



Charting our **COURSE**

**2020
SUSTAINABILITY
REPORT**



 ALBEMARLE®



 ALBEMARLE®

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a LETTER from the CEO



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

Advancing Sustainability

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

This year's report builds off the baseline environmental data from last year and incorporates new sustainability targets for greenhouse gas emissions and water intensity. Additionally, we developed a [Climate Strategy](#) that puts forth our approach to improving the efficiency of our operations, enabling the sustainability ambitions of our customers, and collaborating with our other key

stakeholders. Please visit our website to view our full [Climate Strategy](#).

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

Diversity, Equity, and Inclusion

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

Living our Purpose & Values

Albemarle's commitment to sustainability stems directly from our [purpose & values](#). Sustainability is a key part of our corporate strategy and company culture, and it drives us to **make the world safe and sustainable by powering the potential of people**. From research and development to operational efficiency to capital investments, we incorporate sustainability thinking into our daily business activities and decisions in *Charting Our Course* to a more sustainable future.

Sustainability goes beyond upholding the highest level of ethics and integrity and complying with applicable

laws and regulations. For our employees, sustainability means keeping each other safe, supporting personal and professional development, and providing opportunities to give back to the communities where we live and work. For our communities, sustainability means creating jobs, supporting the local economy, preserving indigenous cultures, and protecting the ecologically sensitive areas where we operate. For our investors, sustainability includes strategic execution, disciplined capital allocation, and effective risk management. Finally, sustainability is a key part of our value proposition to our customers—now and into the future.

Looking Ahead

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

Best regards,

J. Kent Masters
Chairman, President and
Chief Executive Officer



ABOUT ALBEMARLE



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

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

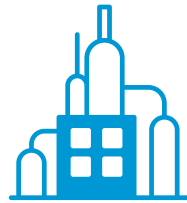
ALBEMARLE by the NUMBERS



Global Speciality
**CHEMICALS
COMPANY**
Founded in **1887**



Approximately
**5,900
EMPLOYEES**
Worldwide



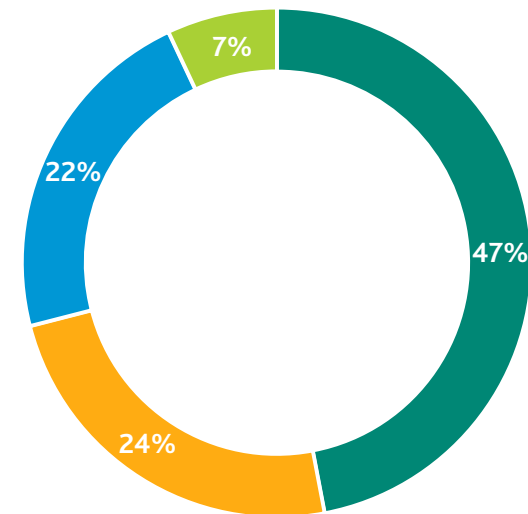
More than **25**
**PRODUCTION &
RESEARCH &
DEVELOPMENT**
(R&D) Facilities



Approximately
**2,300
CUSTOMERS**
in **75** Countries

GLOBAL WORKFORCE

- Americas
- Europe
- APAC
- EMEA / Other



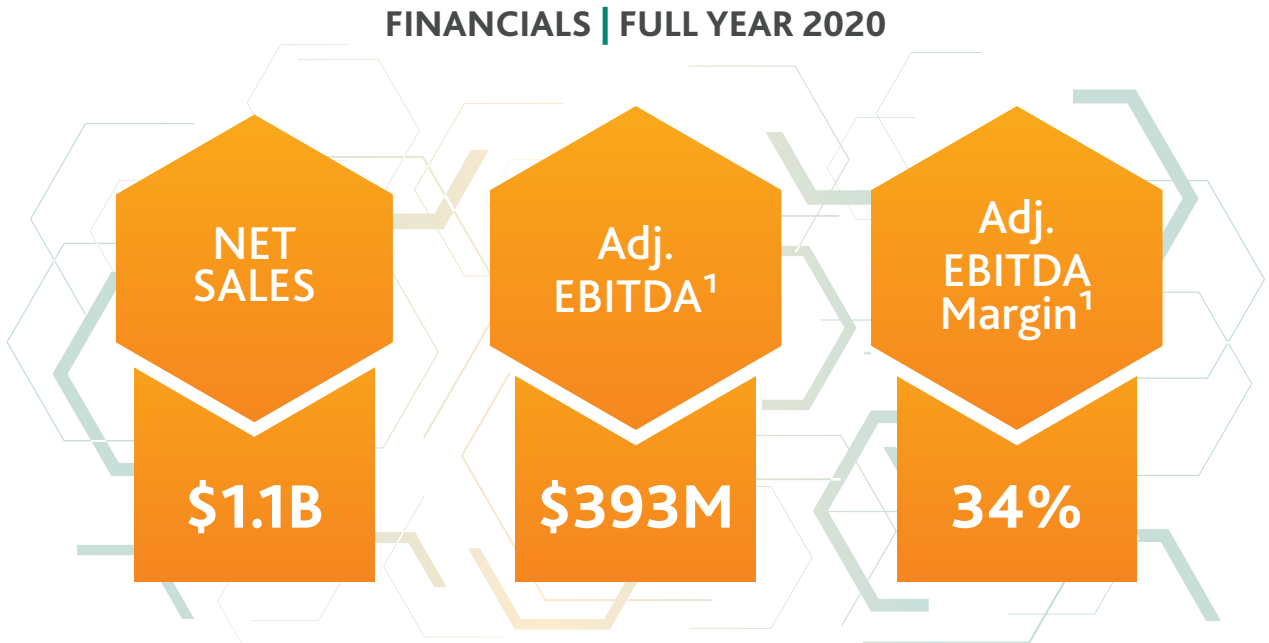
Our BUSINESS SEGMENTS

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

LITHIUM

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

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

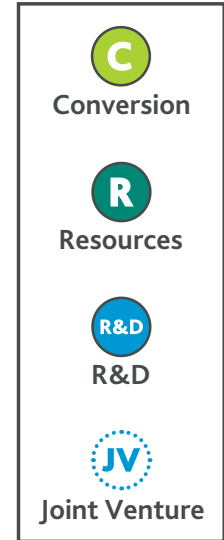
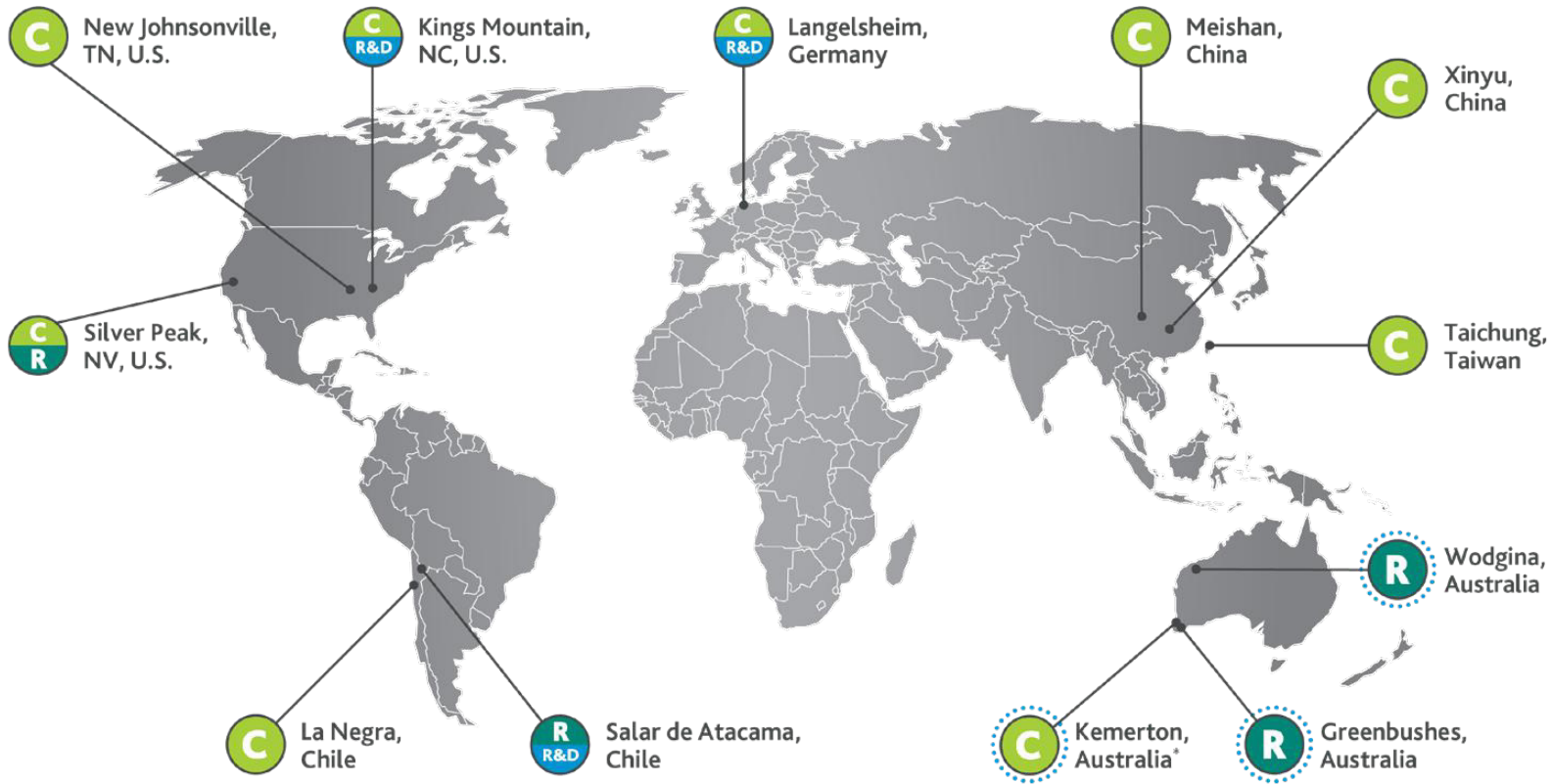


Note: Financials for the 12 months ended December 31, 2020.
¹ Non-GAAP measure. See Appendix for definition and Non-GAAP reconciliations of historical measures.



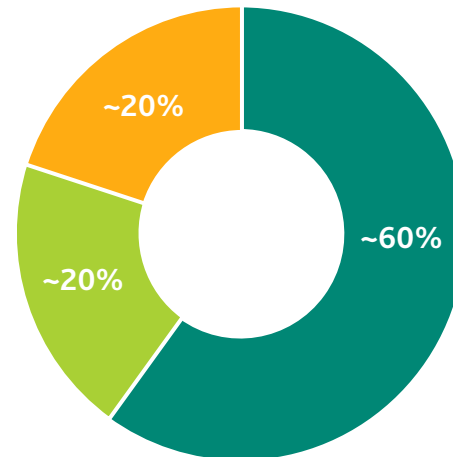
ERIC NORRIS
 President, Lithium





KEY DRIVERS²

- ENERGY STORAGE**
Automotive, Grid Storage, Electronics
- SPECIALTIES AND TECHNICAL GRADE**
Specialty Glass, Lubricants, Health
- SPECIALTIES**
Tires, Pharma, Agriculture



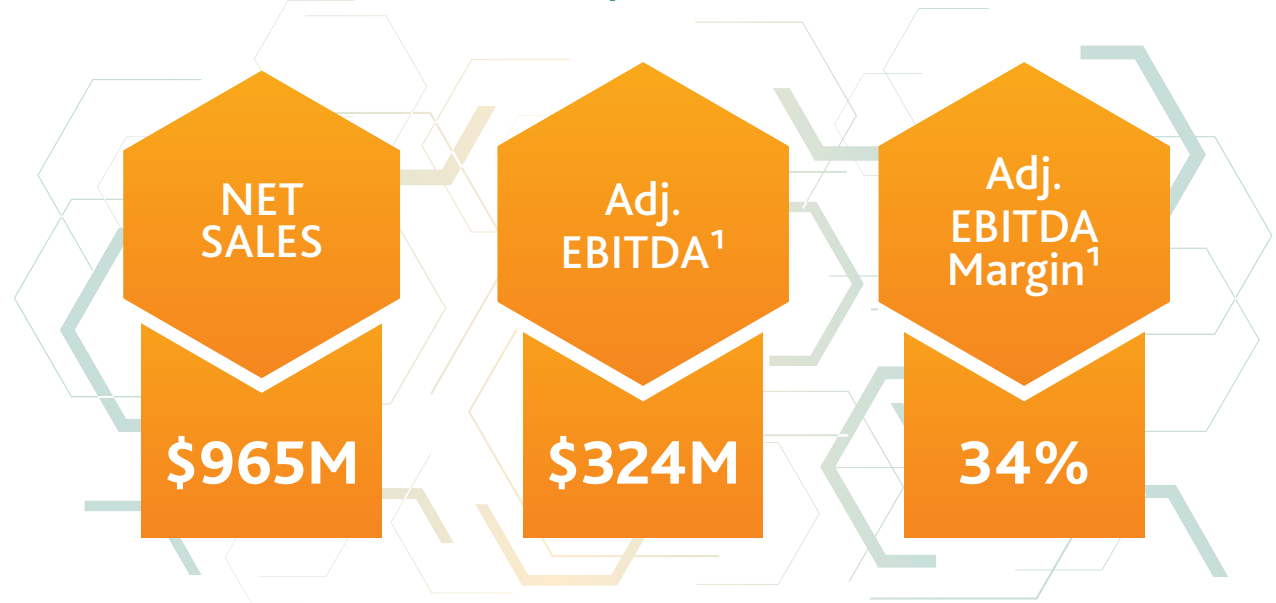
² Based on approximate average of 2019 and 2020 net sales splits.

BROMINE SPECIALTIES

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

Our bromine-based solutions include specialty chemical applications that are used in chemical synthesis, oil and gas well drilling completion fluids, mercury control, water purification, meat processing, and various other industrial applications. Albemarle manages a low-cost resource position and diverse product portfolio to deliver custom chemistry solutions to our global customers.

FINANCIALS | FULL YEAR 2020



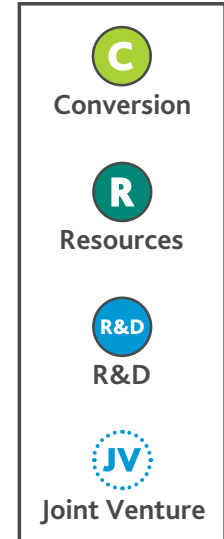
Note: Financials for the 12 months ended December 31, 2020.

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



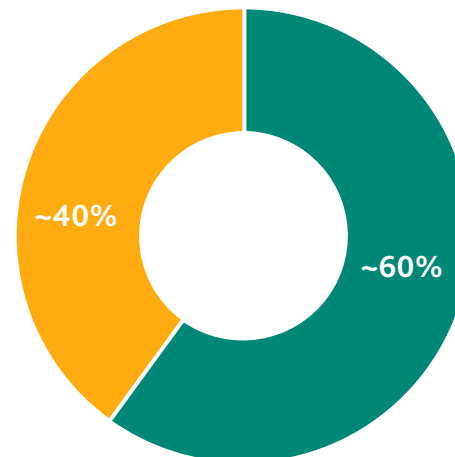
NETHA JOHNSON
President, Bromine Specialties





KEY DRIVERS²

- FIRE SAFETY SOLUTIONS**
Appliances, Automotive, Buildings, Telecom / 5G
- OTHER**
PET, Ag / Pharma / Oilfield / Other



² Based on approximate average of 2019 and 2020 net sales splits.

CATALYSTS

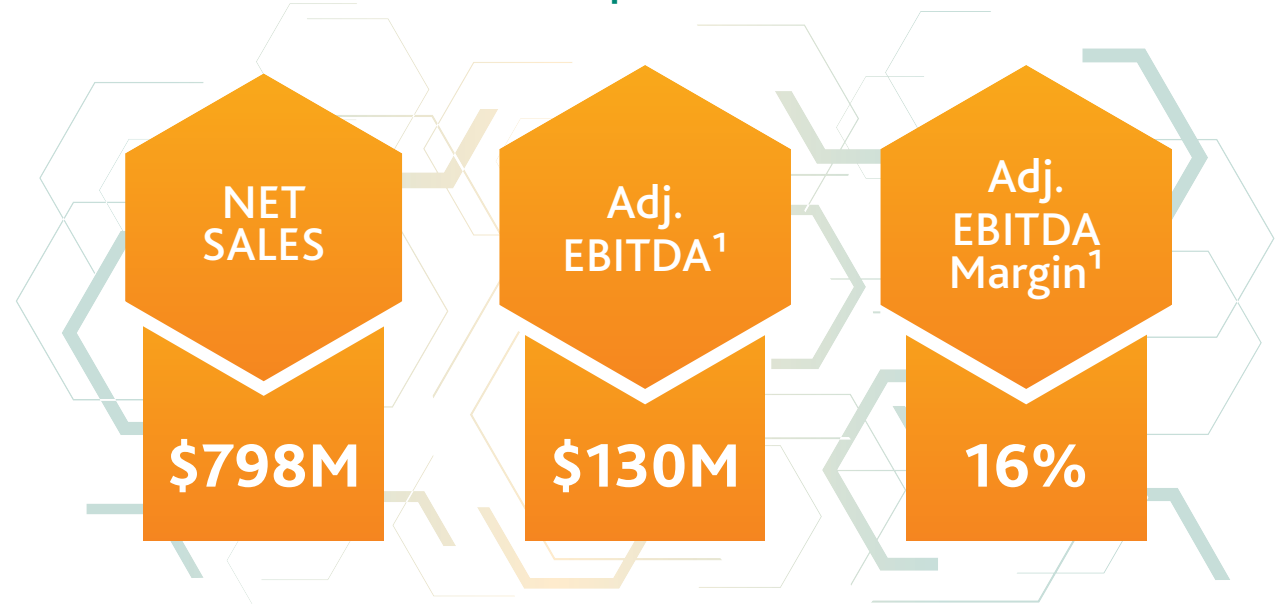
The catalysts products enable cleaner air and more efficient use of natural resources. Albemarle has three main product divisions in our Catalysts segment:

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

Our wide range of HPC products—applied throughout the oil refining industry—enable the upgrading of oil fractions to clean fuels and other usable oil feedstocks and products by removing sulfur, nitrogen, and other impurities from the feedstock. These products also improve product properties by adding hydrogen and, in some cases, improve the performance of downstream catalysts and processes. Our customized FCC catalyst systems assist in high yield cracking of refinery petroleum streams into 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, increase liquefied petroleum gas in olefins yield, such as propylene, and to boost octane in gasoline.

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

FINANCIALS | FULL YEAR 2020



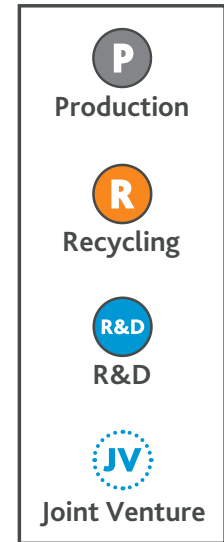
Note: Financials for the 12 months ended December 31, 2020.

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



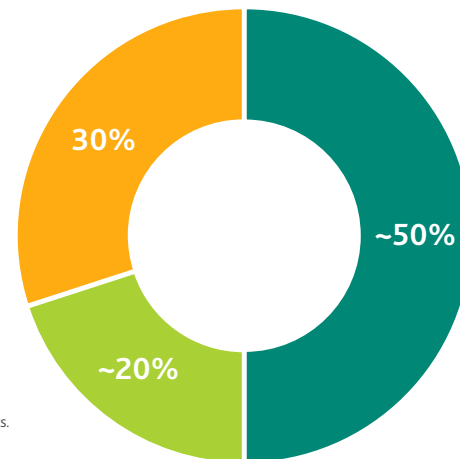
RAPHAEL CRAWFORD
President, Catalysts





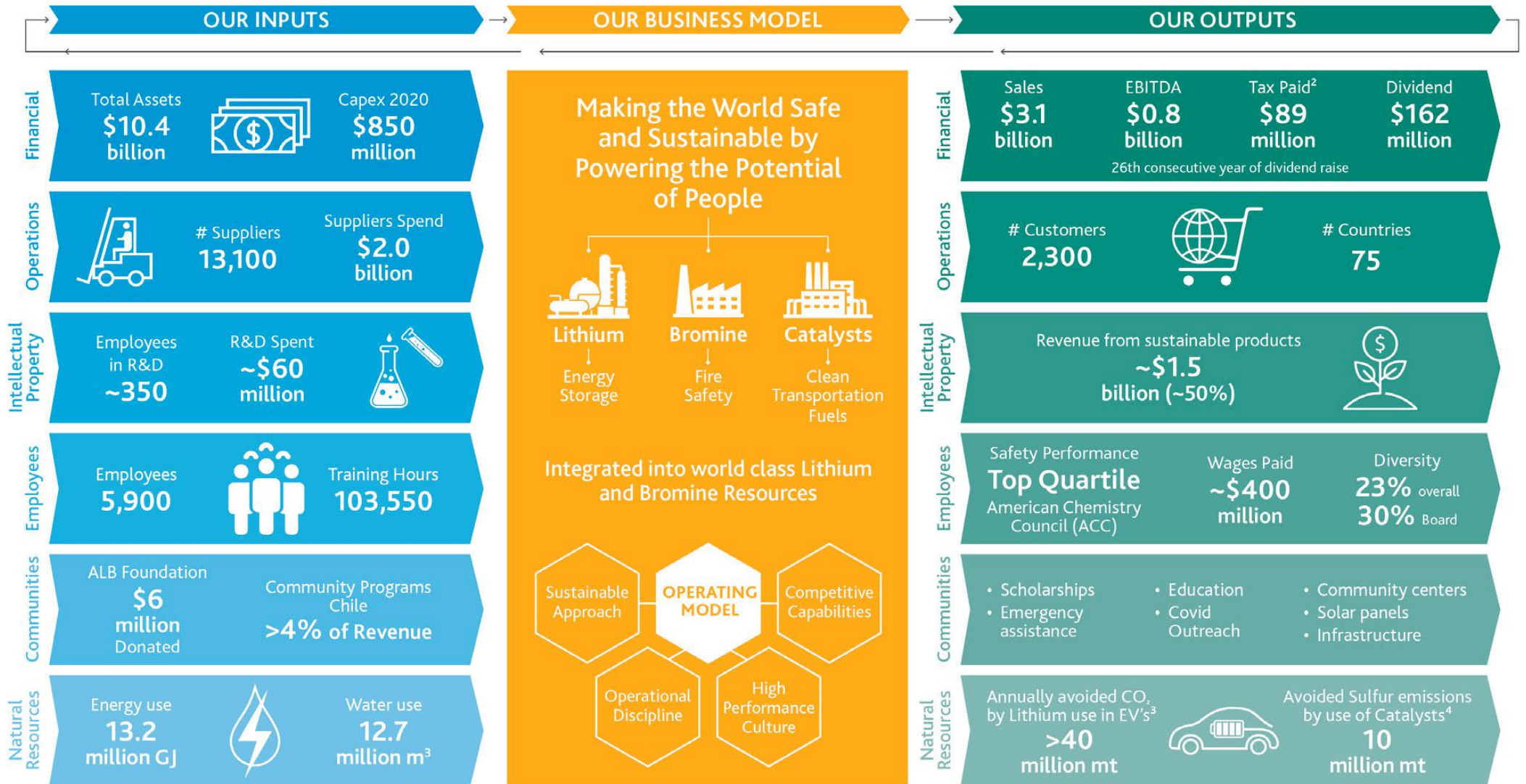
CATALYSTS²

- FCC**
Fluid Cracking Catalysts
- CFT (HPC)**
Clean Fuel Technology
- PCS**
Organometallics / Curatives



² Based on approximate average of 2019 and 2020 net sales splits.

How we CREATE VALUE¹



¹ All data is as of 12/31/2020

² Includes net payments in 2020 for income, sales and use, and property taxes, as well as commission payments to Chile.

³ Source: IEA Global EV Outlook, 2020 and Albemarle estimates. Represents CO₂ emissions avoided in 2020 based on Albemarle's historic value of lithium sold into electric vehicle (EV) batteries and the annual Well-to-Wheel avoidance of CO₂ emissions due to substitution of internal combustion engines by EVs.

⁴ Estimated sulfur emissions avoided in 2020 by the use of HPC catalysts sold in 2020.

Albemarle strives to create value for all our stakeholders – employees, customers, communities, and shareholders. The most significant way we create shared value is through our products. We estimate that nearly 50% of our revenue comes from products designed to improve resource efficiency, lower water consumption, or reduce greenhouse gas (GHG) emissions¹. The majority of our bromine products are used in fire safety - enabling fire prevention and the delay in “flashover of fires” to increase escape time.

By providing value-added products to our customers, we also generate returns for our investors and contribute taxes to governments. Our investments in R&D drive new ways of thinking and innovative products and processes that contribute to a more sustainable future. We provide an innovative and inclusive work environment for our employees, offering competitive compensation and benefits, and opportunities for professional and personal growth. For our communities, we work to preserve the human rights and culture of indigenous peoples who live near our operations, as well as preserve the ecologically sensitive areas we touch. We also donate our time and money to support important causes in the communities where we live and work.

Our PURPOSE and VALUES

Albemarle continues to make the world safe and sustainable by powering the potential of people. This purpose statement inspires and motivates us to always strive for better—for ourselves, our stakeholders, and our world. We live this purpose through our daily interactions and activities, pushing ourselves to think beyond the usual and drive toward the innovative. Further, our core values are how we put our purpose into action.

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

CORE VALUES



CURIOSITY

We encourage questions and wonder. We seek continuous learning, improvement and innovation.



CARE

We value safety and the well-being of each other. We help make our communities better. We are stewards of the environment.



COURAGE

We are comfortable being vulnerable. We are willing to take informed and shared risks, but not shortcuts.



HUMILITY

We share the credit and value the ideas of others – it’s not about me. We value diversity of thoughts, experiences and cultures.



INTEGRITY & TRANSPARENCY

We are our word. We do what we say. We communicate and act transparently. What you see is what you get.



COLLABORATION

We believe two are better than one when two act as one. We are empowered to perform our jobs and are accountable for the result.



Our STRATEGY

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

GROW PROFITABLY

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

MAXIMIZE PRODUCTIVITY

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

INVEST WITH DISCIPLINE

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

ADVANCE SUSTAINABILITY

New in 2020

- Enable our customers sustainability ambitions
- Continue to implement and improve ESG performance across all our businesses



AWARDS and RECOGNITION

Albemarle is proud to be recognized by the following organizations for industry and sustainability excellence:

MSCI ESG RATINGS

BBB¹

S&P 500 ESG Index
Effective prior to the Open on May 3, 2021

Action	Code	Company
Addition	ALB	Albemarle Corp

EURONEXT vigeoEiris
INDICES **WORLD 120**

EURONEXT vigeoEiris
INDICES **US 50**

member of the INVESTMENT REGISTER
ETHIBEL
EXCELLENCE

FTSE4Good²

GOLD
2020
ecovadis
Sustainability Rating

2020
Bloomberg
Gender-Equality Index

★ ★ ★ ★ ★
AMERICA'S MOST RESPONSIBLE COMPANIES
2020
Newsweek

LEADERSHIP IN ENERGY & ENVIRONMENTAL DESIGN
LEED
GOLD
2020

Albemarle Corp HQ Expansion
LEED ID+C: Commercial Interiors (v4)
Gold, Awarded March 2020
Charlotte, North Carolina

中國化工報
Model of Corporate Citizens -
Best Social Responsibility Award was granted to
Albemarle China by China Chemical News.

WILDLIFE HABITAT COUNCIL[®]
Albemarle's Kings Mountain, N.C. site, was recognized by the Wildlife Habitat Council (WHC) for its excellence in corporate conservation in the Pollinator Project category at the 2020 WHC Awards.

American Chemistry Council

Albemarle Corporation was honored by The American Chemistry Council (ACC):

- Responsible Care Facility Safety Award for several sites
- Outstanding COVID-19 Response Efforts Award recognizing Magnolia's efforts to minimize employee and contractor exposure to COVID-19 during a 10-day maintenance shutdown in June 2020

¹ Disclaimer statement

The use by Albemarle of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Albemarle by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

² FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Albemarle has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.



CORPORATE GOVERNANCE



Albemarle values diversity of perspective, experience, and expertise in our directors to help us achieve our long-term strategic goals and ensure we are living our purpose and values. Following our 2021 Annual Meeting of Shareholders, we are governed by a nine-person [Board of Directors](#), comprised of eight independent directors including a lead independent director. Our Board maintains five "standing committees" — Audit & Finance, Executive Compensation, Nominating & Governance, Capital Investment, and Health, Safety & Environment. In addition, our Board maintains an Executive Committee, composed of our CEO and Lead Independent Director.

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

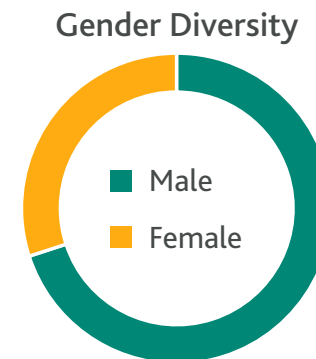
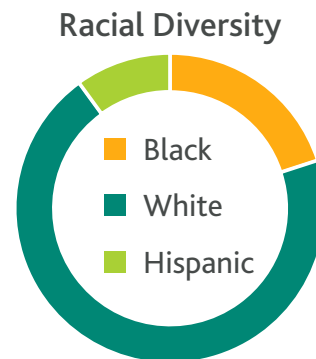
The Health, Safety & Environment Committee of the Board provides oversight of the majority Albemarle's sustainability programs and initiatives, including matters related to corporate stewardship and social responsibility. The Executive Compensation committee oversees Diversity, Equity & Inclusion and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

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

BOARD OF DIRECTORS CAPABILITIES & EXPERIENCE

Experience & Capabilities	Definition	Directors
Global Industry Experience	Experience setting strategy for a global industrial or manufacturing company	9 of 9
Financial Literacy	Advanced understanding of finance and accounting including M&A and capital markets transactions	9 of 9
Risk Management	Ability to identify and manage enterprise risks, including cybersecurity risks	9 of 9
Governance	Oversight of ethics and compliance, aligning executive compensation structures to achieve desired outcomes	9 of 9
People & Workplace	Care for our employees including health, safety and wellness, leadership development and succession, diversity, equity and inclusion.	9 of 9
Government & Communities	Care for our communities including stakeholder engagement and government relations.	8 of 9
Natural Resources Management	Care for the environment, understanding of the risks and responsibilities facing a global industrial manufacturer	7 of 9
R&D and Innovation	Product and process technology and innovation	8 of 9
Value Chain Excellence	Supply chain and logistics	5 of 9
Public company CEO/COO	Understanding of the regulations and considerations of a U.S.-listed, public company	4 of 9

BOARD COMPOSITION



BOARD of DIRECTORS



Kent Masters
Chairman



James O'Brien
Former Chairman & CEO, Ashland Inc.
Lead Independent Director



Laurie Brlas
Former EVP & CFO, Newmont Mining



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



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



Dean Seavers
Former President, National Grid U.S.



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











Holly Van Deursen
Former Group President, Petrochemicals, BP



Alejandro Wolff
Former U.S. Ambassador to Chile





-  Audit & Finance Committee
-  Executive Compensation Committee
-  Nominating & Governance Committee
-  Capital Investment Committee
-  Health, Safety & Environment Committee
-  Chairman of the Board
-  Lead Independent Director
-  Chairperson

BUSINESS and FINANCIAL RESILIENCE



At Albemarle, sustaining a resilient business has never been more important, especially during the COVID-19 pandemic. We take a cross-functional approach to managing critical business risks to maintain financial stability and, keep our operations running, and ensure we are prepared for unforeseen circumstances and emergencies. Effectively managing our business resilience helps us preserve our strong reputation in the marketplace and continue serving our customers' needs while *Charting Our Course* for a sustainable future.

FINANCIAL HIGHLIGHTS

An important part of our business resiliency is a stable balance sheet, supported by strong dividends and the ability to show our investors a positive return on investment. At the onset of the pandemic, we

successfully accelerated our sustainable cost savings initiatives and implemented further cash management actions to reduce costs and preserve capital. These actions enabled us to continue our operations without interruption while maintaining our investment grade credit rating and supporting our dividend.

ENTERPRISE RISK MANAGEMENT

Albemarle employs an Enterprise Risk Management (ERM) program that clearly identifies and defines risks that could significantly impact shareholder value on a long-term or permanent basis. Our ERM program helps us identify key risks and develop and track execution of plans to improve our risk mitigation and management. Albemarle integrates ERM assessment and risk mitigation into our key decision-making processes, including our long-range strategic and annual operating plans.

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

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

Internal Audit

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

- Strategic objectives and key initiatives
- Key risk factors as defined in the Form 10-K
- Internal audit risk assessment, which includes interviews with cross-functional Albemarle leaders
- ERM framework coupled with internal and external risk information
- Direct input from the internal audit team

	2018	2019	2020
Net Sales	\$3.375B	\$3.589B	\$3.129B
Net income attributable to ALB	\$694M	\$533M	\$376M
Adjusted EBITDA ¹	\$1,007M	\$1,037M	\$819M
Adj. EBITDA margin	30%	29%	26%
Earnings per share	\$6.34	\$5.02	\$3.52
Adjusted earnings per share	\$5.48	\$6.04	\$4.12
3-Yr Weighted Avg ROIC ²	11.1%	10.7%	9.3%
Net debt to Adj. EBITDA	1.2x	3.2x	3.4x
Year-end Credit Ratings (S&P/Moodys)	BBB/Baa2	BBB/Baa2	BBB-/Baa3
Dividends paid per share	\$1.34	\$1.47	\$1.54
Dividend yield	1.3%	1.9%	1.8%

¹ Non-GAAP measure. See Non-GAAP Reconciliations in Exhibit 99.1 of the Current Report on Form 8-K filed on February 17, 2021 and Exhibit 99.1 of the Current Report on Form 8-K filed on February 19, 2020 for reconciliations to the most directly comparable financial measure calculated and reported in accordance with U.S. GAAP.

² Return on Invested Capital (ROIC), as defined in the 2021 proxy statement.

In 2020, four key risk themes emerged during our annual audit planning process as we looked towards 2021: operational, capital projects, compliance, and information technology and cybersecurity. As always, our annual audit plan is subject to change in response to circumstances or emerging risks, and these changes are communicated directly to the Audit & Finance Committee of the Board.

COVID-19 Response



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

As the pandemic continued, we leveraged our strong ethics and compliance team and used our Integrity Helpline as a vehicle for stakeholders to ask questions or raise concerns about our COVID-19 response.

The COVID-19 pandemic brought about unprecedented circumstances for the world and Albemarle is proud of our continued support to the communities where we operate in their fight against the pandemic. For example, our plant in Langelsheim, Germany produced just over 5,300 gallons of high-quality hand sanitizer



disinfectant to help address a critical shortage in their community.

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

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

Climate Change Risks and Opportunities



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

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

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

Our Climate Strategy details how we manage climate-related risks at our existing operations and new projects, partner with our customers to enable their sustainability ambitions, and engage with our stakeholders to help fight climate change.



a **MESSAGE** from
the **SUSTAINABILITY**
STEERING COMMITTEE



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

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

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

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

- Reducing the intensity of freshwater usage by 25% by 2030 in areas of high and extremely high-water risk as defined by the World Resources Institute (Chile and Jordan).

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

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

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



SUSTAINABILITY STEERING COMMITTEE

Meredith Bandy – VP, Investor Relations & Sustainability (Chair)

Raphael Crawford – President, Catalysts

Karen Narwold – EVP, Chief Administrative Officer & General Counsel

Bo Brantley – VP, HSSE & Operational Excellence

Michael Brown – Chief Operating Officer, Bromine

Mark Mummert – Chief Operating Officer, Lithium





MATERIALITY



Building on our 2019 materiality assessment, we engaged a third-party firm to assess our material topics to ensure our sustainability management and reporting practices aligned to our corporate strategy. Part of our update was to incorporate Advancing Sustainability as one of our four strategic objectives and aligning our reporting to our updated sustainability framework topics: Natural Resource Management, Sustainable Shareholder Value, and People, Workplace & Community.

Natural Resource Management

Responsibly manage our use of resources and materials

Energy & Greenhouse Gases

Water

Resource Stewardship

Waste



Safety

Diversity, Equity & Inclusion

Investment in Talent

Community / Stakeholder Engagement

People, Workplace & Community

Build an inclusive and diverse workplace focused on safety, mutual respect, development, and well being.

Actively collaborate and engage in the communities in which we work.

Sustainable Shareholder Value

Foster the conditions that create sustainable value for shareholders

Value Chain Excellence

Product & Process Innovation

Business & Financial Resilience

Business Ethics & Regulatory Compliance

ALIGNMENT



to UN SUSTAINABLE DEVELOPMENT GOALS and UN GLOBAL COMPACT



In April 2021, Albemarle announced that we became a signatory to the [United Nations Global Compact \(UNGC\)](#), a voluntary leadership platform for the development, implementation, and disclosure of responsible business practices, and the largest corporate sustainability initiative in the world. In addition to supporting the UNGC's Ten Principles, we also align our sustainability practices to the United Nations Sustainable Development Goals (SDGs).

Albemarle believes our products, services, and investments directly contribute to the SDGs, and aligning our sustainability programs and corporate goals to the SDGs has many advantages, such as attracting and retaining an engaged workforce that will help build a better world for all our stakeholders.

Additionally, through this alignment, Albemarle aims to increase our positive impact on society while reducing potential negative impacts and managing risks. In early 2021, we convened a large, cross-functional group of Albemarle subject matter experts (SMEs) to determine where we can have the greatest impact relative to the SDGs. We held several introductory calls, solicited feedback through a questionnaire, and conducted virtual working sessions with our SMEs to map alignment to a subset of SDGs.

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

Albemarle mapped the following SDGs to our corporate goals, core values, material topics, and strategic focus areas within our businesses. We also identified risks and opportunities associated with these SDGs to understand how we can actively contribute to progress. Albemarle believes it is well-positioned to make tangible contributions to society through alignment with the SDGs.



People, Workplace & Community



We are committed to building an inclusive and diverse workplace. We promote collaboration and engage in the communities where we work and live.



Natural Resource Management



We responsibly manage our use of resources and materials.



Sustainable Shareholder Value



We foster the conditions that create sustainable, long-term value for our shareholders and stakeholders.

”

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

Kent Masters
Chairman, President,
and CEO

“

ABOUT this REPORT





Albemarle's 2020 Sustainability Report covers data and information for calendar year 2020, unless otherwise noted. Financially consolidated joint ventures are included on a pro-rata basis in accordance with guidance published by the World Business Council for Sustainable Development (WBCSD)³. Our report content and disclosures reference the GRI and SASB Standards – Chemicals Standard and Mining & Metals Standard. Please see our [GRI](#) and [SASB](#) Content Indices and [ESG Data Download](#) for more information.

³ Guidance for Accounting and Reporting Corporate GHG Emissions in the Chemical Sector Value Chain, published January 30, 2013.

PEOPLE, WORKPLACE and COMMUNITY



At Albemarle, we greatly value our people, workplace, and communities. It is important for us to build an inclusive, equitable, and diverse workplace focused on safety, mutual respect, development, and well-being for all our current and potential employees. We actively engage and collaborate with the communities where we live and work to enable positive social impact and Chart Our Course to a more sustainable future.

SAFETY



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

Our Approach

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

This strong safety culture is driven from the top by our leadership's commitment to, and engagement in, a safe working environment, including a commitment to safety from our Board of Directors. The Health, Safety & Environment (HSE) Committee of the Board

provides oversight of Albemarle's safety program, and meets with our Vice President, HSE and Operational Excellence, quarterly to review our HSE performance, safety trends, audit program, and corrective actions. The HSE Committee reports to the full Board on a quarterly basis. At the executive leadership level, our CEO is accountable for Albemarle's safety performance, which cascades down to our Vice President, HSE and Operational Excellence, and Global Business Unit (GBU) Presidents. Our CEO and GBU Presidents hold quarterly town halls to report on Albemarle's safety performance.

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

Albemarle sites employ best practices to foster employee engagement in our safety programs. Every shift change meeting begins with a safety share, with site management teams sharing safety moments at least once a week. Sites utilize an employee-staffed central safety committee that reviews processes and procedures to identify areas of improvement. From there, subcommittees are formed around specific safety topics, and all employees are encouraged to join a subcommittee to stay engaged on safety issues.

Our Programs

Albemarle sets internal goals and targets for our safety performance and is a member of the American Chemistry Council's (ACC) Responsible Care® program—the chemical manufacturing industry's environmental, health, safety, and security performance initiative. Additionally, Albemarle employs several safety programs to ensure the safety of our employees

and contractors. Each year we evaluate data including incident trends, leading indicators, and audit findings to identify opportunities to improve our safety programs and ultimately our HSE performance.

Operational Readiness

Through our operational readiness program, we intend to make further improvements in our prevention of spills and releases. This program began by identifying areas of improvement stemming from root causes of relevant incidents over a multiyear period. A team of subject matter experts developed five best practices through this program as well as a roadmap for implementation. We completed the groundwork for this program in 2020 and we plan to publish our findings in 2021, with deployment of these best practices at all our global sites over the next two years.

Life-Saving Rules

We initiated a campaign in 2019 to formalize and deploy eight Life-Saving Rules at our global sites. In 2021, we plan to complete robust site self-audits against the HSE policies and procedures that make up these Rules. Any gaps will be closed to ensure we have full adoption of these Rules globally. Our continued focus on our Life-Saving Rules program reinforces the importance of these critical Rules to protect the lives of our employees and contractors.

Hazard Recognition and Mitigation

Albemarle continues to employ our SCAN (Survey, Consider, Act, and Notify) hazard recognition and mitigation tool in our efforts to achieve zero safety incidents. Through this tool, we coach employees on how to stop, think, and identify potential hazards and to mitigate and communicate these risks to others if long-term solutions need to be developed. We are enhancing our SCAN tool by integrating an external training program that focuses specifically on hazard recognition

and aims to bring our employees further along the maturity curve to better recognize and report hazards. We plan to roll out this enhanced training program globally throughout 2021.



Safety Training

Safety training at Albemarle is mandatory and varies by job function and location. At our manufacturing sites, employees are trained on core safety policies such as permitting and material and process hazards. Contractors receive training in a variety of ways, such as shared training with contractor management, Albemarle-provided training, or contractor-administered training that is reviewed and approved (or supplemented) by Albemarle’s occupational safety team.

Contractor Safety

Everyone at Albemarle’s operating sites – including contractors – are held to Albemarle safety standards. Contractors are also included in our routine safety programs. We review their safety procedures, protocols, and training to ensure they align with ours. In some cases, nested contractors have safety key performance indicators (KPI) that impact the company’s variable

compensation, which helps keep them engaged in our safety culture.

Special Event Management Plan

Albemarle employs a Special Event Management Plan (SEMP) program that outlines how we respond to a variety of unforeseen events. In late 2019, we implemented our SEMP program in response to the COVID-19 outbreak in China. As the outbreak became a global pandemic, our SEMP team (led by our Occupational Safety Director) ultimately grew to be comprised of more than 40 cross-functional staff from our global sites. The SEMP team reported to our CEO and Chief Human Resources Officer on a weekly basis, reviewing the latest statistics and data. Additionally, the SEMP team published 12 safety protocols at the onset of the pandemic from the Centers for Disease Control (CDC) and World Health Organization (WHO) guidance and best practices for social distancing and masks. The SEMP team also reported to the full ELT biweekly and is still intact at the time this report was published.

Our employees were committed to following safety protocols, including staying home if they felt sick and self-reporting sickness to our Human Resources

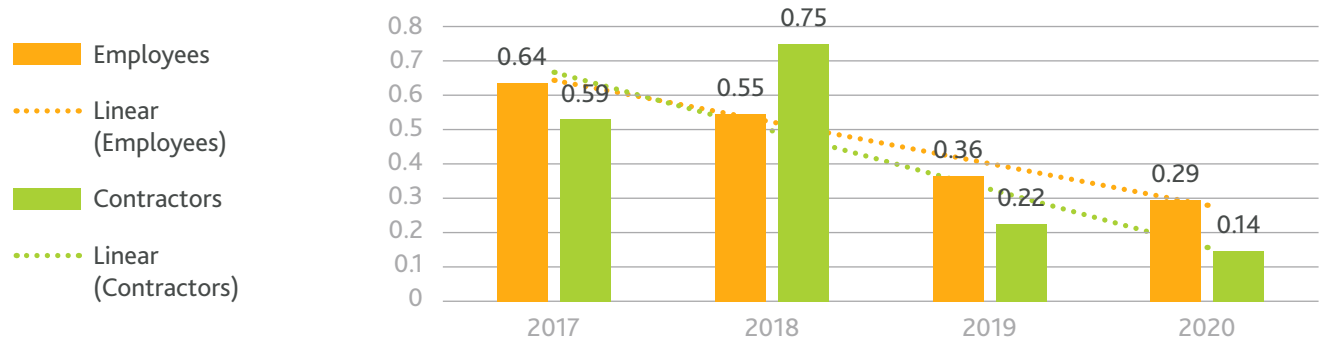
team, without penalty to pay or sick time. To date, we have not had any known direct transmission cases of COVID-19 at any of our global sites.

Our Performance

We continuously work toward zero injuries, process safety incidents, and environmental releases. We routinely look at leading and lagging safety indicators, and track and report our safety performance on KPIs, including total recordable injury rate⁴ (TRIR) and fatality rate. In 2019, we set a three-year target to be within the top quartile of occupational safety performance for our peer group within the ACC. We achieved this target in both 2019 and 2020. We aim to continue this trajectory in 2021, and plan to work toward achieving top decile safety performance in 2022 and beyond to further push ourselves in achieving zero safety incidents. Additionally, HSE performance metrics are part of the Stewardship metric under our Annual Incentive Program (AIP) for named executive officers and most of our global employees. In 2020, we measured performance based on OSHA recordable injury rate, process safety severity rate, and number of environmental releases.

⁴ Total Number of Recordable Cases x 200,000/divided by total hours worked by all employees during the year covered.

Total Recordable Injury Rate (TRIR) Employees and Contractors



DIVERSITY, EQUITY and INCLUSION



We recognize that diversity, equity, and inclusion are essential to our ability to effectively carry out our mission. These fundamental and value-enhancing tenets are critical to our company culture and decision-making practices. Across the organization we continuously work to attract, hire, develop, and retain high-quality, diverse talent. In doing so, we aim to cultivate a work environment that reflects and celebrates the unique backgrounds and experiences of our employees, while also appreciating and engaging the diversity of our employees and giving all employees the opportunity to develop and succeed.

Fostering diversity, equity and inclusion is simply the right thing to do – for our employees, communities, and business.

We strive to ensure all our employees feel a sense of belonging and are engaged, valued, and comfortable sharing their views and opinions. We aim to have a diverse workforce where all employees can reach their full potential in an inclusive environment while

leveraging unique skills, backgrounds, and experiences to drive innovation in the marketplace.

At Albemarle, a **diverse workforce** encompasses more than gender, race/ethnicity or physical abilities of an employee. Diversity is also about thinking style, cultural differences, lifestyle, age, background, experience, religion, economic and social status, sexual orientation and marital status.

We commit to an **equitable workplace** where our employees have fair access to opportunities to achieve their career aspirations. We actively work to remove systemic barriers by challenging and responding to bias and discrimination within our workplace and in the communities where we work and live.

We create an **inclusive culture** by intentionally leveraging diverse perspectives, backgrounds, skills and talents to ensure each employee feels valued and experiences a sense of belonging. We strive to create an inclusive workplace where every employee can contribute his or her full potential in achieving the organization’s goals.

Our Approach

In 2019, we bolstered our commitment to building an inclusive, equitable, and diverse workplace. We enhanced our recruiting process by implementing diverse candidate slates and developed Employee Resource Groups (ERGs) under the unified Connect brand. In 2020, we not only faced a global pandemic that uncovered vast socioeconomic inequities around the world, but we also felt the real impacts of racial injustice in the United States. In the wake of recent violence against minorities in the United States, our CEO communicated directly to employees that Albemarle would be a force of change in fighting against discrimination and committed to several actions.

These actions included hiring an Inclusion & Diversity leader, launching unconscious bias training, and expanding community partnerships in support of initiatives that addressed inequity and embraced diversity in our communities. We are pleased to report that in 2020, we hired our Vice President of Inclusion and Diversity, who is responsible for establishing our DE&I strategy and roadmap, including raising awareness and providing education around what DE&I means at Albemarle. This leader also provides oversight of our Connect groups and works with our ELT to identify opportunities to improve DE&I not only at Albemarle, but also in our industry and in the constantly changing global marketplace.



Timitra Hildebrand-Jones
Vice President of Inclusion and Diversity

“Albemarle has tremendous growth opportunities for the businesses and there is a true commitment to building an inclusive culture and diverse workforce where everyone has an opportunity to achieve their goals.”

Timitra Hildebrand-Jones
Vice President of
Inclusion and
Diversity

Our Programs

Internally, we created a Diversity, Equity, and Inclusion Steering Committee. This diverse group includes 13 Albemarle employees who serve as thought leaders and advocates of the DE&I strategy. Post strategy development and implementation, the Steering Committee will continue to inform, encourage, and monitor our progress.

Training

In October 2020, the ELT participated in unconscious bias awareness training, which included facilitated discussion with a diversity expert about our context, biases, challenges, and opportunities. We plan to use the learnings gained through this training to develop a set of sustainable inclusion practices. Albemarle plans to extend this training throughout the organization in 2021 and 2022, as well as offer more in depth training around inclusive leadership and fostering a culture of accountability. Additionally, we offer training to those responsible for recruiting and hiring talent to recognize and overcome biases during the hiring process.

We plan to add new modules to our 2021 New Employee Orientation to help educate and support employees from the moment they join the Albemarle team. Orientation topics will include Key Aspects of a Respectful Workplace, Diversity in the Workplace, and Diversity for Leaders. This training will be assigned to all new employees and new managers. Currently, there are more than 30 different courses related to diversity, equity, and inclusion on Albemarle University, our online training platform.

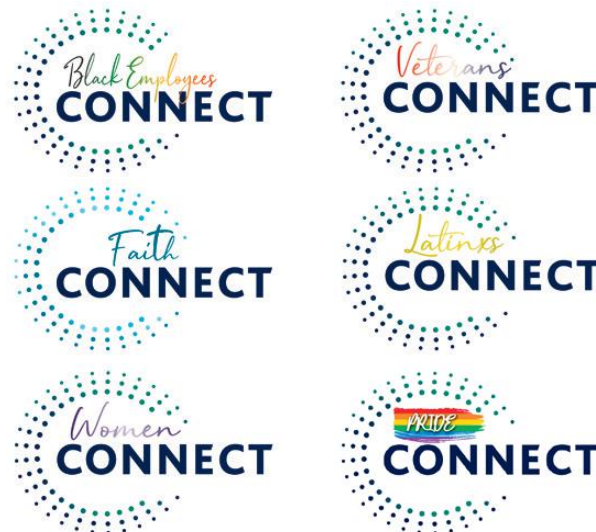
Connect Groups

Albemarle is proud of our Connect groups. These executive-sponsored, employee-led groups promote an atmosphere of inclusion and encouragement that values and hears every employee's voice. In 2019, we

welcomed five new Connect groups: LatinX Connect, Veterans Connect, Faith Connect, Black Employees Connect (BE Connect), and Women's Connect, bringing the total to eight, with local branches around the world. These groups have given employees an outlet to share their backgrounds, experiences, and beliefs while supporting their peers.

In 2020, our Connect groups felt empowered to have more open dialogue in the workplace around sensitive topics. For example, our Black Employees Connect group began a series of Courageous Conversations called Can We Talk? to discuss topics such as intersectionality—understanding how aspects of a person's social and political identities combine to create different modes of discrimination and privilege. Our Women's Connect group conducted panel discussions that gave our women employees a platform to share their career journeys and experiences, as well as discuss how the pandemic has impacted their work-life balance and potential opportunities.

Over the past year we have also increased the support for our Connect groups in new ways, including a



redesigned section of Albert to make it easier to establish and sustain new Connect groups. We welcomed our newest Connect group in 2020—Pride Connect—which serves our LGBTQ+ employee and ally community.

Partnerships

In February 2021, we joined CEO Action for Diversity & Inclusion, the largest CEO-driven business commitment to advance diversity and inclusion in the workplace. As a signatory, we have pledged to cultivating a trusting workplace, expanding unconscious bias education, sharing best practices and engaging our board of directors in the diversity, equity and inclusion work.

We continue to partner with influential organizations that advocate for diversity recruitment and hiring, such as the National Society of Black Engineers, National Black MBA Association, Society of Hispanic Professional Engineers, and Society of Women Engineers. In lieu of in-person events, we plan to participate in virtual career fairs hosted by our trusted partners. Albemarle is pleased to announce a new partnership for 2021 with [Fairygodboss](#), the largest career community for women that provides free resources and a safe, inclusive environment for highly motivated women to connect with other career-minded individuals while helping each other succeed. Through our partnership, Albemarle is highlighting our inclusive culture and career opportunities by giving current employees a chance to share stories of why they love working at our company in hopes of attracting new top talent. Fairygodboss is currently U.S.-focused, but has a growing audience in Canada, Mexico, China, India, and the United Kingdom.

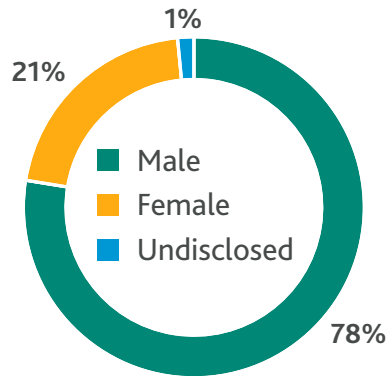
Our Performance

Beginning in 2021, Albemarle 'people leaders' have added DE&I performance goals, including driving diverse candidate slates for open positions within the organization. These performance goals represent our

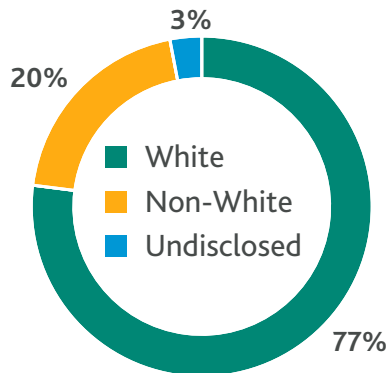
desire to drive greater accountability in developing diverse candidate slates.

Another way we plan to measure our performance is through our progress on fostering an inclusive culture at Albemarle. Part of this process is our desire to implement an inclusion moment into every staff meeting, much like we do with our safety moments. We recognize this is a shift in mindset and a change initiative, and through it we hope our people will become more comfortable in having conversations around DE&I and creating an inclusive culture one interaction at a time.

Global Employees by Gender (2020)



Employees by Race/Ethnicity, U.S. Only (2020)



INVESTMENT in TALENT



In an increasingly competitive marketplace, attracting and retaining top talent is incredibly important. We focus on hiring the right people for the right roles and investing in their personal and professional development to give them the tools they need to succeed and grow at Albemarle. This philosophy on investing in talent allows us to be future focused—to equip our employees with the knowledge and experience they need not just today, but five and 10 years into their Albemarle career.

Our Approach

Albemarle takes a holistic view of investing in talent. We strive to train and develop employees for the long-term, provide for optimal total health and well-being, and cultivate pathways to leadership for all. At the highest level, the Executive Compensation Committee of the Board provides oversight of the performance of our named executive officers, and also discusses Albemarle’s performance related to DE&I globally, including workforce demographics, progress, and goals aimed at attracting and retaining top talent. Additionally, we empower and expect our current people leaders to manage and mentor their teams on a regular basis.

Our Programs

We employ several training and development programs, as well as leadership opportunities, to build the workforce of the future. We want everyone to succeed, grow, and be happy at Albemarle—both professionally

and personally. It is important for our company to offer our people competitive compensation and benefits, and to provide for their good health and well-being.

Training and Development

Albemarle provides training and development opportunities on a variety of topics and through several outlets. We invest in technical training based on location and business to ensure our employees have the necessary skills to operate our assets safely and efficiently. In 2021, we implemented a program called Project Albemarle Intelligence (AI) to help us upskill our technical workforce so they can better understand data coming from their respective plants and use this data to run their operations more effectively. This is just one example of Albemarle investing in the future capabilities of our workforce.

At the corporate level, Albemarle University facilitates all our required trainings, such as Code of Conduct, IT/security, and safety, as well as a full suite of professional development offerings to help our employees perform to their highest potential and further their careers at Albemarle. During the pandemic, we pivoted largely to virtual learning through the Albemarle University platform and continue to expand our online training abilities. We report to the ELT on completion percentages of mandatory training, as well as what learning modules are being utilized the most via Albemarle University.

Leadership Development

Albemarle is proud of our employee Connect groups, and our training and development team often partners with these groups to provide professional development programs. For example, through our Women’s Connect group, we offer coaching, mentoring, and networking opportunities. Before the pandemic, this program provided an opportunity to bring women together

in person from across our global footprint to enable shared experiences and build relationships. In 2020, we welcomed 40 women into this program from 17 global sites.

We also conduct our LAUNCH program, a two-year rotational development program for recent college or university graduates that provides an opportunity to participate in three assignments—two domestic and one international—to allow them to gain unique insight into Albemarle’s culture. We have 18 participants in the LAUNCH program and a 100% retention rate to date. We’re pleased that the incoming 2021 LAUNCH cohort is 80% diverse. Participants are empowered to apply their problem-solving skills to real Albemarle situations, while collaborating with industry professionals and learning to adapt to new and evolving environments.

We continue to employ our traditional leadership development programs, such as performance coaching and 360-degree feedback, as well as our experiential development and mentoring program that provides employees the opportunity to learn through ‘doing’ via on-the-job training, mentoring, and project management experiences.

Performance Management and Succession Planning

Our performance management process occurs primarily at the site level and encourages managers and employees to engage in meaningful dialogues that solicit active discussion around current performance and goals for the future. Performance reviews evaluate employees against not only their individual goals, but how well they execute on our Albemarle values, and these two facets comprise overall performance. We target for all salaried employees to receive performance feedback from their managers at least every six months. We conduct calibration regularly to ensure consistency in how we manage talent performance across our global footprint.

Once a year we conduct an executive talent review of our senior management team and their direct reports, including evaluation of succession plans and potential successors. This critical process allows Albemarle to be proactive in anticipating key organizational needs for executive talent and associated capabilities. This process also ensures we are building the right talent pipeline to ensure Albemarle’s future success. The Board of Directors reviews, evaluates, and provides feedback on our executive talent succession plans and identified successors.

Compensation and Benefits

At Albemarle, people are our best asset and the key to our success. As such, we strive to provide our employees with a competitive compensation and benefits package (Total Rewards), including performance incentives, opportunities for career advancement, and resources to empower them to effectively manage their health and well-being and personally thrive.

Part of our Total Rewards package is recognizing that our workforce is global, multi-generational, and diverse in nature. There is not a one-size-fits-all benefits package, but rather we consider these diversity factors as we constantly evolve and expand our Total Rewards program. Our employees want the tools and resources necessary to manage their financial health, whether during their working career or after retirement. They also want proper healthcare benefits to manage their physical and mental health and wellness. We strive to offer a comprehensive benefits package to all our global employees while also considering regional requirements.

During the pandemic, we amended our US 401(k) program to allow employees to withdraw additional reserve funds than what is usually mandated and expanded our U.S.-based employee assistance program (EAP) to our global sites to meet our employees’ immediate financial and mental health needs brought

on by COVID-19. This global EAP expansion will be made permanent in 2021.

Pay Equity Analysis

Pay equity continues to be an important facet of our talent management program and another way we are working toward a more diverse, equitable, and inclusive workforce. Albemarle conducts regular reviews of our pay practices to ensure they are fair and equitable across our global footprint. For all locations we review our pay practices by gender, and in the U.S. by gender and race. The purpose of this review is to identify any outliers in our pay practices, and work with our global business partners to investigate these outliers to ensure we have defensible reasons for our pay practices. If these reasons do not exist, we immediately rectify any differences in pay. We made 17 pay adjustments in 2020. In our 2020 analysis, we did not discover any patterns of systemic unequal pay globally. Additionally, this pay practice review enables us to develop and implement better tools for our hiring managers to understand how pay should be determined in order to employ fair pay practices.

Health and Well-Being

Promoting the total health and well-being of our workforce is an extension of our strong safety culture. We know that providing our people with resources to help them bring their best selves to work everyday results in happier, more engaged, and longer-term employees. For example, in addition to our traditional compensation and benefits packages we offer parental leave across our global footprint, including leave for adoptive families.

In 2020, Albemarle China received a 2020 AON Best Wellbeing Practice award through the Healthiest Employer Awards program hosted by AON, a leading global professional services firm. This award recognizes organizations that promote employee physical, mental,

financial, social, and career health and well-being. Specifically, Albemarle China received the award for its well-structured supplemental benefits program, comprehensive annual health check-up program, and overall innovative health and well-being programs at our sites in Shanghai, Dalian, Xinyu, Meishan, Beijing, and Weifang.

Our Performance

One way we formally measure our success in talent investment is through evaluating the health of our talent pipeline. This is done through our annual succession planning and review process, using a spotlight approach:

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

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

“It’s an exceptional recognition to our China HR team’s efforts in making continuous improvements on our employee health/wellness programs. We are proud of being one of the market leaders in employee health and well-being programs in China.”

Michelle Wu
Regional HR Business
Partner, China

Throughout 2020, we worked hard to keep our people fully employed, and to not shut down any of our operations during the pandemic. We executed a minimal number of furloughs that lasted just a few months. We also worked to provide our remote working employees the tools and resources they needed to continue doing their jobs without disruption while staying engaged with their teams. Albemarle’s quick action made a significant impact on our continued success during the COVID-19 pandemic.

COMMUNITY and STAKEHOLDER ENGAGEMENT



Albemarle is passionate about collaborating with and contributing to the communities where we live and work. We take pride in being a part of the fabric of our communities, and we consider their well-being in our business decisions. In cases where Albemarle’s operations are in areas with indigenous populations, we work to maintain positive relations with these groups through open, transparent communication as well as economic and community development. Through the Albemarle Foundation, we support our communities in the U.S. through charitable donations, employee volunteerism, and a matching gift program, and we continue to expand the Foundation’s reach to our international sites. Finally, Albemarle engages with a wide variety of stakeholder groups to build and foster strong relationships, share information, gather feedback, and advocate for sustainable solutions to global challenges.

Our Approach

Community Engagement and Indigenous Relations

Albemarle’s community engagement efforts are led by our country and site managers, who provide a direct line to the communities where we operate, and are instrumental in sustaining our success in these areas. Most of our U.S. sites conduct Community Advisory Panels (CAPs) under the Responsible Care Management System, in which site leaders and employees meet regularly with their local communities to listen to concerns and gather feedback. We employ similar programs at our international sites.

Our [Community Relations and Indigenous Peoples Policy](#) demonstrates our commitment to building our operations and developments based on the principles of cooperation and generation of shared value, facilitating progress in our local communities to contribute to more equitable local, regional, and national development. Albemarle supports the principles set out in the UN Declaration on the Rights of Indigenous Peoples and the International Council on Mining & Metals Position Statement on Indigenous Peoples and Mining. We also maintain an overarching commitment to respect the human rights of our stakeholders and to avoid human rights abuses, consistent with the UN Guiding Principles on Business and Human Rights.

Albemarle Foundation

In 2007, Albemarle created [Albemarle Foundation](#) (the Foundation), a private 501(c)(3) organization that provides financial support and volunteer efforts to our communities of operation in the U.S. In 2019, we created Albemarle Foundation Global to expand these efforts internationally. Philanthropy and employee engagement are central to Albemarle’s core values, and the Foundation touches each of these values in some way. The Foundation conducts several programs

through which employees can Grow the Good in their communities by donating their time, talent, and financial support. The Foundation enhances these efforts through community campaigns, matching grants, volunteer grants, and the Albemarle Care Fund. The Care Fund enables employees and retirees around the world to directly help employees who experience financial hardship due to a natural disaster, life-threatening illness or injury, death or other catastrophic circumstance beyond the employee's control. Additionally, our U.S. operations have site councils comprised of employee volunteers who determine what community initiatives the site should be engaged in and how dollars should be allocated.

The Foundation's financial contributions focus on programs that support key cornerstones of sustainability within our communities:

- Education: support organizations that are focused on providing positive educational outcomes.
- Health and Social Services: support nonprofit organizations who are focused on health and social services.
- Cultural Initiatives: support nonprofit organizations that provide opportunities for community members to build or strengthen their relationships with one another.



ALBEMARLE
FOUNDATION

Grow the Good

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

The Foundation has always been proactive with dollars and outreach to the under-resourced in our communities, and therefore is well positioned to continue our efforts with regard to racial and social equity. We are proud to say that 100% of our educational dollars go to under-resourced and underserved populations. For example, more than 70% of our \$10 million educational initiative in Charlotte, North Carolina, is distributed to minority-led organizations. In addition, the Foundation is working with our BE Connect group to further identify organizations to partner with and to advance the call for racial and ethnic equity. Albemarle serves as a committee member on the Public Private Partnership on Racial Equity, led by the mayor of Charlotte, which focuses on employer commitments to racial equity.

Stakeholder Engagement

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

Our Programs

Community Engagement Around the World

We are extremely proud of the impact we have on the communities where we live and work. We believe that you cannot effectively manage a relationship without first being at the table. It is important for Albemarle to be embedded in our communities to spur economic development, create jobs, and help preserve some of the most environmentally sensitive areas in the world. The following highlights are just a sample of the great work we are doing globally and are not exhaustive of all our community engagement efforts.

Chile

In August 2020, Albemarle celebrated 40 years of investment in our Chilean lithium operations. We greatly value our longstanding relationship with CORFO, the Chilean economic development agency. We are pleased to report that with the use of \$17 million of Albemarle contributions, CORFO has selected a consortium to develop a circular economy R&D center in northern Chile and a consortium to promote electric transportation in Chile.

The Salar de Atacama (the Salar) in northern Chile is home to the driest desert in the world, and we work to responsibly manage our environmental and social impacts in this area. The Atacameñan people have lived in the Salar for more than 12,000 years, and Albemarle is conscious of our responsibility to help preserve their culture and add value to their way of life. More than 35% of the employees at our Salar plant belong to an indigenous community.

Albemarle has cooperative agreements with several local indigenous groups, including with the Council of Atacameñan Peoples (CPA). The CPA represents 18 indigenous communities and 6,000 people that live

around the Salar. Under our [agreement](#) with the CPA, we meet with the CPA monthly, discussing community concerns, addressing changes that need to be made at our operations, and planning for our monthly joint visits to monitor water levels together. We also contribute 3.5% of our Chilean revenue to the indigenous communities in the CPA. Projects carried out in 2020 included:

- a new community center in Catarpe
- a solar power plant
- improvement in water access
- a wastewater treatment plant in Machuca
- homes for community members in Guatin – the first example in northern Chile of an indigenous community's ancestral home being repopulated with emigres from a local city

Chile was hit especially hard during the pandemic; this year, several communities dedicated Albemarle funds to COVID-19 relief. For example, the municipality of San Pedro, with whom we also have an agreement, used approximately 25% of our funding to provide COVID-19 testing services, health care, and contact traceability.



Albemarle's camp is in the indigenous community of Peine with whom we have an agreement that lays out mutually beneficial objectives and provides annual funding to the local population of 400 people. Peine dedicated funding this year to implementing COVID-19 measures, improving its water system, and other infrastructure projects as well as for supporting traditional cultural activities.

Addressing the need for gender diversity in leadership roles is a key objective Albemarle in Chile. We established an all-woman panel including the country manager, an Albemarle union leader, an indigenous community leader, and an academic specialized in gender equality to discuss challenges, as well as success stories to empower women to continue to grow their contribution and influence in the local community.

In July 2020, our Chile country manager participated in a panel discussion organized by AmCham Chile, with three other prominent leaders of U.S. companies to discuss their experiences leading through a crisis. The business leaders shared their experiences of managing through the COVID-19 pandemic, focusing on the importance of collaborating and communicating with stakeholders during difficult times. Specifically, Chile's country manager highlighted several keys to success including taking care of employees and communities, adapting to changing circumstances, and leveraging innovation. We are proud to say that we were able to continuously operate both plants in Chile throughout the COVID-19 pandemic and, while most mining companies halted construction projects during the first six months of the pandemic, Albemarle continued construction of its lithium conversion plants in La Negra throughout 2020.

Our Chile country manager also addressed forward-looking objectives such as promoting electromobility in Chile, an important topic in a post-pandemic world given the relationship between air pollution and respiratory diseases. In early 2020, Albemarle joined 52

other organizations in signing an agreement to promote electromobility in Chile.

Albemarle's values are at the heart of the way we operate in Chile and this has been recognized by important organizations. Our Chile country manager was recognized as one of "100 Inspiring Women in Mining" by Women in Mining UK and as Executive of the Year by the Antofagasta Industrial Association, the leading association in Chile's principal mining region.

China

Albemarle China's country manager oversees issues related to compliance, local regulation, talent management, and corporate reputation for six sites in China. It is important for us to understand the various geopolitical ecosystems to maintain our license to operate, while supporting the positive development of our communities. We foster open communication with our communities, inviting employees to bring their families to the plants to see how we keep our operations safe for our communities.

At the beginning of the pandemic, our local communities in China were heavily impacted, and our plants donated stocks of masks to those in need. Through the Albemarle Foundation and a Special Global Matching Gift, employees in China donated to the Xinyu City Red Cross in support of COVID-19 relief efforts. Through Albemarle's employee engagement programs such as Growing the Good and the Care Fund, we have increased our employees' giving potential to both communities and fellow employees. For example, in Dalian, China, nearly 60 Albemarle employees cleaned up almost 25,700 square meters of beach, collecting 27 bags of trash and debris.

In August 2020, our Shanghai office partnered with HandsOn Shanghai to participate in their River Watching program. HandsOn Shanghai provided 24 Albemarle employees with a half-day training on how

to use water quality detection tools before heading out to the River Jiangwanshi to take photos and collect samples from the river, as well as conduct interviews with community members to collect feedback on water quality concerns. Despite heavy rains, the Albemarle team completed the river watch and provided solid data to the River Watcher Development Center so it can continue its efforts to preserve river water resources in Shanghai.



During major Chinese holidays, plant leadership engages with the local community by bringing seasonal food and small gifts to villagers while listening to their concerns and answering questions. Additionally, many of these communities have councils or committees comprised of village leaders who present environmental or social concerns to Albemarle during regular meetings.

Other notable accomplishments for Albemarle China in 2020 include:

- Award for an Advanced Company (Role Model Corporate) in recognition of following strict compliance practices on bromine importing and domestic sales during 2020. This award was issued by the committee of Dangerous Goods and Drug

Precursor Chemicals Management and the Shanghai Huangpu Public Security Bureau. In China, there is strict control and reporting procedures that must be followed when importing and selling bromine, and it is important that manufacturers handling this chemical are compliant with practices.

- Our Country Manager was appointed to the AICM Advisory Board and participated in the Responsible Care Global Charter Local Signing Ceremony. This act demonstrates Albemarle China's commitment to the principles of Responsible Care and the importance of promoting sustainability in the chemicals industry.
- Albemarle China sponsored AmCham China's annual Women's Economy Summit (WES) – the largest gathering of women leaders in the world with a mission to raise awareness of the key role women play in global economic development.

Jordan

The country manager for our joint venture in Safi, Jordan—Jordan Bromine Company Limited (JBC)—works diligently with government leaders to impact positive change in the community. We are proud to say that JBC was the only company in Jordan that did not shut down production during the pandemic, despite a countrywide lockdown. During the pandemic, JBC hired additional qualified local workers and provided scholarships and internships to local students who were physically able to come to the plant and work. We also faced supplier challenges, leading us to engage with more local suppliers, especially in the chlorine business. In 2021, we are establishing a 2% local procurement requirement in our supply chain policy as well as continuing to increase local hiring practices to make a greater impact on the local economy, including a goal of doubling our female workforce at the plant.

As part of JBC's contribution to COVID-19 pandemic relief efforts, more than 4000 PCR tests were given

to our 350 employees and the surrounding local community. JBC also fully funded the rebuilding of a bridge to help reconnect communities through enabling transportation. We engaged with local community leaders to explore the idea of establishing a board of local experts to formally discuss community priorities, developed a list of ideas and projects to collectively support to boost the economy, and ultimately set a multi-year strategy to support the country in a post-pandemic world. In 2020, JBC began a sustainability impact study to proactively demonstrate to the government that we are a good corporate citizen. JBC has conducted an economic impact assessment and was able to share with the government of Jordan that JBC represents around 0.8% of Jordan GDP. Further, JBC represents 6% of total trade of Jordan. As such an important part of the economy of Jordan, JBC strives to be a socially responsible corporate citizen.

Australia

In 2019, Albemarle commenced construction at the Kemerton Strategic Industrial Area in Western Australia to develop the Kemerton lithium hydroxide processing plant. Once operational, the output from the Kemerton plant will primarily support the electrification of global transportation, along with energy storage and electronics. Kemerton offers significant employment, economic, and social contributions to the South West Region and Western Australia.

During project design and development, Albemarle engaged many key stakeholder groups, including state and federal regulatory departments, local government, regional catchments councils, industry associations, and communities. To date, we have created nearly 2,000 construction jobs with a future workforce of approximately 300 employees once operational.

Kemerton is being constructed in an area that has a diverse and well-established economy, industries, and communities. We are in the process of developing

a robust community investment program that will prioritize education, environment and sustainability, health and wellness, and culture, and we plan to leverage the employee volunteer programs through the Albemarle Foundation to Grow the Good in our surrounding communities.

Through our commitment to South West communities, Kemerton has already contributed to COVID-19 pandemic relief in Western Australia, including contributions to Foodbank WA, Lifeline WA and the Royal Flying Doctor's Service of Western Australia. In the South West community, we are represented on various boards, committees, and alliances to share knowledge and foster collaboration within our communities.

Under the umbrella of the Global Community Relations and Indigenous Peoples Policy, we have commenced our journey to recognize and engage with indigenous peoples in the South West of Western Australia. We are fully committed to and working towards developing the tools and engagement required to form a meaningful and relevant Indigenous Participation Plan for Kemerton that includes indigenous recruitment, training, procurement, and community engagement opportunities.



The leadership team at our Kemerton site developed the Kemerton Diversity and Inclusion Strategy with the commitment to build an environment that is inclusive of diversity and the community in which we operate. In March 2021, under the umbrella of the Chamber of Minerals and Energy of Western Australia, we hosted the first regional industry event of its kind—the Albemarle Women in Resources—to highlight our commitment to and engage in conversations that will help inform our plans for robust diversity and equal opportunities at Kemerton.

Leveraging the Albemarle Foundation

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

Grow the Good Community Campaign

In 2020, through our Grow the Good Community Campaign, we conducted a one-day virtual Albemarle Foundation Day across all our U.S. sites. Engagement was high with over 1,000 employees tuned in plus hundreds of replays over a link that was provided. We highlighted short videos of employees speaking about their personal giving, why the Foundation is important to our communities, as well as partner agencies thanking employees and the Foundation for their contributions. As a result, we raised \$932,000 from employees, retirees, and directors by either payroll deduction or a one-time contribution, with over a 72% participation of our U.S. employees.

Despite challenges brought on by the pandemic, Growing the Good through all our Foundation programs continued to engage employees and make a difference in the communities where we live and operate. Some highlights include:

- Conducted our 14th Annual Albemarle Youth Build with Habitat for Humanity in Baton Rouge.
- Donated \$1 million to the Carolina Youth Coalition (CYC) in Charlotte to help ensure their ongoing success. Additionally, our Budapest, Hungary, site stood in solidarity against racial injustice by organizing a photoshoot to raise funds for the CYC.
- Our Twinsburg, Ohio site donated aluminum cans to Aluminum Cans for Burned Children (ACBC), an organization that raised money to help pediatric burn survivors and their families. Additionally, the Foundation donated \$5,000 to ACBC.
- Albemarle Chile sponsored a program to help promote English proficiency of future leaders; as a result, 21 students received a diploma accrediting their English language skills.



- Donated \$5,000 USD to the Amsterdam Food Bank in support of COVID-19 relief efforts.
- Our Silver Peak, Nevada site enabled their local fire department to purchase live saving equipment for their firetruck and ambulance services through both volunteer and Grow the Good grants.
- Team members from Kemerton participated in the Ronald McDonald House Charities 2020 Ride for Sick Kids. The team raised \$6,049 and their fundraising efforts were matched by the Albemarle Foundation.
- Employees globally participated in National Wear Red Day in support of the American Heart Association, through which the Foundation donated \$5 for every employee who wore red plus matched employee donations for a total of \$17,710. In addition, as a Go Red for Women sponsor, over \$375,000 was committed to blood pressure kiosks in under-resourced communities and a focus to “live fierce” in support of women’s cardiovascular health and education.

Matching Grant and Volunteer Grant Programs

Engaging employees around community outreach efforts is an important part of the Albemarle experience. We empower employees to support causes that are meaningful to them, whether it is through charitable donations or volunteer time.

Our Matching Grant program provides eligible employees, retirees, and directors the opportunity to donate to an organization of their choice by matching individual contributions up to \$2,500 per eligible contributor, each year. In 2020, as a part of our COVID-19 pandemic response, the match was raised to \$25,000 empowering employees to give back more into their communities during these challenging times, and a record amount of over \$770,000 was distributed through this program.



The Volunteer Grant program provides employees and retirees the opportunity to volunteer their time and receive a grant, to the nonprofit, of up to \$1,000 per calendar year. Despite the pandemic, \$101,642 was awarded to nonprofits in employees' honor for their sweat equity in our communities. This was possible, in part, by our #GrowtheGoodfromhome series featured on Albert, highlighting stories of employees volunteering remotely, offering suggestions for remote volunteerism, and encouraging continued engagement.

Scholarship Programs

The Foundation has funded a scholarship program since 2007 to assist children and dependents of Albemarle employees. Graduating high school seniors who are attending college or university in the U.S. are invited to apply, and recipients are selected by an independent scholarship committee comprised of educators from our local communities. The program awards multiple \$10,000 scholarships and one \$20,000—the Gottwald Scholarship. In 2020, the Foundation granted nine new scholarships with a total of 32 students in the program.

Albemarle Care Fund

For more than five years, the Care Fund, a separate public nonprofit, has supported employees through challenging times. Employees raise money to aid current employees and retirees who experience financial hardship due to an extreme circumstance beyond their control, and the Care Fund matches those donations. The Care Fund also mobilizes during natural disasters in which employees are significantly impacted. The Care Fund has its own Board of Directors that oversees the transparent and appropriate allocation of employee donations. In 2020, employees at our Xinyu, China, plant helped raise funds for a colleague and his wife, who suffers from an eye disease. Their generosity helped raise more than \$7,150 in one week, which the Care Fund matched for a total of \$14,300 to help the employee and his family.

Stakeholder Engagement

Effective and frequent stakeholder engagement is part of Albemarle's DNA. Our focus on sustainability serves as the foundation for how we engage with our stakeholders, and we recognize that our social license to operate depends on our ability to build and maintain trusted relationships with these important groups. Further, we believe in a 'never say no' philosophy—we endeavor to always provide a response to a stakeholder question or concern.

Stakeholder Group	Type of Engagement
Employees	<p>Albemarle regularly communicates with our employees regarding company initiatives, news, goals, and performance. We do this through daily updates to Albert and frequent updates to our corporate website, quarterly town hall meetings hosted by our CEO and GBUs that are recorded and posted to Albert, written memos, and in-person meetings (where possible). Our Connect groups also play a key role in sharing important information with our global workforce. Additionally, employees can ask business-related questions any time via a dedicated email address.</p> <p>During the COVID-19 pandemic, we increased communications with our employees through Albert while many people were working remotely. We established a dedicated webpage to our pandemic response, dispensing information on safety protocols for on-site employees, case counts, information on vaccinations, and other relevant information.</p>
Shareholders/ Investment Community	<p>Regular updates are provided primarily through our SEC filings, publicly available quarterly earnings calls and other presentations to industry and investor groups that are webcast and available for viewing on our website. We also co-host analyst events, attend conferences, and employ feedback loops to address investor concerns and answer questions. This helps increase transparency of our business activities for the benefit of our investors.</p>
Industry & Trade Associations	<p>Albemarle participates in trade and industry associations globally, such as the American Chemistry Council. In 2020, we introduced a revised industry association procedure to ensure that industry collaborations are in accordance with our core values and support our corporate strategy. In 2021, we plan to review and streamline our existing association memberships.</p>
Government and Regulators	<p>Albemarle employees responsible for managing government and regulatory affairs regularly engage with governments and regulators via phone, email, or in-person meetings (when possible). We ensure these groups are aware that Albemarle is focused on regulatory requirements and the compliance of our products and operations.</p> <p>The Albemarle Corporation Political Action Committee (Albemarle PAC) supports federal candidates who have demonstrated support for the principles to which the Company is dedicated. Political contributions are funded by voluntary contributions from eligible employees. Following the violence at the U.S. Capitol on January 6, 2021, we suspended contributions pending a review of our political contribution policy. To view our political contributions for 2020, please see our Data Download.</p>
NGOs	<p>We engage with global, regional, and national NGOs on environmental, social, and governance issues to demonstrate the benefits of our products and the sustainable operation of our facilities.</p>
Sustainability Advocacy	<p>Albemarle's advocacy efforts promote sustainable solutions to global challenges, support our customers and local communities, and defend science-based chemistry solutions. In 2020, we specifically focused on demonstrating our diverse product offerings geared toward greening the economy, and how these products benefit not only customers but the world.</p>
Media	<p>Albemarle routinely distributes press releases and conducts interviews with relevant industry media to further engage with trade associations, regulators, customers, and other key stakeholder groups.</p>

Our Performance

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

	2018	2019	2020
Albemarle Foundation Program Grants (Global)	\$5,606,228	\$6,193,676	\$5,665,655
Employee Contributions to Albemarle Foundation Annual Campaign (U.S. only)	\$712,849	\$818,920	\$907,674
Total Employee Volunteer Hours	12,203	17,717	9,810



NATURAL RESOURCE MANAGEMENT



As a specialty chemicals company, we believe we have a significant role to play in the transition to a low-emission economy. Through monitoring and managing our impacts around energy, GHG emissions, water, minerals, land and biodiversity, and waste, we continue to be responsible stewards of the environment and help ensure the safety and viability of our local communities. These are just some of the ways we are Charting Our Course to a more sustainable future.

ENERGY and GHG EMISSIONS



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

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

Our Approach

In early 2021, we established a Climate Strategy that outlines our approach to addressing the impact our

operations have on the environment. Our strategy is comprised of three tenets—improving the efficiency of our operations, enabling our customers' sustainability ambitions and collaborating with our stakeholders—and includes our GHG emissions targets, as outlined below.

In 2019, we set a baseline for our energy consumption to help us understand our global footprint and enable us to develop solutions for reducing our carbon footprint while also helping customers achieve their sustainability ambitions. In early 2021, the Health, Safety & Environment Committee of the Board approved the following targets regarding GHG emissions:

- To support the goals of the Paris Agreement and aspire to net-zero operations by 2050;
- To grow lithium production capacity in a GHG intensity-neutral manner through 2030; and
- To reduce GHG-emissions in Bromine and Catalysts by 2030 in line with, or as close as possible to, science-based targets (SBT).

These targets connect to Albemarle's corporate purpose and core values, as well as our long-term strategy. Beginning in 2022, we plan to report progress on these targets annually (external) and quarterly (internal).

Our Programs

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

Operational Efficiency

The processing steps for our chemical manufacturing operations are energy intensive, including moving raw materials, heating and drying, and distillation. While these are critical components of our production, we reduce energy consumption where possible and

incorporate energy efficient equipment into the design of our future projects.

In our lithium operations in China, for example, we have worked over the past year to optimize our high-energy burner kilns to reduce energy consumption and costs. We also challenge ourselves to look for more energy-efficient kiln systems across our lithium conversion operations. In Amsterdam, we implemented a new boiler house after thorough analysis of our energy consumption and GHG emissions at this Catalysts site. In 2017, we implemented two heat integration projects at JBC to reduce thermal site energy and freshwater use. In 2020, we installed two additional heat integration projects at JBC and upgraded the internals of one bromine column reducing site energy consumption by 6% and water consumption by 1.5%.

Renewable Energy

We are actively looking to increase the amount of renewable energy we use and further green our energy mix through the utilization of power purchase agreements (PPAs) in collaboration with other organizations and other similar sources.

We continue to utilize passive solar energy at our lithium concentration ponds in the Salar de Atacama in Chile and Silver Peak, Nevada. Thanks to the arid climates of these two regions, we can sustainably and efficiently concentrate lithium while removing impurities to convert it to a more usable form. Utilizing passive solar energy avoids the need for fossil fuels and their related GHG emissions.

Our Performance

Albemarle is committed to energy efficiency and management of GHG emissions to protect the climate. We invest in new technologies with low energy and greenhouse gas footprints, and we use renewable energy sources.

In 2021, Albemarle set absolute reduction goals and targets for GHG emissions in our Bromine and Catalyst businesses. These goals take into consideration increasing production capacity while decreasing energy and emissions intensity. We also plan to incorporate process efficiencies and other design improvements into our future capital projects.

Our Lithium business is expected to grow significantly over the coming decades, primarily driven by electrification and the adoption of EVs. GHG emissions related to the production of lithium will increase in absolute terms through 2030 due to planned capacity growth. Against the background of high growth, the target for our Lithium business is to grow on a carbon-neutral trajectory through 2030. This means that the average GHG-emission per kilogram of product in 2030 is the same as (or lower than) in 2019.

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

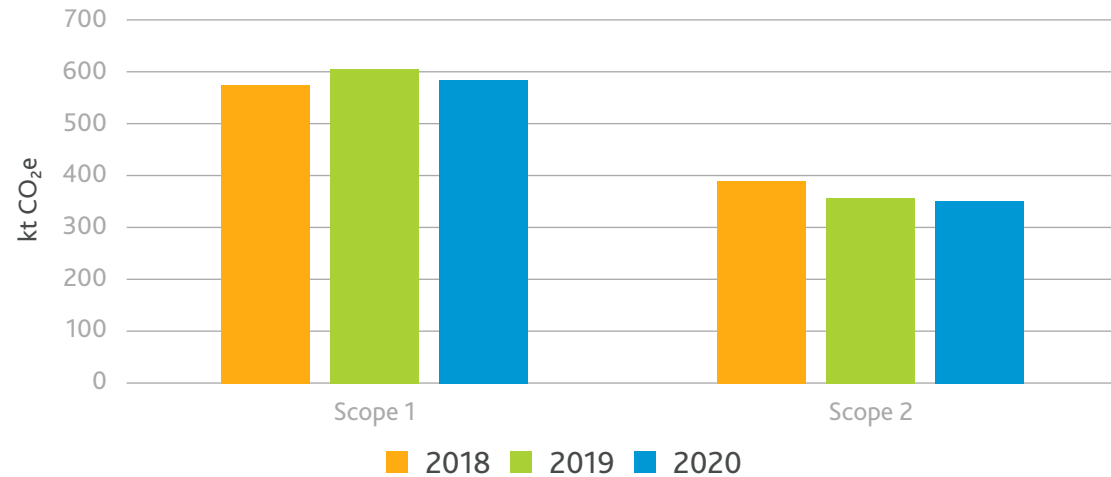
Our total energy consumption in 2020 was 13.5 million gigajoules (GJ), down 5% compared to 2019. Energy consumption decreased in Bromine and Catalysts due to efficiency projects and lower production, partially offset by higher production in Lithium.

As discussed above, about 81% of the energy used in 2020 was passive solar energy. The remaining energy use consists of fossil fuels such as natural gas and diesel (79%) and grid electricity (21%). About 9% of the grid electricity is renewable.

⁵ For reporting purposes, the boundaries of energy consumption and GHG emissions are set in line with the GHG Protocol and the SASB standards. Financially consolidated joint ventures are included on a pro-rata basis.

⁶ 2019 GHG emissions are restated to reflect the actual composition of the grid electricity mix instead of regional averages.

Gross Global Scope 1 and 2 Emissions



GHG emissions⁵ of 935 kt CO₂e in 2020, declined 3% from 965 kt in 2019⁶ driven by efficiency projects (in all GBUs) and lower production in Catalysts.

Total GHG emissions in Catalysts and Bromine together decreased 6.2% to 618 kt in 2020. GHG emissions in Lithium increased 4% to 288 kt CO₂e in 2020. The GHG intensity of the lithium operations (GHG emissions per mt of primary product) was unchanged at 2.9 kg CO₂e/kg product. This GHG intensity represents the mix of lithium products, including lithium carbonate, lithium hydroxide, and other technical and specialty grades.

GHG emissions, kt CO ₂ e	2019	2020	2030 TARGETS
Catalysts and Bromine (joint)	659	618	478

GHG intensity, mt CO ₂ e / mt product	2019	2020	2030 TARGETS
Lithium	3.0	2.9	<3.0

WATER



Water is a critical input to Albemarle's production operations. As water is a scarce resource, we understand the need to responsibly manage our water consumption not only for the preservation of the environment, but for the viability of our local communities.

We measure water withdrawal including water from rivers and lakes, extracted groundwater, collected and stored rainwater, municipal water, and water obtained from other utilities. Brine (a source of lithium and bromine) is not included in this calculation because its extreme salinity makes it unsuitable as a freshwater source.

Our Approach

Several of our production operations are in areas of high or extremely high-water stress, as categorized by the World Resources Institute (WRI) Aqueduct Atlas. It is important for Albemarle to be especially conscious of how we manage our use of water resources in these sensitive areas.

Our water consumption is reviewed at GBU portfolio meetings on a quarterly basis, which include GBU leadership and direct reports. In early 2021, the Health, Safety & Environment Committee of the Board approved a goal to reduce our intensity of freshwater usage by 25% by 2030 in areas of high or extremely high-water risk as defined by the WRI. For Albemarle, this includes our lithium operations in La Negra and the Salar de Atacama, Chile, and our bromine operations (JBC) in Safi, Jordan. Beginning in 2022, we plan to report progress on these targets annually (external) and quarterly (internal).

Our Programs

Albemarle uses an impact scoring system to determine the feasibility of major capital expenditure investments. The scoring system considers availability of human capital, financial capital, and environmental resources (including water) to obtain an impact score that lets us know whether to proceed with the investment. In environmentally sensitive areas where water is an extremely scarce resource, our impact scoring system plays a significant role in our investment decisions.

Albemarle employs several water management programs across our global operations to responsibly manage our water use, such as a real-time water monitoring network, alternative water sources in lieu of fresh water, and water conservation equipment.

Bromine

At our global bromine operations, we employ a five-year resource and asset plan that maps water supply versus demand. This plan helps us determine if and where to add capacity to begin projects, while also considering our approach to water use and reducing our consumption from the beginning. For example, we utilize a water roadmap at JBC that helps us monitor our performance on an important KPI—water consumed per ton of bromine produced—in this area of extremely high-water risk. This plan and roadmap enables us to implement operating discipline improvements and drives us to find new and innovative ways to reduce our water consumption while also reducing costs and increasing production capacity. Additionally, we are engaged in ongoing conversations with the Jordanian government to explore the feasibility of funding the construction of a dam in order to secure more fresh water for our operations and the local communities.

At our bromine production operations in Magnolia, Arkansas, we conducted a pilot program in 2020 for our

artificial marsh to capture all non-contact stormwater runoff. The pilot took the effluent from the marsh, treated it, and converted it to fresh water for use in our operations – in turn, it helped reduce the burden on the underground aquifer from which we currently source fresh water. The pilot was successful, and implementation is slated to begin in 2022.



Lithium

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

The Salar de Atacama basin is an endorheic or closed basin, surrounded by mountains. There are high mountains to the east of the Salar, and clouds ascend the high mountains, condense and precipitate in the form of snow and water. This water and snow flows down the mountains, and the water that isn't consumed as it flows downwards reaches the edge of the Salar.

There are three primary zones in the Salar: the salar nucleus, where the brine is located; the saline interphase, where the brine meets the groundwater; and the recharge zone, where groundwater collects, forming lagoons. The brine has been generated over thousands of years through the evaporation of what was once an inland sea. This process precipitated the salts and left liquid brine in the deep part of the porous rock in the nucleus. The size of the lagoons depends on the amount of groundwater that arrives at the interphase. Low permeability sediments around the saline interphase minimize the effects of brine extraction. Data from our hydrogeological model confirms that brine pumping does not affect the upstream groundwater levels or the size of the lagoons.

In 2020, we installed a thermal evaporator at our lithium conversion operations in La Negra, which came online in April 2021 and will be fully operational

MODEL OF THE SOUTHERN MARGIN OF SALAR DE ATACAMA



later this year. This evaporator is a \$100 million dollar investment that is similar to technology we use at JBC to increase conversion capacity without a corresponding increase in freshwater usage. Albemarle is excited about this significant investment that no other lithium manufacturer is currently utilizing.

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

Our Performance

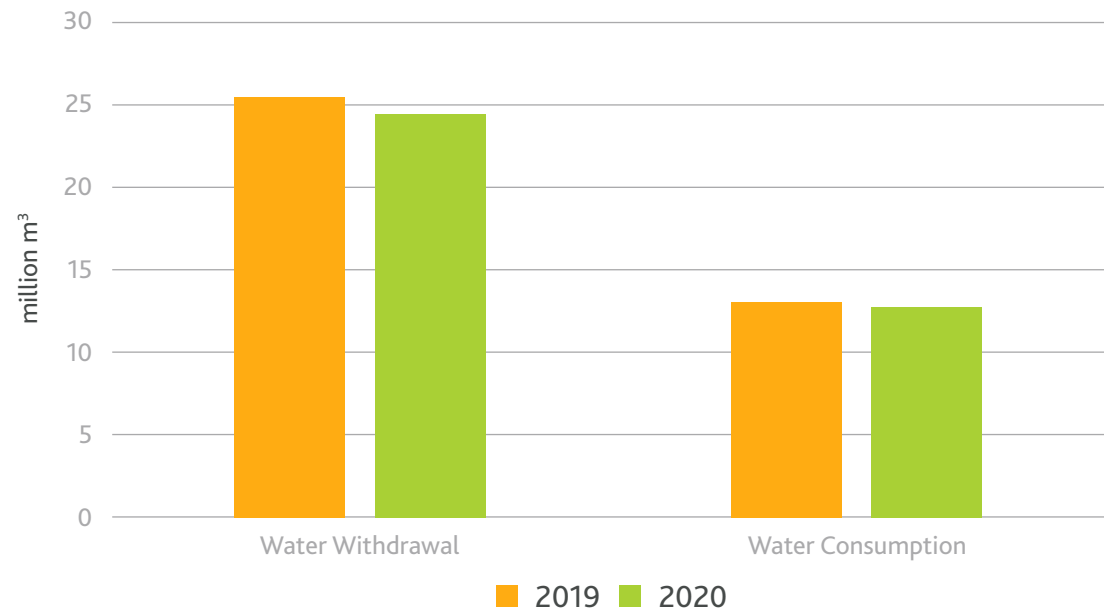
Albemarle is committed to the responsible management of water, especially in areas categorized by the WRI as having high (category 4) or extremely high (category 5) water risk. We invest in new process technologies to reduce our water footprint and expand capacity sustainably in locations with high water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

Total water withdrawal in 2020 was 24.4 million m³, down 4% from 2019 while total water consumption in 2020 was 12.7 million m³, down 1% from 2019⁷. Water consumption includes water in our products, evaporated during processing, or released in a different catchment from which it was withdrawn. In many locations a large fraction of the water withdrawn returns to its original catchment and is therefore excluded from water consumption.

In 2020, water use in areas of extremely high- or high-water risk was approximately 21% of total water use, unchanged from 2019. Water intensity is significantly lower in areas of higher water risk. Our overall water intensity was 18 m³ consumed per metric ton of product while the water intensity in high- and extremely high-water risk operations was 8 m³ water per metric ton of product.

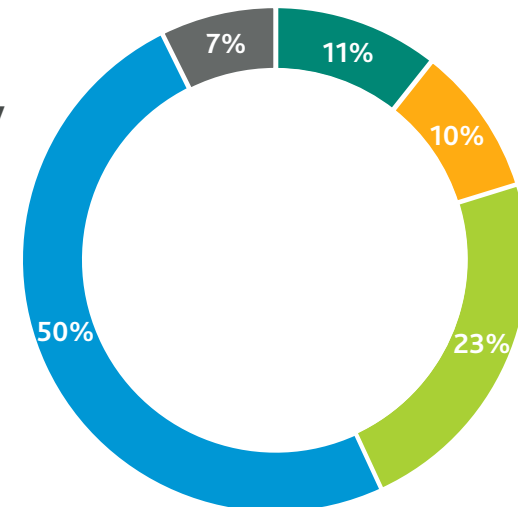
⁷ The water-consumption of 2019 was restated primarily because the number reported in the 2019 sustainability report contained water consumption delivered to third parties.

Total Water Withdrawal and Consumption



Water use by risk category

- Extremely high (4-5)
- High (3-4)
- Medium - High (2-3)
- Low - Medium (1-2)
- Low (0-1)



RESOURCE STEWARDSHIP and WASTE



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

Our Approach

Mineral Resources

Albemarle manages mineral resources transparently – at our own sites and at our joint venture sites – to ensure good relationships with our local communities, governments, regulators, and other key stakeholders. For example, in the Salar, we monitor brine resources and report monitoring data to the relevant Chilean authorities, as well as to the local and indigenous communities. We meet regularly with the communities to discuss the data. In some cases, communities have used funds provided by Albemarle to hire independent third-party experts to interpret this data. At our MARBL, Talison, and JBC joint ventures, Albemarle has representation on the respective boards of directors, providing oversight on how our minerals are being managed and ensuring these operations comply with applicable laws and regulations.

Albemarle is partnering with the Initiative for Responsible Mining Assurance (IRMA) to assure the sustainability of our lithium production. IRMA is the leading certification standard for assurance of responsible mining through objective, third-party verification of industrial-scale mine sites and a collaborative, multi-stakeholder process. Our Salar site is the first lithium mine to complete an IRMA self-assessment, and the first mine in Chile to do so. In 2021, we plan to begin a third-party audit and certification of the Salar site in accordance with IRMA standards. We hope to conduct self-assessments and third-party audits of our other global mining sites in the future.

Waste Management

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

Land and Biodiversity

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

Our Programs

Data Modeling for Minerals Management

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

Maximizing Recovery

At our Kings Mountain, North Carolina, site we invested in the beneficial reuse of lithium by-products by adjusting process conditions to make the material drier and easier to handle. Investments and improvements will continue in 2021. At our Chinese lithium conversion sites, 100% of the conversion tailings have been reused in the cement industry for several years.

Salmag, an Albemarle company in Chile, specializes in technologies that use bischofite—a lithium by-product—for the treatment of dust suppression and stabilization of unpaved roads for the mining and public works industries. Bischofite is used in 90% of Chile's large-scale mining industry and allows for 95% savings in water consumption for associated customers.

We are exploring options to apply these best practices at the Kemerton site when it becomes fully operational. Lithium by-products that cannot be recycled or reused, are stored as non-hazardous tailings materials.

Our bromine operations are highly integrated; bromide-containing co-product streams are carefully reclaimed or recycled to maximize use of the resource. At our Magnolia, Arkansas facility we operate an innovative



bromine recovery unit which enables recovery of bromine from organic co-products. We continually look for innovative ways to improve our recovery and processing operations, including the following representative examples:

- A project at JBC that enables us to recycle a significant bromide-containing stream to reduce waste and energy and water intensity at the site, due to come online in 2021.
- A project at JBC that eliminates roughly 80% of the site VOC emissions by changing the processing approach for a major waste stream, due to come online in 2021.
- A yield improvement project at JBC that eliminates a waste stream, resulting in a 70% reduction in hazardous waste leaving the site, due to come online in 2022.
- Application of advanced automation and controls on bromine columns starting at Magnolia in 2020 to materially increase recovery.

Land Preservation and Habitat Conservation

Since 2006, our Magnolia, Arkansas site has been approved by the [Wildlife Habitat Council \(WHC\)](#) through meeting the needs of numerous wildlife species at our artificial marshes. Our Magnolia site was the first in the Four State Region to apply the artificial marsh treatment technology to an industrial setting, providing economic and environmentally friendly solution while providing a thriving home to native plant and animal species. Over the past 15 years, the marshes have provided educational opportunities for local students, including a partnership with Magnolia High School's AP Environmental and Chemistry classes for water testing and wildlife studies. Unfortunately, we had to suspend in-person site visits in 2020 due to the COVID-19 pandemic, but we look forward to having students onsite in the coming years.



Our Performance

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

”

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

John Kuhn
Albemarle Environmental
Manager

“

The pollinator garden is situated atop a rock pile that Albemarle reclaimed from a previous lithium mining operation and is located within the five-mile-long Kings Mountain Gateway Trail. The garden provides an enhanced habitat for pollinators—specifically the monarch butterfly—which has recently seen a

species decline. Over the last several years, Albemarle employees have planted a variety of pollinator-friendly vegetation and regularly monitor the garden’s progress.

In Chile, we instituted a flamingo monitoring plan at the Peine-Punta La Brava Lagoon. As part of our commitment, we monitor these migratory birds that settle here for a portion of the year, spending

approximately \$1.1 million on conservation initiatives since 2017. As a result, we have seen an increase in flamingos migrating here from a 2014 baseline.

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

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



	2019	2020
Total waste generated, hazardous and non-hazardous (kt)	n/a	327
Hazardous waste (kt) ⁸	21	20
Percentage of hazardous waste recycled	10%	7%
Non-hazardous waste (kt)	n/a	307
Percentage of non-hazardous waste recycled	n/a	91%

⁸ Restatement corrects omission of one site.



SUSTAINABLE SHAREHOLDER VALUE



Creating shared value for our stakeholders—employees, customers, communities, and shareholders—is at the heart of what we do. Striving toward excellence in our value chain management, innovating our products and processes, and maintaining our regulatory compliance while acting with integrity is how we aim to create shared value for all and Chart Our Course for a sustainable future.

VALUE CHAIN EXCELLENCE



At Albemarle, we strive to embed sustainability into our daily business decisions along our entire value chain. From raw materials sourcing to production to supply, we aim to be the market leader in providing the best products and services to our customers—manufactured sustainably and delivered to their satisfaction. Equally as important, we have a team dedicated to ensuring the safety, compliance, and quality of our products in any part of the value chain.

Our Approach

Albemarle's growth strategy includes long-range plans for our businesses and support functions to perform within the top quartile of the markets we serve. To do this, we must ensure the safe and responsible handling of critical raw materials and ensure that our products are produced in an environmentally sustainable way.

Supply Chain Management

In 2021, we reorganized our global supply chain function to align resources, increase collaboration and communication, and centralize direct materials

purchasing. Our Chief Supply Chain Officer manages risks and opportunities, works to improve our vendor qualifications, and helps ensure our vendors maintain a positive HSE and compliance record. In our Lithium business, we employ a STAR team—Sustainability, Technology, Advocacy, and Regulatory—that keeps apprised of and engages as needed with key stakeholders on initiatives impacting our end-markets such as the European Union (EU) Battery Directive and ISO Standard updates. There are similar teams in our Bromine and Catalysts businesses.

Responsible and sustainable sourcing, in accordance with our values and with respect for the human rights of our stakeholders, also helps mitigate risk and build trust. We work to ensure that our suppliers are socially, legally, and ethically responsible—and treat the people who work for them fairly and with dignity. We also continually reassess our vendor footprint and how we utilize partners, leading to us significantly reduce the number of third parties we use and to bring more service capabilities in-house. For more information on responsible sourcing, including how we manage conflict minerals risk, please see the [responsible sourcing](#) section of our website.

Product Stewardship

Albemarle has a dedicated Global Product Stewardship (GPS) team that ensures the safety of our products when used for their intended purpose. This includes detailed safety data sheets (SDS) which are legally required by regulatory agencies in most jurisdictions. SDS provide a summary of all our testing results, product information summaries, and information on safe handling and disposal of our products. This team also manages our product regulatory activities, including product registration. Albemarle assesses and monitors what potential impacts our products can have on human health and the environment, and how we can help control these impacts throughout the value chain. Additionally, we avoid animal testing where legally

possible, by using computer modeling to conduct our testing, and we have an internal policy that governs our testing procedures.

We work with global trade associations to conduct and publish scientific research that are peer-reviewed and verified. These studies are available to government agencies and other relevant entities. For example, in 2020, the International Bromine Council (also known as BSEF) commissioned an extensive study on the circularity of plastics, including the feasibility of recycling, to promote the continued use of brominated substances while fostering a circular economy.

Our GPS teams participate in GBU product portfolio reviews with the respective R&D team as they consider new raw materials and new product development. Engaging with the R&D teams allows the GPS team to identify potential risks, conduct computer modeling for newly introduced formulations, and recommend whether a new formulation should be used, or if additional measures need to be put into place before the formulations can be used. The GPS team also regularly reviews Albemarle's products to identify opportunities to improve product formulations from a safety and sustainability viewpoint.

Our Programs

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

compliance training to higher risk vendors. These measures help Albemarle and its vendors to achieve our respective value chain strategies and goals, in line with our values.

To further digitize our source-to-pay process and synchronize with our SAP ERP system, we are continuing with the development of the SAP Ariba, the world's largest B2B platform. In addition to spend analysis, competitive sourcing, and contract management, Ariba offers us the opportunity to further enhance and streamline our third-party onboarding, qualification, and diligence processes in line with our commitment to responsible sourcing. We expect to deploy the supplier onboarding and risk management modules in 2022.

On the customer side, we see our sustainability performance as a positive differentiator in our respective markets and continue to look for opportunities to enhance and align our sustainability-related communications with customers. We have also witnessed a significant increase in the number of sustainability-related requests from customers, which vary in scope and form. We have been working internally with cross-functional teams to streamline how we respond to these requests, including developing standard and consistent messaging, and identifying the appropriate people within Albemarle to respond accordingly. One recent example of this is our efforts to enhance internal processes for the preparation, validation, and communication of our conflict minerals-related disclosures.

Relative to customer satisfaction, each GBU has their own process for obtaining feedback on product and service quality and responding to complaints. We are working to streamline this process so that it is the same across all our businesses globally. Part of a customer experience project we initiated in 2020 includes establishing a dedicated team that responds to customer complaints in a timely manner using centrally located data, which helps improve our overall product quality metrics.

Our Performance

Even before the onset of the COVID-19 pandemic, Albemarle was reassessing our vendor footprint. This process of rationalizing use of vendors helped us reduce our overall footprint from more than 30,000 vendors in 2018 to approximately 13,500 today. For example, one area of focus was our customs brokers and freight forwarders which we have reduced from 130 to less than 10 vendors globally. This rationalization has enabled us to simplify and reduce the risks and cost of our logistics operations. For retained vendors, we utilize analytics and cross-functional collaboration to identify those vendors that present elevated corruption, fraud, human rights, environmental or other sustainability-related risks and conduct appropriately tailored due diligence. In 2021, we enhanced our global procurement governance framework of policies and procedures, supported by the rollout of a single source-to-pay system that will continue into 2022.

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

Albemarle remains committed to following the ACC's Responsible Care® initiative and striving toward accordance with Responsible Care Guiding Principles. As such, our Charlotte, North Carolina, headquarters recently completed a successful audit, and the rest of our relevant sites will be audited over the next 12-18 months.

Regarding our products, we have voluntarily eliminated several products from our global portfolio across all

our businesses where we felt product benefits did not outweigh potential health, safety, and environmental risks.

PRODUCT and PROCESS INNOVATION

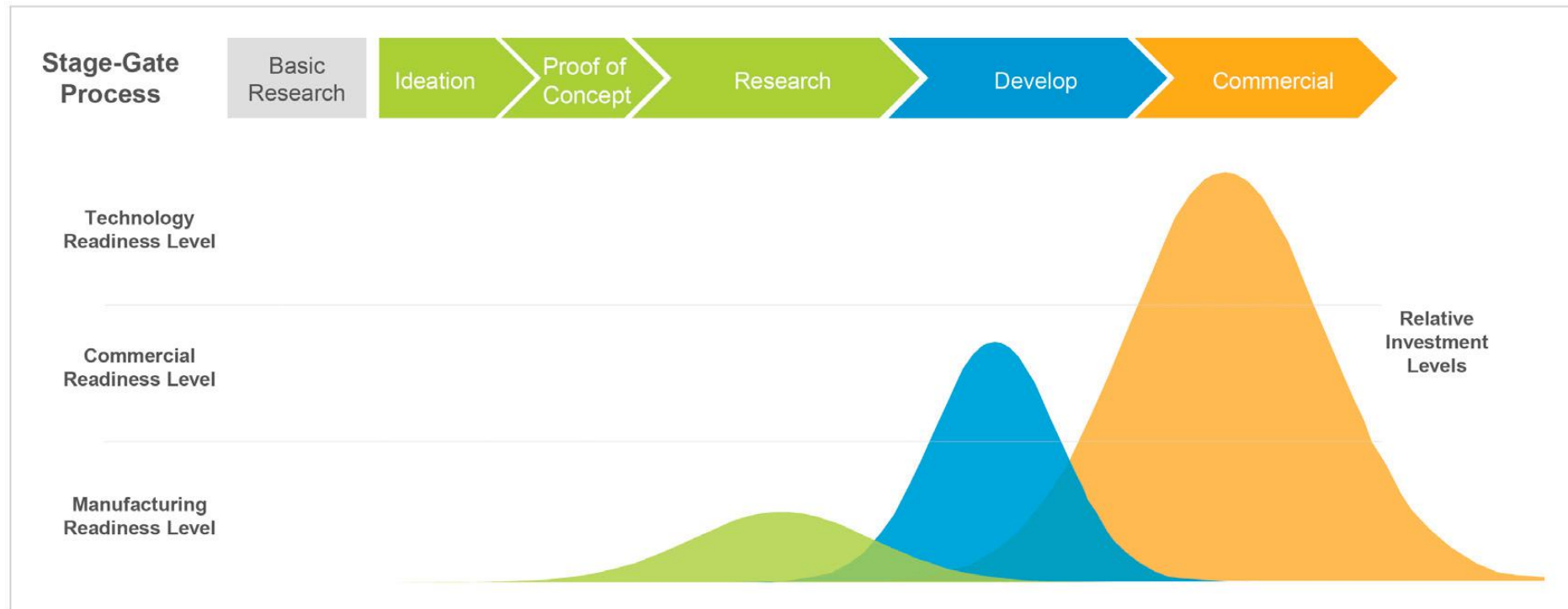


Innovation is embedded in our core values – Curiosity inspires innovation and Collaboration is how we drive innovation both within Albemarle and in partnership with our customers. We are proud that our products contribute to a more sustainable world for all, and our global team of R&D scientists and engineers are eager to take on new challenges. Whether it is enabling electrification, cleaner transportation, or improved fire safety standards, Albemarle is pushing the boundaries of what is possible while expanding our competitive advantage.

Our Approach

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

STAGE GATE & READINESS LEVEL



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

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

In our Lithium business, innovation creates technology-based differentiation, and market leading products for a rapidly growing emerging market. Our Lithium Innovation Council—comprised of our GBU Chief Commercial Officer (Chair), Chief Operating Officer, Chief Financial Officer, and Chief Technology Officer oversees our portfolio of new business innovation projects, prioritizes resources and balances investment, drives alignment with business processes, and ensures that we are planning for a sustainable future. For projects of critical importance, we form cross-functional business innovation teams that own exploration and development of new product targets. Our Bromine and Catalyst businesses manage their product portfolios in a similar fashion.

Our Programs

Albemarle conducts extensive market research to support product and process innovation. We actively manage our innovation portfolio to ensure the right mix of new-to-market technology, next-generation products, and incremental extensions of existing products. Our product portfolios for each business are reviewed by our cross-functional teams at the GBU leadership level on a quarterly basis.

Additionally, all our businesses use asset roadmaps of resource extraction, conversion and other manufacturing capacities with a 5 to 10 years time horizon. With products at various stages of maturity these roadmaps help us understand resource demand

and expected plant utilization. In collaboration with manufacturing plant leadership we can address capacity gaps, either by process optimization, innovation, or expansion. We work closely with our manufacturing plant leadership to understand resource demand, identify where gaps exist, and determining how to close gaps where necessary. These roadmaps also help us determine which products receive added capacity or resources in the next five years—through process optimization and innovation—and allow us to see the future of the plant.

We also strive to develop ways to use resources more efficiently, such as recycling scrap lithium or batteries to reuse in new products. We are working toward better understanding how we can do this in a cost effective and environmentally responsible manner. This work will be guided by the recently issued Batteries Regulation, pursuant to the EU Battery Directive on batteries and accumulators and waste batteries and accumulators. This new regulation aims to ensure that batteries placed in the EU market are sustainable and safe throughout their entire lifecycle. Additionally, this will drive us to embed circularity into our new product design, as well as continue to find beneficial reuses for our lithium by-products in the future.

Our Performance

In our Catalysts business, we have been assessing our processes at our manufacturing operations in Amsterdam and Houston, Texas, to reduce our CO₂ emissions. As the EU puts forward progressively stricter CO₂ emissions reduction legislation and regulations, our technology team is actively working on product and process improvements to meet these requirements. In Amsterdam, 75% of our technology team is dedicated to this work. Over the last two years we have set a baseline for emissions, as well as mapping out what we need to do to reduce emissions. We believe we have a reasonable roadmap for success through 2030 that tells

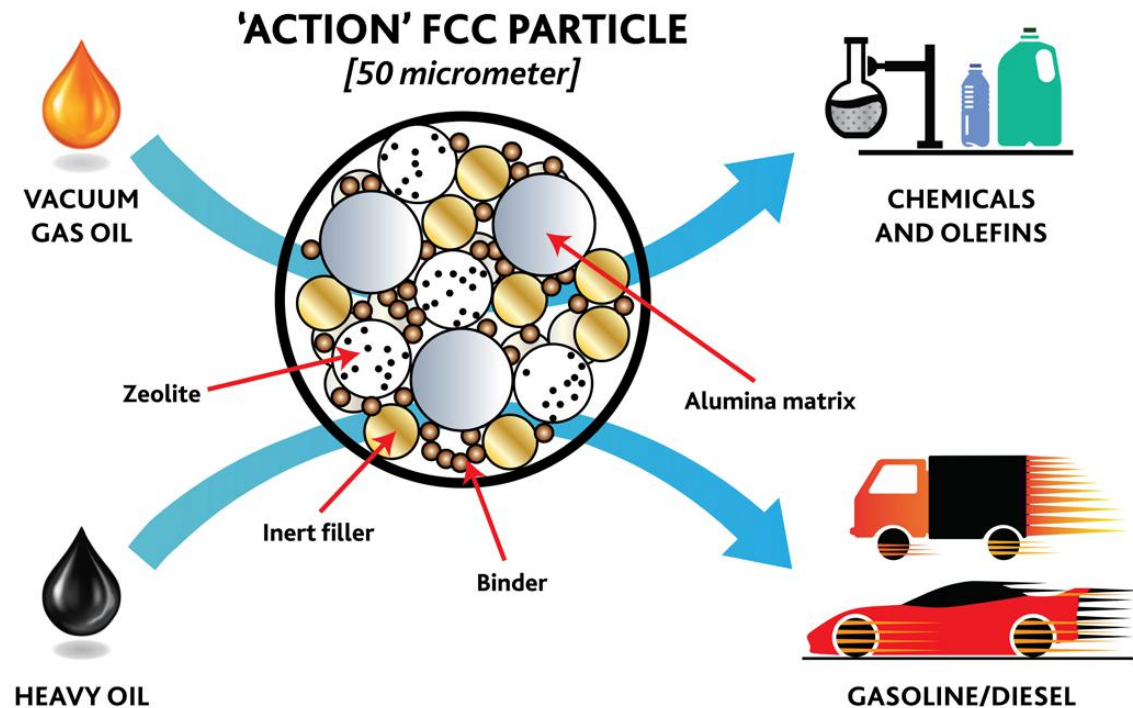
us what capital investments we need to make and what the technology entails.

Our Catalyst customers are beginning to ask us for biofuel solutions to help meet their own sustainability goals. We have been developing a technology roadmap for such products, giving us a 10-to-15-year horizon to assess what is coming relative to customer trends, impacts to our license to operate, and ESG considerations—all of which we incorporate into our R&D portfolio.

Our refining catalyst customers produce clean-burning and environmentally friendly fuels. The adoption of modern, efficient high-compression engines in passenger cars requires high-quality gasoline. Low vapor pressure requirements and low-sulfur or ultra-low-sulfur content specifications increase reliance on

octane-boosting blending stocks, namely alkylate. Alkylate is produced from liquified petroleum gas (LPG) olefins such as butylene and propylene. Albemarle was the first to introduce the ACTION® catalyst technology developed for LPG olefins maximization. In 2020, we introduced a new technology, ACTION®+. ACTION+ has been commercially trialed at a Houston-based customer and demonstrated even better light olefins production and increased gasoline research octane number (RON) while maintaining conversion and maximizing the bottom of the petroleum barrel upgrading to valuable products.

In our Bromine business, Albemarle has been moving toward next generation polymeric (large molecule) brominated flame retardants (BFRs) that are highly recyclable and sustainable. In some instances, these large molecule BFRs are replacing existing small



molecule BFRs or phosphorus flame retardants (PFRs), driving the need for us to continue innovating in line with market megatrends.

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

“We are honored to have the DOE select these two important research efforts in partnership with Argonne National Laboratory and Pacific Northwest National Laboratory.”

Dr. Glen Merfeld
Vice President and Chief Technology Officer,
Lithium

Albemarle is in the process of building a product dashboard to facilitate internal reporting on items such as process introduction, product pipeline relative to market potential, product launch timelines, and portfolio mix. As we continue to develop and refine this dashboard, we hope to report out on implementation in future sustainability reports.

	2018	2019	2020
Revenue from products designed for use-phase resource efficiency	\$1.7-2.0 billion	\$1.7-2.0 billion	\$1.4-1.6 billion
Percent of revenue allocated to R&D (percentage of net sales)	n/a	1.6%	1.9%

BUSINESS ETHICS and REGULATORY COMPLIANCE

Guided by our core values and [Code of Conduct](#) (Code), Albemarle acts responsibly and with integrity through all our business activities. It is imperative that we build and maintain honest and transparent relationships with our stakeholders to ensure our success and long-term sustainability.

Our Approach

Our Code is a public statement of who we are and the standards we expect in our daily work. Our Code is organized by work activity rather than area of law and represents our core values in action. We encourage employees to use the Code as a starting point, especially when undertaking activity that is unfamiliar to them.

Our Code is supplemented by an [award-winning](#) interactive eCode, which is available to Albemarle employees on their computers, tablets, and smartphones. The eCode includes specific requirements for each type of work activity, with links to supporting



[policies](#) and details of who employees should speak to if they have questions. We continue to supplement this core content with FAQs, videos, and case studies to illustrate real-world situations employees might encounter during their daily business activities.

KEY POLICIES

- Code of Conduct
- Business Partner Code of Conduct
- Antitrust Policy
- Human Rights Policy
- Global Community Relations & Indigenous Peoples Policy
- Health, Safety, Security & Environmental Policy

Our ethics and compliance program is managed by our Chief Compliance Officer, with oversight from the Audit and Finance Committee of the Board. Our Chief Compliance Officer reports to the Audit and Finance Committee on a quarterly basis.

Looking ahead, we are in the process of developing additional ethics and compliance policies related to tax transparency, global security, GHG emissions, and conflict minerals.

Our Programs

Albemarle has adopted a consistent approach to managing each type of ethics and compliance risk. Controls are designed and incorporated in the appropriate policies, procedures, and systems. Awareness is reinforced by communications and training, and assurance is provided by continuous monitoring, audit, and reporting. Our speak-up culture is reinforced by the rigor of our investigations and disciplinary processes.

Risk Assessment

The scope and design of our ethics and compliance program is informed by various forms of risk assessment:

- The company conducts periodic assessments of our exposure to specific ethics and compliance risks, such as anti-corruption. These assessments also involve an assessment of the effectiveness of our existing controls and are reported in a manner consistent with our ERM framework.
- The Chief Compliance Officer, supported by the Legal Department, is responsible for the identification of new risks, due to the introduction of new laws, or expansion into new territories.
- Through day-to-day support of Albemarle's business

units and functions, and associated analytics, the compliance team can maintain a real-time risk profile in areas such as third-party risk management and employee expenses.

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

Governance (Controls, Policies and Systems)

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

Communications and Training

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

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

Analytics, Monitoring and Audit

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

- Program effectiveness: we assess compliance with pre-approval and other requirements in our Code and supporting policies.
- Employee monitoring: we monitor compliance sensitive business expenses.
- Third parties: we conduct monitoring of compliance sensitive payments to, and the reputation of, third parties acting on Albemarle's behalf.

This monitoring program is dependent on a publicly recognized⁹ analytics solution that the ethics and compliance team developed in coordination with our IT department. We use Albemarle data sourced from internal systems and third-party vendors to develop real-time dashboards that are used not only by the compliance team, but senior management as well.

Speak Up

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

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

- Supervisor
- Chief Compliance Officer or a member of the team
- General Counsel or member of the legal department

⁹ "Corporate Compliance Programs Hit Refresh With Data-Analytics Tools", June 2020, <https://www.wsj.com/articles/corporate-compliance-programs-hit-refresh-with-data-analytics-tools-11600767001?page=1>

- Human Resources
- Audit and Finance Committee of the Board
- Integrity Helpline

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

Albemarle does not tolerate any form of retaliation against someone who raises a concern in good faith or participates in an investigation.

Our Performance

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

Through [data analytics](#), we can track how many times the eCode is accessed by employees, and within the first year of launch more than 55% of Albemarle’s employee population consulted the eCode, with many referring to it on multiple occasions. These analytics help us to identify locations where targeted campaigns to raise awareness of the Code can be deployed.

In 2020, more than 99% of all Albemarle employees completed their assigned Code training by year-end; and 93% of Albemarle employees who were assigned anti-corruption training completed the training by year-end.

Our monitoring program described above is

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

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





APPENDIX



SASB INDEX

Disclosure number	Disclosure title	Reporting	Page number(s)
Greenhouse gas emissions			
RT-CH-110a.1 / EM-MM-110a.1	Gross global Scope 1 emissions	Energy and GHG Emissions; ESG Data Download	Page 53; 35
	Gross global Scope 2 emissions	Energy and GHG Emissions; ESG Data Download	Page 53; 35
	Total GHG-emissions	ESG Data Download	Page 35
	GBU Lithium	ESG Data Download	Page 35
	GBU Bromine	Energy and GHG Emissions; ESG Data Download	Page 53; 35
	GBU Catalysts	Energy and GHG Emissions; ESG Data Download	Page 53; 35
	Other (FCS, offices)	ESG Data Download	Page 35
RT-CH-110a.1 / EM-MM-130a.1	Percentage covered under emissions-limiting regulations*	ESG Data Download	Page 35
RT-CH-110a.2 / EM-MM-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Climate Change Risks and Opportunities; Energy and GHG Emissions	Page 27; 53
Air Quality			
RT-CH-120a.1 / EM-MM-120a.1	NOx (excluding N2O)	ESG Data Download	Page 35
	SOx	ESG Data Download	Page 35
	Volatile Organic compounds (VOCs)	ESG Data Download	Page 35
	Hazardous Air Pollutants (HAPs)	ESG Data Download	Page 35

* Locations in countries falling under European Trading System

Disclosure number	Disclosure title	Reporting	Page number(s)
Energy Management			
RT-CH-130a.1 (1) / EM-MM-130a.1 (1)	Total energy consumed	Energy and GHG Emissions; ESG Data Download	Page 53; 35
RT-CH-130a.1 (2) / EM-MM-130a.1 (2)	Percentage grid electricity	Energy and GHG Emissions; ESG Data Download	Page 53; 35
RT-CH-130a.1 (3) / EM-MM-130a.1 (3)	Percentage renewable from primary energy sources	Energy and GHG Emissions; ESG Data Download	Page 53; 35
RT-CH-130a.1 (4)	Self generated energy	ESG Data Download	Page 35

Water Management			
RT-CH-140a.1 (1)	Total water withdrawn	Water; ESG Data Download	Page 55; 35
RT-CH-140.a.1 (2)	Total water consumed	Water; ESG Data Download	Page 55; 35
RT-CH-140.1.1(6) / EM-MM-140.a.1(2)	Total fresh water consumed	Water; ESG Data Download	Page 55; 35
	Percentage of fresh water in regions with High or Extremely High Baseline Water Stress	ESG Data Download	Page 35
	Percentage of fresh water in regions with High Baseline Water Stress (category 3-4)*	ESG Data Download	Page 35
	Percentage of fresh water in regions with Extremely High Baseline Water Stress (category 4-5)*	ESG Data Download	Page 35
RT-CH-140a.2 / EM-MM-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	ESG Data Download	Page 35
RT-CH-140a.1 (3)	Description of water management risks and discussion of strategies and practices to mitigate those risks	Water	Page 55

* www.wri.org/applications/aqueduct/water-risk-atlas

Disclosure number	Disclosure title	Reporting	Page number(s)
Hazardous Waste Management			
RT-CH-150a.1	Amount of hazardous waste generated	ESG Data Download	Page 35
	Percentage recycled	ESG Data Download	Page 35
Community Relations			
RT-CH-210a.1 / EM-MM-210b.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	Community and Stakeholder Engagement	Page 43
Security, Human Rights & Rights of indigenous Peoples			
EM-MM-210a.3	Discussion of engagement process and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	Community and Stakeholder Engagement	Page 43
Labor relations			
EM-MM-310.a.1	Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees	ESG Data Download	Page 35

Disclosure number	Disclosure title	Reporting	Page number(s)
	Workforce Health & Safety		
	Direct employees		
RT-CH-320a.1.(1)(a)	Total Recordable Injury Rate (TRIR)	Safety; ESG Data Download	Page 37; 35
RT-CH-320a.1.(2)(a)	Fatality rate	ESG Data Download	Page 35
	Contract employees		
RT-CH-320a.1. (1)(b)	Total Recordable Injury Rate (TRIR)	Safety; ESG Data Download	Page 37; 35
RT-CH-320a.1. (2)(b)	Fatality rate	ESG Data Download	Page 35
	Total		
	Total Recordable Injury Rate (TRIR)	Safety; ESG Data Download	Page 37; 35
	Product Design for use-phase Efficiency		
RT-CH-410.a.1.	Revenue from products designed for use-phase resource efficiency	ESG Data Download	Page 35
	Business Ethics & Transparency		
EM-MM-510a.1.	Description of the management system for prevention of corruption and bribery throughout the value chain	Business Ethics and Regulatory Compliance	Page 67
EM-MM-510a.2	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Albemarle does not have production in the 20 lowest ranking countries.	
	Operational Safety, Emergency Preparedness & Response		
RT-CH-540a.1	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR) ⁴	ESG Data Download	Page 35

GRI STANDARDS REFERENCE TABLE

Disclosure number	Disclosure title	2020 Reporting	Page number(s)
GRI 102: General disclosures 2016			
	1. Organizational profile		
102-1	Name of the organization	"Albemarle Corporation. Unless the context otherwise indicates, the term 'Albemarle', 'we', 'us', 'the company' and 'our' mean Albemarle Corporation and our consolidated subsidiaries."	
102-2	Activities, brands, products, and services	"How We Create Value"	Page 14
102-3	Location of headquarters	"4250 Congress Street, Suite 900 Charlotte, North Carolina 28209 United States of America "	
102-4	Location of operations	2020 Annual Report Form 10-K	Page 25
102-5	Ownership and legal form	2020 Annual Report Form 10-K	Page 25
102-6	Markets served	"About Albemarle, Our Business Segments, How We Create Value"	Page 6-14
102-7	Scale of the organization	Albemarle by the Numbers, Financial Highlights	Page 7; 25
102-8	"1. Total number of employees by employment contract (permanent and temporary), by region. 2. Whether a significant portion of the organization's activities are performed by workers who are not employees. "	ESG Data Download	
102-9	Supply chain	Supply Chain Management	Page 63
102-10	1. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions;	2020 Annual Report Form 10-K	Page 25
102-11	Precautionary Principle or approach	Albemarle complies with several procedures and programs which use the precautionary principle or approach. Examples of such procedures and programs are detailed on our website including Responsible Care® 14001 (RC14001®) and VECAP™ (Voluntary Emissions Control Action Program).	

Disclosure number	Disclosure title	2020 Reporting	Page number(s)
GRI 102: General disclosures 2016			
102-12	External initiatives	Certifications, Product Stewardship & Advocacy	
102-13	Membership of associations	Associations	Page 50
2. Strategy			
102-14	Statement from senior decision-maker	A Letter from the CEO	Page 5
102-15	Key impacts, risks, and opportunities	2020 Annual Report Form 10-K	Page 25
3. Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	Our Purpose and Values, Business Ethics and Regulatory Compliance; Code of Conduct	Page 15; 67
102-17	Mechanisms for advice and concerns about ethics	Business Ethics and Regulatory Compliance; Integrity Helpline	Page 67; 26; 68
4. Governance			
102-18	Governance structure	Corporate Governance	Page 20-23
102-19	Delegating authority	Albemarle Corporation Health, Safety & Environment Committee Charter	

Disclosure number	Disclosure title	2020 Reporting	Page number(s)
GRI 102: General disclosures 2016			
102-20	Executive-level responsibility for economic, environmental, and social topics	A Message from the Sustainability Steering Committee	
102-21	Consulting stakeholders on economic, environmental, and social topics	2019 Materiality Assessment; Materiality; Community and Stakeholder Engagement	Page 30-31
102-22	Composition of the highest governance body and its committees	Corporate Governance; Board of Directors	
102-23	Chair of the highest governance body	Corporate Governance; Board of Directors	
102-24	Nominating and selecting the highest governance body	Nominating & Governance Committee Charter; Corporate Governance Guidelines	
102-25	Conflicts of interest	Corporate Governance Guidelines	Page 21
102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Governance Guidelines	Total document
102-27	Collective knowledge of highest governance body	Corporate Governance; 2021 Proxy Statement	Page 20; 25
102-28	Evaluating the highest governance body's performance	Nominating & Governance Committee Charter; Corporate Governance Guidelines	
102-29	Identifying and managing economic, environmental, and social impacts	2021 Proxy Statement	Page 25
102-30	Effectiveness of risk management processes	Enterprise Risk Management; Corporate Governance; Audit & Finance Committee Charter	

Disclosure number	Disclosure title	2020 Reporting	Page number(s)
GRI 102: General disclosures 2016			
102-31	Review of economic, environmental, and social topics	Albemarle Corporation Health, Safety & Environmental Committee Charter	Total document
102-32	Highest governance body's role in sustainability Reporting	Chairman of the Board, Kent Masters	
102-33	Communicating critical concerns	"Shareholders and employees may communicate with the board by sending written correspondence to the Chair of the Nominating & Governance Committee c/o Albemarle Corporation, 4250 Congress Street, Suite 900, Charlotte, North Carolina 28209 or by email at governance@albemarle.com . Communications regarding financial and accounting matters may also be sent directly to the Chair of the Audit & Finance Committee at audit.chair@albemarle.com "	
102-34	Nature and total number of critical concerns	2020 Annual Report Form 10-K	Page 25
102-35	Remuneration policies	2021 Proxy Statement	Page 25
102-36	Process for determining remuneration	2021 Proxy Statement ; Executive Compensation Committee Charter	
102-37	Stakeholders' involvement in remuneration	2021 Proxy Statement	Page 25
102-38	Annual total compensation ratio	2021 Proxy Statement	Page 25
102-39	Percentage increase in annual total compensation ratio	2020 Proxy Statement/2021 Proxy Statement	
5. Stakeholder engagement			
102-40	List of stakeholder groups	Community and Stakeholder Engagement	
102-41	Collective bargaining agreements	ESG Data Download	
102-42	Identifying and selecting stakeholders	Community and Stakeholder Engagement	
102-43	Approach to stakeholder engagement	Community and Stakeholder Engagement	
102-44	Key topics and concerns raised	Community and Stakeholder Engagement	

Disclosure number	Disclosure title	2020 Reporting	Page number(s)
GRI 102: General disclosures 2016			
6. Reporting practice			
102-45	Entities included in the consolidated financial statements	2020 Annual Report Form 10-K	Page 25
102-46	Defining Report content and topic Boundaries	About this Report	
102-47	List of material topics	Materiality	
102-48	Restatements of information	Natural Resource Management; ESG Data Download	
102-49	Changes in Reporting	Materiality	
102-50	Reporting period	About this Report	
102-51	Date of most recent previous Report	Aug-20	
102-52	Reporting cycle	Annually	
102-53	Contact point for questions regarding the Report	Contact Us	
102-54	Claims of Reporting in accordance with the GRI Standards	This material references GRI Standards 2016.	
102-55	GRI content index	GRI Content Index - Standards reference Table	
102-56	External assurance	This Sustainability Report is not subjected to a comprehensive external assurance process. Financial, safety and environmental information are subject to both national regulatory requirements as well as international and external audit such as ISO 14001 and similar systems. This sustainability Report contains a consolidation of this information.	
GRI 103: Management approach 2016			
103-1	Explanation of the material topic and its Boundary	All material subjects	
103-2	The management approach and its components	All material subjects	
103-3	Evaluation of the management approach	All material subjects	
Material Topics - 200 series (Economic topics)			
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	2020 Annual Report Form 10-K ; Financial Highlights	Page 25
201-2	Financial implications and other risks and opportunities due to climate change	2020 Annual Report Form 10-K ; Climate Strategy; Climate Change Risks and Opportunities	Page 25; 29; 27
201-3	Defined benefit plan obligations and other retirement plans	2020 Annual Report Form 10-K	Page 25
201-4	Financial assistance received from government	2020 Annual Report Form 10-K ; ESG Data Download	Page 25; 35

Disclosure number	Disclosure title	2020 Reporting	Page number(s)
GRI 202: Market Presence 2016			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	ESG Data Download	Page 35
GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	Business Ethics and Regulatory Compliance; ESG Data Download	Page 67; 35
205-2	Communication and training about anti-corruption policies and procedures	Business Ethics and Regulatory Compliance; ESG Data Download	Page 67; 35
205-3	Confirmed incidents of corruption and actions taken	Albemarle Corporation did not have any confirmed incidents of corruption during the reporting period.	
Material Topics - 300 series (Environmental topics)			
GRI 302: Energy 2016			
302-1	Energy consumption within the organization	Energy and GHG Emissions; ESG Data Download	Page 53; 35
GRI 303: Water and Effluents 2018			
303-1	Interactions with water as a shared resource	Water	Page 55
303-3	Water withdrawal	Water; ESG Data Download	Page 55; 35
303-5	Water consumption	Water; ESG Data Download	Page 55; 35
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	Energy and GHG Emissions; ESG Data Download	Page 53; 35
305-2	Energy indirect (Scope 2) GHG emissions	Energy and GHG Emissions; ESG Data Download	Page 53; 35
305-5	Reduction of GHG Emissions	Climate Change Risks and Opportunities, Energy and GHG Emissions; Climate Strategy	Page 27; 53; 29
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	ESG Data Download	Page 35
GRI 306: Waste 2020			
306-2	Management of significant waste-related impacts	Resource Stewardship	Page 58
306-3	Waste generated	Resource Stewardship; ESG Data Download	Page 58; 35
306-4	Waste diverted from disposal	Resource Stewardship; ESG Data Download	Page 58; 35
GRI 307: Environmental Compliance 2016			
307-1	Non-compliance with environmental laws and regulations	Albemarle Corporation did not have any incidents of non-compliance with environmental laws and regulations that resulted in significant fine or non-monetary sanctions during the reporting period.	

Disclosure number	Disclosure title	2020 Reporting	Page number(s)
Material Topics - 400 series (Social topics)			
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	Investment in Talent; ESG Data Download	Page 41; 35
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	In the U.S., part-time employees receive the same benefits as full-time employees, unless they work less than 20 hours a week. Temporary employees are not eligible for benefits. In Chile, we do not employ part-time workers, and temporary employees are only eligible for life insurance benefits. In the Netherlands, part-time employees receive the same benefits as full-time employees. In Hungary, part-time employees receive the same benefits as full-time employees, and temporary employees that are fixed-term Albemarle employees are eligible for the same benefits as regular employees. In Germany, part-time employees receive the same benefits as full-time employees, and temporary employees are eligible for 90% of all benefits with the exception of Albemarle's additional pension plan. In Belgium, part-time employees receive the same benefits as full-time employees, and temporary employees are not eligible for benefits. In China and Taiwan, part-time employees receive the same benefits as full-time employees, and temporary employees are only eligible for statutory social security benefits and supplemental insurance.	
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	Safety	Page 37
403-2	Hazard identification, risk assessment, and incident investigation	Safety	Page 37
403-4	Worker participation, consultation, and communication on occupational health and safety	2019 Sustainability Report - Appendix	
403-5	Worker training on occupational health and safety	Safety	Page 37
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Albemarle provides training, counseling, prevention, risk control programs and training for handling of diseases. These programs vary by region. Albemarle does not have a high incidence or risk of specific occupational diseases. We have proactive wellness programs that provide information and resources for good nutrition, exercise and stress management.	
403-8	Workers covered by an occupational health and safety management system	ESG Data Download	Page 35
403-9	Work-related injuries	Safety; ESG Data Download	Page 37; 35

Disclosure number	Disclosure title	2020 Reporting	Page number(s)
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	Investment in Talent; ESG Data Download	Page 41; 35
404-2	Programs for upgrading employee skills and transition assistance programs	Investment in Talent	Page 41
404-3	Percentage of employees receiving regular performance and career development reviews	Investment in Talent; ESG Data Download	Page 41; 35
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	Investment in Talent, Corporate Governance; ESG Data Download	Page 41; 20; 35
405-2	Ratio of basic salary and remuneration of women to men	ESG Data Download	Page 35
GRI 406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	Albemarle Corporate had one confirmed incident of discrimination during the reporting period. Appropriate disciplinary action was taken and the incident is closed.	
GRI 412: Human Rights Assessment 2016			
412-2	Employee training on human rights policies or procedures	Business Ethics and Regulatory Compliance; ESG Data Download	Page 67; 35
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	Community and Stakeholder Engagement	Page 43
GRI 415: Public Policy 2016			
415-1	Political contributions	Community and Stakeholder Engagement; ESG Data Download	Page 43; 35
GRI 416: Customer Health and Safety 2016			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Albemarle Corporation did not have any material monetary fines or non-monetary sanctions for non-compliance with laws and regulations during the reporting period.	
GRI 419: Socioeconomic Compliance 2016			
419-1	Non-compliance with laws and regulations in the social and economic area	Albemarle Corporation did not have any material monetary fines or non-monetary sanctions for non-compliance with laws and regulations during the reporting period.	

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