



# 2023 Sustainability Report Highlights

June 2024

# Forward-Looking Statements

This presentation contains statements relating to Albemarle's operations, growth strategies and sustainability plans that are based on our current expectations, anticipations and beliefs regarding the future, which constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements, which are based on assumptions that we have made as of the date hereof and are subject to known and unknown risks and uncertainties, often contain words such as "anticipate," "believe," "estimate," "expect," "design," "target," "project," "commit," "aim," "intend," "may," "outlook," "scenario," "should," "would," and "will". Forward-looking statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, many of which are beyond the company's control and are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. The reader should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. Unless legally required, Albemarle undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Standards of measurement and performance made in reference to our environmental, social, governance and other sustainability plans and goals may be based on protocols, processes and assumptions that continue to evolve and are subject to change in the future, including due to the impact of future regulations.

Factors that could cause Albemarle's actual results to differ materially from the outlook expressed or implied in any forward-looking statement include: changes in economic and business conditions; financial and operating performance of customers; timing and magnitude of customer orders; fluctuations in lithium market prices; production volume shortfalls; increased competition; changes in product demand; availability and cost of raw materials and energy; technological change and development; fluctuations in foreign currencies; changes in laws and government regulation; regulatory actions, proceedings, claims or litigation; cyber-security breaches, terrorist attacks, industrial accidents or natural disasters; political unrest; changes in inflation or interest rates; volatility in the debt and equity markets; acquisition and divestiture transactions; timing and success of projects; performance of Albemarle's partners in joint ventures and other projects; changes in credit ratings; and the other factors detailed from time to time in the reports Albemarle files with the SEC, including those described under "Risk Factors" in Albemarle's most recent Annual Report on Form 10-K and any subsequently filed Quarterly Reports on Form 10-Q, which are filed with the SEC and available on the investor section of Albemarle's website ([investors.albemarle.com](http://investors.albemarle.com)) and on the SEC's website at [www.sec.gov](http://www.sec.gov).

# All the Elements for a Better World



As a purpose-driven and values-led organization, sustainability is core to who we are and how we operate, and this report is a demonstration of our ongoing commitment to creating a more resilient world.”

Kent Masters  
Chairman and CEO

**New double materiality assessment**

**Updates on DEI strategy and progress**

**Continued progress on environmental goals**

**Expanding our LCAs**

**Looking ahead: decarbonization roadmap**

# Our Values

Albemarle's six core values help us achieve our corporate purpose to enable a more resilient world.

## Care

We improve the safety and support the well-being and resilience of our communities, employees and environment.

## Curiosity

We continuously learn and are comfortable taking informed risks to innovate.

## Collaboration

We work together, value each other and encourage diverse thought to drive better outcomes.

## Humility

We share the credit and value the ideas of others to achieve goals together.

## Accountability

We act with courage to take ownership for what matters and responsibly deliver results.

## Integrity

We do what we say with honesty and transparency for the benefit of all.

# A Leading Provider of Lithium, Bromine and Other *Essential Elements*



Advancing the future of movement by being a *leading provider of materials that make mobility better and cleaner.*



Powering the energy transition to meet the rising needs so we can ensure the world has *critical resources for years to come.*



Enabling an always-on world to make technology more consistent and reliable, so we can *continue to innovate more efficiently.*



Improving quality of life by making health safer and more attainable today, so the planet and future generations can *continue to thrive.*

# Resilient Competitive Strengths to Navigate Market Conditions

## World-Class Resources >

- Diversified portfolio of best-in-class assets and resources around the globe
- Low-cost position with vertical integration into large, high-grade resources

## Leading Process Chemistry >

- Deep technical and operational know-how to transform essential resources
- Process know-how to build and operate large scale conversion assets safely

## High-Impact Innovation >

- Advanced solutions tailored to customer and market needs
- New products, e.g. MercLok and lithium sulfide

## Customer-Centricity >

- Reliable and trusted partner with global expertise and local experience
- Partnerships to facilitate innovation and mutual growth

## People & Planet Steward >

- Responsible corporate citizen focused on sustainability, community engagement, and industry-leading best practices

# Albemarle's Strategic Framework

Albemarle leads the world in transforming essential resources into the critical ingredients for modern living with people and planet in mind.

## Defining Our Performance Ambition

Lead with Impact

Purpose-Driven Growth

Partner of Choice

Stakeholder Value

## Providing Essential Elements to Critical Impact Areas



Mobility



Energy



Connectivity



Health

## Resilient Competitive Strengths to Navigate Market Conditions

World-Class Resources

Leading Process Chemistry

High-Impact Innovation

Customer-Centricity

People & Planet Steward

# Operational Discipline - Central to Our Operating Model



**Productivity** - as of Q1, benefits on-track to exceed 2024 target of \$280 million; initiatives include:

- **Manufacturing** (\$80M target) - Yield, rate, and availability improvements at La Negra, Qinzhou, and Xinyu
- **Procurement** (\$150M target) - Capture of lower cost for key raw materials and logistics, specifically ocean and road freight
- **Back-Office** (\$50M target) - Restructuring cost savings, reduced third party spend

## Cash Management

- **Working Capital** - inventory management, compressing supply chain from mine to customer, maximizing cash from accounts payable

## Sustainable Approach

- **2023 Sustainability Report** - published in Q2 2024



# Double Materiality Assessment

## How sustainability issues impact our business and how our business impacts the world around us

In 2023, we undertook a double materiality<sup>1</sup> assessment, at the consolidated level, to identify the sustainability issues that matter most to our business and stakeholders.

1. For purposes of our sustainability reporting, the concept of “material” topics identified through “materiality assessments” generally refers to ESG reporting guidance such as GRI and SASB and does not correspond to the concept of materiality used in the securities laws and disclosures required by the US Securities and Exchange Commission (SEC). With respect to the term “material,” individual companies are best suited to determine which information is material under the long-standing U.S. Supreme Court definition of that term, and whether to disclose this information in SEC filings.

New and updated topics identified through this assessment include:

### Environmental

Energy, Greenhouse Gas (GHG) Emissions and Climate  
Responsible Water Management  
Pollution Management  
Waste and Circularity

### Social

Health and Safety  
Human Rights and Labor Practice  
Local Community Engagement  
Talent and Culture

### Governance

Ethics and Compliance  
Innovation  
Responsible Sourcing

# Our Focus on Sustainability Has Earned Recognition

- In 2023, Albemarle received 10 ACC Responsible Care® Awards for health, safety and environmental areas of focus.
- 4th consecutive inclusion in the Bloomberg Gender-Equality Index.
- MercLok™ P-640, Albemarle’s mercury remediation solution, was named an R&D 100 winner by the Business Intelligence Group. This award recognizes leading edge products and technologies that can contribute to a better world.
- In February 2024, Albemarle was named to the 2024 list of America’s Most JUST Companies (JUST 100) by JUST Capital and CNBC. The JUST 100 rankings measure how the nation’s largest corporations are performing on business issues that matter most to Americans, including protecting customer privacy, minimizing pollution, supporting employee training and more.
- Albemarle’s Environmental Management Information System (EMIS) was awarded the Verdantix 2023 EHS Innovation Excellence Award in the compliance digitization category.



73/100



B- on Climate Change and Water Security



# Engaged, Diverse, and Accountable Board of Directors



**Kent Masters**  
Chairman & CEO,  
Albemarle



**James O'Brien**  
Former Chairman &  
CEO, Ashland



**Laurie Brlas**  
Former EVP & CFO,  
Newmont Mining



**Ralf Cramer**  
Former President and  
CEO, Continental China



**Glenda Minor**  
Former SVP & CFO,  
Evraz North America



**Diarmuid O'Connell**  
Former VP, Corp &  
Business Development,  
Tesla Motors



**Dean Seavers**  
Former President,  
National Grid U.S.



**Gerald Steiner**  
Former EVP, Sustainability  
& Corporate Affairs,  
Monsanto



**Holly Van Deursen**  
Former Group VP,  
Petrochemicals, BP

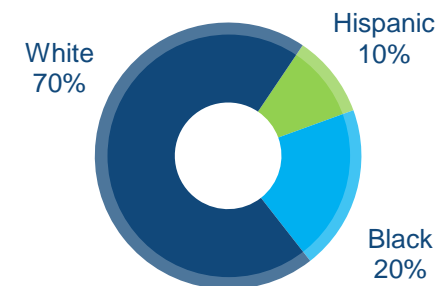


**Alejandro Wolff**  
Former U.S.  
Ambassador to Chile

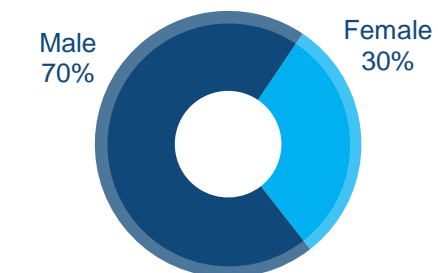
- Audit & Finance Committee
- Executive Compensation & Talent Development Committee
- Nominating & Governance Committee

- Capital Investment Committee
- Sustainability, Safety & Public Policy Committee
- C** Committee Chairperson

## Racial Diversity<sup>1</sup>



## Gender Diversity<sup>1</sup>



## Average Tenure

**6+ years**

1. Statistics are based on each director's self-identified characteristics.

# Continuing to Evolve our DEI Strategy

## Workforce Diversity

- Build strategies and partnerships to attract applicants from all backgrounds
- Assess candidate slates to reach a more diverse, qualified talent pool
- Improve employee belonging and engagement

## Equitable Compensation

- Evaluate pay equity on a regular basis
- Develop pay transparency strategies
- Track internal mobility opportunities

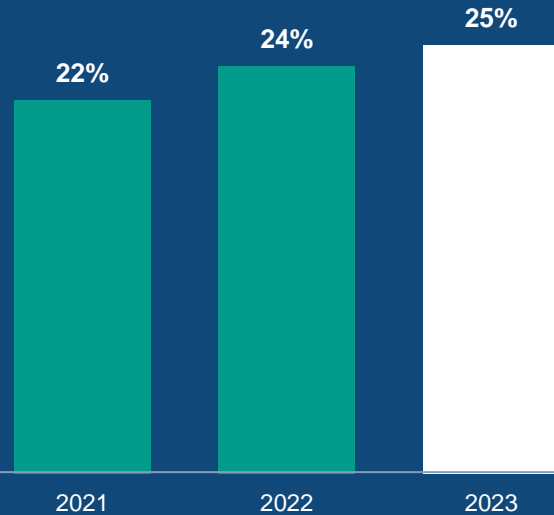
## Inclusive Workplace

- Increase DEI learning participation
- Create opportunities for intercultural understanding
- Assess turnover data and exit interviews for potential gaps in inclusion efforts

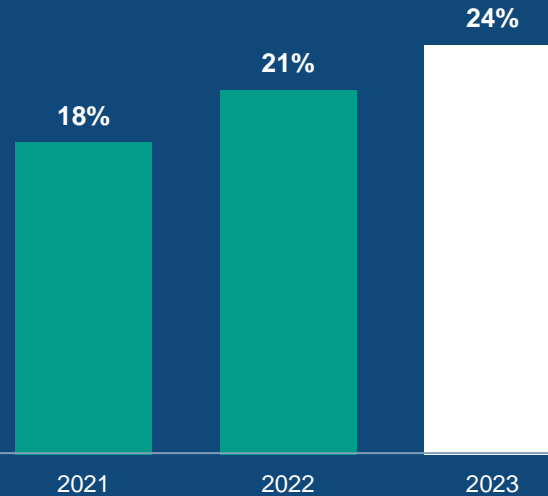
**Published Inaugural DEI Report in 2023 – Including EEO-1 Data**

# Committed to Creating a Culture of Engagement and Inclusiveness

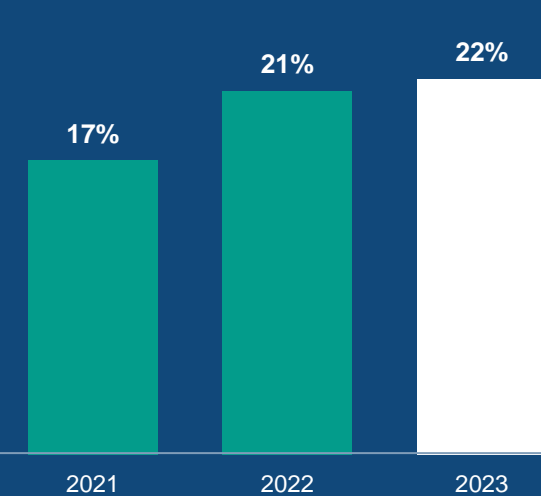
Global Gender Diversity



Global Gender Diversity  
Director Level and Above



US Racial Diversity  
Director Level and Above



## 2030 Industry Benchmarks

Intend to develop a workforce that reflects the communities in which we live and serve, using the following industry benchmarks:

Global gender diversity:  
**30%**

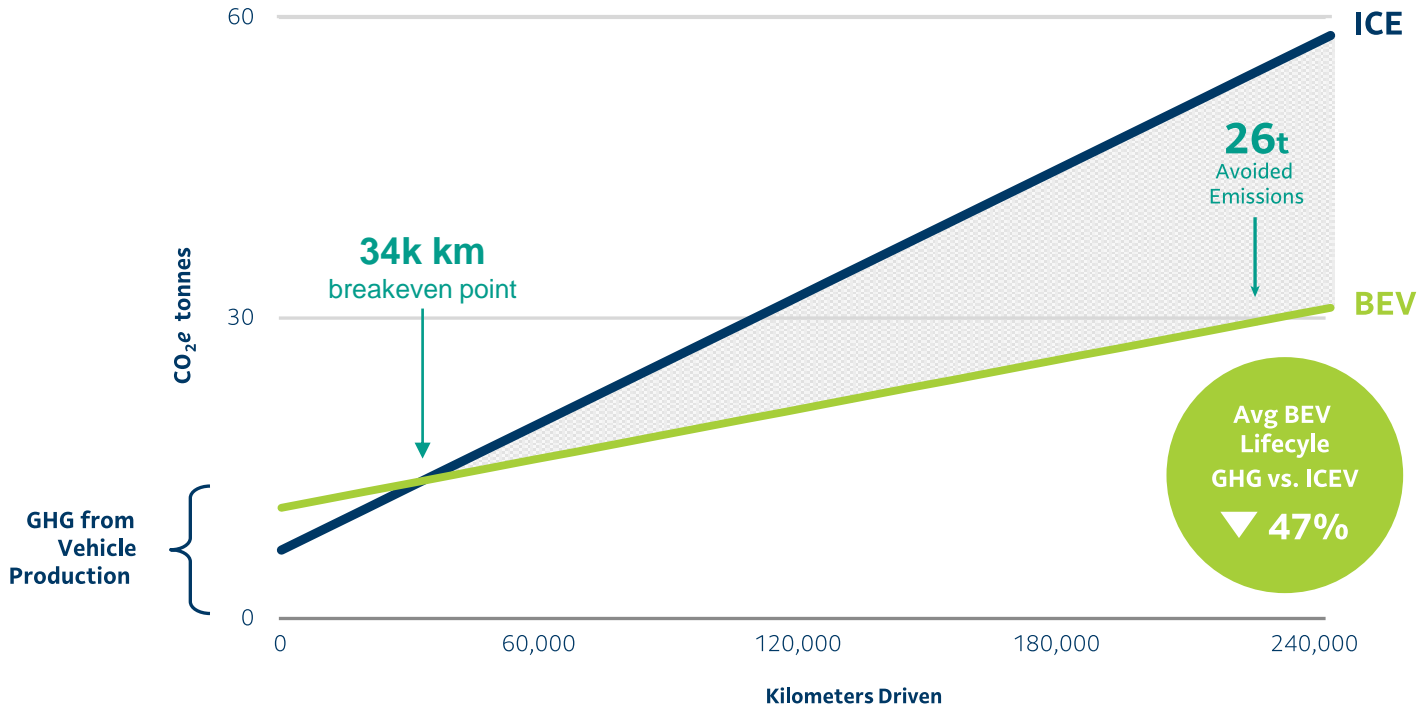
Global gender diversity in director level and above positions:  
**30 - 40% of total global senior leadership**

US racial diversity in director level and above positions:  
**30% of total US senior leadership**

# Lithium's Contribution to Reduced Automotive Life Cycle Emissions<sup>1</sup>

## Life Cycle Avoided GHG Emissions

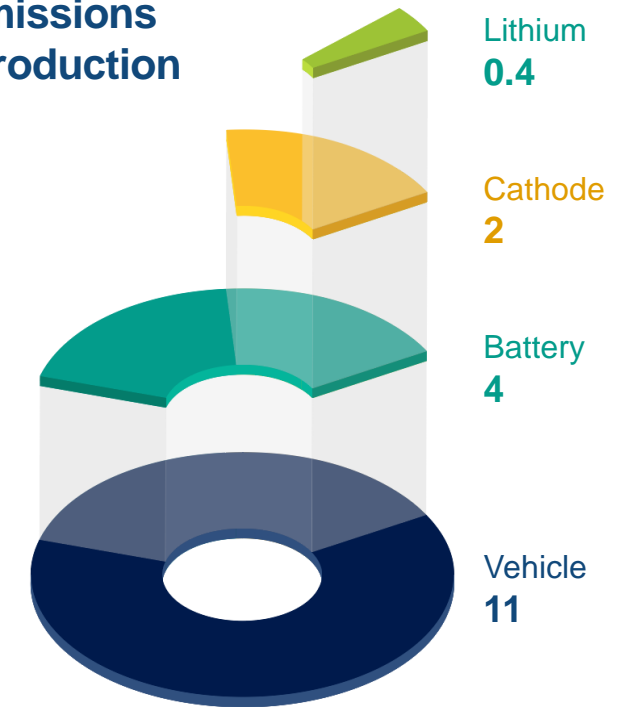
(Avg EV Sedan, Based on 2023 Global Electric Grid)



**EV life cycle emissions are significantly less than ICE emissions and...**

## Lithium's Contribution to GHG Emissions from EV Production

(CO<sub>2</sub>e tonnes)



**...lithium production represents <4% of EV GHG production emissions**

1. Source: Albemarle Analysis, MIT Trancik Lab, GREET 2023

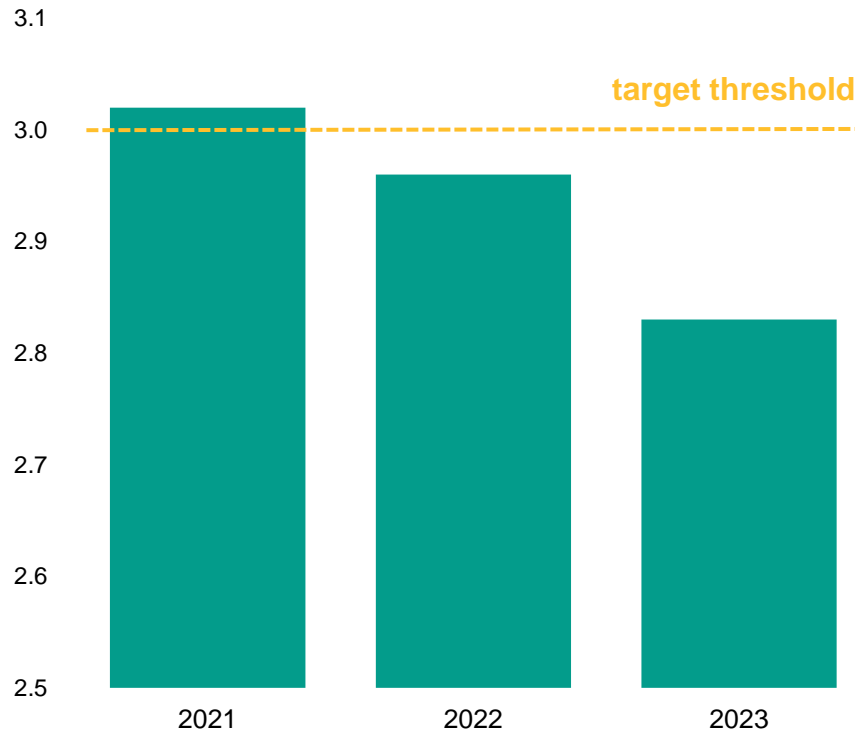
# Current Public Environmental Targets: GHG, Water, Air Quality

	CURRENT GOAL	STATUS
GHG	Grow our Energy Storage business in a scope 1 + 2 carbon-intensity neutral manner through 2030 (vs 2019)	Ahead
	Reduce scope 1 + 2 carbon-intensity of Specialties by 35% by 2030 (vs 2019) in alignment with science-based targets	On track on an absolute basis; behind on an intensity basis
	Reduce scope 1 + 2 carbon-intensity of Ketjen by 35% by 2030 (vs 2019) in alignment with science-based targets	On track on an absolute basis; behind on an intensity basis
	Engage with suppliers to collect primary data for 75% (by 2023) and 90% (by 2024) of our raw material carbon footprint in preparation for a scope 3 reduction target	On track
Water	Reduce the intensity of freshwater usage by 25% by 2030 (vs 2019) in Chile and Jordan	On track
Air Quality	Reduce SO <sub>x</sub> emissions by 90% by 2027 (vs 2022)	On track

# Energy Storage on Track to Meet 2030 Target

## Energy Storage GHG Intensity

(Scope 1+2, kg CO<sub>2</sub>e/kg product) – per year



1. 2021 and 2022 intensities are restated from last year's report to reflect new GBU structure.

## FY 2023 Accomplishments:

- Procurement of renewable electricity at La Negra and Xinyu reduced scope 2 emissions
- Ongoing Xinyu equipment replacement project incorporates energy efficient design changes to reduce scope 1 emissions

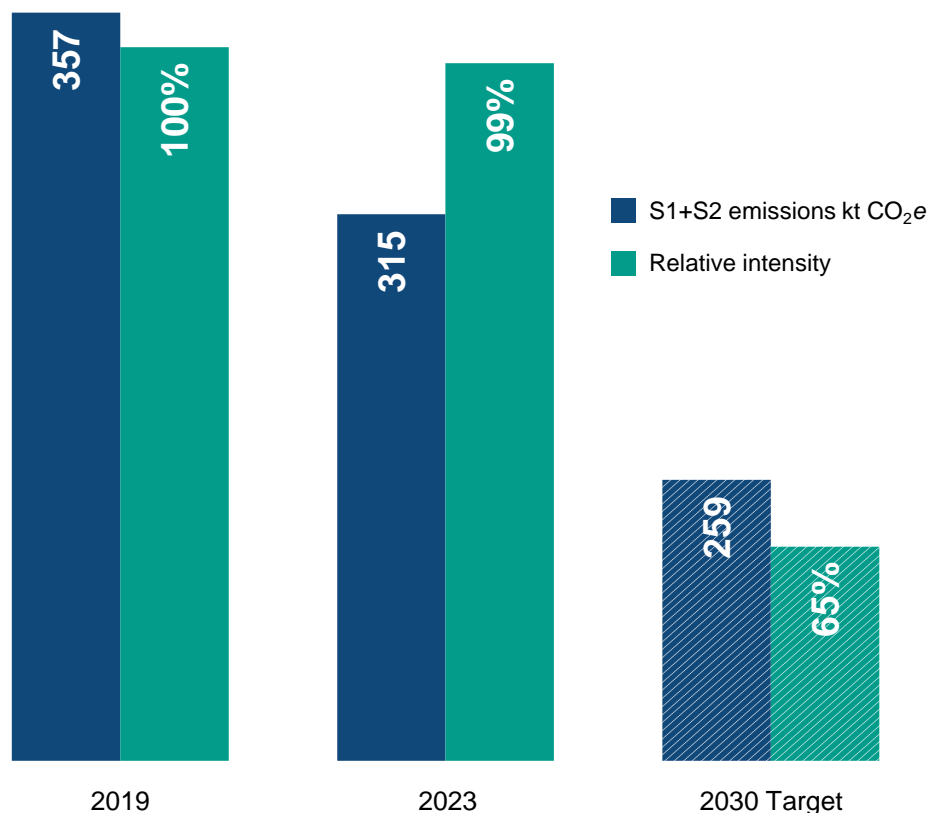
## Looking forward:

- Kemerton's intensity expected to decrease as the plant reaches full capacity
- 5-year power purchase agreement (PPA) secured for Qinzhou starting March 2024
- Continue to evaluate renewable electricity and energy efficiency opportunities globally



# Specialties on Track for Absolute 2030 Target

## Specialties: Progress Toward Target



## FY 2023 Accomplishments:

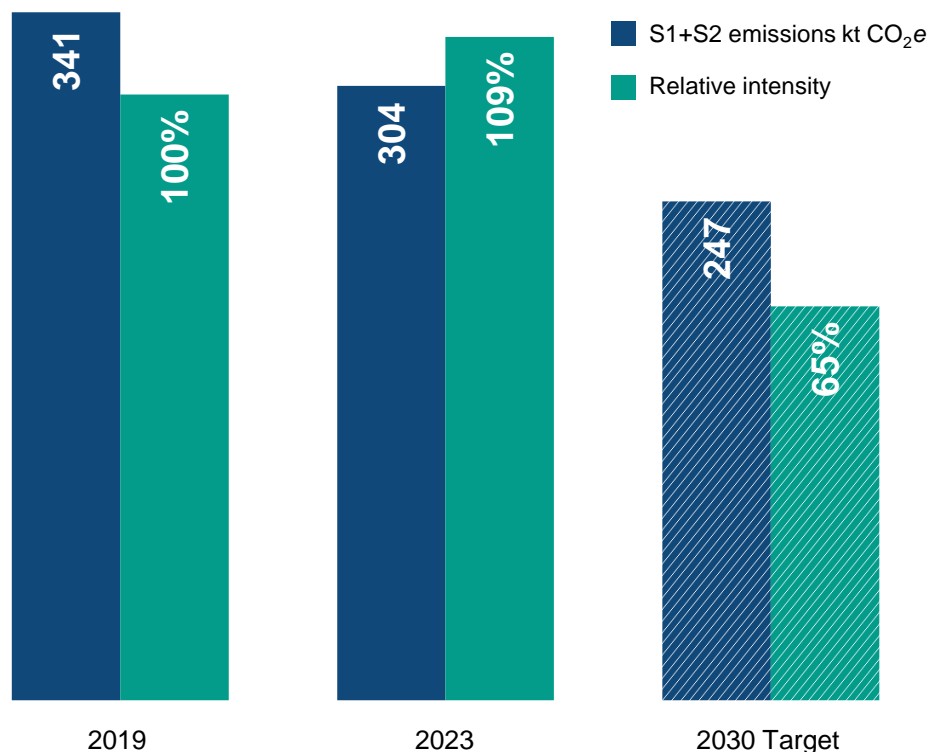
- Lower production volumes helped total emissions remain on track with absolute target
- Intensity above target as plants ran under capacity

## Looking forward:

- At Magnolia, we are evaluating sources of zero-carbon electricity
- Continue to evaluate renewable electricity procurement and energy efficiency opportunities globally
- At JBC, the NEBO project takes a co-product stream and converts it to saleable product; expected to reduce site CO<sub>2</sub> intensity by >5% once fully operational (among many other benefits)

# Ketjen on Track for Absolute 2030 Target

## Ketjen: Progress Toward Target



## FY 2023

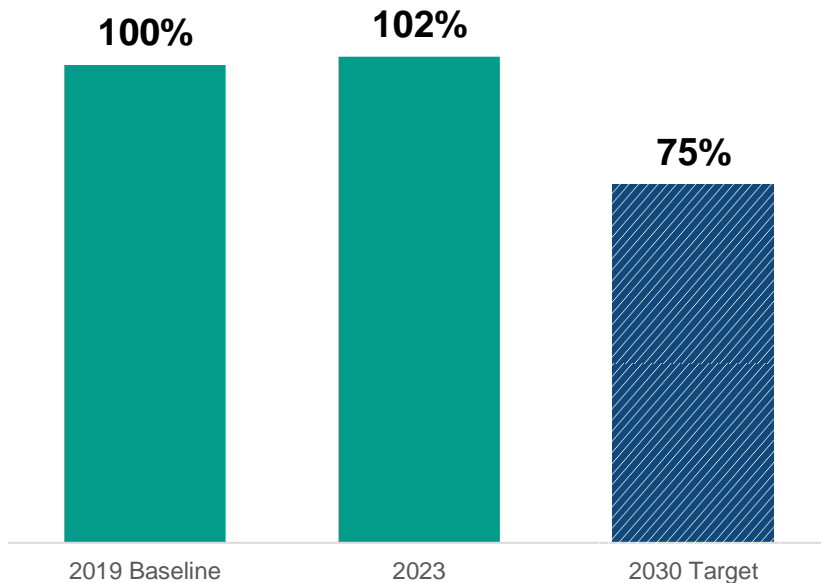
- Lower production volumes helped total emissions remain on track with absolute target
- Increased intensity above intensity target as plants ran under capacity

## Looking forward:

- Continue to evaluate renewable electricity procurement and energy efficiency opportunities globally
- Amsterdam site signed a contract for ~50% renewable electricity for 2024 - 2026

# 2030 Water Target Remains On Track

Freshwater intensity in Chile and Jordan - Progress Toward Target



## Chile:

**Met their 2030 freshwater intensity reduction target with a 25% reduction from 2019**

- Driven by additional optimization of the thermal evaporator

## Jordan:

**JBC's freshwater intensity +6% from baseline**

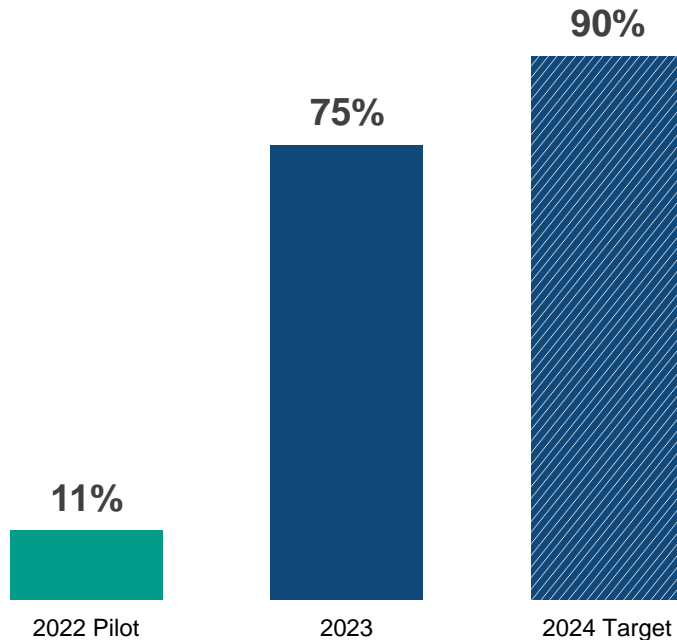
- Main driver was an underperforming third-party water recovery unit

## Looking forward:

- Start-up of the NEBO project and reestablishing smooth operation of the water treatment unit expected to bring JBC intensity in-line with target

# Supplier Engagement and SO<sub>x</sub> Targets on Track

## Scope 3 Emissions Supplier Engagement: Progress Towards Target



## Supplier Engagement:

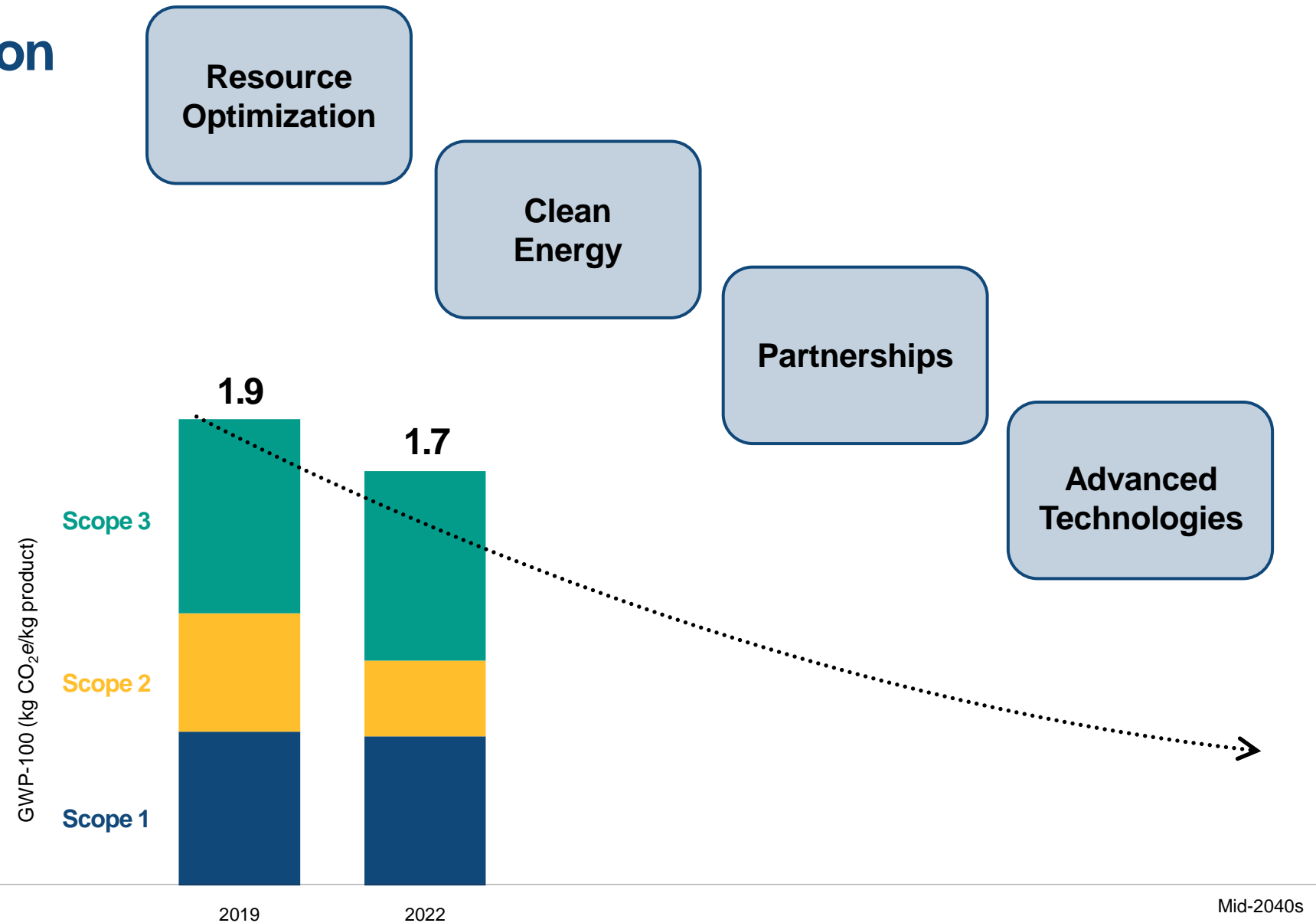
- Met target of engaging suppliers who make up 75% of scope 3 category 1 (Raw Materials) carbon footprint
- Incorporated primary data for 31% of scope 3 category 1 carbon footprint
- Continue engagement of suppliers who consist of 90% of scope 3 category 1 carbon footprint
- Increase # of supplier Product Carbon Footprints (PCF)
- Incorporate suppliers into Decarbonization Roadmap

## SO<sub>x</sub> Target:

- Evaluating technology options for the SO<sub>x</sub> reduction project in Magnolia

# Pathway to Lower Carbon Bromine

- Completed first in-house product carbon footprint (PCF) study of our elemental bromine produced in Magnolia, Arkansas, using 2022 data, third-party verified by EcovaMed as ISO compliant
- Shows how sustainability initiatives have improved our PCF since 2019 baseline; highlights future opportunities for decarbonization
- Plan to complete PCFs for additional fire safety solutions products in 2024





## Strong value proposition

A global leader with vertical integration strength, world-class assets and a diversified product portfolio

Capitalizing on long-term secular growth opportunities supporting the clean energy transition and enhanced mobility, connectivity, and health

Taking action to preserve long-term growth and financial flexibility

Innovating to deliver advanced solutions tailored to customer needs

Disciplined operating model to scale and innovate, accelerate profitable organic growth, and advance sustainability

**ALB**

**LISTED**

**NYSE**

**[www.albemarle.com](http://www.albemarle.com)**

The image features a low-angle shot of several modern skyscrapers with glass facades, partially obscured by lush green trees in the foreground. The scene is bright and clear, suggesting a sunny day. Overlaid on this background is the Albemarle logo, which consists of a stylized white symbol resembling three upward-pointing chevrons or flames, followed by the word "Albemarle" in a white, classic serif typeface.

 Albemarle