geared toward greening the economy, and how these products benefit not only customers but the world.

**Media**

Albemarle routinely distributes press releases and conducts interviews with relevant industry media to further engage with trade associations, regulators, customers, and other key stakeholder groups.

**Our Performance**

Measuring the success of our community outreach efforts happens through a multitude of ways. If our communities continue to permit us our social license to operate, we consider that an achievement of our core values and strategic goals. We track our performance not only in dollars contributed and volunteer hours donated, but in the good we are doing to support education, health, and racial equity in our communities.

**Stakeholder Engagement**

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Type of Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>Albemarle regularly communicates with our employees regarding company initiatives, news, and goals. We do this through daily updates to Albert and frequent updates to our corporate website, quarterly town hall meetings hosted by our CEO and CTOs that are recorded and posted to Albert, written memos, and in-person meetings (where possible). Our Connect groups also play a key role in sharing important information with our global workforce. Additionally, employees can ask business-related questions any time via a dedicated email address. During the COVID-19 pandemic, we increased communications with our employees through Albert while many people were working remotely. We established a dedicated webpage to our pandemic response, dispensing information on safety protocols for on-site employees, case counts, information on vaccinations, and other relevant information.</td>
</tr>
<tr>
<td>Shareholders/Investment Community</td>
<td>Regular updates are provided primarily through our SEC filings, publicly available quarterly earnings calls and other presentations to industry and investor groups that are webcast and available for viewing on our website. We also host analyst events, attend conferences, and employ feedback loops to address investor concerns and answer questions. This helps increase transparency of our business activities for the benefit of our investors.</td>
</tr>
<tr>
<td>Industry &amp; Trade Associations</td>
<td>Albemarle participates in trade and industry associations globally, such as the American Chemistry Council. In 2020, we introduced a revised industry association procedure to ensure that industry collaborations are in accordance with our core values and support our corporate strategy. In 2021, we plan to review and update our existing association memberships.</td>
</tr>
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<tr>
<th>Year</th>
<th>Albemarle Foundation Program Grants (Global)</th>
<th>Employee Contributions to Albemarle Foundation Annual Campaign (U.S. only)</th>
<th>Total Employee Volunteer Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$5,606,228</td>
<td>$711,849</td>
<td>12,203</td>
</tr>
<tr>
<td>2019</td>
<td>$6,193,676</td>
<td>$818,920</td>
<td>17,717</td>
</tr>
<tr>
<td>2020</td>
<td>$5,665,655</td>
<td>$907,674</td>
<td>9,810</td>
</tr>
</tbody>
</table>
As a specialty chemicals company, we believe we have a significant role to play in the transition to a low-emission economy. Through monitoring and managing our impacts around energy, GHG emissions, water, minerals, land and biodiversity, and waste, we continue to be responsible stewards of the environment and help ensure the safety and viability of our local communities. These are just some of the ways we are Chasing Our Course to a more sustainable future.

ENERGY and GHG EMISSIONS

As climate change concerns continue to increase, we strive to reduce energy consumption, GHG emissions, and air emissions of ozone-depleting substances. Albemarle is proud to say that our products play a critical role in reducing GHG emissions while helping our customers achieve their sustainability goals. For example:

• One kilogram of CO₂ emitted in our Lithium production delivers more than 50 kilograms of CO₂ avoidance per year in the use phase.
• Bromine is added to bromobutyl rubber to extend tire life, reduce fuel consumption, and minimize CO₂ emissions by refiners.
• The use of our refining catalysts enables cleaner, more efficient transportation fuels and reduced GHG emissions from refineries.
• One kilogram of CO₂ emitted in our Lithium production delivers more than 50 kilograms of CO₂ avoidance per year in the use phase.

Our Programs

Our operational efficiency and renewable energy initiatives have helped us maintain (and in some instances reduce) energy consumption and GHG emissions across our businesses.

Operational Efficiency

The processing steps for our chemical manufacturing operations are energy intensive, including moving raw materials, heating and drying, and distillation. While these are critical components of our production, we reduce energy consumption wherever possible and incorporate energy-efficient equipment into the design of our future projects.

Our Performance

Albemarle is committed to energy efficiency and management of GHG emissions to protect the climate. We invest in new technologies with low energy and greenhouse gas footprints and use renewable energy sources.
In 2021, Albemarle set absolute reduction goals and targets for GHG emissions in our Bromine and Catalysts businesses. These goals take into consideration increasing production capacity while decreasing energy and emissions intensity. We also plan to incorporate process efficiencies and other design improvements into our future capital projects.

Our Lithium business is expected to grow significantly over the coming decades, primarily driven by electrification and the adoption of EVs. GHG emissions related to the production of Lithium will increase in absolute terms through 2030 due to planned capacity growth. Against the background of high growth, the target for our Lithium business is to grow on a carbon-footprint trajectory through 2030. This means that the average GHG-emission per kilogram of product in 2030 is the same as (or lower than) in 2020.

Over the next two years, we will invest in the technology and people to build the infrastructure to support this growth and ensure that we stay on track for our long-term sustainability targets, while evolving our thinking and goal-setting over time.

Our total energy consumption in 2020 was 13.5 million gigajoules (GJ), down 5% compared to 2019. Energy efficiency projects (in all GBUs) and lower production, partially offset by higher production in Lithium.

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Albemarle continues to utilize our extensive water monitoring network in the Salar to ensure our operations are sustainable, measure our freshwater use, and set targets around reduction. Through this monitoring network we ensure our freshwater use is minimal as we continue to responsibly manage this precious resource. Our freshwater rights make up 0.5%, or less than 24 liters per second (L/s) of the total freshwater rights in the Salar de Atacama basin. Of those rights, we use just nine (9) L/s for our camp, the production of potassium chloride and rinsing our equipment.

The Salar de Atacama basin is an endorheic or closed basin, surrounded by mountains. There are high mountains to the east of the Salar, and clouds ascend the high mountains, condense and precipitate in the form of snow and water. This water and snow flows down the mountains, and the water that isn’t consumed as it flows downwards reaches the edge of the Salar. There are three primary zones in the Salar: the salar nucleus, where the brine is located, the saline interphase, where the brine meets the groundwater; and the recharge zone, where groundwater collects, forming lagoons. The brine has been generated over thousands of years through the evaporation of what was once an inland sea. This process precipitated the salts and left liquid brine in the deep part of the porous rock in the nucleus. The size of the lagoons depends on the amount of groundwater that arrives at the interphase. Low permeability sediments around the saline interphase minimize the effects of brine extraction. Data from our hydrogeological model confirms that brine pumping does not affect the upstream groundwater levels or the size of the lagoons.

In 2020, we installed a thermal evaporator at our lithium conversion operations in La Negra, which came online in April 2021 and will be fully operational later this year. This evaporator is a $100 million dollar investment that is similar to technology we use at JBC to increase conversion capacity without a corresponding increase in freshwater usage. Albemarle is excited about this significant investment that no other lithium manufacturer is currently utilizing.

At our Talison joint venture mining operations in Greenbushes, Australia, we invested in a water treatment technology that recycles wastewater back into our operations as fresh water for reuse through a reverse osmosis process, reducing our freshwater use at Talison.

Our Performance

Albemarle is committed to the responsible management of water, especially in areas categorized by the WRI as having high (category 4) or extremely high (category 5) water risk. We invest in new process technologies to reduce our water footprint and expand capacity sustainably in locations with high water risk.

Total water withdrawal in 2020 was 24.4 million m³, down 4% from 2019 while total water consumption in 2020 was 12.7 million m³, down 1% from 2019. Water consumption includes water in our products, evaporated during processing, or released in a different catchment from which it was withdrawn. In many locations a large fraction of the water withdrawn returns to its original catchment and is therefore excluded from water consumption.

In 2020, water use in areas of extremely high- or high-water risk was approximately 27% of total water use, unchanged from 2019. Water intensity is significantly lower in areas of lower water risk. Our overall water intensity was 18 m³ consumed per metric ton of product, while the water intensity in high- and extremely high-water risk operations was 8 m³ per metric ton of product.
Albemarle is partnering with the initiative for Responsible Hiring Assurance (RHA) to ensure the sustainability of our lithium production. RHA is the leading certification standard for assurance of responsible mining through objective, third-party verification of industrial-scale mining companies, and independent collaboration and multi-stakeholder processes. Our Salar site is the first lithium mine to complete an RHA self-assessment, and the first site in Chile to do so. In 2021, we plan to begin third-party audit and certification of the site in accordance with RHA standards. We hope to conduct self-assessment and third-party audits of our other mining sites in the future.

**Waste Management**

Through maximizing the recovery of our extracted minerals and recycling or reusing our by-products where possible, we remain committed to being good stewards of our natural resources and minimizing our waste streams. In fact, in 2020 over 90% of our non-hazardous waste was recycled, mostly for use in cement production. Additionally, we adhere to relevant regional standards for dam design and conduct independent dam safety reviews to ensure we are responsibly managing tailings at our operations.

**Land and Biodiversity**

Due to the nature of our operations, it is important for Albemarle to preserve and restore land and wildlife habitats as best we can—before, during, and after we have commenced operations. We work with our local communities and regulatory agencies to ensure we consider protected land and species where applicable, and we partner with organizations such as the Wildlife Habitat Conservation for environmental conservation and rare areas of ecologically sensitive areas.

At Albemarle, resource stewardship means responsibly managing our natural resources to operate efficiently, and preserving the environment for our local communities and the world. Two of our core businesses—lithium and bromine—are dependent on the availability and responsible management of natural resources. We consider responsible resource stewardship, including mineral resources, waste management, and land management and biodiversity.

**Our Approach**

**Mineral Resources**

Albemarle manages mineral resources transparently – at our own sites and at our joint venture sites – to ensure good relationships with our local communities, governments, regulators, and other key stakeholders. For example, in the Salar, we monitor brine resources and report monitoring data to the relevant Chilean governments, regulators, and other key stakeholders. We meet regularly with the communities and report monitoring data to the relevant Chilean governments, regulators, and other key stakeholders.

**Natural Resource Management**

Albemarle uses data modeling to understand the impacts of our extraction processes. For example, at our Magnolia, Arkansas, site, we utilize a model of our brine field to predict optimal placement with supply and injection wells. Proper placement is key to minimizing dilution of fresh brine by depleted tail brine. In the Salar, we utilize a hydrological model to verify whether the pumping of the brine has an adverse effect on the water systems. We share the results of these data modeling tools with relevant regulatory authorities as well as our local communities.

**Maximizing Recovery**

At our Kings Mountain, North Carolina, site we invested in the beneficial use of lithium by-products by adjusting process conditions to make the material dryer and easier to handle. Investments and improvements will continue in 2021. At our Chinese lithium conversion site, 100% of the conversion tailings have been melee in the cement industry for several years. Sulfin, an Albemarle company in Chile, specializes in technologies that use bischofite—a lithium by-product—for the treatment of water. By using bischofite, it is possible to reduce the site’s water consumption for associated customers.

**Land Preservation and Habitat Conservation**

Since 2006, our Magnolia, Arkansas site has been approved by the National Fish and Wildlife Foundation (NFWF) as an approved area through meeting the needs of wildlife species at our artificial marshes. The Magnolia site was the first in the entire State to apply the artificial marsh treatment technology to an industrial setting, providing economic and environmentally friendly solution while providing a thriving home to native plant and animal species. We have provided educational opportunities for local students, including a partnership with Magnolia High School’s AP Environmental and Chemistry classes for water testing, and wildlife studies. Unfortunately, we had to suspend in-person site visits to 2020 due to the COVID-19 pandemic, but we look forward to having students onsite in the coming years.
Our Performance

Our Kings Mountain, North Carolina, site is home to a 2,000-square-foot pollinator garden that was recognized with a 2020 Wildlife Habitat Council Pollinators Project award for excellence in corporate conservation—the first Albemarle conservation project to receive an annual WHC award.

The pollinator garden is situated atop a rock pile that Albemarle reclaimed from a previous lithium mining operation and is located within the five-mile-long Kings Mountain Gateway Trail. The garden provides an enhanced habitat for pollinators—specifically the monarch butterfly—which has recently seen a species decline. Over the last several years, Albemarle employees have planted a variety of pollinator-friendly vegetation and regularly monitor the garden’s progress.

In Chile, we instituted a flamingo monitoring plan at the Peine-Punta La Brava Lagoon. As part of our commitment, we monitor these migratory birds that settle here for a portion of the year, spending approximately $1.1 million on conservation initiatives since 2017. As a result, we have seen an increase in flamingos migrating here from a 2014 baseline.

At the Kemerton site, we have proactively purchased a piece of land to offset the 90 hectares of land utilized during the construction process. This land will be a protected area, home to the black cockatoo—a sensitive species in Western Australia.

At Silver Peak, our integrated Avian Management Program (IAMP) documents the practices in place for migrating bird rescue, rehabilitation, and release. It also provides guidance in identifying and implementing effective measures to prevent avian mortality and includes enhancing bird monitoring and rescue efforts to prevent avian mortalities.

“We are thrilled to receive recognition from WHC for our continued care and focus on our team at Kings Mountain dedicating to a critically important environmental effort. This award from WHC represents our positive results from the pollinator garden and our commitment to Albemarle’s sustainability goals for the communities in which we work and live.”

—John Kuhn
Albemarle Environmental Manager

In 2020, we generated 327 kilotons (kt) of total waste, including 21 kt of hazardous waste. The percentage of hazardous waste that was recycled increased from 7% in 2019 to 10% in 2020. Additionally, we recycled 91% of all non-hazardous waste, compared to 97% in 2019. The 2020 restatement corrects an omission of one site.

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total waste generated, hazardous and non-hazardous (kt)</td>
<td>n/a</td>
<td>327</td>
</tr>
<tr>
<td>Hazardous waste (kt)²</td>
<td>21</td>
<td>20</td>
</tr>
<tr>
<td>Percentage of hazardous waste recycled</td>
<td>10%</td>
<td>7%</td>
</tr>
<tr>
<td>Non-hazardous waste (kt)</td>
<td>n/a</td>
<td>307</td>
</tr>
<tr>
<td>Percentage of non-hazardous waste recycled</td>
<td>n/a</td>
<td>91%</td>
</tr>
</tbody>
</table>

² Restatement corrects omission of site.
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VALUE CHAIN EXCELLENCE

At Albemarle, we strive to embed sustainability into our culture and decisions along our entire value chain. From raw materials sourcing to production to supply, sales, and downstream processes, and maintaining our regulatory compliance, our efforts are guided by our values and our commitment to excellence. We believe that sustainability is at the heart of what we do. Striving toward excellence in our supply chain management, innovating our products and processes, and maintaining our regulatory compliance while acting with integrity is how we create shared value for all and Chart Our Course for a sustainable future.

Our Approach

Albemarle’s growth strategy includes long-range plans for our businesses and support functions to perform within the top quartile of the markets we serve. To do this, we are focused on ensuring the safety, compliance, and quality of our products in all parts of our value chain. Every part of the value chain is responsible for the safety, sustainability, and compliance of our products and services to our customers—sustained, continually improved, and delivered to their satisfaction. Equally, we are committed to ensuring the safety of our suppliers and partners in the same way that we ensure the safety of our own operations. Our suppliers and partners are an important part of our value chain. Our value chain management, innovating our products and processes, and maintaining our regulatory compliance while acting with integrity is how we create shared value for all and Chart Our Course for a sustainable future.

Supply Chain Management

In 2021, we reorganized our global supply chain function to align operations, increase collaboration and communication, and centralize direct materials and processes within the top quartile of the markets we serve. To do this, we are focused on ensuring the safety, compliance, and quality of our products in all parts of our value chain. Every part of the value chain is responsible for the safety, sustainability, and compliance of our products and services to our customers—sustained, continually improved, and delivered to their satisfaction. Equally, we are committed to ensuring the safety of our suppliers and partners in the same way that we ensure the safety of our own operations. Our suppliers and partners are an important part of our value chain. Our value chain management, innovating our products and processes, and maintaining our regulatory compliance while acting with integrity is how we create shared value for all and Chart Our Course for a sustainable future.

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Our Programs

Our source-to-source process is governed by one global procurement governance framework, which ensures that prospective vendors are appropriately sourced, vetted, and approved. This framework is supplemented by Albemarle’s Business Partner Code of Conduct, which sets out our expectations for compliance and sustainable practices with the business partners we continue to work with, including third parties that engage with government officials, including trade and customs agencies, on our behalf. Tailored training on the global procurement framework is provided to employees involved in the source-to-source process. Where considered appropriate, we also provide
Our Performance

Even before the onset of the COVID-19 pandemic, Albemarle was measuring our vendor footprint. This process of rationalizing the number of vendors helps us reduce our overall footprint from more than 30,000 vendors in 2018 to approximately 15,500 today. For example, one area of focus was our customers’ brokers and freight forwarders which we have reduced from 100 to less than 10 vendors globally. This rationalization has enabled us to simplify and reduce the risks and cost of our logistics operations. For retained vendors, we utilize analytics and cross-functional collaboration to identify those vendors that present elevated corruption, fraud, human rights, environmental or other sustainability-related risks and conduct appropriately tailored due diligence. In 2021, we enhanced our global procurement governance framework of policies and procedures, supported by the rollout of a single source-to-pay system that will continue into 2022.

In 2020, we engaged several customers in our Lithium business around the EU Battery Directive—specifically regarding recycling efforts accountability. Albemarle believes it has the knowledge and expertise to help guide our customers through the planning process of understanding what is possible relative to battery recycling, including providing data on the useful life of batteries, what percentage of new batteries should contain recycled content, and when EVs will be a significant majority of the automotive market. Albemarle remains committed to following the ACC’s Responsible Care® initiative and striving toward Responsible Care® Guiding Principles. Albemarle remains committed to following the ACC’s Responsible Care® initiative and striving toward Responsible Care® Guiding Principles. Albemarle remains committed to following the ACC’s Responsible Care® initiative and striving toward Responsible Care® Guiding Principles. Albemarle remains committed to following the ACC’s Responsible Care® initiative and striving toward Responsible Care® Guiding Principles. Albemarle remains committed to following the ACC’s Responsible Care® initiative and striving toward Responsible Care® Guiding Principles. Albemarle remains committed to following the ACC’s Responsible Care® initiative and striving toward Responsible Care® Guiding Principles. Albemarle remains committed to following the ACC’s Responsible Care® initiative and striving toward Responsible Care® Guiding Principles. Albemarle remains committed to following the ACC’s Responsible Care® initiative and striving toward Responsible Care® Guiding Principles.

Our Approach

Albemarle is continuously building partnership with strategic customers, leading academics and institutes, as well as cutting-edge startups, to innovate new products and processes. We share best practices for product and process development across our businesses. Albemarle’s Bromine, Lithium and Performance Materials businesses are working at the leading edge of information and technology. Our new product development processes leverage cross-functional teams and rigorous stage-gate reviews to maximize high-potential concepts while assessing their viability from technical, financial, safety, social, and commercial, and manufacturing perspectives.

In our Bromine business, innovation paves the way for new sustainable product opportunities, to enter the market. Relative to process innovation, we constantly look for ways to add capacity to meet growing demand, while reducing costs and our environmental footprint—especially where our operations are in ecologically sensitive areas, such as JBC.

In our Catalysts business, R&D is aimed at new product development, new process technology, and HSE challenges. Our catalysts are used by the oil industry to convert a barrel of oil into a wide variety of fuels in the most efficient way possible. Our catalysts also provide high-quality fuels that are suited for any modern high-quality, fuel-efficient internal-combustion engines and generate low emissions of SOx and NOx.

In our Lithium business, innovation creates technology- based differentiation, and we are working on breakthroughs for a rapidly growing emerging market. Our Lithium Innovation Council—comprised of our CFO, Chief Commercial Officer (Chief), Chief Operating Officer, Chief Financial Officer, and Chief Technology Officer oversees our portfolio of new business innovation priorities, projects resources and balance investments, drives alignment with business processes, and ensures that we are planning for a sustainable future. For example, we have established the Lithium Innovation Council—comprised of our CFO, Chief Commercial Officer (Chief), Chief Operating Officer, Chief Financial Officer, and Chief Technology Officer oversees our portfolio of new business innovation priorities, projects resources and balance investments, drives alignment with business processes, and ensures that we are planning for a sustainable future. For example, we have established the Lithium Innovation Council.

Our Programs

Albemarle conducts extensive market research to support our innovation efforts. Our Innovation Council manages our innovation portfolio to ensure the right size of new-to-market technology, new generation products, and incremental extensions of existing products. Our product portfolios for each business are reviewed by our cross-functional teams at the GBI leadership level on a quarterly basis. Additionally, all our businesses use asset roadmaps of resource execution, conversion and other manufacturing capacities with a 5 to 10 years time horizon. With products at various stages of opportunity, these roadmaps help us understand resource demand
and expected plant utilization. In collaboration with manufacturing plant leadership, we can address capacity gaps through process optimization, innovation, and expansion. We work closely with our manufacturing plant leadership to understand process inefficiencies, identify where gaps exist, and determines how to close gaps where necessary. These roadmaps also help us determine which projects need added capacity or resources in the next five years—through process optimization and innovation—and allow us to see the future of the plant.

We also strive to develop ways to use resources more efficiently, such as reducing material waste or reusing by-products in new projects. We are working toward being able to understand how to do this in an effective and environmentally responsible manner. This work will be guided by our newly issued Sustainability Roadmap, pursuant to the EU Battery Directive on batteries and accumulators and waste batteries and accumulators. This new regulation aims to ensure that batteries and accumulators and waste batteries and accumulators will be guided by the recently issued Batteries Action Plan and the EU’s Circular Economy Action Plan 2030, which includes the Batteries Regulation, pursuant to the EU Battery Directive on batteries and accumulators and waste batteries and accumulators. This new regulation aims to ensure that our processes at our manufacturing operations in Europe are in line with these new regulations.

In our Catalysts business, we have been assessing the sustainability impacts of our products and processes. We are focused on developing new technologies and optimizing existing technologies to reduce our environmental impact. We are also exploring ways to use resources more efficiently, such as recycling scrap lithium or batteries and maximizing the bottom of the petroleum barrel. We are also exploring ways to use resources more efficiently, such as recycling scrap lithium or batteries and maximizing the bottom of the petroleum barrel. We are also exploring ways to use resources more efficiently, such as recycling scrap lithium or batteries and maximizing the bottom of the petroleum barrel.

In 2020, Albemarle was selected by the U.S. Department of Energy (DOE) as a critical partner for two lithium research projects. The first project, in collaboration with Argonne National Laboratory, enables the development of a novel technology to produce lithium dendrite-free cathode. The second project, in partnership with Pacific Northwest National Laboratory, will accelerate the commercialization of high-energy cathodes for extended battery life in the EV application.

Our Performance
In our Catalysis business, we have been assessing the sustainability impacts of our products and processes. We are focused on developing new technologies and optimizing existing technologies to reduce our environmental impact. We are also exploring ways to use resources more efficiently, such as recycling scrap lithium or batteries and maximizing the bottom of the petroleum barrel. We are also exploring ways to use resources more efficiently, such as recycling scrap lithium or batteries and maximizing the bottom of the petroleum barrel.

We are honored to have the DOE select these two important research efforts in partnership with Argonne National Laboratory and Pacific Northwest National Laboratory as a critical partner for these projects.

Our Code is supplemented by an interactive eCode, which is available to Albemarle employees on their computers, tablets, and smartphones. The eCode includes specific requirements for each type of work activity, with links to supporting policies and details of who employees should speak to if they have questions. We continue to supplement this core content with FAQs, videos, and case studies to illustrate real-world situations employees might encounter during their daily business activities.

Our Approach
Our Code is a public statement of who we are and the standards we expect in our daily work. Our Code is organized by work activity rather than area of law and represents our core values in action. We encourage employees to use the Code as a starting point, especially when undertaking activity that is unfamiliar to them. We continue to develop and refine this Code to reflect our changing business environment and the evolving needs of our stakeholders to ensure our success and long-term sustainability.

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Our Ethics and Compliance Program

Albemarle has adopted a consistent approach to managing our ethics and compliance risk. Controls are designed and implemented to address the company’s exposure to specific ethics and compliance risks, such as anti-corruption. These assessments also involve an evaluation of potential ethics and compliance risks according to potential ethics and compliance risks such as data privacy, or skills-based training to employees frequently and clearly, and we encourage them to “start with the Code” before making any new business decisions or undertaking an unfamiliar task.

Through day-to-day support of Albemarle’s business
tools and units, and associated analytics, the compliance team can maintain a real-time risk profile in areas such as third-party risk management and employee expenses.

• The cultural health of our employees is assessed through a combination of objective data (e.g., use of our integrity helpline) and feedback from employees (e.g., pulse surveys).

Governance (Controls, Policies and Systems)

The Code is supplemented by several core ethics and compliance policies—Anti-Corruption, Gifts & Hospitality, and Anti-Intimidate. Additionally, approved ethics and compliance controls are incorporated into our global functional policies, such as those relating to sales, procurement, human resources, and community, including audit, and associated systems. Albemarle’s Business Partner Code of Conduct communicates our specific requirements for vendors, contractors, sales representatives, and any other partner doing business with Albemarle to ensure they act in accordance with our core values and applicable laws.

Communications and Training

All new Albemarle employees are required to acknowledge that they have read and accept the Code, and all existing employees review their commitment to the Code annually. We communicate our expectations of employees frequently and clearly, and we encourage them to “start with the Code” before making any new business decisions or undertaking an unfamiliar task.

We provide in-depth compliance training to employees according to potential ethics and compliance risks they might face. Training options include functional training such as sales or procurement, risk-based training such as data privacy, or skills-based training such as conduct of internal investigations.

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Our Programs

Albemarle conducts periodic assessments of our Code and supporting policies.

The Code is supplemented by several core ethics and compliance policies—Anti-Corruption, Gifts & Hospitality, and Anti-Intimidate. Additionally, approved ethics and compliance controls are incorporated into our global functional policies, such as those relating to sales, procurement, human resources, and community, including audit, and associated systems. Albemarle’s Business Partner Code of Conduct communicates our specific requirements for vendors, contractors, sales representatives, and any other partner doing business with Albemarle to ensure they act in accordance with our core values and applicable laws.

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Analytics, Monitoring and Audit

To provide assurance in relation to our ethics and compliance program, we conduct various types of monitoring and audit.

• Program effectiveness: we assess compliance with our Code and other requirements in our Code and supporting policies.

• Employee monitoring: we monitor compliance sensitive expenses.

• Third parties: we conduct monitoring of compliance sensitive payments to, and the reputation of, third parties.

This monitoring program is dependent on a publicly recognized analytics tool that updates our ethics and compliance team developed in coordination with our IT department. We use Albemarle data sourced from internal systems and third-party vendors to develop real-time dashboards that are used not only by the compliance team, but senior management as well.

Speak Up

Employees are required to speak up when they suspect activity that may be a violation of the Code or applicable law. We encourage employees to speak up so that we can prevent harm, manage risk, and promptly respond.

There are several channels through which employees, business partners, or other stakeholders can report suspected instances of the Code confidentially and anonymously:

• Supervisor

• Chief Compliance Officer or a member of the team

• General Counsel or member of the legal department

• Human Resources

• Audit and Finance Committee of the Board

• Integrity Helpline

All allegations are investigated in accordance with our Investigations Policy, which is reviewed periodically with the Audit and Finance Committee. Following receipt of an allegation, the Chief Compliance Officer will liaise with the general counsel and chief human resources officer to determine the best approach. If allegations are found to be substantiated, disciplinary actions are administered in accordance with our Discipline Policy. Where appropriate, a root cause analysis will be undertaken to assess whether any enhancements to our ethics and compliance program or functional processes are needed.

Albemarle does not form any relationship of retaliation against someone who raises a concern in good faith or provides information.

Our Performance

Albemarle uses a variety of metrics to assess our ethics and compliance performance, including data analytics, training, audits, and employee reports and allegations submitted.

Through data analytics, we can track how many times the Code is accessed, and how many employees completed their Code training by year-end. In the first year of launch more than 55% of Albemarle’s employee population consulted the iCode, with many referring to it on multiple occasions. These analytics help us to identify locations where targeted campaigns to raise awareness of the Code can be deployed.

In 2020, more than 99% of all Albemarle employees completed their assigned Code training by year-end, and 80% of Albemarle employees who were assigned anti-corruption training completed the training by year-end.

Our monitoring program described above is supplemented by periodic ethics and compliance audits of Albemarle sites, non-controlled joint ventures and third parties. In 2020, Albemarle conducted compliance-related audits of six different manufacturing sites/offices.

The metric typically used as a proxy for measuring a company’s speak-up culture is the number of employee reports per 100 employees. This includes unique contacts (incident reports, allegations, and specific policy inquiry questions) all reporting channels received during the period. In their 2020 Ethics & Compliance Hotline and Incident Management Benchmark Report, Navex reports an industry median of 1.4 reports per 100 employees. In 2020, Albemarle received 1.3 reports per 100 employees down from 1.7 in 2019. These figures exclude policy inquiry questions. The year-over-year decline in reports is consistent with that experienced by other companies and is most likely due to Covid-19 related work restrictions.
# APPENDIX

## SASB INDEX

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### Greenhouse gas emissions

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- **Hazardous Air Pollutants (HAPs)**
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* Locations in countries falling under European Trading System
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<td>RT-S40a.1</td>
<td>Operational Safety, Emergency Preparedness &amp; Response</td>
<td>Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTR), Process Safety Incident Severity Rate (PSISR)</td>
<td>ESG Data Download</td>
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### Disclosure number 102-1
**Title**

#### 102-1 Name of the organization
"Albemarle Corporation. Unless the context otherwise indicates, the term ‘Albemarle’, ‘we’, ‘us’, ‘the company’ and ‘our’ mean Albemarle Corporation and our consolidated subsidiaries." Page 34

#### 102-2 Activities, brands, products, and services
"How We Create Value" Page 14

#### 102-3 Location of headquarters
4250 Congress Street, Suite 900 Charlotte, North Carolina 28209 United States of America Page 34

#### 102-4 Location of operations
2020 Annual Report Form 10-K Page 25

#### 102-5 Ownership and legal form
2020 Annual Report Form 10-K Page 25

#### 102-6 Markets served
"Within Albemarle, Our Business Segments, How We Create Value" Page 6-14

#### 102-7 Scale of the organization
"Albemarle by the Numbers, Financial Highlights" Page 7-25

#### 102-8 Supply chain
"Supply Chain Management" Page 63

#### 102-9 Precautionary Principle or approach
2020 Annual Report Form 10-K Page 25

#### 102-10 Precautionary Principle or approach
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 VOCMAP® (Voluntary Emission Control Action Program).
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<td>Consulting stakeholders on economic, environmental, and social topics</td>
<td>2015 Materiality Assessment, Materiality, Community and Stakeholder Engagement</td>
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<td>Composition of the highest governance body and its committees</td>
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GRI 102: General disclosures 2016
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Review of economic, environmental, and social topics
Albemarle Corporation Health, Safety & Environmental Committee Charter

102-32
Highest governance body's role in sustainability Reporting
Chairman of the Board, Kent Masters

102-33
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 900, Charlotte, North Carolina 28209 or by email at governance@albemarle.com. Communications regarding financial and accounting matters may also be sent directly to the Chair of the Audit & Finance Committee at audit.chair@albemarle.com"

102-34
Nature and total number of critical concerns
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102-35
Remuneration policies
2021 Proxy Statement Page 25

102-36
Process for determining remuneration
2021 Proxy Statement; Executive Compensation Committee Charter

102-37
Stakeholders' involvement in remuneration
2021 Proxy Statement Page 25

102-38
Annual total compensation ratio
2021 Proxy Statement

5. Stakeholder engagement

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List of stakeholder groups
Community and Stakeholder Engagement

102-41
Collective bargaining agreements
ESG Data Download

102-42
Identifying and selecting stakeholders
Community and Stakeholder Engagement

102-43
Approach to stakeholder engagement
Community and Stakeholder Engagement

102-44
Key topics and concerns raised
Community and Stakeholder Engagement

6. Reporting practice

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Entities included in the consolidated financial statements
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Defining Report content and topic Boundaries
About this Report

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List of material topics
Materiality

102-48
Restatements of information
Natural Resource Management; ESG Data Download

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Changes in Reporting
Materiality

102-50
Reporting period
About this Report

102-51
Date of most recent previous Report
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102-52
Reporting cycle
Annually

102-53
Contact point for questions regarding the Report
Contact Us

102-54
Claims of Reporting in accordance with the GRI Standards
This material references GRI Standards 2016.

102-55
GRI content index
GRI Content Index - Standards reference Table

102-56
External assurance
This Sustainability Report is not subjected to a comprehensive external assurance process. Financial, safety and environmental information are subject to both national regulatory requirements as well as international and external audit such as ISO 14001 and similar systems. This sustainability Report contains a consolidation of this information.

103-1
Explanation of the material topic and its Boundary
All material subjects

103-2
The management approach and its components
All material subjects

103-3
Evaluation of the management approach
All material subjects

Material Topics - 200 series (Economic topics) GRI 201: Economic Performance 2016

201-1
Direct economic value generated and distributed
2020 Annual Report Form 10-K; Financial Highlights Page 25

201-2
Financial implications and other risks and opportunities due to climate change
2020 Annual Report Form 10-K; Climate Strategy; Climate Change Risks and Opportunities Page 25; 29; 27

201-3
Defined benefit plan obligations and other retirement plans
2020 Annual Report Form 10-K Page 25

201-4
Financial assistance received from government
2020 Annual Report Form 10-K; ESG Data Download Page 25; 35
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--- | --- | --- | ---
CRI 202: Market Presence 2016 205-1 | Ratios of standard entry level wage by gender compared to local minimum wage | TSG Data Download | Page 35
CRI 205: Anti-corruption 2016 205-1 | Operations assessed for risks related to corruption | Business Ethics and Regulatory Compliance; TSG Data Download | Page 67, 35
205-2 | Communication and training about anti-corruption policies | Business Ethics and Regulatory Compliance; TSG Data Download | Page 67, 35
205-3 | Confirmed incidents of corruption and actions taken | Albemarle Corporation did not have any confirmed incidents of corruption during the reporting period.

Material Topics - 300 series (Environmental topics) CRI 302: Energy 2016 302-1 | Energy consumption within the organization | Energy and GHG Emissions; TSG Data Download | Page 53, 35
303-3 | Water withdrawal | Water; TSG Data Download | Page 55, 35
303-5 | Water consumption | Water; TSG Data Download | Page 55, 35
CRI 305: Emissions 2016 305-1 | Direct (Scope 1) GHG emissions | Energy and GHG Emissions; TSG Data Download | Page 53, 35
305-2 | Energy indirect (Scope 2) GHG emissions | Energy and GHG Emissions; TSG Data Download | Page 53, 35
305-5 | Reduction of GHG Emissions | Climate Change Risks and Opportunities; Energy and GHG Emissions; Climate Strategy | Page 27, 53, 29
305-7 | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | TSG Data Download | Page 27, 53
306-3 | Resource generated | Resource Stewardship; TSG Data Download | Page 58, 35
306-4 | Waste diverted from disposal | Resource Stewardship | Page 58, 35
CRI 307: Environmental Compliance 2016 307-1 | Non-compliance with environmental laws and regulations | Albemarle Corporation did not have any incidents of non-compliance with environmental laws and regulations that resulted in significant fine or non-monetary sanctions during the reporting period.

Material Topics - 400 series (Social topics) CRI 401: Employment 2016 401-1 | New employee hires and employee turnover | Investment in Talent; TSG Data Download | Page 41, 35
401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | In the U.S., part-time employees receive the same benefits as full-time employees. In Bahrain, part-time employees receive the same benefits as full-time employees, and temporary employees that are fixed-term Albemarle employees are eligible for the same benefits as regular employees. In China and Taiwan, part-time employees receive the same benefits as full-time employees, and temporary employees are eligible for 90% of all benefits with the exception of Albemarle’s additional pension plan. In Belgium, part-time employees receive the same benefits as full-time employees, and temporary employees are only eligible for statutory social security benefits and supplemental insurance.
CRI 403: Occupational Health and Safety 2018 403-1 | Occupational health and safety management system | Safety | Page 37
403-2 | Hazard identification, risk assessment, and incident investigation | Safety | Page 37
403-4 | Worker participation, consultation, and communication on occupational health and safety | Safety | Page 37
403-5 | Worker training on occupational health and safety | Safety | Page 37
403-7 | 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.

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<td>Average hours of training per year per employee</td>
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<td>Investment in Talent</td>
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<td>Percentage of employees receiving regular performance and career development reviews</td>
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<td><strong>GRI 404: Training and Education 2016</strong></td>
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<td>405-1</td>
<td>Diversity of governance bodies and employees</td>
<td>Investment in Talent, Corporate Governance; <a href="#">GSG Data Download</a></td>
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<td>405-2</td>
<td>Ratio of base salary and remuneration of women to men</td>
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**GRI 405: Diversity and Equal Opportunity 2016**

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<td>405-1</td>
<td>Incidents of discrimination and corrective actions taken</td>
<td>Albemarle Corporation had one confirmed incident of discrimination during the reporting period. Appropriate disciplinary action was taken and the incident is closed.</td>
<td></td>
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<td>405-2</td>
<td>Gender pay gap</td>
<td><a href="#">GSG Data Download</a></td>
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**GRI 406: Non-discrimination 2016**

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<td>Business Ethics and Regulatory Compliance; <a href="#">GSG Data Download</a></td>
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**GRI 412: Human Rights Assessment 2016**

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<td>Operations with local community engagement, impact assessments, and development programs</td>
<td>Community and Stakeholder Engagement</td>
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**GRI 413: Local Communities 2016**

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<td>Community and Stakeholder Engagement; <a href="#">GSG Data Download</a></td>
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**GRI 415: Political Contributions 2016**

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<td>Non-compliance with laws and regulations in the social and economic area</td>
<td>Albemarle Corporation did not have any material monetary fines or non-monetary sanctions for non-compliance with laws and regulations during the reporting period.</td>
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**GRI 419: Socioeconomic Compliance 2016**

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<td>420-1</td>
<td>Incidents of non-compliance concerning the health and safety impacts of products and services</td>
<td>Albemarle Corporation did not have any material monetary fines or non-monetary sanctions for non-compliance with laws and regulations during the reporting period.</td>
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**GRI 420: Customer Health and Safety 2016**

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<td>422-1</td>
<td>Non-compliance with laws and regulations in the social and economic area</td>
<td>Albemarle Corporation did not have any material monetary fines or non-monetary sanctions for non-compliance with laws and regulations during the reporting period.</td>
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**GRI 419: Socioeconomic Compliance 2016**