



REPORT ON 2014 ACTIVITIES

2015 GLOBAL REPORTING INITIATIVE

 ALBEMARLE®

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1.1 STATEMENT FROM MOST SENIOR DECISION MAKER OF THE ORGANIZATION

Dear Stakeholder,

2014 started the next phase of Albemarle's transformation into a premier specialty chemicals company as we announced our acquisition of Rockwood Holdings, Inc., a transaction that closed on January 12, 2015. The combination resulted in the creation of one of the world's largest specialty chemicals companies with leading positions across our four high-margin growth businesses - lithium, catalysts, bromine and surface treatment. We will leverage complementary assets, shared knowledge and expertise, and unmatched innovation to deliver a broader set of value-added solutions in a more efficient and effective manner to our customers. As we build the new company, our principals remain the same: operating safely, reducing our environmental footprint, enhancing our communities and delivering solid returns to our shareholders.

Full-year 2014 earnings per share rose 5% year over year to \$4.20. Net sales totaled \$2.5 billion, and adjusted EBITDA was \$562 million for the full year. We also continued to generate excellent free cash flow, ending the year at \$361 million, up 24% year over year, and we maintained top-tier profitability margins of right at 23%. In a year that marked our 20th anniversary as a public company, we ended 2014 better positioned to grow, innovate and deliver value to our stakeholders than ever before.

I am very proud of the fact that we incurred 42% fewer injuries in 2014 than in 2013, and dramatically lowered the severity of those injuries that did occur. Our 2014 OSHA Recordable Rate was 0.327, which places us in the top quartile of the companies in the American Chemistry Council (ACC). Our Bayport, Texas; Baton Rouge, Louisiana; and Tyrone, Pennsylvania sites received the ACC's 2014 Facility Safety Award, which recognizes achievements in employee health and safety performance. In November, our Yeosu, Korea site celebrated the fact that since becoming operational 1,500 days - over four years - earlier, there had not been a single reportable injury.

Our environmental performance is our license to operate in communities around the world, and while we currently operate well within our permit limits, we are committed to reducing our

emissions and our use of resources. I am honored that the communities where we operate recognize our commitment, including the three awards we received below:

- **Magnolia, Arkansas:** Diamond Award for Excellence in Environmental Leadership by the Arkansas Environmental Federation for its Bromine Recovery Unit
- **South Haven, Michigan:** Michigan Voluntary Protection Program (MVPP)
- **Tyrone, Pennsylvania:** Recognition for achieving total compliance for Industrial Waste Pretreatment Permit Parameters for 2013

In addition, our South Haven, Michigan site received the ACC's 2014 Energy Efficiency Award because of the improved energy efficiency the site achieved. Albemarle's Amsterdam facility served as a pilot site, working in close cooperation with the Dutch authorities, to create a new industry standard around energy and conservation.

Furthering our commitment to protect the environment through the continuous improvement of our energy performance, Albemarle became a partner in ENERGY STAR®. We believe that an organization-wide energy management approach will help enhance our financial health and aid in preserving the environment for future generations.

Albemarle employees continue to give back to the communities where we live and operate, this year surpassing the \$20 million mark in contributions since the beginning of the Albemarle Foundation in 2007. In addition to supporting our local communities, our employees are very active in local fundraising organized to help each other during times of crisis. In 2015, we established the Albemarle Care Fund to help employees who are dealing with a natural disaster, illness or injury, death or other extreme circumstance beyond their control. I am terribly proud of our employees' efforts to support each other, their neighbors and our communities.

On the job, discovering and implementing new and better performance-based solutions is what motivates these employees each day. Working side by side with our customers, our employees develop value-added solutions based on technological breakthroughs. In 2014, Albemarle employees earned 324 new patents, and 32% of our revenues were derived from sales of new products. This is evidence that their focus on innovation and delivering solutions to our customers continues to drive success.

CEO LETTER

As individuals and as one new, global company, we are inspired by the potential of our knowledge and passion to power a more sustainable planet and more prosperous communities where we work and live. Above all, we are inspired by what's next. With the perspective that comes from a century-long legacy of innovation and performance, we see a future of limitless potential to build progress for our customers, our company and our world.

Sincerely,

A handwritten signature in black ink that reads "Luke Kissam". The signature is written in a cursive, flowing style.

Luke Kissam,
President and Chief Executive Officer



1.2 DESCRIPTION OF KEY IMPACTS, RISKS AND OPPORTUNITIES

Below are the highlighted excerpts from the 10-K Annual Report. The 10-K Annual Report can be found via www.albemarle.com/investors under Financials - Annual Reports

Adverse conditions in the global economy and volatility and disruption of financial markets can negatively impact our customers and suppliers and therefore have a material adverse effect on our results of operations.

A global economic downturn may reduce customer demand or inhibit our ability to produce our products, negatively impacting our operating results. Our business and operating results have been and will continue to be sensitive to global economic downturns (including credit market tightness which can impact our liquidity as well as our customers and suppliers), declining consumer and business confidence, fluctuating commodity prices, volatile exchange rates and other challenges that can affect the global economy. Our customers may experience deterioration of their businesses, cash flow shortages and difficulty obtaining financing. As a result, existing or potential customers can delay or cancel plans to purchase products and may not be able to fulfill their obligations in a timely fashion. Further, suppliers may be experiencing similar conditions, which could impact their ability to fulfill their obligations to us. If the current weakness in much of the global economy continues for an extended period or deepens significantly, our results of operations, financial condition and cash flows could be materially adversely affected.

We face competition from other specialty chemical companies, which places downward pressure on the prices and margins of our products.

We operate in a highly competitive marketplace, competing against a number of global specialty chemical producers. Competition is based on several key criteria, including product performance and quality, product price, product availability and security of supply and responsiveness of product development in cooperation with customers and customer service. Some of our competitors are larger than we are and may have greater financial resources. In addition, our products are facing increasing competition from market participants in China. These competitors may also be able to maintain significantly greater operating and financial flexibility than we do. As a result, these competitors may be better able to withstand changes in conditions within our industry, changes in the prices of raw materials and energy and in general economic conditions.

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Additionally, competitors' pricing decisions could compel us to decrease our prices, which could affect our margins and profitability adversely. Our ability to maintain or increase our profitability is, and will continue to be, dependent upon our ability to offset decreases in the prices and margins of our products by improving production efficiency and volume, shifting to higher margin chemical products and improving existing products through innovation and research and development. If we are unable to do so or to otherwise maintain our competitive position, we could lose market share to our competitors.

Within the end-use markets in which we compete, competition between products is intense. Substitute products also exist for many of our products. Therefore, we face substantial risk that certain events, such as new product development by our competitors, changing customer needs, production advances for competing products, price changes in raw materials and products, our failure to secure patents or the expiration of patents, could result in declining demand for our products as our customers switch to substitute products or undertake manufacturing of such products on their own. If we are unable to develop, produce or market our products to effectively compete against our competitors, our results of operations may materially suffer.

We believe that our customers are increasingly looking for strong, long-term relationships with a few key suppliers that help them improve product performance, reduce costs, or support new product development. To satisfy these growing customer requirements, our competitors have been consolidating within product lines through mergers and acquisitions. We may also need to invest and spend more on research and development and marketing costs to strengthen existing customer relationships, as well as attract new customers. Our indebtedness could limit our flexibility to react to these industry trends and our ability to remain competitive.

Albemarle's brands, product image and trademarks represent the unique product identity of each of our products and are important symbols of the Company's reputation. Accordingly, the performance of our business could be adversely affected by any marketing and promotional materials used by our competitors that make false or unsubstantiated claims, implies immoral or improper conduct or is otherwise disparaging to our Company or its products. Further, our own actions could hurt such brands, product image and trademarks if our products underperform or we otherwise draw negative publicity.

Downturns in our customers' cyclical industries could adversely affect our sales and profitability.

Downturns in the businesses that use our specialty chemicals will adversely affect our sales. Many of our customers are in industries, including the electronics, building and construction, oilfield and automotive industries, that are cyclical in nature and sensitive to changes in general economic conditions. Historically, downturns in general economic conditions have resulted in diminished product demand, excess manufacturing capacity and lower average selling prices, and we may experience similar problems in the future. A decline in economic conditions in our customers' cyclical industries may have a material adverse effect on our sales and profitability.

Our results are subject to fluctuation because of irregularities in the demand for our HPC catalysts and certain of our agrichemicals.

Our HPC catalysts are used by petroleum refiners in their processing units to reduce the quantity of sulfur and other impurities in petroleum products. The effectiveness of HPC catalysts diminishes with use, requiring the HPC catalysts to be replaced, on average, once every one to three years. The sales of our HPC catalysts, therefore, are largely dependent on the useful life cycle of the HPC catalysts in the processing units and may vary materially by quarter. In addition, the timing and profitability of HPC catalysts sales can have a significant impact on revenue and profit in any one quarter. Sales of our agrichemicals are also subject to fluctuation as demand varies depending on climate and other environmental conditions, which may prevent or reduce farming for extended periods. In addition, crop pricing and timing of when farms alternate from one crop to another crop in a particular year can also alter sales of agrichemicals.

Changes in our customers' products can reduce the demand for our specialty chemicals.

Our customers use our specialty chemicals for a broad range of applications. Changes in our customers' products or processes may enable our customers to reduce consumption of the specialty chemicals that we produce or make our specialty chemicals unnecessary. Customers may also find alternative materials or processes that no longer require our products. Should a customer decide to use a different material due to price, performance or other considerations, we may not be able to supply a product that meets the customer's new requirements.

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Consequently, it is important that we develop new products to replace the sales of products that mature and decline in use. Our business, results of operations, cash flows and margins could be materially adversely affected if we are unable to manage successfully the maturation of our existing products and the introduction of new products.

Our research and development efforts may not succeed and our competitors may develop more effective or successful products.

The specialty chemicals industry is subject to periodic technological change and ongoing product improvements. In order to maintain our margins and remain competitive, we must successfully develop, manufacture and market new or improved products. As a result, we must commit substantial resources each year to research and development. Ongoing investments in research and development for future products could result in higher costs without a proportional increase in revenues. Additionally, for any new product program, there is a risk of technical or market failure in which case we may not be able to develop the new commercial products needed to maintain our competitive position or we may need to commit additional resources to new product development programs. Moreover, new products may have lower margins than the products they replace.

Our industries and the end-use markets into which we sell our products experience periodic technological change and product improvement. Manufacturers periodically introduce new generations of products or require new technological capacity to develop customized products. Our future growth will depend on our ability to gauge the direction of the commercial and technological progress in all key end-use markets and upon our ability to fund and successfully develop, manufacture and market products in such changing end-use markets. We will have to continue to identify, develop, market and in certain cases, secure regulatory approval for innovative products on a timely basis to replace or enhance existing products in order to maintain our profit margins and our competitive position. We may not be successful in developing new products and/or technology, either alone or with third parties, or licensing intellectual property rights from third parties on a commercially competitive basis. Our new products may not be accepted by our customers or may fail to receive regulatory approval. If we fail to keep pace with the evolving technological innovations in our end-use markets on a competitive basis, our business, financial condition and results of operations could be adversely affected.

We also expect competition to increase as our competitors develop and introduce new and enhanced products. As new products enter the market, our products may become obsolete or competitors' products may be marketed more effectively than our products. If we fail to develop new products, maintain or improve our margins with our new products or keep pace with technological developments, our business, financial condition, results of operations and cash flows will suffer.

Our inability to protect our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations.

Protection of our proprietary processes, methods and compounds and other technology is important to our business. We generally rely on patent, trade secret, trademark and copyright laws of the U.S. and certain other countries in which our products are produced or sold, as well as licenses and nondisclosure and confidentiality agreements, to protect our intellectual property rights. The patent, trade secret, trademark and copyright laws of some countries may not protect our intellectual property rights to the same extent as the laws of the U.S. Failure to protect our intellectual property rights may result in the loss of valuable proprietary technologies. Additionally, some of our technologies are not covered by any patent or patent application and, even if a patent application has been filed, it may not result in an issued patent. If patents are issued to us, those patents may not provide meaningful protection against competitors or against competitive technologies. We cannot assure you that our intellectual property rights will not be challenged, invalidated, circumvented or rendered unenforceable.

We also conduct research and development activities with third parties and license certain intellectual property rights from third parties and we plan to continue to do so in the future. We endeavor to license or otherwise obtain intellectual property rights on terms favorable to us. However, we may not be able to license or otherwise obtain intellectual property rights on such terms or at all. Our inability to license or otherwise obtain such intellectual property rights could have a material adverse effect on our ability to create a competitive advantage and create innovative solutions for our customers, which will adversely affect our net sales and our relationships with our customers.

We could face patent infringement claims from our competitors or others alleging that our processes or products infringe on their proprietary technologies. If we are found to be infringing on the proprietary technology of others, we may be liable for damages and we may be required to change our processes, redesign our products partially or completely, pay to use the technology of others, stop using certain technologies or stop producing the infringing product entirely. Even if we ultimately prevail in an infringement suit, the existence of the suit could prompt customers to switch to products that are not the subject of infringement suits. We may not prevail in intellectual property litigation and such litigation may result in significant legal costs or otherwise impede our ability to produce and distribute key products.

We also rely upon unpatented proprietary manufacturing expertise, continuing technological innovation and other trade secrets to develop and maintain our competitive position. While we generally enter into confidentiality agreements with our employees and third parties to protect our intellectual property, we cannot assure you that our confidentiality agreements will not be breached, that they will provide meaningful protection for our trade secrets and proprietary manufacturing expertise or that adequate remedies will be available in the event of an unauthorized use or disclosure of our trade secrets or manufacturing expertise.

Our business and operations could suffer in the event of cyber-security breaches.

Attempts by others to gain unauthorized access to our information technology systems become more sophisticated over time. These attempts, which might be related to industrial or other espionage, include covertly introducing malware to our computers and networks and impersonating authorized users, among others. We seek to detect and investigate all security incidents and to prevent their recurrence, but in some cases we might be unaware of an incident or its magnitude and effects. The theft, unauthorized use or publication of our intellectual property and/or confidential business information could harm our competitive position, reduce the value of our investment in research and development and other strategic initiatives or otherwise adversely affect our business. To the extent that any cyber-security breach results in inappropriate disclosure of our customers' or licensees' confidential information, we may incur liability as a result.

Our substantial international operations subject us to risks of doing business in foreign countries, which could adversely affect our business, financial condition and results of operations.

We conduct a substantial portion of our business outside of the U.S. We expect sales from international markets to continue to represent a significant portion of our net sales and the net sales of our joint ventures. Accordingly, our business is subject to risks related to the differing legal, political, social and regulatory requirements and economic conditions of many jurisdictions.

Risks inherent in international operations include the following:

- fluctuations in foreign currency exchange rates may affect product demand and may adversely affect the profitability in U.S. Dollars of products and services we provide in international markets where payment for our products and services is made in the local currency;
- transportation and other shipping costs may increase;
- intellectual property rights may be more difficult to enforce;
- increased cost of, and decreased availability of raw materials;
- changes in foreign laws and tax rates or U.S. laws and tax rates with respect to foreign income may unexpectedly increase the rate at which our income is taxed, impose new and additional taxes on remittances, repatriation or other payments by subsidiaries, or cause the loss of previously recorded tax benefits;
- foreign countries may adopt other restrictions on foreign trade or investment, including currency exchange controls;
- trade sanctions could result in losing access to customers and suppliers in those countries;
- unexpected adverse changes in foreign laws or regulatory requirements may occur;
- agreements may be difficult to enforce and receivables difficult to collect;
- compliance with a variety of foreign laws and regulations may be burdensome;
- compliance with anti-bribery and anti-corruption laws may be costly;
- unexpected adverse changes in export duties, quotas and tariffs and difficulties in obtaining export licenses;
- general economic conditions in the countries in which we operate could have an adverse effect on our earnings from operations in those countries;
- foreign operations may experience staffing difficulties and labor disputes;

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- foreign governments may nationalize private enterprises; and
- our business and profitability in a particular country could be affected by political or economic repercussions from terrorist activities and the response to such activities, the possibility of hyperinflationary conditions and political instability in certain countries.

In addition, certain of our joint ventures operate, and we have ongoing capital projects in, high-risk regions of the world such as the Middle East and South America. Unanticipated events such as geopolitical changes could result in a write-down of our investment in the affected joint venture or a delay or cancellation of those capital projects, which could negatively impact our future growth and profitability. Our success as a global business will depend, in part, upon our ability to succeed in differing legal, regulatory, economic, social and political conditions by developing, implementing and maintaining policies and strategies that are effective in each location where we and our joint ventures do business.

Furthermore, our subsidiaries are subject to rules and regulations related to anti-bribery prohibitions of the U.S. and other countries and export controls and economic embargoes, violations of which may carry substantial penalties. For example, export control and economic embargo regulations limit the ability of our subsidiaries to market, sell, distribute or otherwise transfer their products or technology to prohibited countries or persons. Failure to comply with these regulations could subject our subsidiaries to fines, enforcement actions and/or have an adverse effect on our reputation and the value of our common stock.

Our business could be adversely affected by environmental, health and safety laws and regulations to which our raw materials, products and facilities are subject.

In the jurisdictions in which we operate, we are subject to numerous federal, state and local environmental, health and safety laws and regulations, including those governing the discharge of pollutants into the air and water, the management and disposal of hazardous substances and wastes and the cleanup of contaminated properties. Further, some of the raw materials we handle are subject to government regulation. These regulations affect the manufacturing processes, handling, uses and applications of our products. In addition, our production facilities and a number of our distribution centers require numerous operating permits that are subject to renewal. Due to the nature of these requirements and changes in our operations, our operations may exceed

limits under permits or we may not have the proper permits to operate our operations. Ongoing compliance with such laws, regulations and permits is an important consideration for us and we incur substantial capital and operating costs in our compliance efforts. Environmental laws have become increasingly strict in recent years. We expect this trend to continue and anticipate that compliance will continue to require increased capital expenditures and operating costs.

Compliance with environmental laws generally increases the costs of manufacturing, the cost of registration/approval requirements, the costs of transportation and storage of raw materials and finished products, as well as the costs of the storage and disposal of wastes, and could have a material adverse effect on our results of operations. We may incur substantial costs, including fines, damages, criminal or civil sanctions and remediation costs, or experience interruptions in our operations, for violations arising under these laws or permit requirements. Furthermore, environmental laws are subject to change and have tended to become stricter over time. Such changes in environmental laws or their interpretation, or the enactment of new environmental laws, could result in materially increased capital expenditures and compliance costs.

Violations of environmental, health and safety laws and regulations may subject us to fines, penalties and other liabilities and may require us to change certain business practices or curtail production.

If we violate environmental, health and safety laws or regulations, in addition to being required to correct such violations, we can be held liable in administrative, civil or criminal proceedings for substantial fines and other sanctions could be imposed that could disrupt or limit our operations. Liabilities associated with the investigation and cleanup of hazardous substances, as well as personal injury, property damages or natural resource damages arising from the release of, or exposure to, such hazardous substances, may be imposed in many situations without regard to violations of laws or regulations or other fault, and may also be imposed jointly and severally (so that a responsible party may be held liable for more than its share of the losses involved, or even the entire loss). Such liabilities may also be imposed on many different entities with a relationship to the hazardous substances at issue, including, for example, entities that formerly owned or operated the property affected by the hazardous substances and entities that arranged for the disposal of the hazardous substances at the affected property, as well as entities that currently own or operate such property. Such liabilities can be difficult to identify and the extent of any

such liabilities can be difficult to predict. We use, and in the past have used, hazardous substances at many of our facilities, and we have in the past, and may in the future, be subject to claims relating to exposure to hazardous materials and the associated liabilities may be material. We also have generated, and continue to generate, hazardous wastes at a number of our facilities. Some of our facilities also have lengthy histories of manufacturing or other activities that have resulted in site contamination. We have also given contractual indemnities for environmental conditions relating to facilities we no longer own or operate. The nature of our business, including historical operations at our current and former facilities, exposes us to risks of liability under these laws and regulations due to the production, storage, use, transportation and sale of materials that can cause contamination or personal injury if released into the environment. Additional information may arise in the future concerning the nature or extent of our liability with respect to identified sites, and additional sites may be identified for which we are alleged to be liable, that could cause us to materially increase our environmental accrual or the upper range of the costs we believe we could reasonably incur for such matters.

We may be subject to indemnity claims and liable for other payments relating to properties or businesses we have divested.

In connection with the sale of certain properties and businesses, we have agreed to indemnify the purchasers for certain types of matters, such as certain breaches of representations and warranties, taxes and certain environmental matters.

With respect to environmental matters, the discovery of contamination arising from properties that we have divested may expose us to indemnity obligations under the sale agreements with the buyers of such properties or cleanup obligations and other damages under applicable environmental laws.

We may not have insurance coverage for such indemnity obligations or cash flows to make such indemnity or other payments. Further, we cannot predict the nature of and the amount of any indemnity or other obligations we may have to the applicable purchaser. Such payments may be costly and may adversely affect our financial condition and results of operations.

Contractual indemnities may be ineffective in protecting us from environmental liabilities.

At several of our properties where hazardous substances are known to exist (including some sites where hazardous substances are being investigated or remediated), we believe we are entitled to contractual indemnification from one or more former owners or operators; however, in the event we make a claim, the indemnifier may disagree with us or not have the financial capacity to fulfill its indemnity obligation. If our contractual indemnity is not upheld or effective, our accrual and/or our costs for the investigation and cleanup of hazardous substances could increase materially.

We may be exposed to certain regulatory and financial risks related to climate change.

Growing concerns about climate change may result in the imposition of additional regulations or restrictions to which we may become subject. Climate changes include changes in rainfall and in storm patterns and intensities, water shortages, significantly changing sea levels and increasing atmospheric and water temperatures, among others. For example, there has been increasing concern regarding the declining water level of the Dead Sea, from which our joint venture, JBC, produces bromine. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to climate change. For example, some of our operations are within jurisdictions that have, or are developing, regulatory regimes governing greenhouse gas emissions. Potentially, additional U.S. federal regulation will be forthcoming with respect to greenhouse gas emissions (including carbon dioxide) and/or “cap and trade” legislation that could have impacts on our operations. In addition, we have operations in the European Union, Brazil, China, Japan, Jordan, Saudi Arabia, Singapore and the United Arab Emirates, which have implemented measures to achieve objectives under the Kyoto Protocol, an international agreement linked to the United Nations Framework Convention on Climate Change (“UNFCC”), which set binding targets for reducing greenhouse gas emissions. The first commitment period under the Kyoto Protocol expired in 2012. An amendment was passed by the UNFCC during the December 2012 Doha climate change talks that would implement a second commitment period through 2020, but the amendment has not entered into legal force pending acceptance by participating countries. The outcome of new legislation or regulation in the U.S. and other jurisdictions in which we operate may result in new or additional requirements, additional charges to fund energy efficiency activities, fees or restrictions on certain activities. While certain climate change initiatives may result in new business opportunities for us in the area of alternative

fuel technologies and emissions control, compliance with these initiatives may also result in additional costs to us, including, among other things, increased production costs, additional taxes, reduced emission allowances or additional restrictions on production or operations. Any adopted future climate change regulations could also negatively impact our ability to compete with companies situated in areas not subject to such limitations. Even without such regulation, increased public awareness and adverse publicity about potential impacts on climate change emanating from us or our industry could harm us. We may not be able to recover the cost of compliance with new or more stringent laws and regulations, which could adversely affect our business and negatively impact our growth. Furthermore, the potential impacts of climate change and related regulation on our customers are highly uncertain and may adversely affect us.

Regulation, or the threat of regulation, of some of our products could have an adverse effect on our sales and profitability.

We manufacture or market a number of products that are or have been the subject of attention by regulatory authorities and environmental interest groups. For example, for many years we have marketed methyl bromide, a chemical that is particularly effective as a soil fumigant. In recent years, the market for methyl bromide has changed significantly, driven by the Montreal Protocol of 1990 and related regulations prompted by findings regarding the chemical's potential to deplete the ozone layer. Completion of the phase-out of methyl bromide as a fumigant took effect January 1, 2005 with critical uses allowed on an annual basis until feasible alternatives are available.

Over the past decade, there has been increasing scrutiny of certain brominated flame retardants by regulatory authorities, legislative bodies and environmental interest groups in various countries. We manufacture a broad range of brominated flame retardant products, which are used in a variety of applications to protect people, property and the environment from the negative consequences of fire. Concern about the impact of some of our products on human health or the environment may lead to regulation, or reaction in our markets independent of regulation, that could reduce or eliminate markets for such products.

In 2009, one of our products, HBCD, was designated by European regulators as a Substance of Very High Concern. In February 2011, the European Union included HBCD on a list of

substances published under Annex XIV of the REACH regulation. Our expectation is that the sale of HBCD could be banned in Europe under the REACH process as early as August 2015, or as late as August 2019, assuming certain applications are authorized during a period of transition to alternative products. A final decision on authorization is expected by mid-2015. Also, in August 2013, the Stockholm Convention on Persistent Organic Pollutants banned HBCD under the Convention effective November 2014, with certain uses exempted for a five year period to allow time for the development of alternative products. Japan chose not to apply for an exemption and as a result sales of HBCD ended in Japan in 2014. Certain other countries also did not file for an exemption, however none of those countries are significant consumers of HBCD. Our sales of HBCD approximated 0.7%, 1.3%, and 1.9% of our total annual net sales in 2014, 2013 and 2012, respectively. There is no assurance that we will be able to develop alternative products in the future that generate sales comparable to HBCD, however, Albemarle is actively marketing a new polymeric flame retardant based on bromine, GreenCrest™, as a replacement for HBCD, with commercial sales starting in 2014.

Agencies in the European Union continue to evaluate the risks to human health and the environment associated with certain brominated flame retardants such as tetrabromobisphenol A and decabromodiphenylethane, both of which we manufacture. Additional government regulations, including limitations or bans on the use of brominated flame retardants, could result in a decline in our net sales of brominated flame retardants and have an adverse effect on our sales and profitability. In addition, the threat of additional regulation or concern about the impact of brominated flame retardants on human health or the environment could lead to a negative reaction in our markets that could reduce or eliminate our markets for these products, which could have an adverse effect on our sales and profitability.

We could be subject to damages based on claims brought against us by our customers or lose customers as a result of the failure of our products to meet certain quality specifications.

Our products provide important performance attributes to our customers' products. If a product fails to perform in a manner consistent with quality specifications or has a shorter useful life than guaranteed, a customer could seek replacement of the product or damages for costs incurred as a result of the product failing to perform as guaranteed. These risks apply to our refinery

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catalysts in particular because, in certain instances, we sell our refinery catalysts under agreements that contain limited performance and life cycle guarantees. Also, because many of our products are integrated into our customers' products, we may be requested to participate in, or fund in whole or in part the costs of, a product recall conducted by a customer. For example, some of our businesses supply products to customers in the automotive industry. In the event one of these customers conducts a product recall that it believes is related to one of our products, we may be asked to participate in or fund in whole or in part such a recall.

Our customers often require our subsidiaries to represent that our products conform to certain product specifications provided by our customers. Any failure to comply with such specifications could result in claims or legal action.

A successful claim or series of claims against us could have a material adverse effect on our financial condition and results of operations and could result in a loss of one or more customers.

Our business is subject to hazards common to chemical businesses, any of which could interrupt our production and adversely affect our reputation and results of operations.

Our business is subject to hazards common to chemical manufacturing, storage, handling and transportation, including explosions, fires, inclement weather, natural disasters, mechanical failure, unscheduled downtime, transportation interruptions, remediation, chemical spills, discharges or releases of toxic or hazardous substances or gases and other risks. These hazards can cause personal injury and loss of life, severe damage to, or destruction of, property and equipment and environmental contamination. In addition, the occurrence of material operating problems at our facilities due to any of these hazards may diminish our ability to meet our output goals. Accordingly, these hazards and their consequences could adversely affect our reputation and have a material adverse effect on our operations as a whole, including our results of operations and cash flows, both during and after the period of operational difficulties.

Natural disasters and weather-related matters could impact our results of operations.

In 2005 and again in the third quarter of 2008, major hurricanes caused significant disruption to the operations on the U.S. Gulf Coast for many of our customers and our suppliers of certain

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raw materials, which had an adverse impact on volume and cost for some of our products. If similar weather-related matters or other natural disasters occur in the future, they could negatively affect the results of operations at our sites in the affected regions as well as have adverse impacts on the global economy.

We may incur significant charges in the event we close or divest all or part of a manufacturing plant or facility.

We continually assess our manufacturing operations in order to manufacture and distribute our products in the most efficient manner. Based on our assessments, we may make capital improvements to modernize certain units, move manufacturing or distribution capabilities from one plant or facility to another plant or facility, discontinue manufacturing or distributing certain products or close or divest all or part of a manufacturing plant or facility. We also have shared services agreements at several of our plants and if such agreements are terminated or revised, we would assess and potentially adjust our manufacturing operations. The closure or divestiture of all or part of a manufacturing plant or facility could result in future charges that could be significant.

If we are unable to retain key personnel or attract new skilled personnel, it could have an adverse effect on our business.

The unanticipated departure of any key member of our management team could have an adverse effect on our business. In addition, because of the specialized and technical nature of our business, our future performance is dependent on the continued service of, and on our ability to attract and retain, qualified management, scientific, technical, marketing and support personnel. Competition for such personnel is intense, and we may be unable to continue to attract or retain such personnel.

Some of our employees are unionized, represented by workers' councils or are employed subject to local laws that are less favorable to employers than the laws of the U.S.

As of December 31, 2014, we had 3,625 employees. Approximately 11% of our 1,830 U.S. employees are unionized. Our collective bargaining agreements expire in 2017 and 2019. In

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addition, a large number of our employees are employed in countries in which employment laws provide greater bargaining or other rights to employees than the laws of the U.S. Such employment rights require us to work collaboratively with the legal representatives of the employees to effect any changes to labor arrangements. For example, most of our employees in Europe are represented by workers' councils that must approve any changes in conditions of employment, including salaries and benefits and staff changes, and may impede efforts to restructure our workforce. Although we believe that we have a good working relationship with our employees, a strike, work stoppage, slowdown or significant dispute with our employees could result in a significant disruption of our operations or higher ongoing labor costs.

Our joint ventures may not operate according to their business plans if our partners fail to fulfill their obligations, which may adversely affect our results of operations and may force us to dedicate additional resources to these joint ventures.

We currently participate in a number of joint ventures and may enter into additional joint ventures in the future. The nature of a joint venture requires us to share control with unaffiliated third parties. If our joint venture partners do not fulfill their obligations, the affected joint venture may not be able to operate according to its business plan. In that case, our results of operations may be adversely affected and we may be required to increase the level of our commitment to the joint venture. Also, differences in views among joint venture participants may result in delayed decisions or failures to agree on major issues. If these differences cause the joint ventures to deviate from their business plans, our results of operations could be adversely affected.

We may not be able to successfully integrate the businesses of Albemarle and Rockwood and therefore may not be able to realize the anticipated benefits of the Merger.

Realization of the anticipated benefits in the Merger will depend, in part, on our ability to successfully integrate the businesses and operations of Albemarle and Rockwood. We will be required to devote significant management attention and resources to integrating business practices, operations and support functions.

Our success after the Merger will also depend in part upon our ability to retain key employees after the Merger is completed. The diversion of management's attention and any delays or

difficulties encountered in connection with the integration of the two companies' operations could have an adverse effect on our business, financial results, financial condition or our stock price. The integration process may also result in additional and unforeseen expenses. There can be no assurance that the contemplated synergies anticipated from the Merger will be realized. If the integration is not successful, the anticipated benefits of the Merger may not be realized fully or at all or may take longer to realize than expected. There can be no assurances that the expected benefits and efficiencies related to the integration of the businesses will be realized to offset the integration and restructuring costs over time.

We may not be able to consummate future acquisitions or integrate acquisitions into our business, which could result in unanticipated expenses and losses.

As part of our business growth strategy, we have acquired businesses and entered into joint ventures in the past and intend to pursue acquisitions and joint venture opportunities in the future. Our ability to implement this component of our growth strategy will be limited by our ability to identify appropriate acquisition or joint venture candidates and our financial resources, including available cash and borrowing capacity. The expense incurred in consummating acquisitions or entering into joint ventures, the time it takes to integrate an acquisition or our failure to integrate businesses successfully, could result in unanticipated expenses and losses. Furthermore, we may not be able to realize any of the anticipated benefits from acquisitions or joint ventures.

The process of integrating acquired operations into our existing operations may result in unforeseen operating difficulties and may require significant financial resources that would otherwise be available for the ongoing development or expansion of existing operations. Some of the risks associated with the integration of acquisitions include:

- potential disruption of our ongoing business and distraction of management;
- unforeseen claims and liabilities, including unexpected environmental exposures;
- unforeseen adjustments, charges and write-offs;
- problems enforcing the indemnification obligations of sellers of businesses or joint venture partners for claims and liabilities;
- unexpected losses of customers of, or suppliers to, the acquired business;
- difficulty in conforming the acquired businesses' standards, processes, procedures and controls with our operations;

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- variability in financial information arising from the implementation of purchase price accounting;
- inability to coordinate new product and process development;
- loss of senior managers and other critical personnel and problems with new labor unions; and
- challenges arising from the increased scope, geographic diversity and complexity of our operations.

The occurrence or threat of extraordinary events, including domestic and international terrorist attacks, may disrupt our operations and decrease demand for our products

Chemical-related assets may be at greater risk of future terrorist attacks than other possible targets in the U.S. and throughout the world. As a result, we are subject to existing federal rules and regulations (and may be subject to additional legislation or regulations in the future) that impose site security requirements on chemical manufacturing facilities, which increase our overhead expenses.

We are also subject to federal regulations that have heightened security requirements for the transportation of hazardous chemicals in the U.S. We believe we have met these requirements but additional federal and local regulations that limit the distribution of hazardous materials are being considered. We ship and receive materials that are classified as hazardous. Bans on movement of hazardous materials through cities, like Washington, D.C., could affect the efficiency of our logistical operations. Broader restrictions on hazardous material movements could lead to additional investment to produce hazardous raw materials and change where and what products we manufacture.

The occurrence of extraordinary events, including future terrorist attacks and the outbreak or escalation of hostilities, cannot be predicted, and their occurrence can be expected to continue to negatively affect the economy in general and specifically the markets for our products. The resulting damage from a direct attack on our assets, or assets used by us, could include loss of life and property damage. In addition, available insurance coverage may not be sufficient to cover all of the damage incurred or, if available, may be prohibitively expensive.

We will need a significant amount of cash to service our indebtedness and our ability to generate cash depends on many factors beyond our control.

Our ability to generate sufficient cash flow from operations to make scheduled payments on our debt depends on a range of economic, competitive and business factors, many of which are outside our control. Our business may not generate sufficient cash flow from operations to service our debt obligations. If we are unable to service our debt obligations, we may need to refinance all or a portion of our indebtedness on or before maturity, reduce or delay capital expenditures, sell assets or raise additional equity. We may not be able to refinance any of our indebtedness, sell assets or raise additional equity on commercially reasonable terms or at all, which could cause us to default on our obligations and impair our liquidity. Our inability to generate sufficient cash flow to satisfy our debt obligations, or to refinance our obligations on commercially reasonable terms, could have a material adverse effect on our business and financial condition.

Restrictive covenants in our debt instruments may adversely affect our business.

Our February 2014 credit agreement and the indentures governing our senior notes contain select restrictive covenants. These covenants provide constraints on our financial flexibility. The failure to comply with the covenants in our February 2014 credit agreement, the indentures governing the senior notes and the agreements governing other indebtedness, including indebtedness incurred in the future, could result in an event of default, which, if not cured or waived, could have a material adverse effect on our business, financial condition and results of operations. See “Financial Condition and Liquidity- Long-Term Debt” in Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations on page 51 of our 2014 10k.

2.1 NAME OF ORGANIZATION

Albemarle Corporation

2.2 PRIMARY BRANDS, PRODUCTS AND/OR SERVICES

On January 12, 2015, we completed the previously announced acquisition (the “Merger”) of Rockwood Holdings, Inc. (“Rockwood”) pursuant to an Agreement and Plan of Merger (the “Merger Agreement”).

We are a leading global developer, manufacturer and marketer of highly-engineered specialty chemicals that meet customer needs across an exceptionally diverse range of end markets including the petroleum refining, consumer electronics, construction, automotive, lubricants, pharmaceuticals, crop protection, food safety and custom chemistry services markets. We are committed to global sustainability and are advancing responsible eco-practices and solutions in our two business segments. We believe that our commercial and geographic diversity, technical expertise, innovative capability, flexible, low-cost global manufacturing base, experienced management team and strategic focus on our core base technologies will enable us to maintain leading market positions in those areas of the specialty chemicals industry in which we operate.

We and our joint ventures currently operate 56 production and research and development (“R&D”) facilities, including facilities we acquired from Rockwood, as well as a number of administrative and sales offices, in North and South America, Europe, the Middle East, Asia, Africa and Australia. As of December 31, 2014, we served approximately 2,500 customers in approximately 100 countries.

Business Segments

During 2014, our operations were managed and reported under two operating segments: Performance Chemicals and Catalyst Solutions. The Performance Chemicals segment includes the Fire Safety Solutions, Specialty Chemicals and Fine Chemistry Services product categories. The Catalyst Solutions segment includes the Refinery Catalyst Solutions and Performance Catalyst Solutions product categories.

Performance Chemicals Segment

As of December 31, 2014, our Performance Chemicals segment consisted of three product categories: Fire Safety Solutions, Specialty Chemicals and Fine Chemistry Services.

Fire Safety Solutions. Our fire safety technology enables the use of plastics in high performance, high heat applications by enhancing the flame resistant properties of these materials. Some of the end market products that benefit from our fire safety technology include plastic enclosures for consumer electronics, printed circuit boards, wire and cable, electrical connectors, textiles and foam insulation. We compete in two major fire safety chemistries: brominated and mineral. Our brominated flame retardants include products sold under the Saytex® brand and our mineral-based flame retardants include products such as Martinal® and Magnifin®. Our strategy is to have a broad range of chemistries applicable to each major flame retardant application.

Specialty Chemicals. Specialty Chemicals includes products such as elemental bromine, alkyl bromides, inorganic bromides, brominated powdered activated carbon and a number of bromine fine chemicals. Our products are used in chemical synthesis, oil and gas well drilling and completion fluids, mercury control, paper manufacturing, water purification, beef and poultry processing and various other industrial applications. Other specialty chemicals that we produce include tertiary amines for surfactants, biocides, disinfectants and sanitizers and aluminum oxides used in a wide variety of refractory, ceramic and polishing applications.

We produce plastic additives as well as other additives, such as curatives, which are often specially developed and formulated for a customer's specific manufacturing requirements. Our additives products include curatives for polyurethane, polyurea and epoxy system polymerization. Our Ethacure® curatives are used in cast elastomers, coatings, reaction injection molding and specialty adhesives that are incorporated into products such as wheels, tires and rollers.

Fine Chemistry Services. In addition to supplying the specific fine chemistry products and performance chemicals for the pharmaceutical and agricultural uses described below, our Fine Chemistry Services business offers custom manufacturing, research and chemical scale-up services for companies. These services position us to support customers in developing their new products, such as new drugs, specialty materials and agrichemicals.

Our agrichemicals are sold to agrichemical manufacturers and distributors that produce and distribute finished agricultural herbicides, insecticides, fungicides and soil fumigants. Our products include orthoalkylated anilines used in the acetanilide family of pre-emergent herbicides used with corn, soybeans and other crops and methyl bromide, which is used as a soil fumigant. We also manufacture and supply a variety of custom chemical intermediates for the agricultural industry

Customers

Our Performance Chemicals segment offers more than 150 products to a variety of end markets. We sell our products mostly to chemical manufacturers and processors, such as polymer resin suppliers (including pharmaceutical and agricultural companies), drilling and oil service companies, beef and poultry processors, water treatment and photographic companies, energy producers and other specialty chemical companies.

Sales of Performance Chemicals in Asia are expected to grow long-term due to the underlying growth in consumer demand and the shift of the production of consumer electronics from the United States (“U.S.”) and Europe to Asia. In response to this development, we have established a sales and marketing network in China, Japan, Korea and Singapore with products sourced from the U.S., Europe, China and the Middle East.

Pricing for many of our Performance Chemicals products and services is based upon negotiation with customers. The critical factors that affect prices are the level of technology differentiation we provide, the maturity of the product and the level of assistance required to bring a new product through a customer’s developmental process.

A number of customers of our Performance Chemicals segment manufacture products for cyclical industries, including the consumer electronics, building and construction, and automotive industries. As a result, demand from our customers in such industries is also cyclical.

Competition

Our Performance Chemicals segment serves the following geographic markets: the Americas, Asia, Europe and the Middle East, each of which is highly competitive. Product performance

and quality, price and contract terms are the primary factors in determining which qualified supplier is awarded a contract. Research and development, product and process improvements, specialized customer services, the ability to attract and retain skilled personnel and maintenance of a good safety record have also been important factors to compete effectively in the Performance Chemicals marketplace.

We are a market leader in the bromine-based product groups (including flame retardants) and our most significant competitors are Chemtura Corporation and Israel Chemicals Ltd. We are also a market leader in the mineral-based flame retardants business. In our mineral-based flame retardants business, our most significant competitors include J.M. Huber Corporation, Kyowa Chemical Industry Co., Ltd. and Nabaltec GmbH. We differentiate ourselves from our competitors by developing new, high quality innovative products, offering cost reductions and enhancing the services that we offer.

Raw Materials and Significant Supply Contracts

The major raw materials we use in our Performance Chemicals operations are bromine, bisphenol-A, potassium chloride, chlorine, ammonia, aluminum chloride, alpha-olefins, methyl amines, propylene, benzene, caustic soda, alumina trihydrate and polystyrene, most of which are readily available from numerous independent suppliers and are purchased under contracts at prices we believe are competitive. The cost of raw materials is generally based on market prices although we may use contracts with price caps or other tools, as appropriate, to mitigate price volatility. Many of our customers operate under long-term supply contracts that provide for either the pass-through of raw material and energy cost changes, or pricing based on short-term “tenders” in which changing market conditions are quickly reflected in the pricing of the finished product.

The bromine we use in our Performance Chemicals segment comes from two locations: Arkansas and the Dead Sea. Our brine reserves in Arkansas are supported by an active brine rights leasing program. We believe that we have in excess of 70 years of proven bromine reserves in Arkansas. In addition, through our 50% interest in Jordan Bromine Company Limited (“JBC”), a consolidated joint venture with operations in Safi, Jordan, we produce bromine from the Dead Sea, which has virtually inexhaustible reserves. In addition, we have a joint venture with Weifang Sinobrom Import and Export Company, Ltd. (“Sinobrom”), in China

that allows us the option to source bromine directly from China's Shandong Province brine fields.

Catalyst Solutions Segment

As of December 31, 2014, our Catalyst Solutions segment included the Refinery Catalyst Solutions and Performance Catalyst Solutions product categories.

Refinery Catalyst Solutions. Our two main refinery catalysts businesses are Clean Fuels Technologies, which is primarily composed of hydroprocessing catalysts ("HPC"), and Heavy Oil Upgrading, which is primarily composed of fluidized catalytic cracking ("FCC") catalysts and additives. HPC products are widely applied throughout the refining industry. Their application enables the upgrading of oil fractions to clean fuels and other usable oil products by removing sulfur, nitrogen and other impurities from the feedstock. In addition, they improve product properties by adding hydrogen and in some cases improve the performance of downstream catalysts and processes. We continuously seek to add more value to refinery operations by offering HPC products that meet our customers' requirements for profitability and performance in the very demanding refining market. FCC catalysts assist in the high yield cracking of less desired refinery petroleum streams into derivative, 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 oxide in FCC units and to increase liquefied petroleum gas olefins yield, such as propylene, and to boost octane in gasoline. Albemarle offers unique refinery catalysts to crack and treat the lightest to the heaviest feedstocks while meeting refinery yield and product needs. We offer a wide range of HPC products and approximately 60 different FCC catalysts and additives products to our customers.

Performance Catalyst Solutions ("PCS"). We have three business units in our PCS division: polymer catalysts, chemical catalysts, and electronic materials. We manufacture organometallic co-catalysts (e.g., aluminum, magnesium and zinc alkyls) as well as metallocene components and co-catalysts (e.g., methylaluminumoxane, organoborons, metallocene compounds, and finished polymerization catalysts comprising these products). We also offer finished single-site catalysts with or without our proprietary ActivCat® technology and a line of proprietary Ziegler-Natta catalysts under the Advantage™ brand. Our

co-catalysts and finished catalysts are used in our customers' production of polyolefin polymers. Such polymers are commodity (i.e., Ziegler-Natta polymerization technology-based) and specialty (i.e., Single Site polymerization technology-based) plastics serving a wide variety of end markets including packaging, non-packaging, films and injection molding. Some of our organometallic products are also used in the manufacture of alpha-olefins (i.e., hexene, octene, decene). In electronic materials, we manufacture and sell high purity metal organic products into electronic applications such as the production of light-emitting diodes ("LEDs") for displays and general lighting, as well as other products used in the production of solar cells. Our chemical catalysts include a variety of catalysts used in the broad chemical industry, for example, catalysts used in the production of ethylene dichloride and methylamines, among others.

Customers

Our Catalyst Solutions segment customers include multinational Corporations such as ExxonMobil Corporation, Chevron Corporation, TOTAL S.A., Saudi Basic Industries Corporation and INEOS Group Holdings S.A.; independent petroleum refining companies such as Valero Energy Corporation and SK Holdings; lubricant manufacturers, and national petroleum refining companies such as Reliance, Petróleo Brasileiro S.A. and Petróleos Mexicanos.

We estimate that there are currently approximately 500 FCC units being operated globally, each of which requires a constant supply of FCC catalysts. In addition, we estimate that there are approximately 3,200 HPC units being operated globally, each of which typically requires replacement HPC catalysts once every one to three years. There are approximately 1,200 polyolefin and elastomer units worldwide which require a constant supply of co-catalysts and finished catalysts.

Competition

Our Catalyst Solutions segment serves the global market including the Americas, Asia, Europe and the Middle East, each of which is highly competitive. Product performance and quality, price and contract terms are the primary factors in determining which qualified supplier is awarded a contract. Research and development, product and process improvements, specialized customer services, the ability to attract and retain skilled personnel and the

maintenance of a good safety record have also been important factors to compete effectively in the Catalysts marketplace. Through our research and development programs, we strive to differentiate our business by developing value-added products and products based on proprietary technologies.

We are a market leader in the HPC, FCC and polyolefin organometallic catalysts markets. Our major competitors in the HPC catalysts market include Criterion Catalysts and Technologies, Advanced Refining Technologies and Haldor Topsoe. Our major competitors in the FCC catalysts market include W.R. Grace & Co. and BASF Corporation. Our major competitors in the organometallics market include AkzoNobel and Chemtura Corporation, as well as W.R. Grace & Co. and BASF in the Ziegler-Natta catalysts area. Some of our major catalysts competitors have alliances with global major refiners to facilitate new product development and introduction.

Raw Materials

The major raw materials we use in our Catalysts operations include aluminum, ethylene, alpha-olefins, sodium silicate, sodium aluminate, kaolin, rare earths, molybdenum, nickel and cobalt, most of which are readily available from numerous independent suppliers and are purchased or provided under contracts at prices we believe are competitive. The cost of raw materials is generally based on market prices, although we may use contracts with price caps or other tools, as appropriate, to mitigate price volatility. These raw materials may nevertheless be subject to significant volatility despite our mitigating efforts. Our profitability may be affected if we are unable to recover significant raw material costs from our customers.

Sales, Marketing and Distribution

We have an international strategic account program that uses cross-functional teams to serve large global customers. This program emphasizes creative strategies to improve and strengthen strategic customer relationships with emphasis on creating value for customers and promoting post-sale service. Complementing this program are regional Albemarle sales personnel around the world who serve numerous additional customers within North America, Europe, the Middle East, India, Asia Pacific, Russia, Africa and Latin America. We also use approximately 75 commissioned sales representatives and specialists in specific market areas, some of which are affiliated with subsidiaries of large chemical companies.

Research and Development

We believe that in order to generate revenue growth, maintain our margins and remain competitive, we must continually invest in research and development, product and process improvements and specialized customer services. Through research and development, we continue to seek increased margins by introducing value-added products and proprietary processes and innovative green chemistry technologies. Our green chemistry efforts focus on the development of products that benefit society in a manner that minimizes waste and the use of raw materials and energy, avoids the use of toxic reagents and solvents and is produced in safe, environmentally friendly manufacturing processes. Green chemistry is encouraged with our researchers through periodic focus group discussions and special rewards and recognition for outstanding new green developments.

Our research and development efforts support each of our business segments. As of December 31, 2014, the focus of research in Performance Chemicals is divided among new and improved flame retardants, new uses for bromine and bromine-based products, curing agents and the development of efficient processes for the manufacture of chemical intermediates and actives for the pharmaceutical and agrichemical industries. Fire safety solutions research is focused primarily on developing new flame retardants which not only meet the higher performance requirements required by today's polymer producers, formulators and original equipment manufacturers but which also have superior toxicological and environmental profiles, that are greatly enhanced in both end product performance and environmental responsibility. Another area of research is the development of bromine-based products for use as biocides in industrial water treatment and food safety applications and as additives used to reduce mercury emissions from coal-fired power plants. Curatives research is focused primarily on improving and extending our line of curing agents and formulations. As of December 31, 2014, Catalyst Solutions research is focused on the needs of our refinery catalysts customers, our performance catalysts customers and developing metal organics for LED and other electronic applications. Refinery catalysts research is focused primarily on the development of more effective catalysts and related additives to produce clean fuels and to maximize the production of the highest value refined products. In the performance catalysts area, we are focused primarily on catalysts, co-catalysts and finished catalysts systems for polymer producers to meet the market's demand for improved polyolefin polymers and

elastomers as well as metal organics for electronic customers. We have incurred research and development expenses of \$88.3 million, \$82.2 million and \$78.9 million during 2014, 2013 and 2012, respectively.

Recent Acquisition

On July 15, 2014, we entered into the Merger Agreement to acquire all the outstanding shares of Rockwood. On January 12, 2015, we completed the acquisition of Rockwood for a purchase price of approximately \$5.6 billion, comprised of approximately \$3.6 billion in cash consideration and approximately \$2.0 billion in equity consideration, with Rockwood becoming a wholly-owned subsidiary of Albemarle. Rockwood is a leading global developer, manufacturer and marketer of technologically advanced and high value added specialty chemicals. It is a leading integrated and low cost global producer of lithium and lithium compounds used in lithium ion batteries for electronic devices, transportation vehicles and future energy storage technologies, meeting the significant growth in global demand for these products. Rockwood is also one of the largest global producers of surface treatments and coatings for metal processing, servicing the automotive, aerospace and general industrial markets. The acquisition of Rockwood reflects our commitment to drive sustainable growth, creating one of the world's premier specialty chemicals companies, with market-leading positions across four high-margin businesses: lithium, catalysts, bromine and surface treatment. On a combined basis, the Company is expected to drive growth through:

- Continuing to penetrate lithium-based energy storage products, including e-mobility batteries and batteries for the automotive industry;

- Capitalizing on attractive global trends in refinery catalysts, including the increasing demand for transportation fuels particularly in developing regions, as well as the demand for solutions to convert a range of feedstocks into high-value finished products;

- Expanding within existing bromine markets driven by the proliferation of digital technology, offshore deep water drilling and mercury control emission reduction, along with growth driven by new bromine applications; and

- Leveraging our position as a market-leading provider of surface treatment products and services to grow through innovative technology coupled with superior technical and customer service, proximity to the customer, global market segment focus and regional expansion in developing economies.

2.3 OPERATIONAL STRUCTURE OF THE ORGANIZATION, INCLUDING MAIN DIVISIONS, OPERATING COMPANIES, SUBSIDIARIES AND JOINT VENTURES

The authority to manage the business is delegated to the CEO by the Board of Directors. The role of the board is to effectively govern the affairs of the organization for the benefit of its stakeholders.

During 2014, our operations were managed and reported under two operating segments: Performance Chemicals and Catalyst Solutions. The Performance Chemicals segment included the Fire Safety Solutions, Specialty Chemicals and Fine Chemistry Services product categories. The Catalyst Solutions segment included the Refinery Catalyst Solutions and Performance Catalyst Solutions product categories.

On July 15, 2014, we entered into the Merger Agreement to acquire all the outstanding shares of Rockwood Holdings Inc. ("Rockwood"). On January 12, 2015, we completed the acquisition of Rockwood for a purchase price of approximately \$5.6 billion, comprised of approximately \$3.6 billion in cash consideration and approximately \$2.0 billion in equity consideration, with Rockwood becoming a wholly-owned subsidiary of Albemarle.

As a result of the Rockwood acquisition, we have realigned our organizational structure under three reportable segments. Our new reportable business segments consist of the following: Performance Chemicals, Refining Solutions and Chemetall Surface Treatment. The Performance Chemicals segment includes the Lithium, PCS and Bromine product categories. The Refining Solutions segment consists of the Company's Heavy Oil Upgrading and Clean Fuels Technologies product categories. The Chemetall Surface Treatment segment consists of the Surface Treatment product category.

Each segment has a dedicated team of sales, research and development, process engineering, manufacturing and sourcing, and business strategy personnel and has full accountability for improving execution through greater asset and market focus, agility and responsiveness. The new business structure aligns with the markets and customers we serve through each of the segments. The new structure also facilitates the continued standardization of business processes across the organization, and is consistent with the manner in which information is presently used internally by our management to evaluate performance and make resource allocation decisions.

2.4 LOCATION OF ORGANIZATION'S HEADQUARTERS

451 Florida Street
 Baton Rouge, Louisiana 70801
 United States of America

2.5/2.6 NUMBER OF COUNTRIES WHERE THE ORGANIZATION OPERATES, AND NAMES OF COUNTRIES WITH EITHER MAJOR OPERATIONS OR THAT ARE SPECIFICALLY RELEVANT TO THE SUSTAINABILITY ISSUES IN THE REPORT. NATURE OF OWNERSHIP AND LEGAL FORM

We operate on a global basis. Our principal executive offices in Baton Rouge, LA, and regional shared services offices in Budapest, Hungary and Dalian, China are leased. We and our affiliates also operate regional sales and administrative offices in various locations throughout the world, which are generally leased. We believe that our production facilities, research and development facilities, and sales and administrative offices are generally well maintained, effectively used and are adequate to operate our business. During 2014, the Company's manufacturing plants operated at approximately 65% capacity in the aggregate.

Set forth below is information regarding our significant production facilities operated by our affiliates and us, including production facilities we acquired from Rockwood in January 2015:

Location	Business Segment in 2014	Principal Use	Owned/Leased
Amsterdam, the Netherlands	Catalyst Solutions	Production of refinery catalysts, research and product development activities	Owned
Arnoldstein, Austria	(1)	Production of metal sulfides	Leased
Auckland, New Zealand	(1)	Production of surface treatment chemicals for general industry, aerospace, and other pre-treatment technologies	Leased

ORGANIZATION SCOPE AND REACH

Baton Rouge, Louisiana	Catalyst Solutions; Performance Chemicals	Research and product development activities, and production of flame retardants, catalysts and additives	Owned; on leased land
Bayswater North, Australia	(1)	Production of surface treatment chemicals for general industry, aerospace, and other pre-treatment technologies	Owned
Bergheim, Germany	Performance Chemicals	Production of flame retardants and specialty products based on aluminum trihydrate and aluminum oxide, research and product development activities	Owned
Bitterfeld, Germany	Catalyst Solutions	Refinery catalyst regeneration, rejuvenation, and sulfiding	Owned by Eurecat S.A., a joint venture owned 50% by each of IFP Investissements and us
Blackman Township, Michigan	(1)	Production of surface treatment chemicals for general industry, automotive, and other pre-treatment technologies	Owned
Boksburg, South Africa	(1)	Production of surface treatment chemicals for automotive and other pre-treatment	Owned
Cambridge, United Kingdom	Catalyst Solutions	Production of performance catalysts	Leased
Canovelles, Spain	(1)	Production of surface treatment chemicals for automotive and other pre-treatment technologies	Owned
Cayırova-Kocaeli, Turkey	(1)	Production of surface treatment chemicals for automotive and other pre-treatment technologies	Owned

ORGANIZATION SCOPE AND REACH

Changchun, China	(1)	Production of surface treatment chemicals for automotive and other pre-treatment technologies	Leased by Changchun Chemetall Chemicals Company Limited, a joint venture owned 57% by us and 43% by Changchun Yongchan Petro Chemicals Company Limited
Chennai, India	(1)	Production of surface treatment chemicals for automotive and other pre-treatment technologies	Owned
Chongqing, China	(1)	Production of surface treatment chemicals for automotive and other pre-treatment technologies	Leased by Chongqing Chemetall Surface Treatment Company Limited, a joint venture owned 55% by us and 45% by Chongqing Delta Industry Company Limited
El Marqués, Querétaro, Mexico	(1)	Production of surface treatment chemicals for aerospace, automotive, other pre-treatment technologies	Leased
Giussano, Italy	(1)	Production of surface treatment chemicals for automotive and other pre-treatment	Owned
Greenbushes, Australia	(1)	Production of lithium spodumene minerals and lithium concentrate	Owned by Windfield Holdings Pty Ltd, a joint venture in which we own 49%, and Sichuan Tianqi Lithium
Jubail, Saudi Arabia	Catalyst Solutions	Manufacturing and marketing of organometallics	Owned; Albemarle Netherlands BV and Saudi Specialty Chemicals Company (a SABIC affiliate) each owns 50% interest
Jundiai/São Paulo, Brazil	(1)	Production of surface treatment chemicals for automotive and other pre-treatment technologies	Owned
Kings Mountain, North Carolina	(1)	Production of technical and battery grade lithium hydroxide	Owned

ORGANIZATION SCOPE AND REACH

La Mirada, California	(1)	Production of surface treatment chemicals for pre-treatment technologies and aerospace	Leased
La Negra, Chile	(1)	Production of lithium carbonate and lithium chloride	Owned
Langelshiem, Germany	(1)	Production of butyllithium, lithium chloride, specialty products, lithium hydrides, cesium, special metals, as well as surface treatment chemicals for automotive technologies, other pre-treatment technologies and aerospace (sealants)	Owned
Langenfeld, Germany	(1)	Production of surface treatment chemicals for general industry	Leased
Louvain-la-Neuve, Belgium	Catalyst Solutions; Performance Chemicals	Regional offices and research and customer technical service activities	Owned
La Voulte, France	Catalyst Solutions	Refinery catalysts regeneration and treatment, research and development activities	Owned by Eurecat S.A., a joint venture owned 50% by each of IFP Investissements and us
Magnolia, Arkansas	Performance Chemicals	Production of flame retardants, bromine, inorganic bromides, agricultural intermediates and tertiary amines	Owned
McAlester, Oklahoma	Catalyst Solutions	Refinery catalyst regeneration, rejuvenation, pre-reclaim burn off, as well as specialty zeolites and additives marketing activities	Owned by Eurecat S.A., a joint venture owned 50% by each of IFP Investissements and us
Mobile, Alabama	Catalyst Solutions	Production of tin stabilizers	Owned by PMC Group, Inc. which operates the plant for Stannica LLC, a joint venture in which we and PMC Group Inc. each own a 50% interest

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Mönchengladbach, Germany	(1)	Production of surface treatment chemicals for general industry	Owned
Nanjing, China	(1)	Production of surface treatment chemicals for automotive and other pre-treatment technologies	Leased by Nanjing Chemetall Surface Technologies Company Limited, a joint venture owned 60% by us and 40% by Nanjing Column
New Johnsonville, Tennessee	(1)	Production of butyllithium and specialty products	Owned
Niihama, Japan	Catalyst Solutions	Production of refinery catalysts	Leased by Nippon Ketjen Company Limited, a joint venture owned 50% by each of Sumitomo Metal Mining Company Limited and us
Ninghai County, Zhejiang Province, China	Catalyst Solutions	Production of antioxidants and polymer intermediates	Owned; on leased land
Pasadena, Texas	Catalyst Solutions; Performance Chemicals	Production of aluminum alkyls, alkenyl succinic anhydride, orthoalkylated anilines, and other specialty chemicals	Owned
Pasadena, Texas	Catalyst Solutions	Production of refinery catalysts, research and development activities	Owned
Pasadena, Texas	Catalyst Solutions	Refinery catalysts regeneration services	Owned by Eurecat U.S. Incorporated, a joint venture in which we own a 57.5% interest and a consortium of entities in various proportions owns the remaining interest
Pune, India	(1)	Production of surface treatment chemicals for automotive and other pre-treatment technologies	Owned
Roveredo in Piano, Italy	(1)	Production of surface treatment chemicals for general industry	Leased
Safi, Jordan	Performance Chemicals	Production of bromine and derivatives and flame retardants	Owned and leased by JBC, a joint venture owned 50% by each of Arab Potash Company Limited and us

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St. Jakobs/ Breitenau, Austria	Performance Chemicals	Production of specialty magnesium hydroxide products	Leased by Magnifin Magnesiaprodukte GmbH & Co. KG, a joint venture owned 50% by each of Radex Heraklith Industriebeteiligung AG and us
Salar de Atacama, Chile	(1)	Production of lithium brine and potash	Owned; however ownership will revert to the Chilean government once we have sold all remaining amounts under our contract with the Chilean government pursuant to which we extract lithium brine in Chile
Santa Cruz, Brazil	Catalyst Solutions	Production of catalysts, research and product development activities	Owned by Fábrica Carioca de Catalisadores S.A, a joint venture owned 50% by each of Petrobras Química S.A.- PETROQUISA and us
Sens, France	(1)	Production of surface treatment chemicals for automotive and other pre-treatment technologies	Owned
Shanghai, China	(1)	Production of surface treatment chemicals for automotive and other pre-treatment technologies	Leased
Silver Peak, Nevada	(1)	Production of lithium- carbonate	Owned
Singapore, Singapore	(1)	Production of surface treatment chemicals for aerospace and other pre-treatment technologies	Leased
Soissons, France	(1)	Production of surface treatment chemicals for aerospace industry	Owned
South Haven, Michigan	Performance Chemicals	Production of custom fine chemistry products including pharmaceutical actives	Owned
Taichung, Taiwan	(1)	Production of butyllithium	Owned
Takaishi City, Osaka, Japan	Catalyst Solutions	Production of aluminum alkyls	Owned by Nippon Aluminum Alkyls, a joint venture owned 50% by each of Mitsui Chemicals, Inc. and us
Twinsburg, Ohio	Performance Chemicals	Production of bromine-activated carbon	Leased

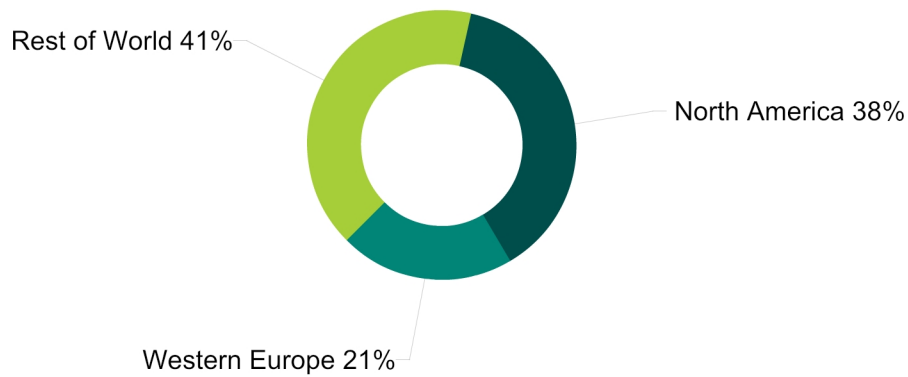
ORGANIZATION SCOPE AND REACH

Tyrone, Pennsylvania	Performance Chemicals	Production of custom fine chemistry products, agricultural intermediates, performance polymer products and research and development activities	Owned
Willstatt, Germany	(1)	Production of surface treatment chemicals for coil coating applications	Leased
Yeosu, South Korea	Catalyst Solutions	Research and product development activities/small scale production of catalysts and catalyst components	Owned

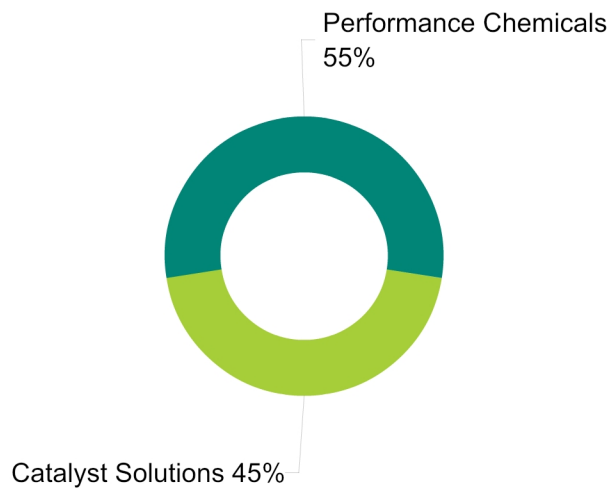
(1) Facility was acquired as part of the Rockwood acquisition, which closed on January 12, 2015.

2.7 MARKETS SERVED (INCLUDING GEOGRAPHIC BREAKDOWN, SECTORS SERVED, AND TYPES OF CUSTOMERS/BENEFICIARIES)

2014 % of Sales by Region



2014 % of Sales by GBU



2.8 SCALE OF REPORTING ORGANIZATION

We and our joint ventures currently operate 56 production and research and development (“R&D”) facilities, including facilities we acquired from Rockwood, as well as a number of administrative and sales offices, in North and South America, Europe, the Middle East, Asia, Africa and Australia. As of December 31, 2014, we served approximately 2,500 customers in approximately 100 countries.

As of December 31, 2014, we had 3,625 employees of whom 1,830, or 50%, are employed in the U.S. and Latin America; 1,106, or 31%, are employed in Europe; 351, or 10%, are employed in Asia and 338, or 9%, are employed in the Middle East. Approximately 11% of our U.S. employees are unionized.

Net Sales - \$2.446 Billion

Total Assets: \$5.223 Billion

Total Debt: \$2.934 Billion

Stockholders' Equity: \$ 1.359 Billion

Beneficial ownership information is found in the Albemarle Corporation 2014 Proxy Statement filed with the U.S. Securities and Exchange Commission on April 6, 2015

2.9 SIGNIFICANT CHANGES DURING THE REPORTING PERIOD REGARDING SIZE, STRUCTURE OR OWNERSHIP

Over the last three years, we have devoted resources to acquisitions and joint ventures, including the subsequent integration of acquired businesses. These acquisitions and joint ventures have expanded our base business, provided our customers with a wider array of products and presented new alternatives for discovery through additional chemistries. Following is a summary of our acquisitions and joint ventures during recent years.

As mentioned above, on July 15, 2014, we entered into the Merger Agreement to acquire all the outstanding shares of Rockwood. On January 12, 2015, we completed the acquisition of Rockwood for a purchase price of approximately \$5.6 billion, comprised of approximately \$3.6

ORGANIZATION SCOPE AND REACH

billion in cash consideration and approximately \$2.0 billion in equity consideration, with Rockwood becoming a wholly-owned subsidiary of Albemarle.

On August 29, 2014, we announced an agreement with ICL to establish a manufacturing joint venture for the production of ICL's FR-122P polymeric flame retardant and our GreenCrest™ polymeric flame retardant. These flame retardants are designed to replace HBCD. The joint venture and its partners will own and operate a 2,400 MT per year Netherlands plant and a 10,000 MT per year Israel plant. The transaction is subject to certain closing conditions, including regulatory approvals, and is expected to close in the first half of 2015.

On September 1, 2014, we closed the sale of our antioxidant, ibuprofen and propofol businesses and assets to SI Group, Inc. and received net proceeds of \$104.7 million. Included in the transaction were Albemarle's manufacturing sites in Orangeburg, South Carolina and Jinshan, China, along with Albemarle's antioxidant product lines manufactured in Ningbo, China.

2.10 AWARDS RECEIVED IN THE REPORTING PERIOD

Albemarle is proud to be recognized on many fronts for our efforts. We have received awards at both the company and the facility level.

Below is a list of site-specific awards earned by Albemarle facilities:

Location	Facility Awards
South Haven, Michigan	Michigan Voluntary Protection Program (MVPP)
Tyrone, Pennsylvania	Borough of Tyrone: Recognition for achieving total compliance for Industrial Waste Pretreatment Permit Parameters for 2013
Magnolia, Arkansas	Diamond Award for Excellence in Environmental Leadership by the Arkansas Federation for its Bromine Recovery Unit

3.1/3.2/3.3 REPORTING PERIOD FOR INFORMATION PROVIDED/ DATE OF MOST RECENT PREVIOUS REPORT/REPORTING CYCLE

The reporting period for this information is the calendar year 2014. This is the seventh publicly released Global Reporting Initiative G3 report for Albemarle Corporation - the report has a self-declared Application Level A. This report is released in 2015 based upon 2014 information unless otherwise noted in specific sections. Albemarle Corporation produces this report annually.

3.4 CONTACT POINT FOR QUESTIONS REGARDING THE REPORT OR CONTENTS

Tosca Langereis, Sustainability Reporting Specialist.

E-mail: tosca.langereis@albemarle.com

3.5 PROCESS FOR DEFINING REPORT CONTENT, INCLUDING THE PROCESS FOR DETERMINING THE MATERIALITY AND PRIORITIZATION OF ISSUES WITHIN THE REPORT, THE IDENTIFICATION OF STAKEHOLDERS THAT THE ORGANIZATION EXPECTS TO USE THE REPORT

The subjects/material covered in this report were selected based upon the GRI G3 guidelines, Albemarle's management systems, goals and objectives for the organization and their importance to our stakeholders. A multi-functional sustainability team, comprised of representatives from HSE, Human Resources, Legal, Advocacy, Finance and Manufacturing compiled quantitative data from each operating site/department. Experts throughout the organization provided qualitative reporting and commentary on various subjects.

Albemarle has identified the following stakeholders expected to use this report:

- Customers
- Shareholders
- Employees
- Retirees
- Communities in which we operate
- Consumers

- Suppliers
- NGO's
- Industry & Trade Associations
- Media
- Investment groups
- Governments and regulators

3.6 BOUNDARY OF THE REPORT (E.G., COUNTRIES, DIVISIONS, SUBSIDIARIES, LEASED FACILITIES, JOINT VENTURES, SUPPLIERS). SEE GRI BOUNDARY PROTOCOL FOR FURTHER GUIDANCE

The financial data provided for this report includes assets, liabilities, revenues and expenses of all owned and leased operations under Albemarle control in 2014. Please see section 2.5 for ownership parameters.

3.7 STATE ANY SPECIFIC LIMITATIONS ON THE SCOPE OR BOUNDARY OF THE REPORT

Limitations to this report are based upon Albemarle's ability via management systems, priorities and intellectual property considerations to monitor and track specific data requirements. Limitations or data not included are clearly indicated in the specific sections of this report. In the specific instance of human resource reporting in regions outside of the United States, we are prevented from compiling and reporting demographic specific information.

For all other information, we will investigate existing reporting systems to provide the necessary detail in the 2015 GRI report.

3.8 BASIS FOR REPORTING ON JOINT VENTURES, SUBSIDIARIES, LEASED FACILITIES, OUTSOURCED OPERATIONS AND OTHER ENTITIES THAT CAN SIGNIFICANTLY AFFECT COMPARABILITY FROM PERIOD TO PERIOD AND/OR BETWEEN ORGANIZATIONS

Reporting on joint ventures is clearly denoted in specific indicators and elsewhere within the report where relevant.

3.9 DATA MEASUREMENT TECHNIQUES AND BASES FOR CALCULATIONS, INCLUDING ASSUMPTIONS AND TECHNIQUES UNDERLYING ESTIMATIONS APPLIED TO THE COMPILATION OF THE INDICATORS AND OTHER INFORMATION IN THE REPORT

Bases and techniques of specific calculations are identified in the pertinent indicator sections. Industry accepted methodology for financial and emissions calculations and reporting are used across the board.

3.10 EXPLANATION OF THE NATURE AND EFFECT OF ANY RESTATEMENTS IN INFORMATION PROVIDED IN PREVIOUS REPORTS AND REASONS FOR RESTATEMENT(S)

To the best of our knowledge, the information in this report is current as December 31, 2014. Historical information that may be included in previous versions of this report or other public reports is consistent.

3.11 SIGNIFICANT CHANGES FROM PREVIOUS REPORTING PERIODS IN THE SCOPE, BOUNDARY OR MEASUREMENT METHODS APPLIED IN THE REPORT

No significant changes in reporting methods have been identified.

3.12 STANDARD DISCLOSURE TABLE

The Standard Disclosure Table is the G3 Content Index. This can be found at the end of this report.

3.13 POLICY AND CURRENT PRACTICE WITH REGARD TO SEEKING INDEPENDENT ASSURANCE FOR THE REPORT

This 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

internal and external audit such as ISO 14001 and similar systems. This report contains a consolidation of this information.

4.1 GOVERNANCE STRUCTURE OF THE ORGANIZATION, INCLUDING COMMITTEES UNDER THE HIGHEST GOVERNANCE BODY RESPONSIBLE FOR SPECIFIC TASKS, SUCH AS SETTING STRATEGY OR ORGANIZATIONAL OVERSIGHT

4.1.1 Board of Directors

Members of Albemarle Corporation's Board of Directors (the "Board") are elected annually by its shareholders to oversee management and to act in the best interests of the Company and its shareholders.

4.1.2 Ethical Business Principles

All Company employees, officers and directors understand the importance of and our commitment to conducting business with integrity. Our board members set the standard for following the highest ethical conduct and sound business practices. The Audit & Finance Committee periodically reviews the Company's Code of Business Conduct, including related policies. Management regularly reports to the Committee about implementation of and adherence to these guiding policies.

4.1.3 Board Composition

Given the size of the Company and the nature of our business, a board consisting of seven to 12 members is appropriate. New York Stock Exchange ("NYSE") and U.S. Securities and Exchange Commission ("SEC") rules as well as the Company's Corporate Governance Guidelines concerning the board's composition require a majority of the directors to be independent. As of the date of the issuance of this report, the board had 11 members, all independent except for our CEO. Of those 11 members: (i) 100 percent were over 50 years old; (ii) 9 percent were female; and (iii) 18 percent represented an ethnic minority.

In order for the board to affirmatively determine a director as "independent," the director candidate: (i) must be free of any relationship that, applying the rules of the New York Stock Exchange, would preclude a finding of independence and (ii) must not have a material relationship (either directly or as a partner, shareholder or officer of an organization) with the Company or any of our affiliates or any executive officer of the Company or any of our affiliates. In evaluating the materiality of any such relationship, the board of directors considers whether disclosure of the

relationship would be required by the proxy rules under the Securities Exchange Act of 1934. If such disclosure is required, the board must then assess the relationship and determine whether it is a bar to finding a director candidate is independent.

4.1.4 Board Committees

The board of directors maintains the following four standing Committees: Audit & Finance, Executive Compensation, Nominating and Governance, and Health Safety and Environment. The board determined that each of the members of the standing Committees are: (i) “independent” within the meaning of the listing standards of the NYSE and the independence standards of our Corporate Governance Guidelines; (ii) “non-employee directors” (within the meaning of Rule 16b-3 under the Exchange Act); and (iii) “outside directors” (within the meaning of Section 162 (m) of the Internal Revenue Code of 1986, as amended).

4.1.5 Responsibilities of the Board of Directors and Committees

The Company’s Corporate Governance Guidelines lists responsibilities for the full board and its committees, including:

- Approve major corporate actions and oversee, develop and implement board policies;
- Review and approve financial plans, objectives and actions, including significant capital allocations and expenditures;
- Stay well-informed regarding our businesses and business strategies;
- Monitor and assess management’s performance and execution of corporate plans and objectives and ask appropriate questions of management to address accountability with established goals;
- Be a partner with management on strategic issues by advising and consulting;
- Oversee our legal compliance programs and procedures;
- Assess the effectiveness of our health, safety and environment programs and initiatives;
- Be proactive in crisis situations;

GOVERNANCE, COMMITMENTS AND ENGAGEMENTS

- Appraise our major risks and oversee that appropriate risk management and control procedures are in place and that management takes the appropriate steps to manage our major risks;
- Determine through our Audit & Finance Committee that appropriate procedures are in place to promote integrity and candor in the audit of our financial statements and operations, and in all financial reporting and disclosure;
- Assume responsibility for the selection, evaluation, monitoring, retention, compensation and succession of the chairperson of the board and the chief executive officer (CEO);
- Recruit effective new members to the board and recommend director nominees for election by our shareholders (recruiting efforts to be led by the Nominating and Governance Committee with support from management); and
- Establish proper governance, which includes a periodic review of these Corporate Governance Guidelines by the Nominating and Governance Committee; the consideration by such Committee of other corporate governance issues and related matters; and any resulting recommendation by such Committee as to the governance issues that should be addressed by the board.

4.1.6 Chief Executive Officer Succession

The chief executive officer succession planning process includes a regular board review. Any review of possible internal candidates includes:

- Readiness and potential;
- Demonstrated skills and competencies;
- Needed experience and training to fill gaps; and
- Plan for adequate exposure to the board of directors.

4.2 INDICATE WHETHER THE CHAIR OF THE HIGHEST GOVERNANCE BODY IS ALSO AN EXECUTIVE OFFICER

As of the date of the issuance of this report, Jim W. Nokes was the Company's Non-Executive Chairman of the Board and an independent Director.

4.3 FOR ORGANIZATIONS THAT HAVE A UNITARY BOARD STRUCTURE, STATE THE NUMBER OF MEMBERS OF THE HIGHEST GOVERNANCE BODY THAT ARE INDEPENDENT AND/OR NON-EXECUTIVE MEMBERS

As of the date of the issuance of this report, ten of the Company's eleven Board members were independent.

4.4 MECHANISMS FOR SHAREHOLDERS AND EMPLOYEES TO PROVIDE RECOMMENDATIONS OR DIRECTION TO THE HIGHEST GOVERNANCE BODY

Shareholders and employees may communicate with the Board by sending written correspondence to the Chair of the Nominating & Governance Committee c/o Albemarle Corporation, 451 Florida Street, Baton Rouge, Louisiana 70801 or by email at governance@albemarle.com. Communications regarding financial and accounting matters may also be sent directly to the Audit & Finance Committee at audit_chair@albemarle.com.

4.5 LINKAGE BETWEEN COMPENSATION FOR MEMBERS OF THE HIGHEST GOVERNANCE BODY, SENIOR MANAGERS AND EXECUTIVES (INCLUDING DEPARTURE ARRANGEMENTS) AND THE ORGANIZATION'S PERFORMANCE (INCLUDING SOCIAL AND ENVIRONMENTAL PERFORMANCE)

Approximately 50% of Board compensation and approximately 39% to 78% (depending upon the executive in question and the assumptions made) of senior executive total compensation is linked to the performance of Albemarle stock, which reflects company financial and non-financial

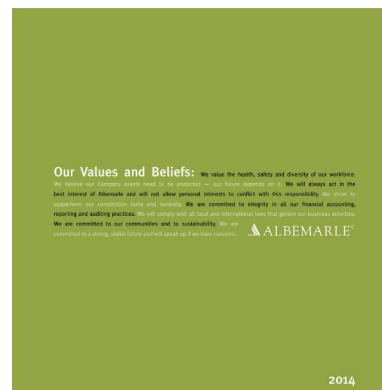
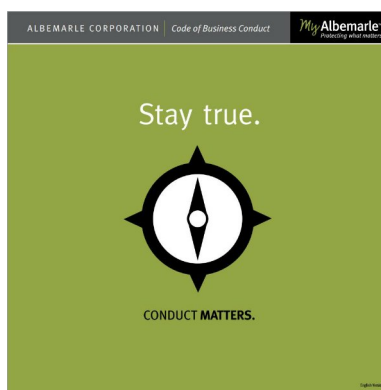
GOVERNANCE, COMMITMENTS AND ENGAGEMENTS

performance over the long-term. Given that we are a specialty chemical company that must comply with or exceed certain environmental and safety standards to be able to operate and grow, we believe share price for companies like ours reflects non-financial factors such as our long-term track record around environmental stewardship and safety performance. Additionally, the annual cash incentive plan for our senior executives (comprising approximately 11% to 18% of their total compensation depending upon the executive in question and the assumptions made) is also performance-based, with environmental and safety performance included in the set of performance measures set each year by the Board.

4.6 PROCESSES IN PLACE FOR THE HIGHEST GOVERNANCE BODY TO ENSURE CONFLICTS OF INTEREST ARE AVOIDED

The Company fosters and sustains a culture where ethical business practices and compliance with applicable laws, regulations and company policies are the expected and normal course of conduct for Company personnel. One important aspect of this culture is the avoidance of conflicts of interest. The Company maintains specific policies and processes to monitor and prevent conflicts of interests, including the policies and procedures described below.

Code of Business Conduct



The Albemarle Corporation Board of Directors has adopted the Albemarle Corporation Code of Business Conduct (the “Code”). The Code is managed by the Audit & Finance Committee of the Board of Directors and provides an overview of the Company’s expectations and standards for ethical behavior and compliance. The Code identifies specific situations where conflicts of interest can arise, such as outside activities and employment, improper financial interests, doing business with family and friends, corporate opportunities, bribes and

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kickbacks, gifts and entertainment, inside information and insider trading and political contributions and lobbying activities. Potential conflicts of interest may include, without limitation, (i) using a Company position or title in connection with an outside activity that may suggest Company sponsorship or support; (ii) conducting Company business with a family member who works for a customer, supplier or other business partner; (iii) providing or offering anything of value to a government, political or other public official; or (iv) buying or selling, or making any recommendations to others to buy or sell securities of any publicly traded company based on material non-public information obtained through a position in the Company. The Audit & Finance Committee is responsible for overseeing the adequacy of the Code and obtaining confirmation from senior management of the Company that the Code and related policies are understood and implemented. Global training on the Code is required to be completed by employees on an annual basis.

Integrity Helpline

The Company has established and maintains the Albemarle Integrity Helpline (the “Helpline”), which is a confidential, anonymous system for reporting via phone or the Internet suspected violations of the Code. An alert for each Helpline notice goes directly to the Chief Compliance Officer and the General Counsel. Promptly after receiving a Helpline report, the Chief Compliance Officer, in consultation as appropriate with the General Counsel, determines the steps to be taken. If an investigation is appropriate, the investigation will be conducted using the procedure outlined in the Incident Reporting and Investigation Procedures (the “Procedures”). The Procedures provide guidelines for each step of the reporting and investigation process, including classification of the issue(s); assignment of a case number; selection of the investigation team; hiring of external resources; notification, investigation timing, reporting and investigation report content; and corrective actions. Helpline activity is monitored by and regularly reported to the Audit & Finance Committee of the Board of Directors.

Related Person Transaction Policy

The Board of Directors has adopted a written Related Person Transaction Policy (the “Policy”) that governs the review, approval or ratification of covered related person transactions. The

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Audit & Finance Committee of the Board of Directors manages the Policy. The Policy generally provides that we may enter into a related person transaction only if the Audit & Finance Committee or the disinterested members of the Board of Directors approves or ratifies such transaction in accordance with the guidelines set forth in the Policy; if the transaction is in, or not inconsistent with, the best interests of the Company and its shareholders; and if the transaction is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party; or the transaction involves compensation approved by the Executive Compensation Committee of the Board of Directors.

In the event our management determines to recommend a related person transaction, such transaction must be presented to the Audit & Finance Committee for approval. After review, the Audit & Finance Committee will approve or disapprove such transaction and at each subsequently scheduled Audit & Finance Committee meeting, our management will update the Audit & Finance Committee as to any material change to the proposed related person transaction. In those instances in which our General Counsel, in consultation with our CEO or the CFO, determines that it is not practicable or desirable for us to wait until the next Audit & Finance Committee meeting to review a proposed related person transaction, the Chair of the Audit & Finance Committee has delegated authority to act on behalf of the Audit & Finance Committee. The Audit & Finance Committee (or its Chair) approves only those related person transactions that it determines in good faith to be in, or not inconsistent with, our best interests and the best interests of our shareholders and which is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party.

For purposes of the Policy, a "related person transaction" is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which we were, are or will be a participant and the amount involved exceeds \$120,000 and in which any related person had, has or will have a direct or indirect interest. For purposes of determining whether a transaction is a related person transaction, the Audit & Finance Committee may rely upon Item 404 of Regulation S-K.

A "related person" is (i) any person who is, or at any time since the beginning of our last fiscal year was, a director or executive officer of the Company or a nominee to become a director; (ii) any person who is known to be the beneficial owner of more than 5% of any class of our

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voting securities; (iii) any immediate family member of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of the director, executive officer, nominee or more than 5% beneficial owner and any person (other than a tenant or employee) sharing the household of such director, executive officer, nominee or more than 5% beneficial owner; or (iv) any firm, Corporation or other entity in which any of the foregoing persons is employed or is a general partner or principal or in a similar position or in which such person has a 5% or greater beneficial ownership interest.

The Audit & Finance Committee was not presented with, and the Company did not participate in, any related person transactions in 2014.

Corporate Governance Guidelines

The Board of Directors has adopted the Albemarle Corporation Corporate Governance Guidelines (the “Guidelines”), which provide for the review of any requests by the CEO to serve as a director on another public company’s board. In no event shall the CEO serve on more than two public company boards of directors in addition to serving on his or her own board. The Nominating & Governance Committee must be notified of the intention of any director, the CEO and other member of the senior management team of the Company to serve on another board of directors, and the Nominating & Governance Committee will then review the possibility for conflicts of interest and time constraints. The Guidelines also require each director to notify the Chair of the Nominating & Governance Committee of any conflicts or potential conflicts of interest.

Compliance Council

A further mechanism is the Compliance Council (the “Council”). The Council supports, consults with and advises the Chief Compliance Officer in the implementation, monitoring and administration of an effective ethics and compliance program. Comprised of cross-functional representatives from Compliance, Legal, HR, HSE, Finance, Audit, Business, Sales, Manufacturing, the Council’s purpose is to support Company values of integrity, communication and teamwork by promoting a common approach to ethics and compliance. The Council maintains an open dialogue with the business functions and promotes cross-functional partnering

and communication to ensure the Company's compliance goals are implemented and interpreted consistently throughout the Company. The Chief Compliance Officer periodically reports to the Audit & Finance Committee of the Board of Directors on the activities of the Council.

Other Mechanisms

In addition to the processes described above, there are other mechanisms in place to monitor and avoid potential conflicts of interest, including the annual Director & Officer Questionnaire, which poses questions designed to enable the Company to assess potential conflicts of interest.

4.7 PROCESS FOR DETERMINING THE QUALIFICATIONS AND EXPERTISE OF THE MEMBERS OF THE HIGHEST GOVERNANCE BODY FOR GUIDING THE ORGANIZATION'S STRATEGY ON ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS

The Nominating & Governance Committee assists the Board on all matters relating to the selection, qualification (including determinations of "independence") and compensation of members of the Board, as well as matters relating to the duties of the members of the Board and the annual evaluation of the Board's performance and processes. The Nominating & Governance Committee also assists the Board with oversight of corporate governance. Succession planning for the CEO and other senior executives is done by the full Board.

The Nominating & Governance Committee identifies Director candidates through recommendations made by members of the Board, management, shareholders and others, including professional search firms. The Board of Directors as a whole is constituted to be strong in its diversity and collective knowledge of a wide range of issues, including but not limited to accounting and finance, management and leadership, vision and strategy, business operations, business judgment, crisis management, risk assessment, industry knowledge, corporate governance and global markets. The Nominating & Governance Committee reviews its effectiveness in balancing these considerations through ongoing consideration of Directors and nominees, as well as the Nominating & Governance Committee's annual self-evaluation process.

The Nominating & Governance Committee evaluates a candidate's qualifications to serve as a member of the Board based on the background and expertise of individual members as well as the background and expertise of the Board as a whole. The Nominating & Governance Committee

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also considers such other relevant factors as it deems appropriate, including the current composition of the Board, the balance of management and independent Directors, the need for Audit & Finance Committee expertise and the evaluation of other prospective nominees.

4.8 INTERNALLY DEVELOPED STATEMENTS OF MISSION OR VALUES, CODES OF CONDUCT AND PRINCIPLES RELEVANT TO ECONOMIC, ENVIRONMENTAL AND SOCIAL PERFORMANCE AND THE STATUS OF THEIR IMPLEMENTATION

Albemarle has adopted a Code of Business Conduct available on the Company's website at <http://albemarle.com/About/Code-of-Business-Conduct-1245.html>



In addition, the company has developed a global policy describing our philosophy toward Health, Safety, Security and Environmental Stewardship:

Governance and Safety Stewardship

We will take personal responsibility for safety and are committed to insuring that we cause no harm to ourselves, our co-workers or the communities in which we operate. Our goal is to maintain

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an incident-free, secure and healthy workspace. Working in a safe, secure and environmentally responsible manner is an inherent part of our jobs and a condition of employment for each of us. We will comply with all applicable legal requirements and company policies and procedures. Each of us will take appropriate steps, including discontinuing operations if necessary, to correct actions and conditions before they lead to incidents, and no one will undertake any task unless it can be done in a safe and environmentally responsible manner. We adhere to the principles and expectations of Responsible Care® in our daily operations.

Social Responsibility

We will extend our health, safety, security and environmental philosophy beyond the workplace and seek opportunities to advocate this philosophy in our neighborhoods, in transit and at home. We will endeavor to make a positive impact in our communities through the Albemarle Foundation and actively support the cornerstones of sustainability: education, health and social services, cultural initiatives and voluntarism.

Green Chemistry Principles and Environmental Obligations

We will strive for continuous improvement in health, safety, security and environmental performance and will measure our performance against the best performing companies. We will reduce emissions caused by our operations by optimizing raw material, energy and water usage. We will be responsive to the concerns of our stakeholders and actively seek participation by them in our programs. We will continually search for innovative and sustainable ways to develop solutions that meet environmental and societal needs today and for generations to come.

People and Development

Our greatest asset is our people. We will invest time, energy and money to ensure that our people have the necessary understanding, education, expertise and training to perform tasks in a safe and environmentally responsible manner. We will improve the future by learning from the past. Our facilities will share experiences and lessons learned with each other, and we will implement across our sites. We will empower people to prevent accidents or incidents before they happen.

Financial Performance

We will do the right thing from a health, safety, security and environmental standpoint and doing so will benefit our employees, communities, customers and other stakeholders. We will invest in improvements at our facilities to ensure compliance with HSE policies and standards and to

improve operational efficiencies. Incremental savings are never justified when there is potential risk to people, property or products. We will continue to seek wise investments that promote improved processes while ensuring positive health, safety, security and environmental impact for all of our stakeholders.

4.9 PROCEDURES OF THE HIGHEST GOVERNANCE BODY FOR OVERSEEING THE ORGANIZATION'S IDENTIFICATION AND MANAGEMENT OF ECONOMIC, ENVIRONMENTAL AND SOCIAL PERFORMANCE, INCLUDING RELEVANT RISKS AND OPPORTUNITIES, AND ADHERENCE OR COMPLIANCE WITH INTERNATIONALLY AGREED STANDARDS, CODES OF CONDUCT AND PRINCIPLES

To assist in its oversight responsibilities, the Board of Directors maintains the following four Committees comprised entirely of independent directors: Audit & Finance, Executive Compensation, Nominating & Governance and Health Safety & Environment. Additionally, management designed an Enterprise Risk Management (“ERM”) process led by the Company’s Chief Risk and Compliance Officer, and managed by an ERM Committee with cross-functional representation by senior Company leaders worldwide. The ERM Committee meets quarterly to identify, discuss and assess Company-wide risks and develop action plans to mitigate those risks categorized as having the largest potential financial, reputational and/or health, safety or environmental impacts — all of which are included in an ERM quarterly report. The Chief Risk and Compliance Officer (or other ERM Committee members) regularly reports to the Audit & Finance Committee, generally highlighting those risks identified as the most significant, reviewing the Company’s methods of risk assessment and risk mitigation strategies and updating the Audit & Finance Committee on issues the ERM Committee identified as possible emerging risks. The Audit & Finance Committee engages in regular periodic discussions with the Chief Risk and Compliance Officer and other members of the ERM Committee, as appropriate.

The Audit & Finance Committee reports to the full Board on, among other matters, risk oversight. Additionally, the Board receives a copy of the ERM Committee’s quarterly reports and a detailed annual report from the Chief Risk and Compliance Officer in which the Company identifies its risk areas and oversight responsibility. The Board also engages in periodic discussions with the Chief Risk and Compliance Officer and other members of the ERM Committee, as appropriate.

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While the Audit & Finance Committee is responsible for, among other matters, general ERM, the full Board and each of the other standing Board Committees considers risks within its area of responsibility. The Board oversees corporate strategy, business development, capital structure, market exposure and country-specific risks. The Executive Compensation Committee considers human resource risks and potential risks relating to our employee (including executive) compensation programs. The Nominating & Governance Committee considers intellectual property and governance risks. The Health, Safety & Environment Committee considers the effectiveness of our health, safety and environment programs and initiatives. The Health, Safety & Environment Committee also assists the Board with oversight of matters related to the enhancement of our global reputation, our corporate social responsibility and the stewardship and sustainability of our products. Each of the Committees regularly reports to the Board.

4.10 PROCESSES FOR EVALUATING THE HIGHEST GOVERNANCE BODY'S OWN PERFORMANCE, PARTICULARLY WITH RESPECT TO ECONOMIC, ENVIRONMENTAL AND SOCIAL PERFORMANCE

The Nominating & Governance Committee coordinates an annual evaluation process by the directors of the Board's performance and procedures. This self-evaluation leads to a full Board discussion of the results.

The Chair (or the Lead Independent Director) consults with each of the directors as part of the evaluation. The qualifications and performance of all Board members are reviewed in connection with their re-nomination to the Board.

The Nominating & Governance Committee, the Audit & Finance Committee, the Health, Safety & Environment Committee and the Executive Compensation Committee each conduct an annual self-evaluation of their performance and procedures, including the adequacy of their charters and make recommendations, if any, to the Board as to proposed changes to their charter resulting from such review.

4.11 EXPLANATION OF WHETHER AND HOW THE PRECAUTIONARY APPROACH OR PRINCIPLE IS ADDRESSED BY THE ORGANIZATION

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Albemarle actively implements many procedures and programs, which use the precautionary approach or principle. Examples of such are:

- Whistleblower policy
- Corporate Code of Conduct
- RC14001
- Sustainable Development Policy
- GRI
- Emissions Trading in EU
- Community involvement (Natural disaster relief as an example)
- Technology innovation
- VECAP

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4.12 EXTERNALLY DEVELOPED ECONOMIC, ENVIRONMENTAL AND SOCIAL CHARTERS, PRINCIPLES OR OTHER INITIATIVES TO WHICH THE ORGANIZATION SUBSCRIBES OR ENDORSES

Initiative	Date of adoption	Countries	Stakeholders involved in development and governance	Voluntary/ Mandatory
ACC and Responsible Care®	1988	United States	American Chemistry Council and member companies	Voluntary
VECAP™	2006	EU, U.S., Japan, China, South Korea	Albemarle Corporation and other brominated flame retardant companies	Voluntary
ISO 9001, ISO 9002 and ISO 14001	Varies by facility	U.S., UK, Jordan, China, Austria, Germany, The Netherlands	International Organization for Standardization and is administered by accreditation and certification bodies	Voluntary
ISO 50001	2013	Germany	International Organization for Standardization and is administered by accreditation and certification bodies	Voluntary
RC14001	2005	United States	American Chemistry Council and member companies	Voluntary
Energy Star® partner	2014	United States	U.S. Environmental Protection Agency (EPA)	Voluntary

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4.13 MEMBERSHIPS IN ASSOCIATIONS (SUCH AS INDUSTRY ASSOCIATIONS) AND/OR NATIONAL/INTERNATIONAL ADVOCACY ORGANIZATIONS IN WHICH THE ORGANIZATION: * HAS POSITIONS IN GOVERNANCE BODIES; * PARTICIPATES IN PROJECTS OR COMMITTEES; * PROVIDES SUBSTANTIVE FUNDING BEYOND ROUTINE MEMBERSHIP DUES; OR * VIEWS MEMBERSHIP AS STRATEGIC

ACC – American Chemistry Council	AFPM American Fuel and Petrochemical Manufacturers
AICM- Association of International Chemical Manufacturers	AmCham China
AmCham EU	American Board of Industrial Hygiene (ABIH)
American Chemical Society	American Industrial Hygiene Association (AIHA)
American Institute of Chemical Engineers (AIChE)	American Society of Materials (ASM)
American Society of Mechanical Engineers (ASME)	American Society of Quality (ASQ)
Arbeitgeberverband	Arkansas Environmental Federation
Arkansas State Chamber Of Commerce and AIA (Associated Industries Of Arkansas)	Asia Plastics Forum
Association of the Dutch Chemical Industry (VNCI)	Association of the German Chemical Industry (VCI)
Blair Chamber of Commerce Safety Committee	Blair County Local Emergency Planning Committee (LEPC)
Board of Certified Safety Professionals (BCSP)	Bromaid China
Bromaid Europe	BSEF: bromine Science and Environmental Forum
CEFIC European Chemical Industry Council	Center for Chemical Process Safety
Centexbel	Cercle de Lorraine
Channel Industries Mutual Aid (CIMA)	China Plastics Processing Industry Association (CPPIA)
Comité électronique Belge	DCAT –Drug, Chemical and Associated Technologies
DKG Deutsche Keramische Gesellschaft (German association for ceramic materials)	East Harris County Manufacturers Association (EHCMA)
ECETOC	EIPC- The European Institute of Printed Circuits
ESSENSCIA- Belgian federation for the chemical industry and life sciences	Eurometaux

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Explosion Research Cooperative	Fire Safety Platform
Gesellschaft fuer Umweltmutagenese (association for environmentmutagenesis)	Global Safety forum
Greater Baton Rouge Industrial Alliance (GBRIA)	GTFI _ Groupement technique français contre l'incendie
Houston Regional Monitoring	I2A- International Antimony Association
ICAC "Institute for Clean Air Companies"	International Molybdenum Association
International Society of Pharmaceutical Engineers	IPC – Association Connecting Electronics Industries
La Porte Citizens Advisory Council	La Porte Local Emergency Planning Committee (LEPC)
Louisiana Chemical Association (LCA)	Louisiana Engineering Society (LES)
Magnolia Chamber Of Commerce	Magnolia Economic Development Commission
MAVESZ-Hungarian Chemicals trade association	Methyl Bromide Industry Panel
NACE - National Association of Corrosion Engineers	NACD - National Association of Corporate Directors
Ningbo Intellectual Property Association	Ningbo Petroleum Chemical Association
ORAM - Amsterdam Region Business Association	PDA Europe
Petroleum and Chemical Industry Committee (PCIC)	PU Europe
SOCMA- Society of Chemical Manufacturers & Affiliates	Suppliers Partnership for the Environment (SP)
Texas Chemical Council	Texas Industry Project
VEA Bundesverband der Energie-Abnehmer	VEMW - Dutch Association for Energy, Environment and Water
VERBAND DER DEUTSCHE Feuerfest Industrie	VNO-NCW - The Confederation of Netherlands Industry and Employers
Wildlife Habitat Council	Yeosu Chamber of Commerce and Industry
Yeosu Chemical Plant Safety Manager Association	

4.14 LIST OF STAKEHOLDER GROUPS ENGAGED BY THE ORGANIZATION

Stakeholder groups identified and engaged by Albemarle:

- Customers
- Shareholders
- Employees
- Retirees
- Communities in which we operate
- Consumers
- Suppliers
- NGO's
- Industry & Trade Associations
- Media
- Investment groups
- Governments and regulators

4.15 BASIS FOR IDENTIFICATION AND SELECTION OF STAKEHOLDERS WITH WHOM TO ENGAGE

Engagement with identified stakeholders is imperative to business success. We work to select stakeholders that:

1. Are impacted by the decisions that Albemarle makes
2. Impact Albemarle by decisions that they make

By using this focus for engagement, we close the loop by including:

1. Users of our products and their supply chain (customers and suppliers)
2. Those who are impacted directly and indirectly by our choices (employees, retirees, communities in which we operate, etc.)
3. Those who choose to invest in our company (shareholders, investment groups, etc.)

4. Experts and stakeholders in the areas we operate (Industry and Trade Associations, Governments and regulators, NGO's)
5. Downstream users and spokespersons (consumers, media.)

We work to select particular groups to interact with that have specific needs, concerns, and solutions. Ongoing dialog and communication with these groups provide insight into what we can do to enhance our focus and improve our processes throughout the organization.

4.16 APPROACHES TO STAKEHOLDER ENGAGEMENT, INCLUDING FREQUENCY OF ENGAGEMENT BY TYPE AND BY STAKEHOLDER GROUP

Albemarle regularly engages each of our stakeholders in order to maintain strong relationships with them, share information and gather feedback. Depending on the stakeholder group, the method and frequency of engagement varies.

Employees

Albemarle regularly communicates company initiatives, news, goals and performance to employees through our Intranet, our website, quarterly employee townhall meetings, written memos and face-to-face meetings. The Intranet and website are maintained daily. Written memos are sent as needed, but at least quarterly. Performance updates and townhall meetings with managers are made at least quarterly. In addition, in 2007 Albemarle formed the Albemarle Foundation, a 501(c) (3) nonprofit organization aimed at energizing employee donations of time, resources and money to community-based initiatives. Employees serve on an advisory board in each location where they oversee the Foundation's activities in that region, and employees vote on where monies are to be distributed.

Communities in which we operate

Each site continues to develop strong relationships by donating funds and time toward community initiatives focused on the areas of education, environmental sustainability and charitable contributions. In 2007, Albemarle formed the Albemarle Foundation, a 501(c) (3) nonprofit organization, to direct these employee efforts. Since inception, donations of time and money have increased each year, and the footprint of the Foundation now covers each

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community in the U.S. where we operate. Albemarle provides both paid and unpaid employee volunteer services, as well as retiree employee volunteer services. We open our gates at times to give area citizens insight into our facilities and operations. We provide technical assistance by joining forces to protect communities and loan talent by mentoring with real-life role models to a variety of community organizations. Albemarle provides in-kind gifts in a variety of ways, such as donating 100% of materials for different Habitat for Humanity projects.

In addition, sites conduct Community Advisory Panels under the Responsible Care Management System, where site leaders and employees meet regularly with members of the community. The meetings are geared toward keeping the community informed of our operations, our performance and important initiatives as well as gathering feedback and suggestions from the local community members.

Shareholders and Investment Groups

The company holds quarterly earnings calls that are open to the public. Main participants are employees, shareholders, investment groups and analysts. During the calls, senior leaders report on the company's financial performance and major strategic initiatives. The calls further increase our visibility and transparency.

Media Regulators, Customers and Suppliers

In addition to quarterly earnings calls that are open to all groups, Albemarle staff host regular communications via phone, email or meetings with government and regulators worldwide to help ensure that Albemarle is focusing on the most significant regulatory concerns. Monthly interaction happens via phone or meetings with customers and suppliers to discuss issues of concern (supply/demand issues, methods to reduce product emissions, regulatory issues, etc.). We work with Industry and Trade Associations on a regular basis (at least every month) to understand the needs and issues of their membership. Albemarle interacts with NGO's at various meetings about every 1-2 months to try to better understand their areas of concern and focus.

In addition, Albemarle routinely distributes press releases that are geared toward trade media, customers, regulators and/or suppliers. These news releases report on strategic initiatives, pricing and significant news within the company.

4.17 KEY TOPICS AND CONCERNS THAT HAVE BEEN RAISED THROUGH STAKEHOLDER ENGAGEMENT, AND HOW THE ORGANIZATION HAS RESPONDED TO THOSE KEY TOPICS AND CONCERNS, INCLUDING THROUGH ITS REPORTING

In 2014, Albemarle spent approximately \$3,2 million on attorney and expert fees, public relations and advertising, and lobbying related to protecting, defending and sustaining its businesses, processes, products and the communities in which we operate. Our advocacy efforts are primarily driven towards defending the science upon which our chemistry solutions are based as well as promoting sustainable solutions to global challenges. In addition, we are also protecting our customers' businesses and advocating for clean energy sources for the world and communities in which we operate. Examples of some of our primary areas of focus in 2014 are:

- Development of and promotion of advanced solutions for industries with mercury control challenges: Through developing and promoting the use of our mercury control technologies, we not only help customers solve challenges with regulatory compliance, we also promote environmentally friendly solutions in response to concerns from our community members and global stakeholders.
- Support of increased fire safety standards with industry organizations and national regulatory bodies.
- Promotion of a new chemical regulatory framework to replace Toxic Substances Control Act (TSCA) in the United States.
- Advocacy and support of our mineral and bromine-based flame retardants.

Albemarle advocates the use of science-based chemical regulatory processes in preference to product specific legislation. Through our advocacy efforts and our community relations efforts, we seek to not only gather feedback from multiple stakeholder groups, but we also seek to educate these stakeholders (government agencies, regulators, community members) on the merits of our science-based solutions and the positive impacts they have on the world in which we live and operate. However, societal concerns raised by multiple stakeholders about certain chemicals is of particular concern to Albemarle. We have announced the

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development of alternatives for both HBCD and decabrom. Our criteria for new polymer additive products are that, in addition to meeting economic and performance requirements, they must be non-toxic, non-bioaccumulative, and facilitate recycling.

In December 2009, Albemarle announced a voluntary program to withdraw decabrom from the market in cooperation with the U.S. Environmental Protection Agency. At this time, we announced the development of a new polymeric and highly sustainable alternative to decabrom. Commercialization of this polymeric flame retardant is in progress. We continue to work on transitioning customers to other more sustainable products including polymeric types as quickly and smoothly as possible.

In May 2012, Albemarle announced the development of GreenCrest™ flame retardant, a stable, high molecular weight polymeric flame retardant designed as a replacement for HBCD in extruded and expanded polystyrene applications.

Albemarle is dedicated to the principles of Green Chemistry and Green Engineering, which is in line with discussions with multiple stakeholders (customers, consumers, NGO's, Government and Regulators, and media). We collaborate with the Green Chemistry Institute of the American Chemical Society, work to implement green metrics in our R&D organization, participate in chemical industry roundtable discussions and have experts in Green Chemistry speak at various internal meetings and workshops. We sponsor corporate awards associated with enhancing the sustainability of our operations. The Albemarle Sustainability Awards were created to recognize location specific teams for the amazing ingenuity and results they produce each year. The categories include: Waste Reduction, Wildlife Habitats, Community Initiatives, Energy/Greenhouse Gas Reductions, Emission Reductions, Water Conservation, and Office Activities.

DISCLOSURE OF MANAGEMENT APPROACH (DMA) - ECONOMIC

Albemarle focuses on innovative products, a global approach and a diverse product set around the world, as well as innovative people, in order to ensure that we continue to grow and have excellent cash flow for ongoing success. We believe that our commercial and geographic diversity, technical expertise, innovative capability, flexibility, low-cost global manufacturing base, experienced management team and strategic focus on our core base technologies will enable us to maintain leading market positions in those areas of the specialty chemical industry in which we operate. We believe our disciplined cost reduction efforts, ongoing productivity improvements and strong balance sheet position us well to take advantage of strengthening economic conditions while softening the negative impact of any temporary disruption in the economy. Our strong balance sheet is a critical component of making sure we can handle those uncertainties.



Scott Tozier, Sr. Vice President & Chief Financial Officer

EC1 DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED, INCLUDING REVENUES, OPERATING COSTS, EMPLOYEE COMPENSATION, DONATIONS AND OTHER COMMUNITY INVESTMENTS, RETAINED EARNINGS AND PAYMENTS TO CAPITAL PROVIDERS AND GOVERNMENTS

	2014 (in thousands)
Revenues	2,445,548
Operating Costs	1,817,186
Wages/Benefits	354,167
Payments to providers of funds	117,706
Payments to governments	62,209
Donations/community investments	2,897
Economic value retained	<u>\$ 91,383</u>

CONSOLIDATED BALANCE SHEETS

(In Thousands)

December 31,

	<u>2014</u>	<u>2013</u>
Assets		
Current assets:		
Cash and cash equivalents	2,489,768	477,239
Trade accounts receivable, less allowance for doubtful accounts (2014-\$1,563; 2013-\$1,614)	385,212	446,864
Other accounts receivable	49,423	45,094
Inventories:		
Finished goods	262,769	340,863
Raw materials	53,152	47,784
Stores, supplies and other	42,440	47,402
	<u>358,361</u>	<u>436,049</u>
Other current assets	66,086	77,669
Total current assets	<u>3,348,850</u>	<u>1,482,915</u>
Property, plant and equipment, at cost	2,620,670	2,972,084
Less accumulated depreciation and amortization	1,388,802	1,615,015
Net property, plant and equipment	<u>1,231,868</u>	<u>1,357,069</u>
Investments	194,042	212,178
Other assets	160,956	160,229
Goodwill	243,262	284,203
Other intangibles, net of amortization	44,125	88,203
Total assets	<u>\$ 5,223,103</u>	<u>\$ 3,584,797</u>

Liabilities and Equity

Current liabilities:

Accounts payable	231,705	208,181
Accrued expenses	166,174	176,416
Current portion of long-term debt	711,096	24,554
Dividends payable	21,458	19,197
Income taxes payable	9,453	8,015
Total current liabilities	<u>1,139,886</u>	<u>436,363</u>
Long-term debt	2,223,035	1,054,310
Post-retirement benefits	56,424	53,903
Pension benefits	170,534	57,647
Other non-current liabilities	87,705	110,610
Deferred income taxes	56,884	129,188

Commitments and contingencies (Note 16)

Equity:

Albemarle Corporation shareholders' equity:

Common stock, \$.01 par value (authorized 150,000 shares), issued and outstanding - 78,031 in 2014 and 80,053 in 2013	780	801
Additional paid-in capital	10,447	9,957
Accumulated other comprehensive income	(62,413)	116,245
Retained earnings	1,410,651	1,500,358
Total Albemarle Corporation shareholders' equity	<u>1,359,465</u>	<u>1,627,361</u>
Non-controlling interests	129,170	115,415
Total equity	<u>1,488,635</u>	<u>1,742,776</u>
Total liabilities and equity	<u>\$ 5,223,103</u>	<u>\$ 3,584,797</u>

The accompanying notes to the consolidated financial statements, can be found in the 10-K report; this report can be found via www.albemarle.com/investors under Financials - Annual Reports.

CONSOLIDATED STATEMENTS OF INCOME

(In Thousands, Except Per Share Amounts)

Year Ended December 31	2014	2013	2012
Net sales	\$2,445,548	\$ 2,394,270	\$ 2,519,154
Cost of goods sold	1,674,700	1,543,799	1,620,311
Gross profit	770,848	850,471	898,843
Selling, general and administrative expenses	355,135	158,189	308,456
Research and development expenses	88,310	82,246	78,919
Restructuring and other charges, net (Note 20)	25,947	33,361	111,685
Acquisition and integration related costs (Note 23)	30,158	—	—
Operating profit	271,298	576,675	399,783
Interest and financing expenses	(41,358)	(31,559)	(32,800)
Other (expenses) income, net	(16,761)	(6,674)	1,229
Income from continuing operations before income taxes and equity in net income of unconsolidated investments	213,179	538,442	368,212
Income tax expense	18,484	134,445	80,433
Income from continuing operations before equity in net income of unconsolidated investments	194,695	403,997	287,779
Equity in net income of unconsolidated investments (net of tax)	35,742	31,729	38,067
Net income from continuing operations	230,437	435,726	325,846
(Loss) income from discontinued operations (net of tax)	(69,531)	4,108	4,281
Net income	160,906	439,834	330,127
Net income attributable to non-controlling interests	(27,590)	(26,663)	(18,591)
Net income attributable to Albemarle Corporation	\$ 133,316	\$ 413,171	\$ 311,536
Basic earnings per share	\$ 1.69	\$ 4.93	\$ 3.49
Diluted earnings per share	\$ 1.69	\$ 4.90	\$ 3.47
Weighted-average common shares outstanding-basic	78,696	83,839	89,189
Weighted-average common shares outstanding-diluted	79,102	84,322	89,884
Cash dividends declared per share of common stock	\$ 1.10	\$ 0.96	\$ 0.80

The accompanying notes to the consolidated financial statements, can be found in the 10-K report; this report can be found via www.albemarle.com/investors under Financials - Annual Reports.

EC2 FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES FOR THE ORGANIZATION'S ACTIVITIES DUE TO CLIMATE CHANGE

Growing concerns about climate change may result in the imposition of additional regulations or restrictions to which we may become subject. Climate changes include changes in rainfall and in storm patterns and intensities, water shortages, significantly changing sea levels and increasing atmospheric and water temperatures, among others. For example, there has been increasing concern regarding the declining water level of the Dead Sea, from which our joint venture, JBC, produces bromine. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to climate change. For example, some of our operations are within jurisdictions that have, or are developing, regulatory regimes governing greenhouse gas emissions. Potentially, additional U.S. federal regulation will be forthcoming with respect to greenhouse gas emissions (including carbon dioxide) and/or “cap and trade” legislation that could have impacts on our operations. In addition, we have operations in the European Union, Brazil, China, Japan, Jordan, Saudi Arabia, Singapore and the United Arab Emirates, which have implemented measures to achieve objectives under the Kyoto Protocol, an international agreement linked to the United Nations Framework Convention on Climate Change (“UNFCCC”), which set binding targets for reducing greenhouse gas emissions. The first commitment period under the Kyoto Protocol expired in 2012. An amendment was passed by the UNFCCC during the December 2012 Doha climate change talks that would implement a second commitment period through 2020, but the amendment has not entered into legal force pending acceptance by participating countries. The outcome of new legislation or regulation in the U.S. and other jurisdictions in which we operate may result in new or additional requirements, additional charges to fund energy efficiency activities, fees or restrictions on certain activities. While certain climate change initiatives may result in new business opportunities for us in the area of alternative fuel technologies and emissions control, compliance with these initiatives may also result in additional costs to us, including, among other things, increased production costs, additional taxes, reduced emission allowances or additional restrictions on production or operations. Any adopted future climate change regulations could also negatively impact our ability to compete with companies situated in areas not subject to such limitations. Even without such regulation, increased public awareness and adverse publicity about potential impacts on climate change

emanating from us or our industry could harm us. We may not be able to recover the cost of compliance with new or more stringent laws and regulations, which could adversely affect our business and negatively impact our growth. Furthermore, the potential impacts of climate change and related regulation on our customers are highly uncertain and may adversely affect us.

EC3 COVERAGE OF THE ORGANIZATION'S DEFINED BENEFIT PLAN OBLIGATIONS

The following provides a reconciliation of benefit obligations, plan assets and funded status of the plans, as well as a summary of significant assumptions for our pension benefit plans (in thousands):

	Year Ended December 31, 2014		Year Ended December 31, 2013	
	Total Pension Benefits	Domestic Pension Benefits	Total Pension Benefits	Domestic Pension Benefits
Change in benefit obligations:				
Benefit obligation at January 1	\$ 678,582	\$ 629,337	\$ 762,395	\$ 714,158
Service cost	8,775	7,029	13,962	12,177
Interest cost	32,062	30,491	29,883	28,406
Actuarial loss (gain)	141,228	130,887	(88,392)	(85,774)
Benefits paid	(41,779)	(37,866)	(41,132)	(39,630)
Divestitures	(30,226)	(30,226)	—	—
Employee contributions	283	—	320	—
Foreign exchange (gain) loss	(6,161)	—	1,546	—
Benefit obligation at December 31	<u>\$ 782,764</u>	<u>\$ 729,652</u>	<u>\$ 678,582</u>	<u>\$ 629,337</u>
Change in plan assets:				
Fair value of plan assets at January 1	\$ 616,545	\$ 605,604	\$ 563,303	\$ 554,179
Actual return on plan assets	54,195	53,696	83,853	83,499
Employer contributions	9,982	7,042	9,790	7,556
Benefits paid	(41,779)	(37,866)	(41,132)	(39,630)
Divestitures	(30,226)	(30,226)	—	—
Employee contributions	283	—	320	—
Foreign exchange (loss) gain	(1,306)	—	411	—
Fair value of plan assets at December 31	<u>\$ 607,694</u>	<u>\$ 598,250</u>	<u>\$ 616,545</u>	<u>\$ 605,604</u>
Funded status at December 31	<u>\$ (175,070)</u>	<u>\$ (131,402)</u>	<u>\$ (62,037)</u>	<u>\$ (23,733)</u>

	December 31, 2014		December 31, 2013	
	Total Pension Benefits	Domestic Pension Benefits	Total Pension Benefits	Domestic Pension Benefits
Amounts recognized in consolidated balance sheets:				
Current liabilities (accrued expenses)	\$ (4,535)	\$ (3,219)	\$ (4,390)	\$ (2,856)
Noncurrent liabilities (pension benefits)	(170,534)	(128,183)	(57,647)	(20,877)
Net pension liability	<u>\$ (175,069)</u>	<u>\$ (131,402)</u>	<u>\$ (62,037)</u>	<u>\$ (23,733)</u>
Amounts recognized in accumulated other comprehensive (loss) income:				
Prior service benefit	\$ (607)	\$ (286)	\$ 70	\$ 441
Net amount recognized	<u>\$ (607)</u>	<u>\$ (286)</u>	<u>\$ 70</u>	<u>\$ 441</u>
Weighted-average assumption percentages:				
Discount rate	4.03%	4.19%	5.00%	5.14%
Rate of compensation increase	3.40%	—%	2.78%	3.50%

EC4 SIGNIFICANT FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT

Program- /Project name	Funding received from	Funding for Albemarle
WBSO (tax incentive for R&D hours)	NL Government	\$408,715
RDA (tax incentive for R&D investments)	NL Government	\$44,698
Biorefinery LNV (NL); Py-oil quality improvement	NL Government	\$25,220

Exchange rate: 1 Euro = 1.10257 USD (April 29, 2015)

EC5 RANGE OF RATIOS OF STANDARD ENTRY LEVEL WAGE COMPARED TO LOCAL MINIMUM WAGE AT SIGNIFICANT LOCATIONS OF OPERATION

Significant Location(s)	Name(s)	Lowest Level Wage	Minimum Wage	Ratio Entry-level Wage to Minimum Wage
Americas- USA				
Baton Rouge LA USA	Baton Rouge Tower	\$18.86/hr	\$7.25	2.60 : 1
Baton Rouge LA USA	Process Development Center	\$21.00/hr	\$7.25	2.90 : 1
Houston TX USA	Bayport	\$20.91/hr	\$7.25	2.88 : 1
Houston TX USA	Pasadena	\$19.80/hr	\$7.25	2.73 : 1
Magnolia AR USA	Magnolia	\$17.01/hr	\$7.25	2.35 : 1
South Haven MI USA	South Haven	\$16.00/hr	\$8.15	1.96 : 1
Twinsburg OH USA	Twinsburg	\$22.60/hr	\$7.95	2.84 : 1
Tyrone PA USA	Tyrone	\$18.44/hr	\$7.25	2.54 : 1
EMA				
Amsterdam the Netherlands	Amsterdam	€2494,99/mo	€1485,65/mo	1.68:1
Bergheim Germany	Bergheim	€2854/mo	€2015/hr	1.42:1
Budapest Hungary	Budapest	201.909HUF	105.000HUF	1.92:1
Louvain-la-Neuve Belgium	LLN	€2384/mo	€1501.82/mo	1.59:1
Asia Pacific				
Beijing China	Beijing	9,955 CNY/mo	1,560 CNY/mo	6.38:1
Dalian China	Dalian	3,108 CNY/mo	1,300 CNY/mo	2.39:1
Shanghai China	Shanghai	6,304 CNY/mo	1,820 CNY/mo	3.46:1
Guangzhou China	Guangzhou	17,231 CNY/mo	1,550 CNY/mo	11.12:1
Ninghai China	Ningbo	1,800 CNY/mo	1,350 CNY/mo	1.33:1
Seoul South Korea	South Korea	2,916,700 KRW/mo	1,088,890 KRW/mo	2.68:1
Yeosu South Korea	South Korea	6,893 KRW/hr	5,580 KRW/hr	1.24:1
Singapore	Singapore	7,180 SGD/mo	N/A	N/A
Tokyo Japan	Japan	340,000 JPY/mo	143,000 JPY/mo	2.38:1
Taipei	Taiwan	70,000 TWD/mo	19,273 TWD/mo	3.63:1

ECONOMIC

EC6 POLICY, PRACTICES AND PROPORTION OF SPENDING ON LOCALLY BASED SUPPLIERS AT SIGNIFICANT LOCATIONS OF OPERATION

Regional means: in the country of the location; Local means: In the neighborhood of the location

Location	Total Spending by the Location	Albemarle Spending on Regional Suppliers	Albemarle Spending on Local Suppliers
Americas (USD)			
Baton Rouge, LA USA	\$ 73,138,954	\$ 67,666,250	\$ 5,605,428
Houston, TX USA	\$ 313,265,781	\$ 287,663,333	\$ 105,727,492
Magnolia, AR USA	\$ 158,174,736	\$ 155,868,162	\$ 3,797,895
Process Development Center, LA USA	\$ 49,718,017	\$ 47,671,714	\$ 11,846,189
South Haven, MI USA	\$ 21,615,346	\$ 20,568,042	\$ 1,601,446
Twinsburg, OH USA	\$ 3,941,419	\$ 1,048,107	\$ 827,910
Tyrone, PA USA	\$ 31,758,431	\$ 30,581,356	\$ 876,634
EU (USD)			
Amsterdam, the Netherlands	\$ 119,623,249	\$ 57,750,765	\$ 21,276,963
Bergheim, Germany	\$ 99,110,380	\$ 42,652,712	\$ 26,083,331
Budapest, Hungary	\$ 1,106,019	\$ 856,071	\$ 819,144
Louvain-la-Neuve, Belgium	\$ 3,145,008	\$ 2,206,174	\$ 1,589,676
AP (USD)			
Dalian, China	\$ 437,211	\$ 437,211	\$ 317,423
Shanghai, China	\$ 31,488,211	\$ 19,753,754	\$ 17,964,605
Ningbo, China	\$ 11,830,959	\$ 9,018,271	\$ 3,006,457
Seoul, Korea	\$ 617,556	\$ 612,630	\$ 414,950
Yeosu, Korea	\$ 11,209,260	\$ 6,587,281	\$ 2,644,638
Tokyo, Japan	\$ 36,008,473	\$ 1,275,261	\$ 662,844

EC7 PROCEDURES FOR LOCAL HIRING AND PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY AT SIGNIFICANT LOCATIONS AND OPERATIONS

Albemarle does not have a global policy for granting preference to local residents when hiring in significant locations of operations. As part of standard business practice, we review

qualified candidates in local markets as well as outer markets to select the best candidates for positions.

Significant Location(s)	Name(s)	% Senior Management from Local Community
Americas		
Baton Rouge LA USA	Baton Rouge Tower	74%
Baton Rouge LA USA	Process Development Center	50%
Houston TX USA	Bayport	80%
Houston, TX, USA	Clear Lake	22%
Houston TX USA	Pasadena	0%
Magnolia AR USA	Magnolia	50%
South Haven MI USA	South Haven	0 %
Twinsburg OH USA	Twinsburg	0 %
Tyrone PA USA	Tyrone	25%
EMA		
Amsterdam the Netherlands	Amsterdam	89%
Bergheim Germany	Bergheim	83%
Budapest Hungary	Budapest	100%
Louvain-la-Neuve Belgium	LLN	95%
Asia Pacific		
Nanjing, China	Nanjing	100%
Beijing, China	Beijing	100%
Shanghai, China	Shanghai	0%
Jinhsan, China	Shanghai	100%
Ninghai, China	Ningbo	100%
Seoul, South Korea	South Korea	0%
Yeosu, South Korea	South Korea	0%
Singapore	Singapore	100%
Tokyo, Japan	Japan	100%

EC8 DEVELOPMENT AND IMPACT OF INFRASTRUCTURE INVESTMENTS AND SERVICES PROVIDED PRIMARILY FOR PUBLIC BENEFIT THROUGH COMMERCIAL, IN-KIND OR PRO BONO ENGAGEMENT

The Albemarle Foundation focuses on philanthropic efforts through monetary donations and volunteer efforts in the communities in which we live and operate. The local foundation councils strive to make their communities stronger with an emphasis in the areas of education, health, social services and cultural initiatives. In 2014, the Albemarle Foundation distributed over \$3.4 million to deserving agencies, of which \$544,000 came from Albemarle employees, retirees, and the Board of Directors.

DISCLOSURE OF MANAGEMENT APPROACH (DMA) - ENVIRONMENTAL

Albemarle views its responsibility to the environment as one of its most paramount responsibilities as a Corporation. This commitment is embodied in our HSSE (Health, Safety, Security and Environmental) policy and part of all our internal communications with employees. Our company focuses on opportunities to ensure a sustainable business model, as well as to support our ability to provide innovative solutions to meet the needs of society.

Our responsibilities include measuring our health, safety and environmental performance and continually improving upon past performance. This commitment is simply essential to our mission and to our company's success. We reduce our emission sources and their impacts, optimize raw material use, energy and water usage in our processes, and we will be responsive to the concerns of our stakeholders and seek active participation by them in these programs. While we are proud of our achievements and our products to date, we will continually seek innovative ways to ensure we maintain our focus on developing sustainable solutions that meet environmental and societal needs today and for generations to come.

Environmental Management System

A core part of our environmental stewardship is around our Environmental Management System. It's just not a slogan- this system is centered around the guiding principle that our leadership is accountable for our environmental stewardship and our actions will demonstrate this commitment. The principle is simple - we're going to take care of the environment and take care of each other first and every time, it is our top priority. We're going to produce products in a safe and environmentally sound manner. Our system extends to all involved in our operations, employees and contractors, in that we expect their input and commitment to making sure that, environmentally, it is paramount that we operate in sound fashion. The management system applies to all Albemarle operations worldwide and is third-party certified in the United States under RC14001:2008.

Sustainability Efforts - Energy and Water Conservation Programs

In the past year, we have brought more focus to our energy conservation program by enrolling in EPA's Energy Star partner program. Our energy program reduced consumption by 4.6 % from 2013 in our existing operation. We have committed to 20% reduction in energy intensity

ENVIRONMENTAL

by 2024. The effort is global with improvement projects managed through a corporate steering team.



On water, due to operating in areas where water is scarce (Jordan, Chile, Nevada), recycle and source minimization efforts are critically important. These efforts are also managed through a corporate steering team.

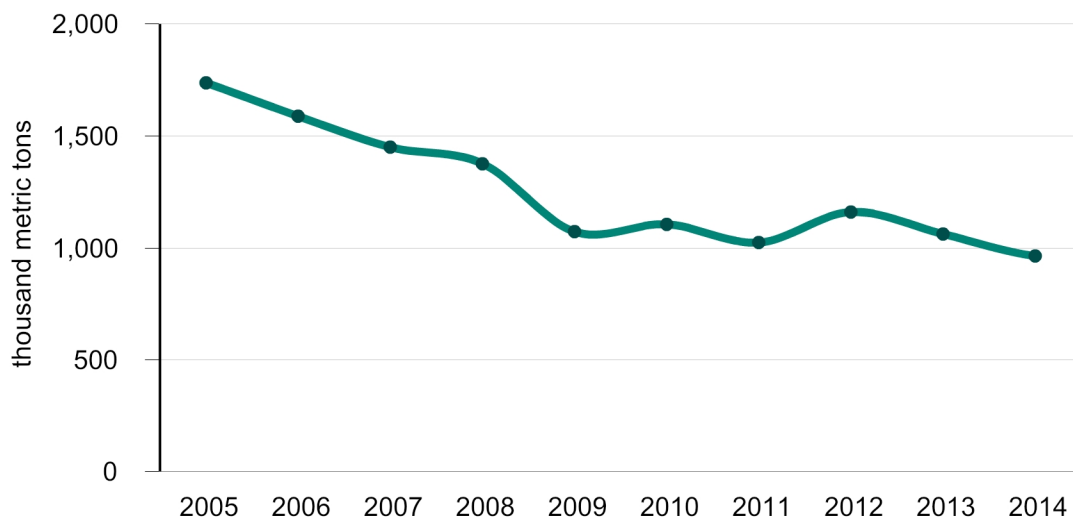


Ron Zumstein, Vice President, Manufacturing

EN1 MATERIALS USED BY WEIGHT OR VOLUME

Albemarle tracks the consumption of process raw materials, energy products and the natural mineral resource bromine for the purposes of this indicator. The volume of packaging materials used in manufacture and transportation is not tabulated. In 2014, Albemarle used a total of 0.96 million metric tons of raw materials. This volume does not include materials transferred between production facilities or the use of water (see EN8). The majority of materials used are categorized as non-renewable.

EN 1: Albemarle Material Usage



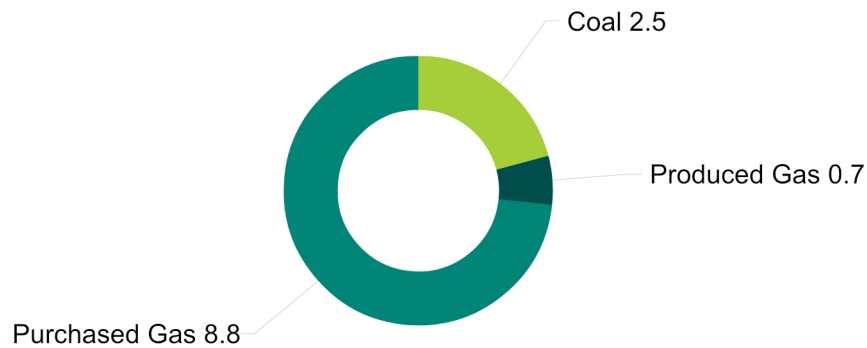
EN2 PERCENTAGE OF MATERIALS USED THAT ARE RECYCLED INPUT MATERIALS

A very small fraction of Albemarle's raw materials are "non-virgin" material. In 2014, approximately 0.04% of Albemarle's raw materials were from recycled input material. Sales of refinery catalysts represent approximately one-third of Albemarle Corporation sales. In this division, a portion of the product is reprocessed for the customer as part of the purchase agreement.

EN3 DIRECT ENERGY CONSUMPTION BY PRIMARY ENERGY SOURCE

Albemarle's consumption of direct primary energy in 2014 was 11.9 PJ (Peta Joules) from manufacturing facilities. This includes 0.7 PJ of energy extracted or produced by Albemarle. The energy impact of distribution of products and waste has not been assessed and is not included. Energy use at Albemarle non-manufacturing facilities (i.e., business offices) is small when compared to manufacturing facilities and is not included in this indicator. Business office GHG impact is shown in EN17. All direct primary energy used by Albemarle as defined by this indicator is classified as nonrenewable. In a few instances, Albemarle transfers energy between co-located companies. This value is small and the data expressed above is net energy use by Albemarle.

EN3: Direct Energy Produced or Extracted (PJ)

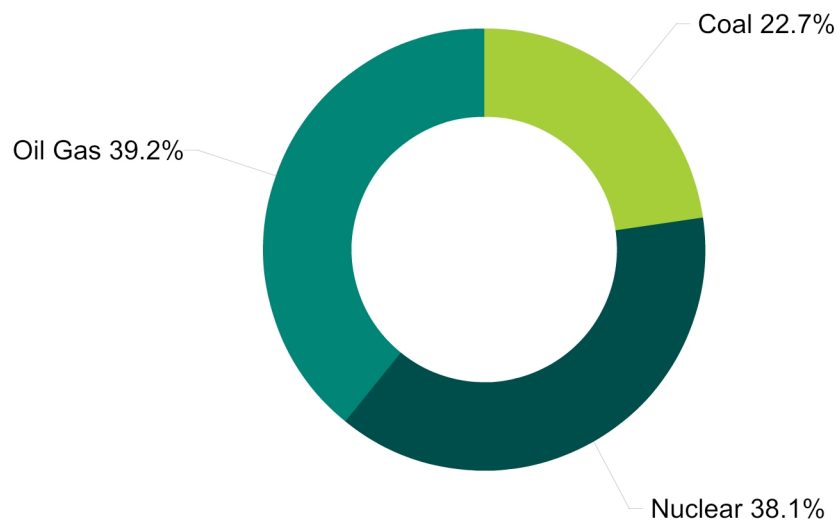


EN4 INDIRECT ENERGY CONSUMPTION BY PRIMARY SOURCE

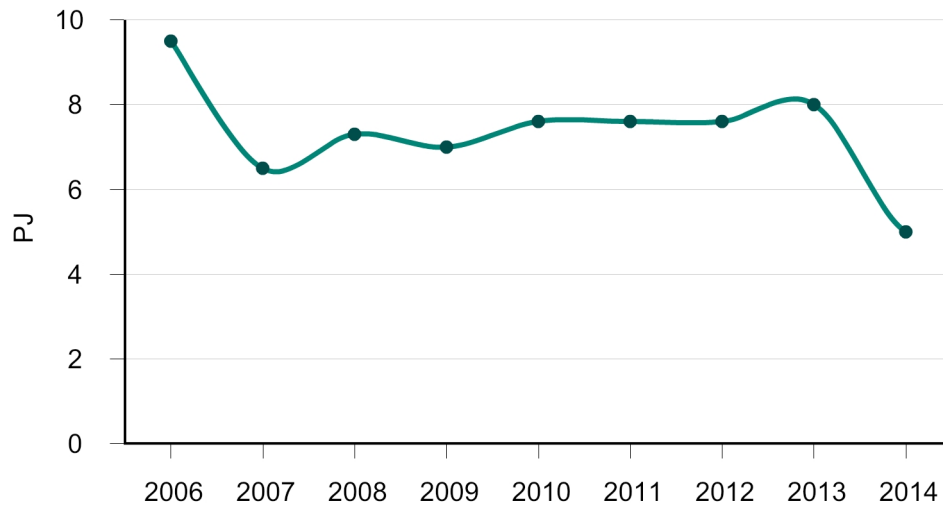
Indirect energy consumption for Albemarle results from two major intermediate energy sources: purchased electricity and steam. These intermediate energy uses totaled 5 PJ in 2014 from manufacturing facilities. This decrease from 2013 is due to the closure or sale of two of our manufacturing facilities. Of the total, purchased electricity accounts for 5 PJ and purchased steam accounts for 0 PJ. Energy use at Albemarle non-manufacturing facilities (i.e., business offices) are small when compared to manufacturing facilities and is not included in this indicator.

Business office GHG impact is shown in EN17. In a few instances, Albemarle transfers energy between co-located companies. This value is small and the data expressed above is net energy use by Albemarle. Generation efficiencies used for this calculation are derived from U.S. Department of Energy and American Chemistry Council data.

EN4: Indirect Energy Consumption by Primary Energy Source



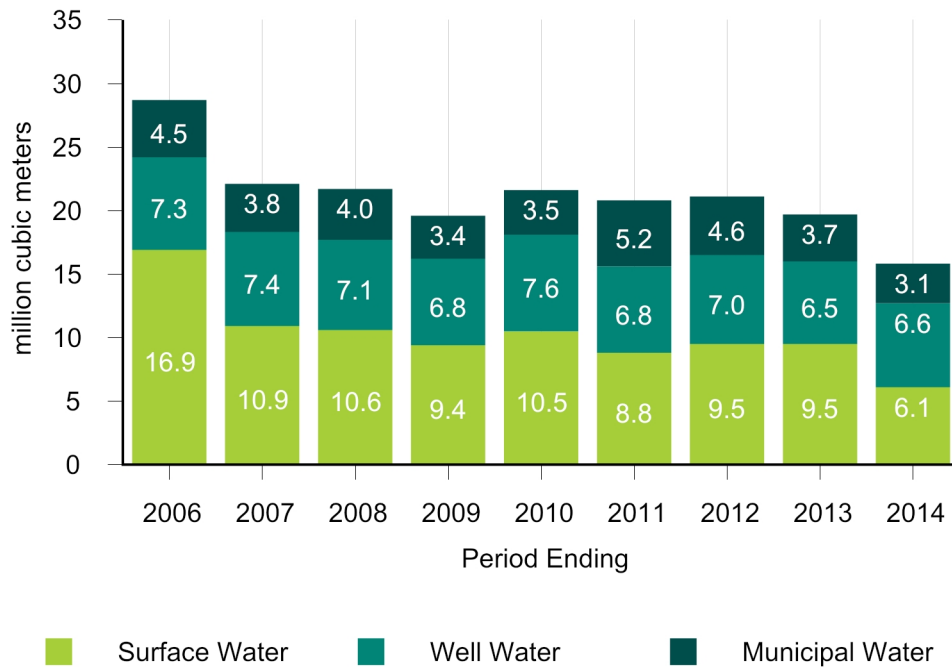
EN 4: Albemarle Indirect Energy Use



EN8 TOTAL WATER WITHDRAWAL BY SOURCE

Albemarle's 2014 water withdrawal totaled 15.8 million cubic meters. This total does not include the volume of salt brine that is extracted from and returned to the same deep strata at Albemarle's Magnolia, Arkansas (U.S.) facilities.

EN8: Albemarle Water Withdrawal



EN9 WATER SOURCES SIGNIFICANTLY AFFECTED BY WITHDRAWAL OF WATER

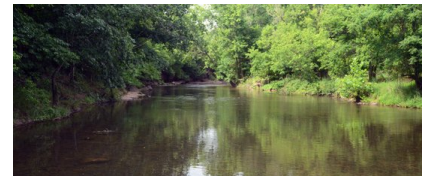
There are no known significant negative impacts to water sources or related habitats resulting from Albemarle’s withdrawal of water.

EN11 LOCATION AND SIZE OF LAND OWNED, LEASED, MANAGED IN, OR ADJACENT TO, PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS



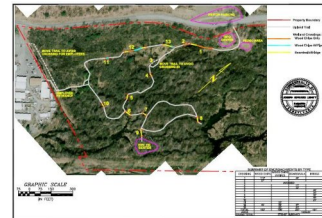
Bergheim, Germany: The water outfall from the facility flows to the river Erft.

Sayerville, NJ: The site includes 16 acres located in the Raritan River watershed of which approximately 7 acres are wetlands.



Magnolia, AR: 100 acres of wetlands bank near west plant where hard woods are planted. 50 acres of south plant artificial marsh are registered with the Wildlife Habitat Council. The west plant has 20 acres of artificial marsh. 1,500 acres of forest are managed for timber (paper or structural).

Tyrone, PA: Approximately 10 acres of the site are wetlands and the facility borders Cook Creek. The plant also has a Wildlife Habitat Council registered site.



Amsterdam, The Netherlands: The facility is adjacent to the city park forest "Het Vliegenbos" and the river IJ. "Natura 2000 areas" in the site's vicinity: "IJmeer en Markermeer" (land and marshland).

Other facilities include:

Location	Area of High Biodiversity or Protected Areas
Ningbo, China	The facility is located in a biodiversity area. Two “beauty spots” are 5.8 km and 4.6 km away.
Pasadena, TX	The facility borders 35 acres of wetlands.
Process Development Center, Baton Rouge, LA	The facility borders Bayou Monte Sano
South Haven, MI	Lake Michigan is west of the facility.
Yeosu, South Korea	The facility is 3 km away from the forest around HeungKook Temple. This forest is designated as cultural asset preservation area by Yeosu City.

EN12 DESCRIPTION OF SIGNIFICANT IMPACTS OF ACTIVITIES, PRODUCTS AND SERVICES ON BIODIVERSITY IN PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS

The area identified in EN11 for Magnolia, Arkansas has been positively impacted by the facility’s actions. These areas include a 100-acre tract of land that has been reforested, 70 acres of artificially created marsh (certified by The Wildlife Habitat Council) and 1,500 acres of land that is managed for timber. In 2009, Wildlife Habitat Council named the facility a Corporate Lands for Learning location. The Tyrone, Pennsylvania facility achieved a Wildlife Habitat Certification for their wooded uplands project. All these Wildlife Habitat Council properties are maintained for natural habitat and educational purposes.

In 2013, the Wildlife Habitat Enhancement Project at Albemarle's Process Development Center (PDC) in Baton Rouge, Louisiana achieved *Wildlife at Work* certification for the first time, making it the fourth Albemarle location to attain this designation. The newly created habitat at the PDC provides space for native pond cypress trees along a lake shoreline located adjacent to the site, as well as native wildflowers and grasses.

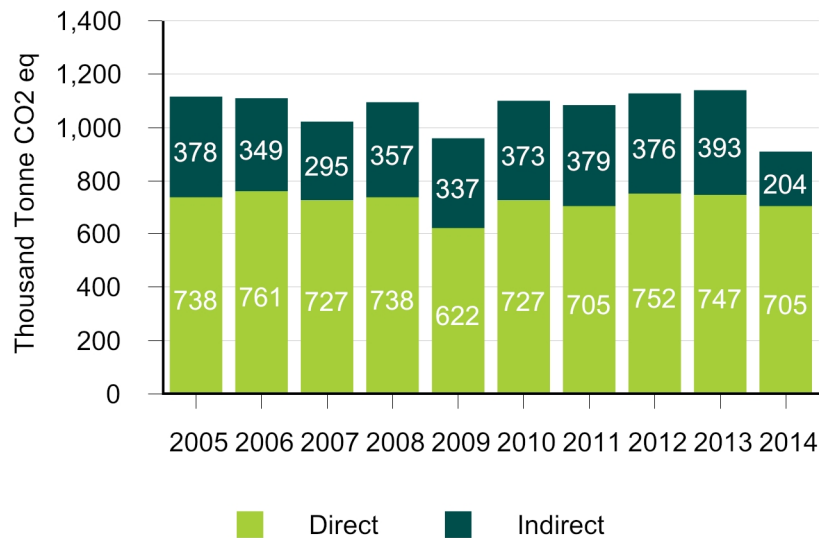
The Amsterdam facility partnered with the Foundation W. H. Vliegenbos, a non-profit organization dedicated to preserving forested areas in North Amsterdam.

No other impacts to the areas identified in EN11 have been identified.

EN16 TOTAL DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS BY WEIGHT

Albemarle collects data on direct and indirect primary fuel consumption at manufacturing facilities for the purpose of determining greenhouse gas generation. In addition, data is also collected at our processing facilities on direct greenhouse gas generation from sources other than combustion of fuels. Factors for conversion of energy quantities to equivalent CO₂ are derived from data published by The American Chemistry Council. Generation efficiencies used for this calculation are derived from U.S. Department of Energy and American Chemistry Council data. The greenhouse gas impact of distribution of products and waste has not been assessed and is not included. Greenhouse gas impacts from Albemarle non-manufacturing facilities (i.e. business offices) are small when compared to those above. This data is included in EN 17. The total direct and indirect greenhouse gas emissions for Albemarle in 2014 were 909 thousand metric tons.

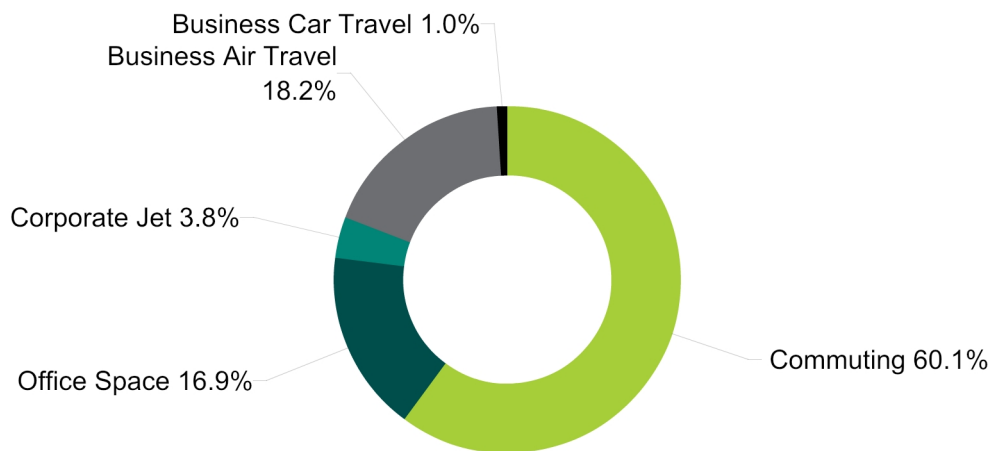
EN 16: GHG Emissions



EN17 OTHER RELEVANT INDIRECT GREENHOUSE GAS EMISSIONS BY WEIGHT

Albemarle first began to collect information on other indirect greenhouse gas emissions in 2007. Included in the analysis for 2014 is the GHG impact from business travel, employee commuting and Albemarle's major office complexes. These offices include the corporate headquarters in Baton Rouge, Louisiana, as well as offices in Clearlake, Texas; Tokyo, Japan; Shanghai, China; and Louvain-la-Neuve, Belgium. For 2014, these emissions totaled 20,006 metric tons of CO₂. These impacts are small in comparison with the GHG emissions presented in EN16 and are grouped together for this reason.

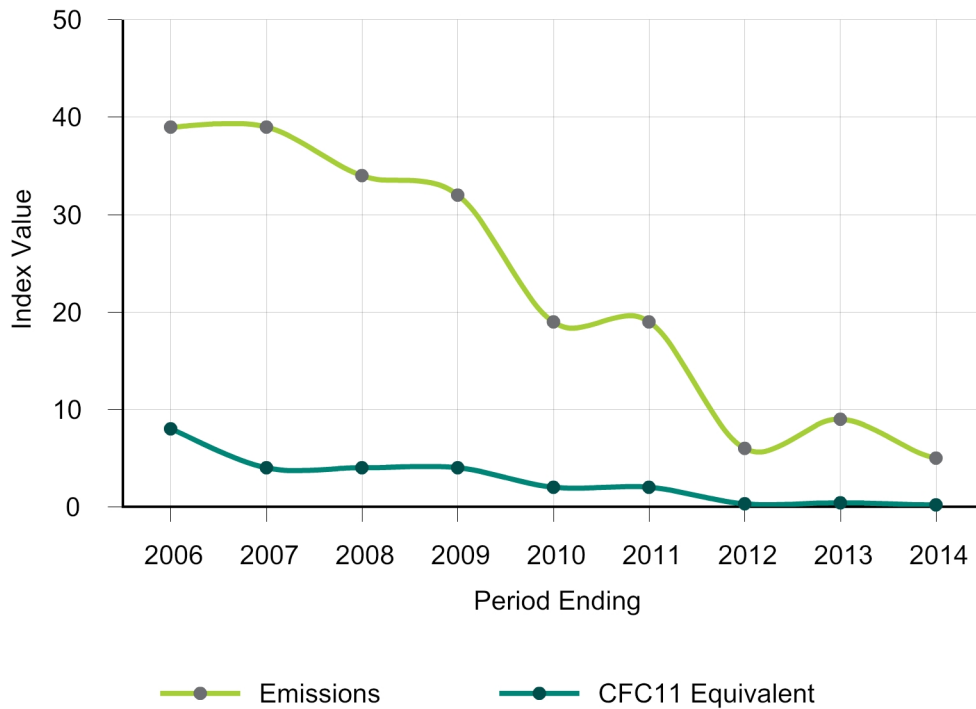
EN17: Other GHG Emissions



EN19 EMISSIONS OF OZONE-DEPLETING SUBSTANCES BY WEIGHT

In 2014, Albemarle's emissions of ozone depleting substances consisted of R-11, and R-22. The 2014 emissions of ozone-depleting substances totaled 4.5 metric tons (0.2 metric tons CFC-11 equivalent).

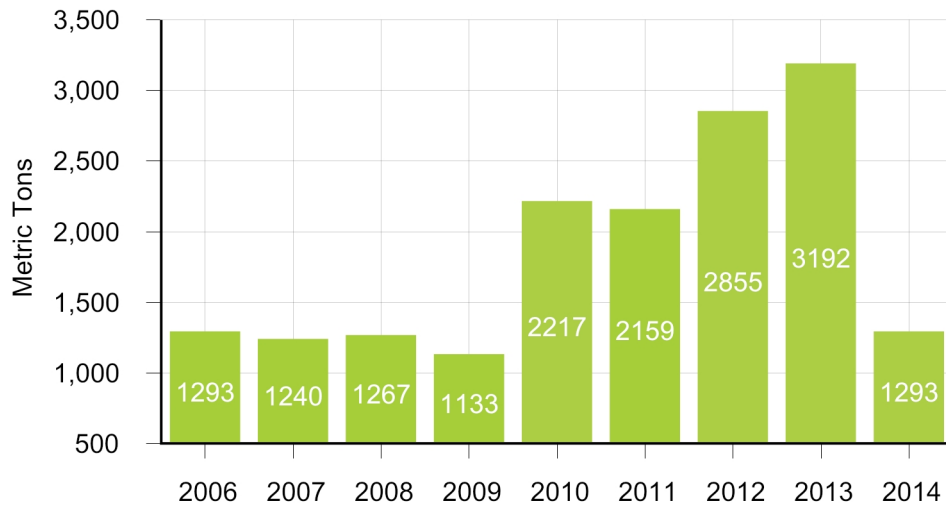
EN19: Ozone Depleting Substance Emissions



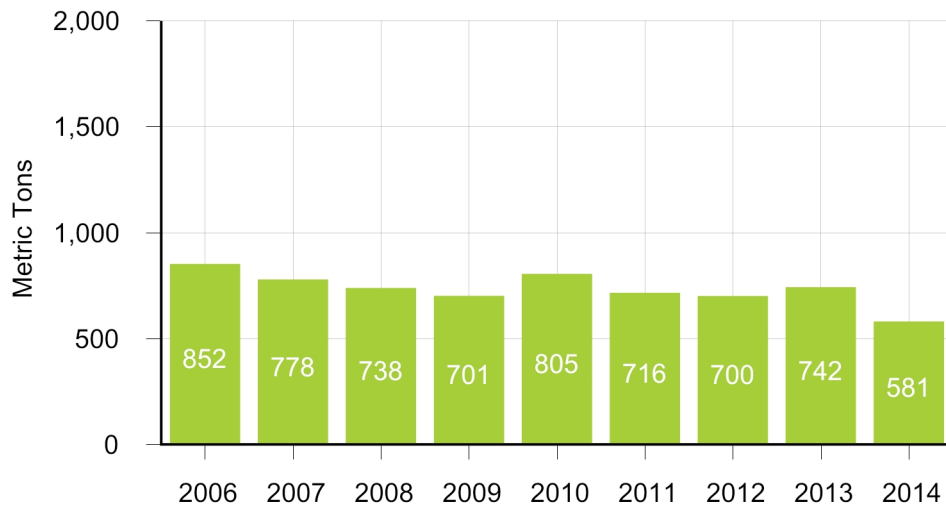
EN20 NO_x, SO_x, AND OTHER SIGNIFICANT AIR EMISSIONS BY TYPE AND WEIGHT

Albemarle tabulates NO_x and SO_x and Hazardous Air Pollutant (HAP) emissions at manufacturing sites for the purpose of this indicator. These values are based on a combination of calculations, measured values and permitted limits. NO_x emissions in 2014 totaled 581 metric tons. SO_x emissions totaled 1,293 metric tons. HAP emissions totaled 116 metric tons.

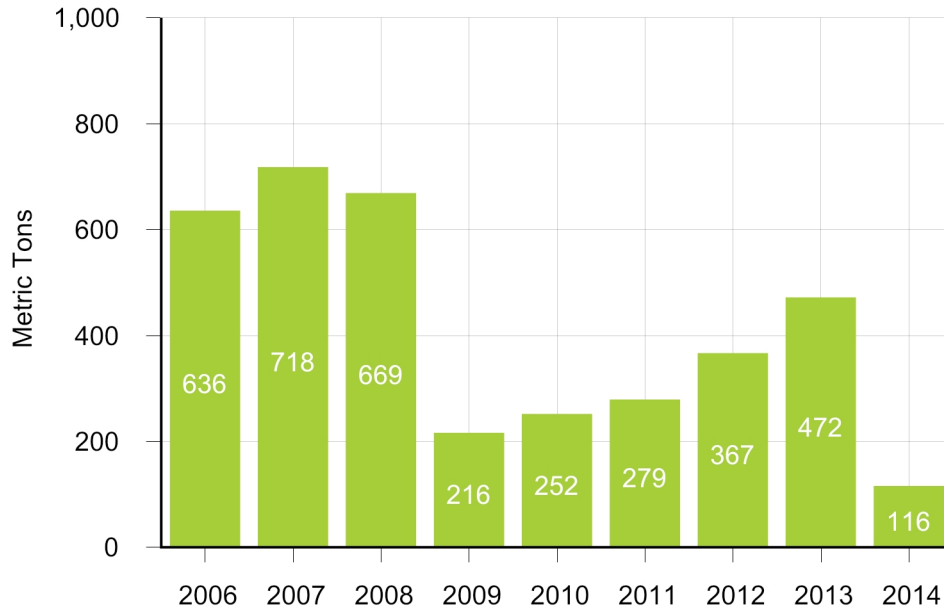
EN20: SOx Emissions



EN20: NOx Emissions



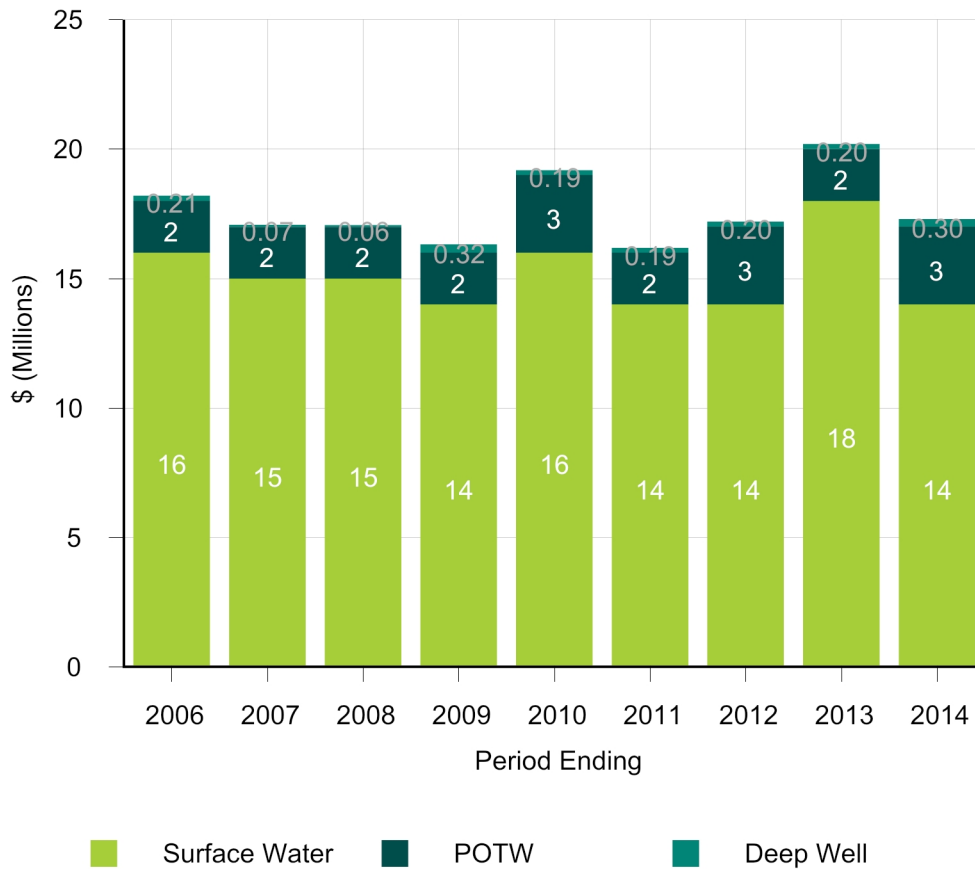
EN20: HAP Emissions



EN21 TOTAL WATER DISCHARGE BY QUALITY AND DESTINATION

Albemarle discharges water to three major destinations: Surface water, including discharge to streams, rivers, lakes and marshes; Publicly Owned Treatment Works (POTW); and deep well injection. Not included in this indicator is the volume of salt brine that is extracted from and returned to deep strata at Albemarle's Magnolia, Arkansas (U.S.) facilities. Albemarle is subject to various laws and regulations governing the discharge of water into the environment. Each discharge is in compliance and expected to remain in compliance with all applicable requirements. Albemarle's 2014 return of water to the environment totaled 17.4 million cubic meters.

EN21: Water Discharge by Destination



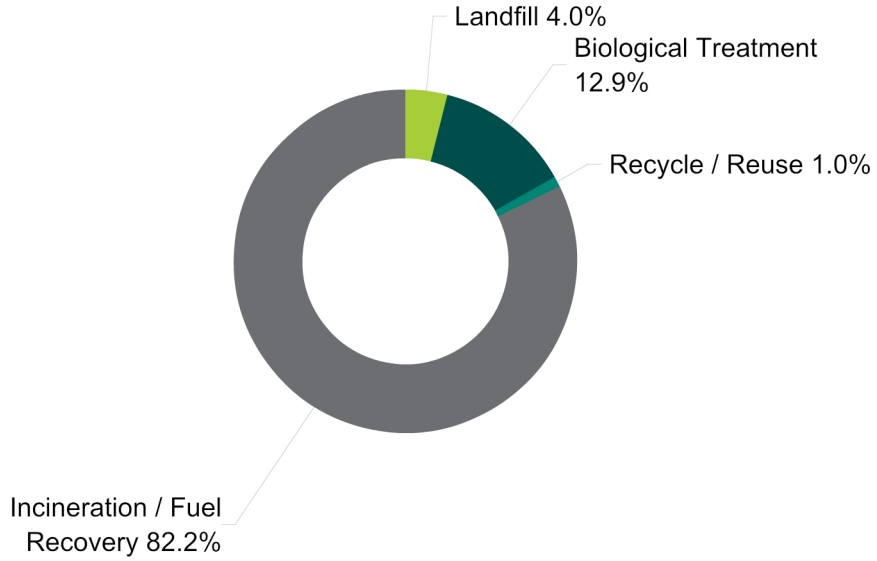
EN22 TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD

Each Albemarle manufacturing site tabulates hazardous and non-hazardous waste generation. 2014 generation of hazardous waste was 37,566 metric tons. Non hazardous waste generation in 2014 totaled 132,083 metric tons. The non-hazardous total does not include wastewaters. Albemarle facilities also recycled 5,126 metric tons of other materials such as metal and paper in 2014.

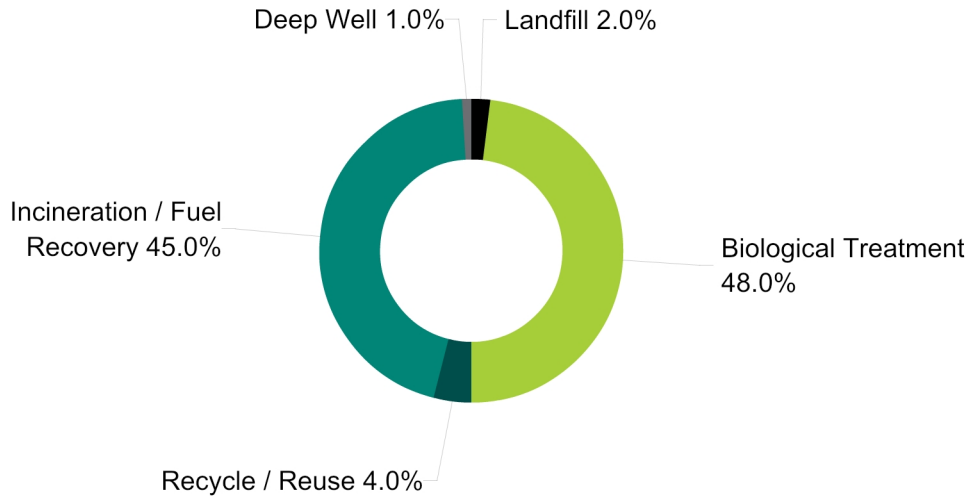
EN22: Waste Generation



EN22: Non-Hazardous Waste Generation



EN22: Hazardous Waste Destination



EN23 TOTAL NUMBER AND VOLUME OF SIGNIFICANT SPILLS

Albemarle tabulates and records all spills and releases that cause serious off-site impacts. Significant spills include those incidents where there is major environmental impact or impact to employees or the public. Albemarle designates these spills as 'Level 3' events. Albemarle experienced no such events in 2014. Fifteen minor leaks occurred in 2014, none of which constituted Level 3 events.

EN26 INITIATIVES TO MITIGATE ENVIRONMENTAL IMPACTS OF PRODUCTS AND SERVICES, AND EXTENT OF IMPACT MITIGATION

VECAP™ (Voluntary Emissions Control Action Programme) is an innovative and excellence-driven way of doing business, based on ISO 14001 principles. It demonstrates the commitment of the industries involved to act in the interest of society and the environment while enhancing the competitiveness of local industries. It offers all companies – small, medium or large – equal access to the industry's expertise in environmental best practices as well as procedures that drive continuous improvement and allows benchmarking for other industries to apply similar principles. VECAP™ uses basic tools to help users of chemicals understand where material is used and intentionally or unintentionally discarded. The VECAP™ process is fundamentally a continuous improvement system and is designed to be cost-effective and simple to implement.

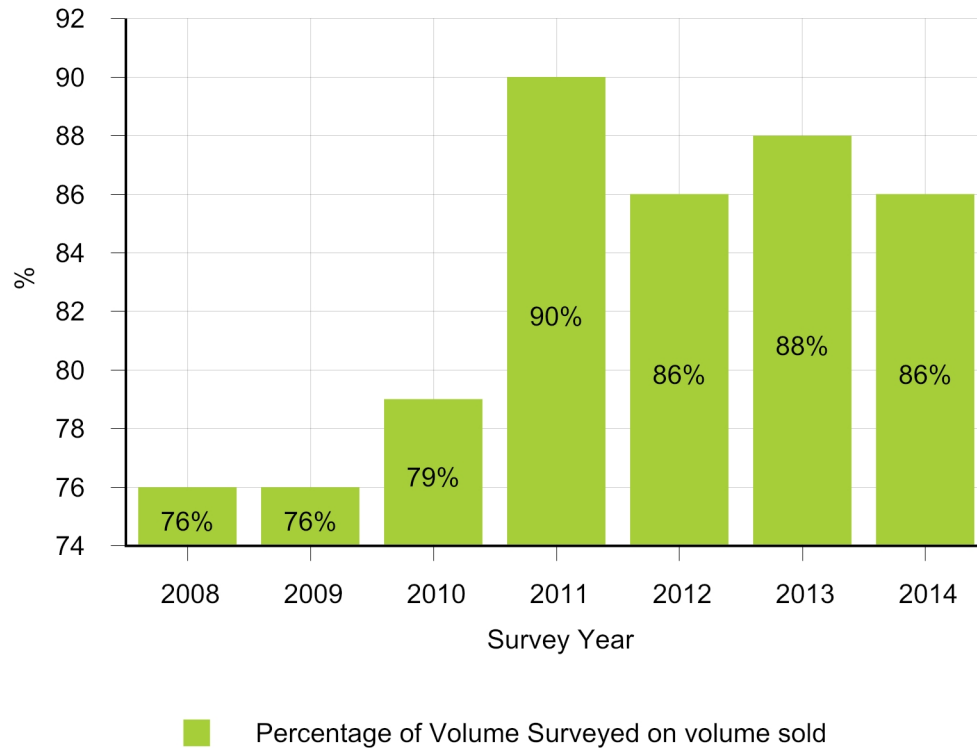
Over the last seven years, Albemarle has conducted VECAP™ surveys at our Brominated Flame Retardant customers in China, Europe, Japan, Korea and North America. Approximately 86% of the volume sold in those regions or countries in 2014 was covered with surveys.

Potential emissions to air, water and land were estimated, and recommendations were provided for the implementation of the best available techniques, which allow for reduction of these potential emissions. The main area of emission concerns highlighted through the surveys is the disposal of packaging waste. If incineration or chemically controlled landfill is not the method of disposal, the residues in the packaging are likely to end up in the environment. During the 2008 survey, roughly 1,800 g/ton of potential land emissions from residue in packaging waste was identified at numerous users. The graph below of the 2010 through 2014 surveys results worldwide show that the potential emissions to land have decreased significantly since 2011. We anticipate continued improvements and reductions in potential emissions to land from newly participating

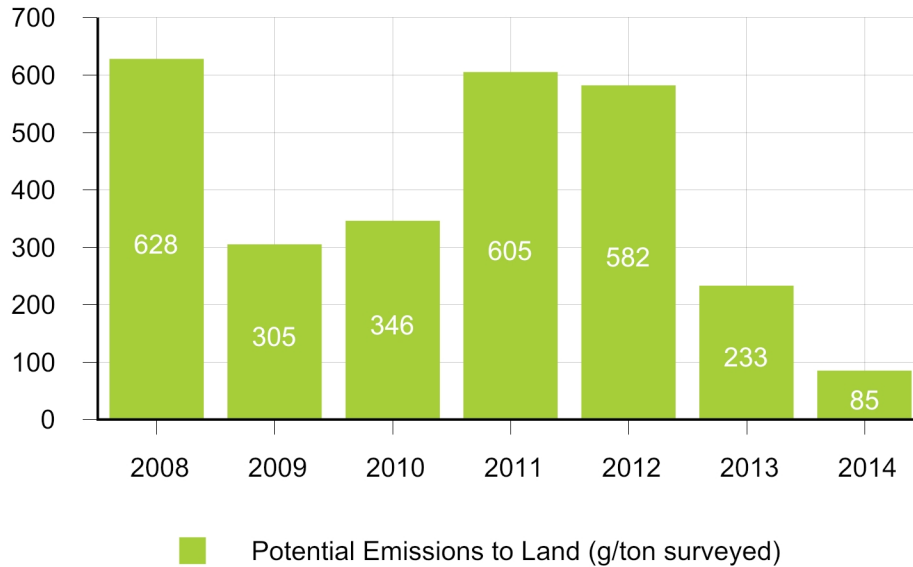
users once recommendations and best practices have been implemented. Future surveys will capture these anticipated results. Albemarle's main bromine manufacturing site in Magnolia, Arkansas is VECAP™ certified by a third party. Our manufacturing plant in Jordan and our Process Development Center in Baton Rouge, LA are also VECAP™ certified. More information can be found via <http://www.vecap.info/>



2008 - 2014 VECAP Surveys Worldwide Volume Coverage



2008 - 2014 VECAP Survey Results Worldwide
Data acquired on 76 to 86% of the total volume sold



Bromine recovery unit at Magnolia - Albemarle is committed to identifying, controlling and reducing the potential for emissions of its polymer additives, such as brominated flame retardants (BFRs), into the environment. One way Albemarle is working to accomplish this is through the recent start-up of a thermal oxidizer to recover and recycle bromine from BFR by-products at its Magnolia, Arkansas production facility.

Bromine-containing organic compounds fed to the Bromine Recovery Unit (BRU) are broken down in a high-efficiency thermal oxidizer to produce hydrogen bromide and elemental bromine. These compounds are absorbed into a brine stream feeding an existing bromine production unit. The waste heat from the thermal oxidizer is used to preheat incoming streams to the bromine production unit, reducing purchased natural gas requirements.

The BRU is allowing Albemarle to conserve its bromine reserves, limit BFR emissions, and improve energy utilization.



EN27 PERCENTAGE OF PRODUCTS SOLD AND THEIR PACKAGING MATERIALS THAT ARE RECLAIMED BY CATEGORY

250 Metric tons of products and packaging were identified in 2014 that were directly reclaimed by Albemarle.

EN28 MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

Albemarle maintains a very robust auditing program for environmental performance and compliance.

On July 3, 2006, we received a Notice of Violation (the 2006 NOV) from the U.S. Environmental Protection Agency Region 4 (EPA) regarding the implementation of the Pharmaceutical Maximum Achievable Control Technology (PharmaMACT) standards at our plant in Orangeburg, South

Carolina. The alleged violations involved (i) the applicability of the specific regulations to certain intermediates manufactured at the plant, (ii) failure to comply with certain reporting requirements, (iii) improper evaluation and testing to properly implement the regulations and (iv) the sufficiency of the leak detection and repair program at the plant. In the second quarter of 2011, the Company was served with a complaint by the EPA in the U.S. District Court for the District of South Carolina, based on the alleged violations set out in the 2006 NOV seeking civil penalties and injunctive relief. The complaint was subsequently amended to add the State of South Carolina as a plaintiff. On June 11, 2014, we entered into a consent decree with the EPA and the South Carolina Department of Health and Environmental Control (DHEC) to settle this matter. Pursuant to the consent decree, we will pay a civil penalty to the EPA in the amount of approximately \$332,000. A civil penalty of approximately \$112,000 was waived pursuant to the consent decree and we will not be required to pay this amount to the DHEC. The Company is also required to submit certain reports and supporting data within 30 days of the consent decree becoming effective.

This compliance issue has been resolved with the authorities and all penalties paid. We are working with the authorities to complete certain necessary final reports, and are in compliance with all terms of the compliance order.

EN29 SIGNIFICANT ENVIRONMENTAL IMPACTS OF TRANSPORTING PRODUCTS AND OTHER GOODS AND MATERIALS USED FOR THE ORGANIZATION'S OPERATIONS, AND TRANSPORTING MEMBERS OF THE WORKFORCE

Albemarle collects information on distribution incidents as the measure of this indicator. Energy and emissions from transportation of products and waste are not currently tracked. Emissions associated with workforce transportation are shown in EN17.

All distribution incidents in which any volume of material is released from a container are recorded as Level 2 distribution incidents. There were two Level 2 distribution releases in 2014. Any spill with an environmental or public impact is recorded as a Level 3 distribution incident. Albemarle experienced no Level 3 Distribution events in 2014.

DISCLOSURE OF MANAGEMENT APPROACH (DMA) - LABOR PRACTICES AND DECENT WORK

Albemarle's culture, fundamentally, is all about people. We have a comprehensive global new employee orientation program in which we address our code of conduct, our expectations and that we demand a workplace that values and respects diversity of thought, nationality, race, etc. Throughout an individual's development with the company, we continue to reinforce those very important values.

We believe that fostering a high-quality, effective workforce is the unique determinant of sustained business success. Albemarle strives to provide an environment that values results of individuals and teams, while emphasizing respect for each other and effective communications. Employees are expected to raise workplace issues that represent a risk to the Company, violate the policies of the Company, or threaten a safe and successful work environment. The Company maintains an open door practice that allows employees multiple avenues for expressing and ensuring resolution of any issues.

We also believe in investing in the whole person and providing support and resources so that individuals can operate at their best at work, home and in their communities. We provide comprehensive health and welfare benefits and support healthy lifestyles through our global network of employee Wellness Ambassadors. Furthermore, in partnership with The Energy Project, we are teaching each person the importance of physical, emotional, mental and spiritual renewal to ensure he/she can operate at high levels of performance for today and long into the future.



The Company will abide by all applicable employment laws regarding employment decisions, including recruitment, hiring, placement, promotion, reassignment, compensation, training, discipline and dismissal. Reasonable accommodations will be made as required by applicable law for individuals with handicaps or disabilities. It is the Company's policy to comply faithfully

LABOR PRACTICES

with the applicable immigration laws and regulations. The Company will also abide by applicable labor laws at all global facilities.



Susan Kelliher, Sr. Vice President, Human Resources

LABOR PRACTICES

LA1 TOTAL WORKFORCE BY EMPLOYMENT TYPE, EMPLOYMENT CONTRACT AND REGION

2014 Worldwide Staffing Summary (as of 12/31/2014)

	Permanent			Temporary	TOTAL
	Salaried	Hourly	Total Direct	Contract	
Americas	1,185	645	1,830	521	2,356
EMEA	1,106	0	1,106	338	1,446
AP	351	0	351	0	351
TOTAL	2,642	645	3,287	859	4,146

LA2 TOTAL NUMBER AND RATE OF EMPLOYEE TURNOVER BY AGE GROUP, GENDER, AND REGION

	Average Headcount	Total Terminations	% Turnover
By Gender			
Male	2,957	859	29.1%
Female	653	196	30.0%
By Age			
Age < 30	410	260	63.4%
Age 30-50	1,834	421	23.0%
Age > 50	1,367	374	27.4%
By Region			
Americas	2,000	686	34.3%
Asia Pacific	505	269	53.3%
Europe	1,105	100	9.0%
Overall	3,610	1,055	29.2%

LABOR PRACTICES

LA3 BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES, BY MAJOR OPERATIONS

Significant Location(s)	Name(s)	Minimum Benefits for FT Employees
Americas		
Baton Rouge LA USA	Baton Rouge Tower	Medical Insurance Dental Insurance Disability Insurance Life Insurance (Basic and Supplemental) Personal Accident Insurance (Basic and Supplemental) Blanket Travel Accident Insurance Health Care and Dependent Care Spending Accounts Health Savings Account Executive Long Term Disability Retirement/Savings Plan Educational Reimbursement Plan Matching Gifts to Education and Charitable Organizations Seat Belt Coverage and Accidental Insurance
Baton Rouge LA USA	Process Development Center	
Houston TX USA	Bayport	
Houston TX USA	Pasadena	
Magnolia AK USA	Magnolia	
Orangeburg SC USA	Orangeburg	
South Haven MI USA	South Haven	
Twinsburg OH USA	Twinsburg	
Tyrone PA USA	Tyrone	
EMA		
Amsterdam the Netherlands	Amsterdam	Benefits mentioned are also for part-time personnel: Pension Survivor pension and insurance (ANW-hiaat) Disability pension and insurance (WIA hiaat) Medical check-up (PMO) every 3 year Blanket Travel Accident Insurance
Bergheim Germany	Bergheim	Health insurance Unemployment insurance Pension benefits Nursing benefits Blanket Travel Accident Insurance
Budapest Hungary	Budapest	Health Insurance Pension Weekend Home Travel and Daily Commuting Meal Voucher Monthly Public Transport Pass Private Wellness/Health Fund Voluntary Private Pension Fund Medicovert

LABOR PRACTICES

Louvain-la-Neuve Belgium	LLN	Health insurance Extra legal Pension plan Death and Disability insurance Luncheon vouchers Transportation allowances and Company car if GL >= 11 or sales person Repatriation insurance for high frequency traveler Blanket Travel Accident Insurance
Asia Pacific		
Beijing China	Beijing	Statutory government benefits Supplemental medical insurance Annual Health Check-up Blanket Travel Accident Insurance Welfare
Shanghai China	Shanghai	
Dalian China	Dalian	
Guangzhou China	Guangzhou	
Jinhsan China	Shanghai	Statutory government benefits Supplemental medical insurance Annual Health Check-up Blanket Travel Accident Insurance Welfare
Ninghai China	Ningbo	
Seoul South Korea	South Korea	Blanket Travel Accident Insurance Supplemental group insurance Congratulations & Condolences benefit Children tuition support Employee medical check-up
Yeosu South Korea	South Korea	Blanket Travel Accident Insurance Supplemental group insurance Congratulations & Condolences benefit Children tuition support Employee medical check-up
Singapore	Singapore	Supplemental group insurance Blanket Travel Accident Insurance
Tokyo Japan	Japan	Blanket Travel Accident Insurance

LABOR PRACTICES

LA4 PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

Significant Location(s)	Name(s)	% Employees Represented by Unions / CBA
Americas		
Baton Rouge LA USA	Baton Rouge Tower	0%
Baton Rouge LA USA	Process Development Center	25.8%
Houston TX USA	Bayport	0%
Houston TX USA	Pasadena	57.00%
Magnolia AR USA	Magnolia	0% (nonunion)
South Haven MI USA	South Haven	0%
Twinsburg OH USA	Twinsburg	0%
Tyrone PA USA	Tyrone	0%
EMA		
Amsterdam the Netherlands	Amsterdam	95%
Bergheim Germany	Bergheim	95%
Budapest Hungary	Budapest	0%
Louvain-la-Neuve Belgium	LLN	0%
Asia Pacific		
Beijing China	Beijing	0% (nonunion)
Shanghai China	Shanghai	0% (nonunion)
Guangzhou China	Guangzhou	0% (nonunion)
Dalian China	Dalian	0% (nonunion)
Jinhsan China	Shanghai	0% (nonunion)
Ninghai China	Ningbo	0% (nonunion)
Seoul South Korea	South Korea	0% (nonunion)
Yeosu South Korea	South Korea	0% (nonunion)
Singapore	Singapore	0% (nonunion)
Tokyo Japan	Japan	0% (nonunion)

LABOR PRACTICES

LA5 MINIMUM NOTICE PERIOD(S) REGARDING SIGNIFICANT OPERATIONAL CHANGES, INCLUDING WHETHER IT IS SPECIFIED IN COLLECTIVE AGREEMENTS

Significant Location(s)	Name(s)	Minimum Notice Periods for Operational Changes
Americas		
Baton Rouge LA USA	Process Development Center	60 Days Notice to reopen contract
Baton Rouge LA USA	Baton Rouge Tower	No minimum notice period applicable
Houston TX USA	Bayport	No minimum notice period applicable
Houston TX USA	Pasadena	30 Days notice and meet with Union to change schedule/ reduce operating schedules
Magnolia AR USA	Magnolia	No minimum notice period applicable
South Haven MI USA	South Haven	None
Twinsburg OH USA	Twinsburg	None
Tyrone PA USA	Tyrone	None
EMA		
Amsterdam the Netherlands	Amsterdam	1 month up to grade 8; 3 months from grade 9
Bergheim Germany	Bergheim	Depending on age and seniority based on collective chemical CLA and law
Budapest Hungary	Budapest	30 days
Louvain-la-Neuve Belgium	LLN	3-6 months
Asia Pacific		

LABOR PRACTICES

Beijing China	Beijing	30 Days Notice
Shanghai China	Shanghai	
Guangzhou China	Guangzhou	
Dalian China	Dalian	
Jinhsan China	Shanghai	
Ninghai China	Ningbo	
Seoul South Korea	South Korea	Depends on the employment contract, usually 1 month significant operational changes : prior to 50 days` notice to the representative of employee, and need to negotiate with employee
Yeosu South Korea	South Korea	(NO COLLECTIVE BARGAINING) Depends on the employment contract, usually 1 month significant operational changes : prior to 50 days` notice to the representative of employee, and need to negotiate with employee
Singapore	Singapore	Depends on the employment contract, usually 1 month
Tokyo Japan	Japan	1 month

LA6 PERCENTAGE OF TOTAL WORKFORCE REPRESENTED IN FORMAL JOINT MANAGEMENT-WORKER HEALTH AND SAFETY COMMITTEES THAT HELP MONITOR AND ADVISE ON OCCUPATIONAL HEALTH AND SAFETY PROGRAMS

On the Bergheim site, Sicherheitsbeauftragten (Safety Representatives) are appointed and they meet with the management on a monthly basis. They represent the total workforce on the site.

On the Amsterdam site, two special Works Council Commissions (resp. Safety, Health & Environment Commission and Personnel Commission) meet with management to discuss the Safety, Health, Environment and Wellbeing on a monthly basis. These commissions represent the total workforce on the site.

LA7 RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND NUMBER OF WORK-RELATED FATALITIES BY REGION

Albemarle global - Injury metrics

	2014	2013	2012
INJURY RATE	0.33	0.56	0.23
OCCUPATIONAL DISEASES	0	0	0
LOST DAYS	175	535	151
ABSENTEEISM	No data	No data	No data
WORK-RELATED	0	0	0
CONTRACTOR RATES	0.54	0.51	0.12

Absenteeism is a metric which neither Albemarle nor any regulatory authority within whose jurisdiction we operate requires. We do not report on this issue and have no intention of reporting in the future as the disclosure is not material to our business because we have a robust on-the-job and off-the-job safety program to ensure employees are aware of best practices in maintaining their health and wellness.

LA8 EDUCATION, TRAINING, COUNSELING, PREVENTION AND RISK-CONTROL PROGRAMS IN PLACE TO ASSIST WORKFORCE MEMBERS, THEIR FAMILIES OR COMMUNITY MEMBERS REGARDING SERIOUS DISEASES

Albemarle provides training, counseling, prevention and risk-control programs and training for disease. These programs vary by region. Where a disease is perceived to have the potential to be wide spread, Albemarle provides resources to employees and families to mitigate the disease effects. Albemarle does not have a high incidence or risk of specific occupational diseases.

At most of our sites, we have proactive wellness programs that provide information and resources for good nutrition, exercise and stress management. These programs are guided by committees comprised of employees and a health care provider. These committees tailor the programs to meet the needs for each specific site.

LABOR PRACTICES

LA10 AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE BY EMPLOYEE CATEGORY

Significant Location(s)	Name(s)	Average Hours of Training/Year
Americas		
Baton Rouge LA USA	Baton Rouge Tower	8 hours
Baton Rouge LA USA	Process Development Center	30 hours
Houston TX USA	Bayport	76 hours
Houston TX USA	Pasadena	76 hours
Magnolia AR USA	Magnolia	82 hours
South Haven MI USA	South Haven	200 hours
Twinsburg OH USA	Twinsburg	200 hours
Tyrone PA USA	Tyrone	200 hours
EMA		
Amsterdam the Netherlands	Amsterdam	20 hours
Bergheim Germany	Bergheim	17 hours
Budapest Hungary	Budapest	10 hours
Louvain-la-Neuve Belgium	LLN	10 hours
Asia Pacific		
Beijing China	Beijing	20 hours
Shanghai China	Shanghai	20 hours
Guangzhou China	Guangzhou	20 hours
Dalian China	Dalian	24 hours
Jinhsan China	Shanghai	20 hours
Ninghai China	Ningbo	30 hours
Seoul South Korea	South Korea	10 hours
Yeosu South Korea	South Korea	20 hours
Singapore	Singapore	10 hours
Tokyo Japan	Japan	10 hours

LA11 PROGRAMS FOR SKILLS MANAGEMENT AND LIFELONG LEARNING THAT SUPPORT THE CONTINUED EMPLOYABILITY OF EMPLOYEES AND ASSIST THEM IN MANAGING CAREER ENDINGS

We invest in our employees through many different channels. At all locations, we use internal training programs for skill development. Programs range from broad leadership programs to specific skill development such as welding. The internal training programs are supplemented with external programs that provide for new skill development or skill refresher. Additionally, for those eligible individuals willing to make the commitment, we support employees' continuing education aspirations by funding university tuition, fees, and allowing the necessary time for classroom attendance.

In addition to our education and training programs, we also offer outplacement services to employees who leave the organization due to job elimination and reduction-in-force. The following processes are covered in the training and job placement benefits provided as part of the outplacement services:

- Self Assessment
- Review of previous work history, training and achievements
- General career counseling
- Development of a career search strategy
- Coaching, advice and support by a full-time, proactive consultant
- Interview and networking training
- Job leads and methods for discovering employment opportunities
- If during the program period, advice in evaluating, responding to and negotiating offers
- Assistance in completion and reproduction of a professional resume
- Development plan for retirement (if applicable)
- Individually focused training, counseling and follow-up

LA12 PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

100%: Each employee, either through a formal and/or informal process, receives feedback on his/her performance from his/her supervisor at least every 6 months.

LA13 COMPOSITION OF GOVERNANCE BODIES AND BREAKDOWN OF EMPLOYEES PER CATEGORY ACCORDING TO GENDER, AGE GROUP, MINORITY GROUP MEMBERSHIP AND OTHER INDICATORS OF DIVERSITY

2014 Diversity Data – Americas Region Only

	Americas
Total # of Direct Employees (average-excludes contract)	1835
Gender	
Total Male	1499/ 82%
Total Female	336 / 18%
Age	
Total Age < 30	256 / 14%
Total Age 30-50	909 / 50%
Total Age > 50	670 / 36%
Ethnicity	
Ethnic – Asian	74 / 4%
Ethnic – Black or African American	124 / 7%
Ethnic – Hispanic or Latino	101 / 5%
Ethnic – White	1523 / 83%
Ethnic – Other Categories	13/ 1%

LA14 RATIO OF BASIC SALARY OF MEN TO WOMEN BY EMPLOYEE CATEGORY

From LA13 – Americas Region Only

	Total	Male Count	Male Avg Wage	Female Count	Female Avg Wage	Ratio Avg Wage
Ethnic - Asian	74	56	\$54.47/hr	18	\$43.70/hr	1.25 : 1
Ethnic - Black or African American	124	89	\$35.57/hr	35	\$32.13/hr	1.11 : 1
Ethnic - Hispanic or Latino	101	76	\$46.42/hr	25	\$41.89/hr	1.11 : 1
Ethnic - White	1523	1268	\$44.15/hr	255	\$43.88/hr	1.01 : 1
Ethnic - Other Categories	13	10	\$40.45/hr	3	\$32.34/hr	1.25 : 1

DISCLOSURE OF MANAGEMENT APPROACH (DMA) - HUMAN RIGHTS

People and Development

We recognize our Company's greatest asset is our people. We invest time, energy and money to ensure that our workforce has the necessary knowledge and expertise to conduct its work in a safe and environmentally responsible manner, and we reinforce our initial training throughout the employee life cycle. We provide refresher courses and host forums that promote information exchange between employees within their own facilities as well as with their colleagues at other Company locations. We firmly believe that to improve the future, we must learn from the past. Cross-communication between our facilities, sharing experiences and lessons learned and establishing best practices are critical to improving our performance and empowering our employees to make good choices for our Company and the communities in which we serve.



Susan Kelliher, Sr. Vice President, Human Resources

HR1 PERCENTAGE AND TOTAL NUMBER OF SIGNIFICANT INVESTMENT AGREEMENTS THAT INCLUDE HUMAN RIGHTS CLAUSES OR THAT HAVE UNDERGONE HUMAN RIGHTS SCREENING

Not applicable; there are no significant investment agreements.

HR2 PERCENTAGE OF SIGNIFICANT SUPPLIERS AND CONTRACTORS THAT HAVE UNDERGONE SCREENING ON HUMAN RIGHTS AND ACTIONS TAKEN

0% - We currently do not screen suppliers and contractors on human rights; no action taken.

HR3 TOTAL HOURS OF EMPLOYEE TRAINING ON POLICIES AND PROCEDURES CONCERNING ASPECTS OF HUMAN RIGHTS THAT ARE RELEVANT TO OPERATIONS, INCLUDING THE PERCENTAGE OF EMPLOYEES TRAINED

1 hour of employee training on Code of Conduct (including human rights); 99% of employees trained globally of which 57% of employees trained by GPS (Global people Solutions).

1 hour of employee training on harassment; 100% of employees in the U.S trained.

1 hour of prevention of sexual harassment at work training: 100% of employees in Seoul trained.

100% of employees trained on FCPA (Foreign Corrupt Practices Act) in AP.

HR4 TOTAL NUMBER OF INCIDENTS OF DISCRIMINATION AND ACTIONS TAKEN

At the Process Development Center, Baton Rouge, there were two reported incidents. After investigation, no discrimination was found.

HR5 OPERATIONS IDENTIFIED IN WHICH THE RIGHT TO EXERCISE FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING MAY BE AT SIGNIFICANT RISK, AND ACTIONS TAKEN TO SUPPORT THESE RIGHTS

As of December 31, 2014, we had 3,625 employees of whom 1,830, or 50%, are employed in the U.S. and Latin America; 1,106, or 31%, are employed in Europe; 351, or 10%, are employed in Asia and 338, or 9%, are employed in the Middle East. Approximately 11% of our U.S. employees are unionized.

We have bargaining agreements at two of our U.S. locations:

- Baton Rouge, Louisiana-United Steel Workers (USW);
- Pasadena, Texas-USW; Sheet Metal Workers International Association (SMWIA);

United Association of Journeymen & Apprentices of Plumbing and Pipefitting Industry (UAJAPPI); and International Brotherhood of Electrical Workers (IBEW).

We believe that we have good working relationships with these unions, and we have operated without a labor work stoppage at each of these locations for more than 20 years. Bargaining agreements expire at our Pasadena, Texas location in 2017, and our Baton Rouge, Louisiana location in 2019.

We have two works councils representing the majority of our European sites-Amsterdam, the Netherlands and Bergheim, Germany-covering approximately 900 employees. For the majority (approx. 95%) of the employees in Amsterdam, a bargaining agreement was negotiated with FNV Bondgenoten and CNV Vakmensen. This agreement covers the period April 1, 2013 - June 1, 2015. We believe that we have a generally good relationship with these councils and bargaining representatives.

Meetings with our European Works Council take place 1-2 times per year.

As of December 31, 2014, Albemarle is union free in the AP region.

HR6 OPERATIONS IDENTIFIED AS HAVING SIGNIFICANT RISK FOR INCIDENTS OF CHILD LABOR, AND MEASURES TAKEN TO CONTRIBUTE TO THE ELIMINATION OF CHILD LABOR

0 – No operations identified as having significant risk for incidents of child labor; no measures taken.

HR7 OPERATIONS IDENTIFIED AS HAVING SIGNIFICANT RISK FOR INCIDENTS OF FORCED OR COMPULSORY LABOR, AND MEASURES TO CONTRIBUTE TO THE ELIMINATION OF FORCED OR COMPULSORY LABOR

0 – No operations identified as having significant risk for incidents of forced or compulsory labor; no measures taken.

HR8 PERCENTAGE OF SECURITY PERSONNEL TRAINED IN THE ORGANIZATION'S POLICIES OR PROCEDURES CONCERNING ASPECTS OF HUMAN RIGHTS THAT ARE RELEVANT TO OPERATIONS

1 hour of employee training on code of conduct (including human rights); 100% of security personnel trained in policies and procedures concerning aspects of human rights in the U.S.

HR9 TOTAL NUMBER OF INCIDENTS OF VIOLATIONS INVOLVING RIGHTS OF INDIGENOUS PEOPLE AND ACTIONS TAKEN

0 – No reported incidents of violations involving rights of indigenous people; no actions taken.

DISCLOSURE OF MANAGEMENT APPROACH (DMA) - SOCIAL SOCIETY

Our goal is for Albemarle to be the most sustainable specialty chemical company in the world. And, by sustainable, what we mean is that we're meeting the demands of our stakeholders today and also preparing to meet what will be the increased demand of those stakeholders in the future. As full participants in Responsible Care, Albemarle takes our commitment to safe, secure and environmentally sound operation very seriously. These principles do not stop at the end of the workday, nor outside the workplace. Albemarle employees and contractors sustain a heightened sense of awareness of their actions on and off the job and pro actively seek to advocate this philosophy in our communities and with those we interact with on a daily basis.

We continue to be committed to making a positive impact in the communities in which we live and operate by advancing education, health and social services, cultural initiatives and voluntarism. In 2007, we launched the Albemarle Foundation. Since then, we've granted over \$20 million to organizations that fulfill our mission around the globe. In 2014 alone, we had over 10,000 hours of voluntarism through the Albemarle Foundation. That, to us, is the key of social responsibility — what our employees are doing, how our employees are living their lives and what they're doing to make the communities in which they live and raise their families better places.



Luke Kissam, Chief Executive Officer

SO1 NATURE, SCOPE AND EFFECTIVENESS OF ANY PROGRAMS AND PRACTICES THAT ASSESS AND MANAGE THE IMPACTS OF OPERATIONS ON COMMUNITIES, INCLUDING ENTERING, OPERATING AND EXITING

We view the community as our partner and realize that they provide us with the license to operate. With regard to assessing and managing the impact of operations on communities, including entering, operating and exiting, Albemarle coordinates the requirements of entering and exiting a community with a special task force that is initiated upon the need for such action. The taskforce will be comprised of a multi-functional team to evaluate all aspects of such activities, including but not limited to financial, environmental, social and regulatory implications. In addition, Albemarle limits its impact to communities through emissions reduction programs. Each site has specific issues that need addressing; therefore, each initiative has specific programs and practices that are derived and executed by the Albemarle team for each situation or location.

Finally, each site has a Community Advisory Panel, or CAP, that is the conduit for open communication between the site and the community within which it operates. The CAP provides the plant with open perspective regarding the priorities for the community and an outlet for communications from Albemarle about the state of the company and HSE related initiatives.

SO2 PERCENTAGE AND TOTAL NUMBER OF BUSINESS UNITS ANALYZED FOR RISKS RELATED TO CORRUPTION

In 2014, Albemarle's operating segments, Performance Chemicals and Catalysts Solutions, were analyzed for risks related to corruption.

SO3 PERCENTAGE OF EMPLOYEES TRAINED IN ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES

All employees are required to complete training with respect to the Company's Code of Conduct - Albemarle's principal document and philosophy for the prevention of corruption. 99% of employees completed Code of Conduct training in 2014.

SO4 ACTIONS TAKEN IN RESPONSE TO INCIDENTS OF CORRUPTION

During 2014, no Albemarle employee was terminated for corruption-related behavior, and no Albemarle employee was formally disciplined for corruption-related behavior.

SO5 PUBLIC POLICY POSITIONS AND PARTICIPATION IN PUBLIC POLICY DEVELOPMENT AND LOBBYING

Albemarle has a strong commitment to participating in public policy debates as well as communicating our positions with government entities around the world. We dedicate time and personnel to interacting with a variety of groups and officials in areas where we believe we can make a difference to the debate. These areas include:

- U.S. federal legislation requiring mandatory security standards for chemical facilities which will protect not only our employees but the surrounding community
- Active participation in producing a more effective chemical management system by modernizing the U.S. federal Toxic Substances Control Act (TSCA)
- Dialogue with country-specific agencies on fire safety standards for consumer and professional products that will save lives
- Federal standards that provide safe pharmaceutical products

Active participation with U.S. EPA initiatives in the following areas:

- Design for Environment (DfE) alternatives assessment programs for printed circuit boards, Deca-BDE, and HBCD
- Catalysts for clean fuel technology

Active participation with European initiatives in the following areas:

- Ecolabels
- Risk assessments and risk reduction strategies
- EU legislative developments
- Global harmonization of chemical management policies that follow the guidelines of the EU REACH program to provide the public with the most scientific knowledge of our products, as well as a confidence in the safety of our products
- Activity at the state and federal government level as well as academia toward a commitment to Green Chemistry principles and a systematic, science-based chemical regulatory system that has stimulated our research of new products into areas of innovative chemical processes and products that make the world an environmentally safer and healthier place to live
- Development and leadership of working groups comprised of industry, government, end user and NGO participants working toward development of chemicals policy and product safety in various end markets.

SO6 TOTAL VALUE OF FINANCIAL AND IN-KIND CONTRIBUTIONS TO POLITICAL PARTIES, POLITICIANS AND RELATED INSTITUTIONS BY COUNTRY

Albemarle actively participates in the political process with the ultimate goal of advancing and protecting the best interests of the company and our stockholders and employees. We are fully committed to conducting our political activities in compliance with all applicable campaign finance laws and reporting requirements and in accordance with the Albemarle Political Contribution Policy.

Albemarle supports transparency in the political process and will on an annual basis publicly disclose our corporate political contributions and political contributions by the Albemarle Political Action Committee (Albemarle PAC). Below are the contributions made by Albemarle Corporation and Albemarle PAC in 2014.

Albemarle Corporation POLITICAL CONTRIBUTIONS

(January 1, 2014 - December 31, 2014)

Candidate/Organization	Party	State	Date	Amount
Committee for Progress	N/A	Louisiana	4/10/2014	\$10,000.00
Baton Rouge Area Chamber Creative Capital	N/A	Louisiana	7/7/2014	\$25,000.00
Aroostook PAC	D	Maine	10/23/2014	\$1,000.00
Respect Maine PAC	R	Maine	10/23/2014	\$1,000.00
Capital Leadership PAC	R	Maine	10/23/2014	\$1,000.00
Diamond PAC	D	Maine	10/23/2014	\$500.00
Leading to a Balanced Maine PAC	R	Maine	10/23/2014	\$500.00
Michigan Chamber of Commerce	N/A	Michigan	08/04/2014	\$1,005.00

**Albemarle PAC
POLITICAL CONTRIBUTIONS**

(January 1, 2014 - December 31, 2014)

Candidate/Organization	Party	State	Date	Amount
Boehner for Speaker	R	Multicandidate	2/3/2014	\$2,000.00
Upton for All of Us	R	Michigan	6/27/2014	\$2,500.00
Gene Green Congressional Campaign	D	Texas	6/27/2014	\$2,500.00
Team Graham	R	South Carolina	6/27/2014	\$2,500.00
Pallone for Congress	D	New Jersey	6/27/2014	\$1,000.00
Cotton for Senate (2014 Debt Retirement)	R	Arkansas	1/8/2015	\$1,500.00

SO8 MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS

During 2014, there were no material monetary fines or non-monetary sanctions for non-compliance with laws and regulations.

DISCLOSURE OF MANAGEMENT APPROACH (DMA) - PRODUCT RESPONSIBILITY

Product responsibility encompasses many activities and programs with the overall goal of safe handling, distribution and use of our products. It is important for us as stewards of our environment, as stewards of the health of our employees and as stewards of the health of the communities that we operate in, as well as those that use our products, that we are responsible for all those areas across our products. Albemarle meets all local and international requirements for the safe shipment of our products. We conduct risk assessments on the products themselves, as well as on their distribution life cycle. We communicate the hazards to all involved in the manufacture, distribution or use of our products. We register our products according to the applicable local, national or international regulations. For our most hazardous materials, we develop specific product stewardship manuals to ensure that each aspect of responsible manufacture and use are clearly defined. All U.S. and two international sites are certified to the Responsible Care 14001 standard. Responsible Care is a very important part of Albemarle's product stewardship program. It does provide the foundation, a very robust foundation, for us to create and maintain a sustainable product stewardship program.



Karen Narwold,

Sr. Vice President & General Counsel, Corporate & Government Affairs

PRODUCT RESPONSIBILITY

PR1 LIFE CYCLE STAGES IN WHICH HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES ARE ASSESSED FOR IMPROVEMENT, AND PERCENTAGE OF SIGNIFICANT PRODUCTS AND SERVICES CATEGORIES SUBJECT TO SUCH PROCEDURES

All of Albemarle's products and services are subject to and assessed for improvement opportunities as part of the Albemarle HSE Product Risk Characterization Process. Albemarle has both our products and our facilities certified.

	YES	NO
Development of product concept	X	
R & D	X	
Certification	X	
Manufacturing and production	X	
Marketing and promotion	X	
Storage distribution and supply	X	
Use and service	X	
Disposal, reuse or recycling	X	

PR2 TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES DURING THEIR LIFE CYCLE, BY TYPE OF OUTCOMES

Albemarle tracks all incidents involved in the transport and use of our products. In 2014 there were 4 incidents involving our products during transportation.

PR3 TYPE OF PRODUCT AND SERVICE INFORMATION REQUIRED BY PROCEDURES, AND PERCENTAGE OF SIGNIFICANT PRODUCTS AND SERVICES SUBJECT TO SUCH INFORMATION REQUIREMENTS

Per our corporate procedures, Albemarle follows all pertinent regional, national and global regulations for product service information and labeling for all Albemarle products. We generally do not list the source of the raw materials used in our finished products. The following product and service information is required by the organization's procedures for product and service information and labeling:

	YES	NO
The sourcing of components of the product or service		X
Content, particularly with regard to substances that might produce an environmental or social impact	X	
Safe use of the product or service	X	
Disposal of the product and environmental/social impacts	X	

PR4 TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING PRODUCT AND SERVICE INFORMATION AND LABELING, BY TYPE OF OUTCOMES

In 2014, Albemarle had 30 (37 in 2013) self-identified labeling non-conformances. None involved regulatory authorities nor did they result in a fine, penalty or warning.

PR5 PRACTICES RELATED TO CUSTOMER SATISFACTION, INCLUDING RESULTS OF SURVEYS MEASURING CUSTOMER SATISFACTION

In order to provide world-class customer service, Albemarle must be able to demonstrate care and responsiveness to a customer's concerns as well as continually drive efficiency and effectiveness in order management. The process and tool that facilitate both needs are the Customer Feedback Process and its associated database.

Any input from a customer is important in that it communicates a concern that needs to be addressed. That concern may be a disappointment in Albemarle's products or services that is a result of a failure somewhere within the direct control of Albemarle. Or it may be a disappointment resulting from a failure that is the result of actions (or inactions) by one of Albemarle's third party service providers (or otherwise outside the direct control of the Company). Ultimately, to the customer and within the intent of the Customer Feedback philosophy, there is no distinction. In the spirit of demonstrating care and responsiveness, both circumstances require an investigation into the cause and a timely response back to the customer.

While the primary point of contact for information from customers is most often the Sales Service Specialist, the Customer Feedback System is available to anyone within Albemarle to originate

issues for follow-up. Once entered, incidents are assigned to a coordinator defined for the area in which the issue resides. The coordinator classifies the incident by business process and issue, along with function and location. Then the coordinator assigns the incident to a designated champion. The champion is tasked with investigating the incident to determine the root cause, identifying appropriate corrective actions and summarizing the overall response in the system. This response is forwarded to the customer advocate, who then reviews the response for follow-up with appropriate customer contacts. When successfully resolved, the incident is officially closed in the system.

The global tool is also used to resolve incidents internal to Albemarle. "Internal Incidents" are defined as any failure in the order fulfillment process that generated waste (time or material) or could result in a failure to meet customer expectations. By identifying these incidents, we strive to drive out shortcomings in the order fulfillment work process that, if unresolved, might ultimately lead to customer disappointment and potentially loss of business.

Much like external issues, internal incidents are also categorized by business process, business sub-process and the location where the incident took place.

The classification of all incidents is used for metrics and trends across organizations. A weekly report of customer complaints is published and distributed to senior management. This elevates any external issues across the organization and captures the event by responsible location, either internal or external. In 2014, Albemarle logged in 1,980 (1,849 in 2013) customer complaints into the Customer Feedback System. Of these, 97% (97% in 2013) were resolved and closed by year end.

PR6 PROGRAMS FOR ADHERENCE TO LAWS, STANDARDS AND VOLUNTARY CODES RELATED TO MARKETING COMMUNICATIONS, INCLUDING ADVERTISING, PROMOTION AND SPONSORSHIP

Albemarle utilizes the services of external consultants for strategic communications and marketing communications initiatives with support and direction from internal specialists. Adherence to laws and standards is addressed in the Corporate Graphic Standards manual which is posted in the Employee Communications section of the company's intranet.

All marketing communications programs and materials are reviewed by Albemarle legal and regulatory staff.

PR9 MONETARY VALUE OF SIGNIFICANT FINES FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS CONCERNING THE PROVISION AND USE OF PRODUCTS AND SERVICES

During 2014, there were no material monetary fines or non-monetary sanctions for non-compliance with laws and regulations.

Contact Information:

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G3 Content Index and Organizational mark: Self-declared Application Level. GRI has verified that the report is prepared according to the GRI Guidelines, at Application Level A.



G3 Content Index						
Application Level	A				Assured by	
STANDARD DISCLOSURES PART I: Profile Disclosures						
1. Strategy and Analysis						
Profile Disclosure	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
1.1	Statement from the most senior decision-maker of the organization.	Fully	page 1			
1.2	Description of key impacts, risks, and opportunities.	Fully	page 4			
2. Organizational Profile						
Profile Disclosure	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
2.1	Name of the organization.	Fully	page 22			
2.2	Primary brands, products, and/or services.	Fully	page 22			

2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	page 32			
2.4	Location of organization's headquarters.	Fully	page 32			
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	page 33			
2.6	Nature of ownership and legal form.	Fully	page 33			
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	page 40			
2.8	Scale of the reporting organization.	Fully	page 41			
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	page 41			
2.10	Awards received in the reporting period.	Fully	page 42			
3. Report Parameters						

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	page 43			
3.2	Date of most recent previous report (if any).	Fully	page 43			
3.3	Reporting cycle (annual, biennial, etc.)	Fully	page 43			
3.4	Contact point for questions regarding the report or its contents.	Fully	page 43			
3.5	Process for defining report content.	Fully	page 54			
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	page 44			
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	page 44			

3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	page 44			
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	page 45			
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	page 45			

3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	page 45			
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	page 45			
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	page 45			

4. Governance, Commitments, and Engagement

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	page 47			
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	page 49			

4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Fully	page 50			
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	page 50			
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Fully	page 50			
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	page 51			

4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Fully	page 55			
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	page 56			
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	page 58			

4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	page 59			
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	page 59			
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	page 61			
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership	Fully	page 62			
4.14	List of * stakeholder groups engaged by the organization.	Fully	page 64			

4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	page 64			
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	page 65			
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Fully	page 67			

STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)							
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G3 DMA	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
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DMA EC	Disclosure on Management Approach EC						
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Aspects	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
	Economic performance	Fully	page 70				
	Market presence	Fully	page 76				
	Indirect economic impacts	Partially	page 79	EC9	Not applicable	We don't fully report on this disclosure. We don't measure indirect economic impacts.	

DMA EN	Disclosure on Management Approach EN						
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Aspects	Materials	Fully	page 83				
	Energy	Partially	page 83	EN5, EN6, EN7	Not available	We don't fully report on this disclosure. Our goal is to report on our energy improvements by 2016. However, we do not plan to focus on indirect energy consumption.	2016
	Water	Partially	page 86	EN10	Not available	We do not currently report fully on this disclosure. Our goal is to report on our water recycle / re-use management by 2016.	2016
	Biodiversity	Partially	page 88	EN13, EN14, EN15	Not material	We do not report completely on this disclosure. We do not have biodiversity metrics in place, as we do not consider this as material.	
	Emissions, effluents and waste	Partially	page 90	EN18, EN24, EN25	Not applicable	We do not report completely on this disclosure. We don't currently measure this.	
	Products and services	Fully	page 98				
	Compliance	Fully	page 102				
	Transport	Fully	page 103				

	Overall	Not			Not available	We do not report on this disclosure. The information is not available, as we do not currently track this in our environmental Capital Project System.	2018
DMA LA	Disclosure on Management Approach LA						
Aspects	Employment	Fully	page 107				
	Labor/management relations	Fully	page 110				
	Occupational health and safety	Partially	page 112	LA6, LA7, LA9	Not available	We currently do not report fully on this disclosure, as we do not track exact representation. We do not report on absenteeism; the metrics are not material to our business.	2019
	Training and education	Partially	page 114	LA10	Not available	We do not yet track this information. We plan to report this the coming years	2017
	Diversity and equal opportunity	Partially	page 116	LA13	Not applicable	In regions outside of the Americas, we are prevented under legal obligation from compiling and reporting on demographic metrics	
DMA HR	Disclosure on Management Approach HR						

Aspects	Investment and procurement practices	Fully	page 119				
	Non-discrimination	Fully	page 119				
	Freedom of association and collective bargaining	Fully	page 120				
	Child labor	Fully	page 121				
	Forced and compulsory labor	Fully	page 121				
	Security practices	Fully	page 121				
	Indigenous rights	Fully	page 121				
DMA SO	Disclosure on Management Approach SO						
Aspects	Community	Fully	page 123				
	Corruption	Fully	page 123				
	Public policy	Fully	page 124				
	Anti-competitive behavior	Not			Proprietary information	We do not report on this disclosure, as we consider this as proprietary information.	
	Compliance	Fully	page 126				
DMA PR	Disclosure on Management Approach PR						

Aspects	Customer health and safety	Fully	page 128				
	Product and service labeling	Fully	page 128				
	Marketing communications	Partially	page 130	PR7	Not available	We do not report on this disclosure, as we currently don't have a system to capture this metric. However, we are not aware of any incident.	2018
	Customer privacy	Not			Proprietary information	We do not report on this disclosure, as we consider this as proprietary information.	
	Compliance	Fully	page 131				

**STANDARD
D
DISCLOSURES PART
III:
Performance Indicators**

Economic

Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
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Economic performance

EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	page 70				
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Fully	page 73				
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	page 75				
EC4	Significant financial assistance received from government.	Fully	page 76				
Market presence							
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Fully	page 76				
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	page 78				

EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	page 78				
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Indirect economic impacts

EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	page 79				
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EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Not					
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Environmental

Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
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Materials

EN1	Materials used by weight or volume.	Fully	page 81				
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EN2	Percentage of materials used that are recycled input materials.	Fully	page 83				
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Energy

EN3	Direct energy consumption by primary energy source.	Fully	page 83				
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EN4	Indirect energy consumption by primary source.	Fully	page 84				
EN5	Energy saved due to conservation and efficiency improvements.	Not					
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Not					
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Not					
Water							
EN8	Total water withdrawal by source.	Fully	page 86				
EN9	Water sources significantly affected by withdrawal of water.	Fully	page 87				
EN10	Percentage and total volume of water recycled and reused.	Not					
Biodiversity							
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Fully	page 88				

EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Fully	page 89				
EN13	Habitats protected or restored.	Not					
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Not					
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not					
Emissions, effluents and waste							
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	page 90				
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	page 90				
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Not					
EN19	Emissions of ozone-depleting substances by weight.	Fully	page 91				

EN20	NOx, SOx, and other significant air emissions by type and weight.	Fully	page 92				
EN21	Total water discharge by quality and destination.	Fully	page 94				
EN22	Total weight of waste by type and disposal method.	Fully	page 95				
EN23	Total number and volume of significant spills.	Fully	page 98				
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally .	Not					
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not					
Products and services							
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	page 98				

EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Fully	page 102				
Compliance							
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	page 102				
Transport							
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Fully	page 103				
Overall							
EN30	Total environmental protection expenditures and investments by type.	Not					
Social: Labor Practices and Decent Work							
Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
Employment							
LA1	Total workforce by employment type, employment contract, and region.	Partially	page 107	No break-down by employment type (full-time / part-time)	Not available	We do not track this information in all regions yet.	2018

LA2	Total number and rate of employee turnover by age group, gender, and region.	Fully	page 107				
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	page 108				
Labor/management relations							
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	page 110				
LA5	Minimum notice period (s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	page 110				
Occupational health and safety							
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Partially	Page 112	Other Albemarle production locations, except Amsterdam and Bergheim	Not available	We currently do not report fully on this disclosure, as we do not track exact representation.	2019
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Partially	page 113	Absenteeism	Not material	We do not report on absenteeism; the metrics are not material to our business .	

LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	page 113				
LA9	Health and safety topics covered in formal agreements with trade unions.	Not					

Training and education

LA10	Average hours of training per year per employee by employee category.	Partially	page 114	Training per employee group	Not available	We do not yet track this information. We plan to report this the coming years	2017
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	page 115				
LA12	Percentage of employees receiving regular performance and career development reviews.	Fully	page 115				

Diversity and equal opportunity

LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Partially	page 116	No info on locations outside America's region	Not applicable	In regions outside of the Americas, we are prevented under legal obligation from compiling and reporting on demographic metrics	
LA14	Ratio of basic salary of men to women by employee category.	Fully	page 117				

Social: Human Rights

Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
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Investment and procurement practices

HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Fully	page 119				
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Fully	page 119				

HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Fully	page 119				
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Non-discrimination

HR4	Total number of incidents of discrimination and actions taken.	Fully	page 119				
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Freedom of association and collective bargaining

HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Fully	page 120				
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Child labor

HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Fully	page 121				
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Forced and compulsory labor

HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Fully	page 121				
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Security practices

HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Fully	page 121				
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Indigenous rights

HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Fully	page 121				
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Social: Society

Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
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Community

SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Fully	page 123				
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Corruption

SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	page 123				
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	page 123				
SO4	Actions taken in response to incidents of corruption.	Fully	page 124				
Public policy							
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	page 124				
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	page 125				
Anti-competitive behavior							
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Not			Proprietary information	We do not report on this disclosure, as we consider this as proprietary information.	
Compliance							
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	page 126				
Social: Product Responsibility							

Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
Customer health and safety							
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	page 128				
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Fully	page 128				
Product and service labeling							
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	page 128				

PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Fully	page 129				
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	page 129				

Marketing communications

PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	page 130				
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PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Not			Not available	We do not report on this disclosure, as we currently don't have a system to capture this metric. However, we are not aware of any incident.	2018
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Customer privacy

PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Not			Proprietary information	We do not report on this disclosure, as we consider this as proprietary information.	
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Compliance							
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PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	page 131				
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